

GAM INVESTMENTS

MANAGED FUND SOLUTIONS



ABOUT GAM

Founded in 1983, GAM is an independent active manager seeking to achieve strong investment returns over the long term. GAM invests in a wide variety of assets, including stocks, bonds and other investments.

Our investment specialists are active investors. That means they aim to seek out investments that will help us meet and – wherever possible – outperform your long-term investment objectives. You should remember that stock market investments are not guaranteed and you may not get back the amount invested.

Accordingly, all our investment managers have the freedom to think for themselves. This freedom allows them to embrace new ideas and spot opportunities to achieve stronger returns. They explore new ideas, technology and approaches to identify opportunities for our clients.

At the same time, they are required to take a disciplined approach to risk. We have a dedicated risk team that makes sure our investment managers do all they can to minimise the chance of losses. Our approach is based on active and well-judged risk taking as we believe implementing controlled risk is the only way to deliver the best outcomes for our clients.

We have always attracted the brightest investment minds. Today, our industry-leading investment teams deliver best-in-class risk adjusted returns, using an approach based on original thought, freedom of action and true conviction investing.

112.1

CHF 112.1 billion¹ assets under management

800

Around 800 employees

147

Investment professionals

14

Global presence and reach in 14 countries

ABOUT GAM MANAGED FUND SOLUTIONS

GAM Managed Fund Solutions' multi asset, volatility-managed strategies seek long-term capital growth over an investment cycle and are designed to suit a range of client needs. Experienced co-managers, Charles Hepworth and James McDaid, invest in a diversified pool of talented managers both globally and across asset classes. The five portfolios are scaled to various risk levels, with a strong focus on cost efficiency at the underlying fund level.

> 1.0

Over USD 1.0 billion assets under management

5

5 actively-managed, risk-rated portfolios

£\$€+

available in numerous currencies and jurisdictions

7 yrs+

track record of the MFS portfolios

The price of investments may go down as well as up and the price will depend on fluctuations in financial markets outside GAM's control. As a result an investor may not get back the amount invested.

¹ Source: GAM, as at 31 March 2020. GAM is a member of the GAM Holding Group.

WHAT APPROACH DO WE TAKE TO INVESTING?

Active management

GAM's investment specialists are active managers, meaning they continuously seek out investment opportunities, while trying to minimise the risk of losses.

This active approach is designed to help you achieve your particular investment goals. It differs from passive management, where the goal is simply to match the performance of a particular market or index.

Actively managed funds can cost more than passively managed ones. The reason is that you're paying for someone to handpick your investments, while mitigating the chance of losses as global markets change and develop.

Active asset allocation

In any portfolio, it is wise to include a variety of assets (stocks, bonds, cash etc). This is because different assets can involve different levels of risk, and they may also perform differently at different times. A mix of assets may therefore increase the potential for returns, while reducing the possibility of losses.

At GAM, we don't see allocating assets in a portfolio as a one-off task. Instead, we continually assess and adjust the proportions of assets our clients hold. That way, we can help them take advantage of short-term opportunities with a view to meeting their long-term investment goals.

Active fund manager selection

For GAM Managed Fund Solutions' multi asset strategies, we don't invest your money directly in stocks, bonds and other investments. Instead, we seek out the best investment managers in the world and build portfolios out of their funds.

Doing so allows us to draw on the expertise of people with proven investment skills and first-hand knowledge of particular markets. As a result, they can respond quickly to developments and seek out the best opportunities to grow your money.

Benefits at a glance

- **Avoid the pitfalls of emotional investing** – active managers invest solely for the benefit of clients, with all decisions grounded in rigorous analysis, comprehensive due diligence, and sound economic reasoning.
- **Avoid 'fund picking'** – active multi manager funds seek to invest in funds that can demonstrate consistent long-term performance above their benchmark.
- **A one-stop, fully diversified portfolio** – active multi asset, multi manager funds combine all the benefits of diversification, while removing the responsibility of individual decision-making.



Active management is central to our investment philosophy.”

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WHY INVEST YOUR MONEY?

When you invest, you take a greater risk with your money than if you'd simply kept it in cash. Cash is one of the safer assets, but unless you have it in a savings account that's designed to beat inflation, you run the risk of its value being eroded over time. It may be particularly hard to outstrip inflation when interest rates are low, as they have been for some years now.

If you want to grow your money, you should probably consider investing in other assets (such as equities and bonds). Over the longer term, a diversified portfolio of investments like these may perform better than cash. That said, stock market investments are not guaranteed and you may not get back the amount invested.

Understanding your attitude to risk

Before you invest, you should establish the level of risk you're willing to take. Some questions you might want to ask yourself include: Can I afford to lose some or significant amounts of my money? Where does this investment fit with my other assets, such as property? What returns am I hoping for? And how long do I plan to invest?

The answers to these questions will probably depend on where you are in life and your current circumstances. For example, the longer you're planning to invest, the more risk you may be willing to take. That's because you may be able to afford to ride out short-term losses in pursuit of longer-term gains.

You should discuss your goals and attitude to risk with your financial adviser to decide upon your investment objectives.

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WHY INVEST ACROSS MULTIPLE ASSET CLASSES?

In recent years, professional investors have begun to realise that markets are no longer as predictable as was once thought.

Given that the best performing asset class typically changes year on year, we believe it is impossible to pick a singular winner consistently. To mitigate such uncertainty, all our portfolios contain a range of assets. Such variety can make a portfolio more stable, because if one asset starts to fall, another may rise and compensate for any losses.

It is our view that active management – at the asset allocation and manager levels – can add significant value for clients. Asset allocation across a diversified, uncorrelated mix of equities, fixed income, absolute return, alternatives and cash is the best way to achieve steady, consistent returns, while investing in talented managers seeks to maximise the chances of achieving the desired results.

We believe this multi asset approach positions portfolios to benefit from a global opportunity set and capture future growth opportunities, thereby maximising your chances of consistent returns and achieving your long-term investment goals.



Multi-asset investing: diversified investments for more consistent returns.”

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HOW DO WE MANAGE MARKET UNPREDICTABILITY?

At GAM, we don't just consider returns when selecting assets to invest in. We also seek to maintain a predetermined level of risk in each portfolio. Such an approach makes it much easier for us to predict how an investment is likely to perform.

That's because in any given year, it can be hard to foresee which asset class will deliver the best returns. In contrast, certain asset classes prove, over and over again, to be more risky than others.

Consequently, we believe you can create a much more predictable portfolio by allocating assets according to their expected level of risk rather than their expected level of return. That said, as risk and return are two sides of the same coin, a steady level of risk should generate a corresponding level of return.



Which asset class will be tomorrow's winner is beyond our control as investors, but by managing portfolios according to risk, we can help reduce uncertainty."

WHICH ASSET CLASSES SHOULD YOU CONSIDER?

By investing across five major asset classes, we have the flexibility to build portfolios that match clients' needs, be they conservative or adventurous.

Fixed income

These are bonds – loans to companies or governments for which you are paid a regular fixed rate of interest. Bonds' stability has traditionally made them popular with investors seeking low-risk investments. However, they generally offer limited returns. Of our five portfolios, the Defensive portfolio contains the highest proportion of fixed income, while the Dynamic Growth portfolio contains none at all.

Equities

Equities are shares in a company that are traded on the stock market. A company's share price depends on a variety of factors, making equities a higher-risk investment than fixed income, but with greater potential for returns. Of all the portfolios, our Dynamic Growth portfolio contains the highest proportion of equities, while our Defensive portfolio contains the lowest proportion of this asset.

Absolute return

Absolute return strategies contain a mixture of assets, such as bonds and equities. These funds are actively managed to navigate the peaks and troughs in the market to generate a consistent, stable return over time. All our portfolios except the Dynamic Growth portfolio contain some exposure to absolute return strategies.

Alternatives

Alternative investments include currencies, commodities and property. These assets can help diversify a portfolio as well as offer the potential for short-term gains. However, they may be riskier than equities and bonds. That's because their prices might fluctuate greatly in response to geopolitical issues (as is particularly the case with currencies and commodities). All our portfolios contain some alternative investments.

Cash

Cash – for example, savings in your bank account – is generally safer than other assets. However, it usually offers much lower returns and its value may be eroded over time by inflation. All our portfolios contain some cash.

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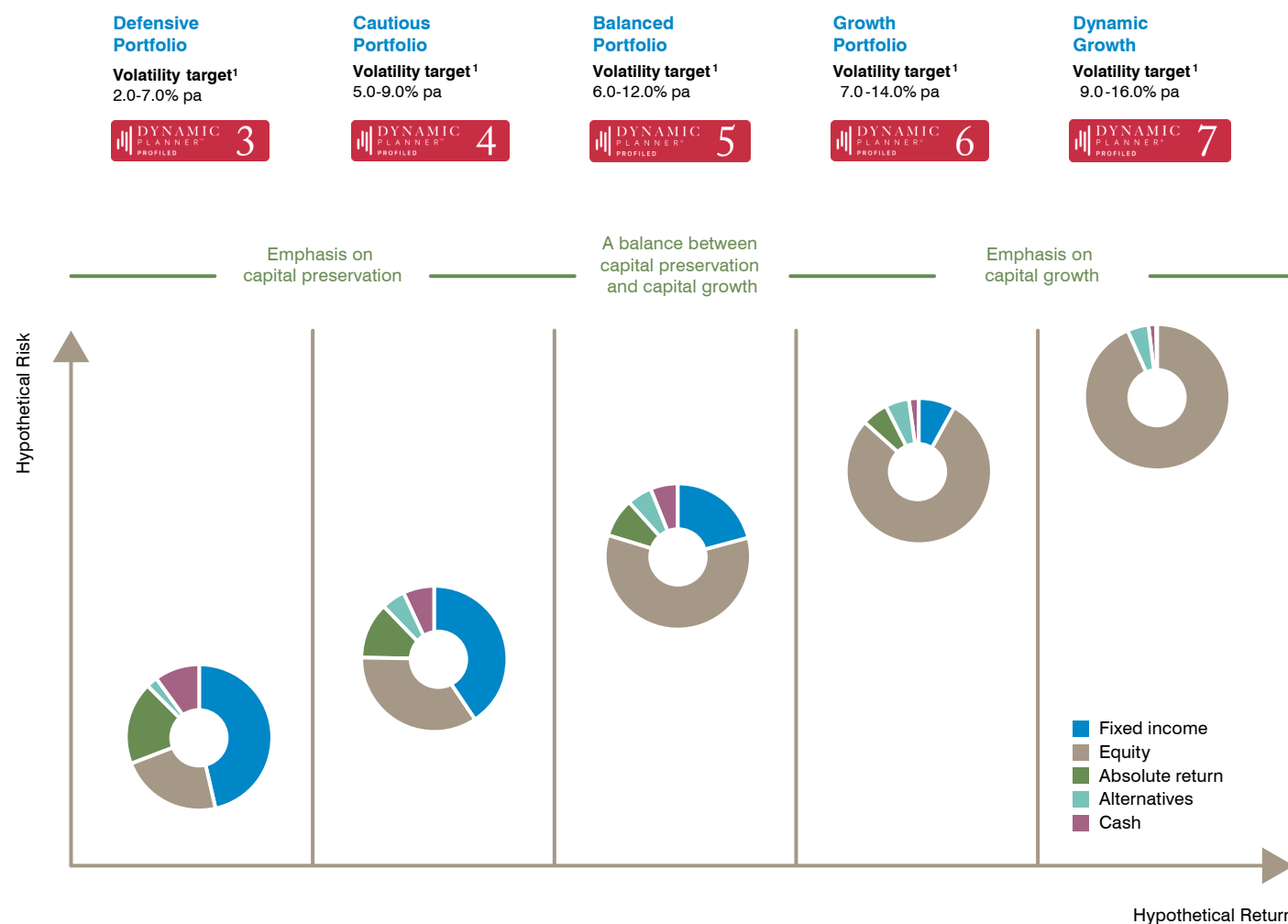
WHAT'S THE RIGHT PORTFOLIO FOR YOU?

When you invest with GAM Managed Fund Solutions, you can choose from a range of five multi asset, multi manager portfolios, scaled to meet various risk tolerances. The one you pick will depend on the amount of risk you're willing to take – and the potential returns you're seeking.

Each of these portfolios may contain up to five different asset classes. Different assets entail different levels of risk and return, so their proportions differ in each portfolio. That way, you can choose a portfolio that strikes the right balance between safeguarding your original investment and helping it to grow.

Portfolios are available in numerous currencies and jurisdictions, and are easily accessible via daily-dealing, Ireland-domiciled UCITS funds.

An overview of our fund range



¹There is no guarantee that targets will be achieved. The mentioned financial instruments are provided for illustrative purposes only and shall not be considered as a direct offering, investment recommendation or investment advice. Allocations and holdings are subject to change.

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HOW DO WE INVEST YOUR MONEY?

As an investor, you'll want to strike the right balance between safeguarding your money and growing your capital. We've developed a rigorous investment process that's designed to maintain that balance:

Pick the best managers

Our team of around 60 researchers has detailed information on thousands of investment managers around the globe. This information gives us a clear view of each manager's special expertise – and how well they're performing.

We evaluate in-depth every manager we choose to work with. That allows us to be confident we have the best people looking after your investment.

Build strong portfolios

When building our portfolios, we aim to bring together the knowledge of the world's top managers with our own view of how markets and assets are performing. This combined expertise allows us to build portfolios that reflect the right levels of risk and return for our clients.

Maintain the right level of risk

We seek to minimise risk by continually monitoring our investments. We keep a constant eye on how different assets are performing, and what our managers are investing in.

GAM MFS INVESTMENT PROCESS



The global fund universe

- > 1 million different securities across 120 countries globally
- >50,000 different Mutual funds



Asset allocation

- Led by the Asset Allocation Committee (AAC)
- Supported by three investment professionals



Fund research

- ~350 managers interviewed and reviewed each year
- Over 10,000 active funds on our horizon



Portfolio construction

- With Charles Hepworth, Investment Director, navigating the global fund universe
- >USD 1.0 billion AUM**

There are more than
50,000 funds
in the investment universe*

135 fully researched
funds on GAM's watchlist*

23 funds invested in
GAM Managed
Fund Solutions*



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Source: GAM, ICI. *Fund research data as at 30 Sep 2019. **Multi asset AUM as at 31 Dec 2019.

WHY CHOOSE GAM MANAGED FUND SOLUTIONS?

For over 35 years GAM has been providing investment services to clients across the globe.

We base our success on our commitment to personal service and the virtues of quality, integrity and reliability. We offer investors:

Choice

Our range of five multi asset, risk-targeted funds are designed to suit a range of client needs and are scaled to meet various risk tolerances of clients.

Flexibility

Each portfolio invests in actively managed funds with a change in emphasis between capital preservation and capital growth, within clearly-defined risk objectives.

Expertise

Our expertise in selecting managers showing consistent alpha generation over cycles is backed by our Manager Research team which has been seeking outstanding managers for over 25 years.

Risk-driven process

'Distribution Technology' provides an independent risk assessment on the strategies, and portfolios are continually monitored and rebalanced to ensure risk profiles remains on target.



We created diversified portfolios combining GAM's expertise in asset allocation, fund manager research and active investment management. We then scale these portfolios to various risk levels to offer our clients the most suitable investment product."

WHO IS MANAGING YOUR MONEY?

GAM Managed Fund Solutions is managed by Charles Hepworth and James McDaid. They average over 20 years' investment experience and offer investors a wealth of experience managing multi asset portfolios.



Charles Hepworth
Investment Director

Charles Hepworth is an Investment Director in the Multi Asset Class Solutions (MACS) Team and a member of the MACS Asset Allocation Committee. He is responsible for developing and managing outsourcing solutions for UK independent financial advisers within GAM's discretionary fund management service. Prior to joining GAM Investments in May 2012, he was a group director at Quilter, responsible for running the Managed Portfolio Service since 2001. He started at Quilter as an assistant fund manager in 1994. Prior to this, he was a deputy fund manager at Albert E. Sharp, specialising in managing money for private clients. He began his career at SG Warburg in 1991. Charles holds a BSc (Hons) in Biotechnology from Leeds University, is a CFA and CAIA charterholder, and is a fellow of the Chartered Institute for Securities and Investment. He is based in London.



James McDaid
Investment Manager

James McDaid is an Investment Manager and a member of the Multi Asset Class Solutions (MACS) Investment Team. He is responsible for developing and managing outsourcing solutions for UK independent financial advisers within GAM's discretionary fund management service. Prior to joining GAM Investments in May 2012, he was an investment manager at Quilter, managing private client portfolios and client relationships. He started at Quilter as an assistant fund manager in 2001, focussing on Asia-Pacific and Japanese equity markets. He began his career as a dealer at TD Waterhouse Investor Services. James is a CFA and CAIA charterholder, a Chartered Wealth Manager and holds a BA in Accountancy and Finance. He is based in London.

GAM's Investment Advisory Board

On top of conducting their own research, our investment team has access to the expertise of GAM's Investment Advisory Board.

Made up of investment experts from inside and outside GAM, the Investment Advisory Board meets monthly. At these meetings, our investment team can discuss the latest market and economic trends, as well as practical investment ideas, with leading thinkers from across the investment world. These discussions then inform the team's approach to allocating assets in their portfolios.

For more information, please visit www.gam.com

Important legal information

Source: GAM unless otherwise stated.

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