

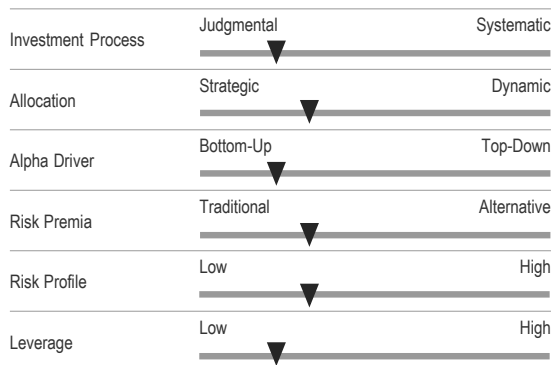
## Portfolio Strategy

The strategy is designed to meet 3 client needs. 1) Defensive returns, focused on limited drawdowns 2) attractive and sustainable income to reduce reliance on capital growth 3) "bond-like" behaviour, it targets 50% of global equities' volatility. The fund seeks structural diversification across large array of asset classes. Resilient portfolio built from the bottom-up and actively managed with tactical risk hedging. The base currency is USD.

## Key Features

Asset Manager	Ninety One Luxembourg S.A.
Net Assets Value	1,162 (Mio US Dollar)
Inception Date	27/09/2013
UCITS	Yes
Base Currency	US Dollar
Liquidity	Daily
Share Class*	US Dollar Acc
Management Fees* (%)	1.15%
Performance Fees	No
CH Registered	Yes

## Portfolio Style



## Investment Rationale

Given its key features, the fund is a core defensive total return fund. It is designed for cautious long-term investors who seek regular and stable income from a diversified asset-mix. It can be used as a potential alternative to absolute return or fixed income funds as source of income. It targets a portfolio yield of 4-6% gross of fees per annum on average, compounding attributes.

## Investment Philosophy

- Investment universe: split in 3 buckets with different features and performance patterns for diversification. Growth assets (equities, HY credit, EMD, FX carry, property, PE), defensive assets (govies, ILBs, IG credit) and "uncorrelated" assets (infrastructure, insurance, relative value).
- Fundamental bottom-up for idea generation and security selection based on income consideration. Proprietary scoring and ranking model (Compelling Forces™) to identify best opportunities. Common framework applied to all investments. No big market calls.
- Portfolio construction: focus on underlying asset behaviours and relationships rather than their labels.
- Tactical risk management using derivatives, options and futures to hedge market risks such as equity, duration, credit and currency.
- Strategic biases: average gross exposure to equities is 30%, max. 10% for infrastructure and properties, 20% for EMD (local and hard currency). Weights for those asset classes are fairly stable since inception. HY and IG credit, govies and cash are more actively managed, and they exhibit larger fluctuations from 5% to 30% historically. Equities are tilted towards high dividend stocks and net duration ranges from 1 to 3 years. The fund is skewed towards growth assets, on average 2/3 of the portfolio.

## Fund Management Team

The fund is managed since inception in March 2013 by John Stopford, also Head of Macro Research Group. He displays more than 3 decades of investment experience, with extensive fixed income background. Since February 2019, Jason Borbora-Sheen is co-manager, with a coverage on equities and listed infrastructure/property. They leverage the inputs from a 30-strong multi-asset team, among the more skilled within the industry with regular additions and commitment from the firm.

## Strengths

- Time-tested process: clear, well-structured process successfully implemented since inception. The fund benefits from the depth of research and extensive knowledge shared across the teams.
- Bottom-up: unlike many multi-asset portfolios driven by top-down and macro views, the fund is built from the bottom-up selecting securities on yield, income potential and attractive Compelling Forces™.
- Performance: very consistent track record with less than 5% of annualized volatility historically and no negative calendar year since inception in USD. Better asymmetry of returns than its peer group average. Solid alpha derived from security selection and tactical hedging at both equity and duration level. Since inception the fund has always met its investment, risk and income objective despite the low yield environment.

## Weaknesses

- Price: retail and clean fee share classes rank in the middle of their peer group for ongoing charges. We think it is a quite expensive fund given its income, defensive objectives.

	1M	YTD	2025	2024	2023	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	0.60	1.99	6.72	3.38	6.03	5.29	2.22	0.15	3.44	-2.33