

# GAM MPS Defensive Strategy – GBP

MARKETING MATERIAL



January 2018

## Investment Objective

Strong focus on capital protection with a limited participation in equity market growth.

Volatility target<sup>1</sup>:

4.2-6.3% pa

## Investment Policy

GAM Star Defensive will have a meaningful exposure to fixed interest instruments including government, emerging market, corporate and convertible bonds. The portfolio may also have a meaningful allocation to absolute return funds which target positive returns uncorrelated to broader risk markets. The remainder of the holdings will be in select global and UK equity funds and alternative investment funds.

## Representative Performance Summary

| Data as at 31 Dec 2017                            | Simple Performance |        |        |         | Cumulative Performance |       |            | Calendar Performance |       |       |       |       |
|---|--------------------|--------|--------|---------|------------------------|-------|------------|----------------------|-------|-------|-------|-------|
|   | 1 Mth              | 3 Mths | 6 Mths | 12 Mths | 3 Yrs                  | 5 Yrs | 1 Mar 2012 | 2013                 | 2014  | 2015  | 2016  | 2017  |
| GAM MPS Defensive Strategy – GBP                  | 0.80               | 1.84   | 2.96   | 8.38    | 19.83                  | 32.45 | 38.63      | 6.28                 | 3.99  | 2.79  | 7.56  | 8.38  |
| MSCI United Kingdom Index in GBP                  | 5.03               | 4.87   | 6.79   | 11.78   | 30.41                  | 55.33 | 61.57      | 18.47                | 0.54  | -2.16 | 19.24 | 11.78 |
| Citigroup (WGBI) United Kingdom Bond Index in GBP | 1.54               | 2.19   | 1.77   | 1.95    | 13.61                  | 25.23 | 29.90      | -4.09                | 14.92 | 0.45  | 10.94 | 1.95  |
| 3 Month Libor in GBP                              | 0.06               | 0.15   | 0.23   | 0.43    | 1.80                   | 2.94  | 3.66       | 0.53                 | 0.58  | 0.72  | 0.64  | 0.43  |
| IA Mixed Investment 0-35% Shares Average in GBP   | 0.77               | 1.51   | 1.91   | 4.97    | 15.09                  | 27.02 | 31.59      | 4.88                 | 5.23  | 0.53  | 9.07  | 4.97  |

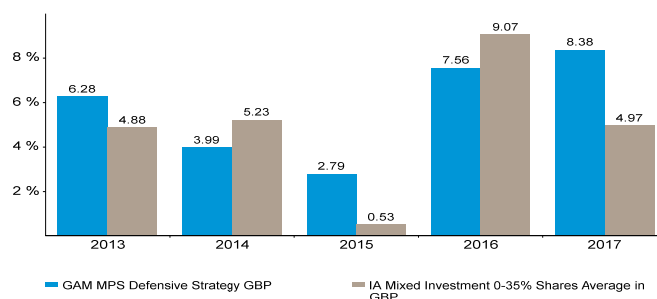
## Representative Performance

Performance from 1 Mar 2012 to 31 Dec 2017



## Representative Calendar Year Performance

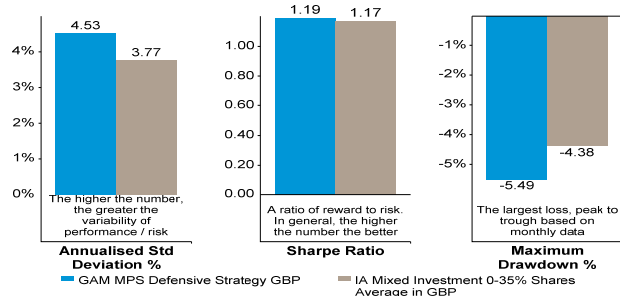
Calendar returns to 31 Dec 2017



## Representative Risk Analysis

### Risk Characteristics

from 1 Mar 2012 to 31 Dec 2017

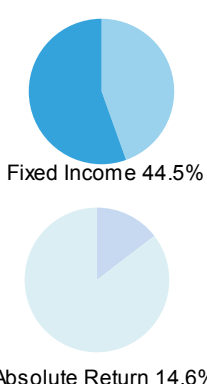
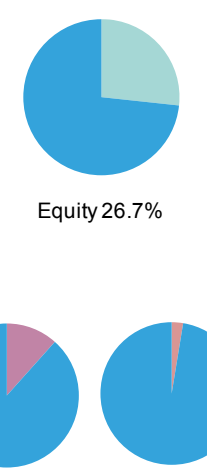
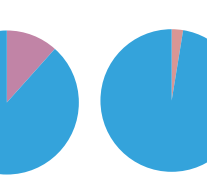


<sup>1</sup>There is no guarantee that targets will be achieved.

## GAM MPS Defensive Strategy

**GAM MPS Defensive Portfolio** – This strategy is designed for clients seeking a strong focus on capital protection while also offering a limited participation in equity market growth.

The Fund may gain exposure in the range of 0%-35% of net assets to collective investment schemes which invest in equities; and will maintain a minimum exposure of 45% of its net assets to collective investment schemes which invest in fixed income and cash.

| GAM Asset Allocation  | Asset Class         | Manager - Fund  | %                               |
|---|---------------------|---|---------------------------------|
|  <p>Fixed Income 44.5%</p> <p>Absolute Return 14.6%</p> | Credit 18.2%        | ATLANTICOMNIUM S.A. – GAM Star Credit Opportunities GBP   | 18.2                            |
|   | Specialist 26.3%    | GAM – GAM Star MBS Total Return W<br>GAM – GAM Star MBS Total Return Inst<br>Active Global High Income Bond Fund Z1<br>Active Global High Income Bond Fund Z2   | 10.3<br>7.6<br>3.8<br>4.7       |
|  <p>Equity 26.7%</p> <p>Cash 11.6%</p>                 | Equity 14.6%        | GAM Star (Lux) - Merger Arbitrage I GBP<br>GAM Star Abs Ret Macro GBP Inst Inc<br>JPM Multi-Asset Macro Opportunities Fund  | 1.9<br>8.8<br>4.0               |
|   | Global 6.2%         | GAM Systematic Core Macro<br>River and Mercantile World Recovery Fund   | 4.2<br>2.0                      |
|   | Europe 8.4%         | Investec Fund Series I - UK Alpha Fund<br>GAM – GAM Star Continental European Equity<br>River and Mercantile UK Dynamic Equity Fund B GBP Acc<br>Polar Capital Funds PLC - UK Value Opport Fund S GBP Acc<br>Henderson – Henderson European Focus | 1.0<br>2.5<br>1.5<br>1.5<br>1.9 |
|  <p>Alternatives 2.6%</p> <p>Cash 11.6%</p>            | North American 3.9% | Iridian – Iridian US Equity<br>Loomis Sayles – Loomis Sayles US Equity Leaders  | 1.9<br>2.0                      |
|   | Asia Pacific 2.0%   | CompAM Fund - Cadence Strategic Asia<br>GAM Star Asian Equity GBP Inst Acc  | 1.0<br>1.0                      |
|   | Japan 4.2%          | JPM Japan Fund - C<br>Coupland Cardiff – CC Japan Alpha   | 2.1<br>2.0                      |
|   | Emerging 2.0%       | RWC Funds - RWC Global Emerging Markets Fund B GBP<br>GAM Emerging Equity   | 1.0<br>1.0                      |
|   | Alternatives 2.6%   | iShares Physical Gold ETC<br>Premier Funds - Premier Pan European Property Share  | 1.0<br>1.6                      |

Source: GAM. Model Allocations and holdings are subject to change. Due to rounding differences, the sum of tables may not reconcile exactly to the totals shown.  
Data as at 31 Dec 2017

## Fund description:

- Opportunities:** A highly qualified and experienced management actively manages the fund on the basis of a fundamental valuation approach. The objective is to identify the potential investments that, in the Investment manager's opinion, are most attractive and to generate interesting and profitable opportunities for investors. The fund invests in a broadly diversified investment universe and seeks opportunities for returns wherever they exist.
- Risk factors:** **Equity:** Investments in equities (directly or indirectly via derivatives) may be subject to significant fluctuations in value. **Investment Positions:** Positions may increase in size relative to the size of the Fund. The risk is monitored by regularly adapting positions. **Brexit Risk:** The regulatory regime to which certain of the Investment Managers are subject to in the UK could be materially and adversely affected. The decision to leave the EU could also result in substantial volatility in foreign exchange markets and a sustained period of uncertainty for the UK, the EU and the global markets in general.

## Further Information

To find out more about the GAM's DFM offering or any of our other products, please contact us on 020 7393 8529 or email: [giles.whittingham@gam.com](mailto:giles.whittingham@gam.com) or visit our website at [www.gam.com/advisers](http://www.gam.com/advisers)

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