CAMRADATA
AWARDS

CAMRADATA AWARDS 2019

REWARDING EXCELLENCE

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REWARDING THE BEST

ON BEHALF OF EVERYONE at CAMRADATA, we are pleased to announce the winners of this year's prestigious CAMRADATA Awards. CAMRADATA has been gathering, analysing and distributing asset manager data to institutional investors since 2003. We continue to provide valuable insight on asset managers and their funds to a growing number of institutional investors, including pension schemes, insurance firms, charities and investment consultants. Our CAMRADATA Awards, now in their fifth year, have become one of the most sought-after accolades in the field of asset management, recognising the contribution these outstanding funds deliver on behalf of institutional investors.

A big congratulations to all the winners!

Sean Thompson, Managing Director, CAMRADATA

CAMRADATA MADE A BREAK with tradition this year as we hosted our awards ceremony in the auditorium of the RSA.

Those coming to collect their awards on stage felt like movie stars; albeit there were no tears or protracted speeches!

We included a number of new categories such as ABS/MBS in recognition of these burgeoning new asset classes. It was great to see several managers then post their success on social media the following day.

As you can see from this supplement, winning managers spanned the globe in terms of their home bases; all united by their star-performing funds. Congratulations to you all!

Natasha Silva, Director, Client Relations, CAMRADATA

CONNECTING YOU

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MEET THE WINNERS

HOW OUR FIFTH AWARDS CEREMONY RECOGNISED THE TOP-PERFORMING ASSET MANAGERS

THIS YEAR'S CAMRADATA AWARDS – the fifth to date – took place on March 1 at the RSA House, London. In all, 49 awards were presented. These went to asset managers who have excelled at managing funds across fixed income, equity and multi-asset, in a range of asset classes including developed and emerging markets, multi-sector fixed income and diversified growth funds, among others, over the past three years.

THE TOP FOUR WINNERS, WHO SCOOPED THREE AWARDS EACH, WERE:

- **Allianz Global Investors Global Equity**, who won the Global Equity – No Predominant Style All Cap (GBP); Global Equity – Value All Cap (USD); and UK Equity – No Predominant Style All Cap (GBP) awards;

- **Ashmore Group**, who won the Emerging Market Equity – No Predominant Style All Cap (USD); Emerging Markets Broad Bond Local Currency (USD); and Emerging Markets Corporate Debt (USD) awards;

- **J.P. Morgan Asset Management**, who won the Asia Ex-Japan – All Cap & Large Cap (USD); Emerging Market Equity – Growth All Cap (USD); and Emerging Market Equity – Value All Cap (USD) awards; and

- **Janus Henderson Investors**, who won the Global Equity – Core All Cap (GBP); European Corporate Bond High Yield (EUR); and Global Corporate Bond High Yield (USD) awards.

"WE'RE DELIGHTED TO PRESENT THE CAMRADATA AWARDS TO THESE OUTSTANDING ASSET MANAGERS ACROSS MAJOR INSTITUTIONAL CLASSES FOR THE FIFTH YEAR RUNNING."

"IT WAS A GREAT OPPORTUNITY TO MEET WITH THE OTHER ASSET MANAGERS AND NETWORK OVER A GLASS OF PROSECCO IN A LOVELY VENUE."

Victoria Blackman, Consultant Relations UK at Allianz Global Investors said, "The CAMRADATA awards event was fantastic fun and we were delighted to be presented with three awards. It was a great opportunity to meet with the other asset managers and network over a glass of prosecco in a lovely venue."

FIXED INCOME

WHAT THE EXPERTS THINK

CAMRADATA AWARDS RUNNER-UP 2019

UNCONSTRAINED, WITH AN ABSOLUTE RETURN APPROACH

AS WE ENTER THE FINAL STAGES OF THE CREDIT CYCLE, TCW PORTFOLIO MANAGER **STEVE KANE** DISCUSSES THE OPPORTUNITIES IN UNCONSTRAINED FIXED INCOME.

Why now is a good time to invest in unconstrained strategies?

Unconstrained strategies allow managers significant flexibility with respect to the amount of interest rate and credit risk they take, as well as allowing managers to vary the amount of currency and sector exposure in the portfolio. Today we find ourselves in an environment of rising uncertainty about the direction of interest rates, increasing market volatility, and growing risks in terms of corporate and consumer leverage and asset valuations. With respect to interest rate risk, traditional fixed income strategies are tethered to a benchmark with four to six years of duration and high sensitivity to interest rates. The advantage that unconstrained strategies have in this type of environment is that they can have very low, and even negative, duration and thus protect investors' principal and capital in a rising interest rate environment.

What is your investment philosophy and process?

We believe fixed income tends to be mean-reverting over the course of a business cycle because of the strong self-correcting mechanisms between the economy and credit markets. Our investment process is both top-down and bottom-up, although we generally limit the macro positioning and take less interest rate and currency risk than many of our peers. We adhere to a discipline that budgets risk and allocates to sectors based on where we are in the cycle and rotate among sectors to find undervalued issues using bottom-up credit research.

What is your current view of the market and how are you positioned today?

With debt levels and asset valuations near all-time highs, we believe we are near a deleveraging cycle. As such, we have taken a defensive posture and are expressing our cautious view by keeping durations relatively short in portfolios and maintaining relatively low exposure to the riskier sections of fixed income such as high yield and emerging markets. We are focusing on the higher-quality areas of the securitised market, specifically AAA and government-guaranteed areas of the commercial mortgage-backed securities market and the asset-backed securities market.

> "THE ADVANTAGE THAT UNCONSTRAINED STRATEGIES HAVE IN THIS TYPE OF ENVIRONMENT IS THAT THEY CAN HAVE VERY LOW, AND EVEN NEGATIVE, DURATION."

Finally, we are emphasising what we continue to believe is the most attractive risk/return area of the fixed income return market, which is the legacy non-agency mortgage-backed securities market. These are the legacy loans from the last cycle - the subprime and Alt-A loans that were originated from 2004 through 2007. These pools of mortgages have seasoned, and we continue to see declining default and delinquency rates as well as rising pre-payments which are leading to increased cash flow within these securities.

RESULTS

CAMRADATA AWARDS WINNERS 2019

ASSET-BACKED SECURITIES/ MORTGAGE-BACKED SECURITIES (USD)

WINNER: Loomis Sayles
VEHICLE: High Yield Securitized

Accepted by: Chris Yiannakou
Presented by: Gemma Fishel

EMERGING MARKETS BROAD BONDS – Hard Currency (USD)

WINNER: Capital Group
VEHICLE: Capital Group Emerging Markets Debt (USD) Composite

Accepted by: Simon Levell
Presented by: Gemma Fishel

EMERGING MARKETS BROAD BONDS – Local Currency (USD)

WINNER: Ashmore Group
VEHICLE: Ashmore Emerging Markets Local Currency Bonds Strategy

Accepted by: Kevin Bond
Presented by: Natasha Silva

EMERGING MARKETS CORPORATE DEBT (USD)

WINNER: Ashmore Group
VEHICLE: Ashmore Emerging Markets Corporate Debt Broad (CEMBI) Composite

Accepted by: Kevin Bond
Presented by: David Wright

EMERGING MARKETS GOVERNMENT DEBT (USD)

WINNER: Colchester Global Investors
VEHICLE: The Colchester Local Markets Bond Fund

Accepted by: Jeremy Church
Presented by: Natasha Silva

EMERGING MARKETS GOVERNMENT/ CORPORATE DEBT (USD)

WINNER: TCW
VEHICLE: TCW Emerging Markets Fixed Income Total Return

Accepted by: Clive Crowe
Presented by: Natasha Silva

CAMRADATA

EUROPEAN BROAD BOND
– High Yield (EUR)

WINNER: DWS
VEHICLE: DWS Invest Euro High Yield Corporates FC

Accepted by: Paula Towner on behalf of DWS
Presented by: David Wright

EUROPEAN CORPORATE BOND
– High Yield (EUR)

WINNER: Janus Henderson Investors
VEHICLE: Janus Henderson Horizon Euro High Yield Bond Fund

Accepted by: Ben Ford
Presented by: Amy Richardson

GLOBAL BROAD BOND
– High Yield (USD)

WINNER: Capital Group
VEHICLE: Capital Group Global High Income Opportunities (LUX)

Accepted by: Simon Levell
Presented by: Amy Richardson

GLOBAL BROAD BOND
– Income (USD)

WINNER: Newfleet Asset Management
VEHICLE: Multi-Sector Opportunistic Composite

Accepted by: Rahul Shah
Presented by: Alan Chalmers

GLOBAL CORPORATE
– High Yield (USD)

WINNER: Janus Henderson Investors
VEHICLE: Janus Henderson Horizon Global High Yield Bond Fund

Accepted by: Ben Ford
Presented by: Paula Towner

GLOBAL GOVERNMENT DEBT
(USD)

WINNER: Colchester Global Investors
VEHICLE: The Colchester Global Bond Fund

Accepted by: Jeremy Church
Presented by: Alan Chalmers

RESULTS

CAMRADATA AWARDS WINNERS 2019

MSFI ABSOLUTE RETURN
(EUR)

WINNER: M&G Investments
VEHICLE: M&G Alpha Opportunities Fund (A EUR Share Class)

Accepted by: David Parsons
Presented by: Natasha Fletcher

MSFI ABSOLUTE RETURN
(GBP)

WINNER: TwentyFour Asset Management
VEHICLE: Vontobel Fund TwentyFour Strategic Income Fund

Accepted by: Elliot Bussey
Presented by: Natasha Fletcher

MSFI ABSOLUTE RETURN
(USD)

WINNER: Nomura Asset Management Global
VEHICLE: Nomura Funds Ireland Global Dynamic Bond Fund

Accepted by: Francis Paxton
Presented by: Natasha Fletcher

US BROAD BOND
– High Yield (USD)

WINNER: MacKay Shields
VEHICLE: High Yield Composite

Accepted by: Sean Thompson on behalf of MacKay Shields
Presented by: Amy Richardson

US CORPORATE
– High Yield (USD)

WINNER: MacKay Shields
VEHICLE: Select High Yield Composite

Accepted by: Sean Thompson on behalf of MacKay Shields
Presented by: Natasha Silva

US LOANS
(USD)

WINNER: Wellington Management International Limited
VEHICLE: Bank Loans Separate Account/ Composite

Accepted by: Nick Kinghan
Presented by: Tom Ashford

MSFI ABSOLUTE RETURN (GBP)

MSFI Absolute Return
(GBP)

WINNER: TwentyFour Asset Management
VEHICLE: Vontobel Fund TwentyFour Strategic Income Fund

Accepted by: Elliot Bussey
Presented by: Natasha Fletcher

Key Facts

Asset Class: Global Broad Bond
Style: Absolute Return
Broad Market
Legal Structure: SICAV
Benchmark: UK BOE LIBID/LIBOR 3 MONTH
Fund Size: £ 1,472.12m
Inception Date: Nov 30, 2015
Currency: GBP
Min Investment: £ 0
Management Approach: Active
Address: 8th Floor The Monument Building 11 Monument Street London United Kingdom EC3R 8AF
Website: www.twentyfouram.com

Statistics (3 years)

Annualised Mean: 4.52
Annualised Std Deviation: 3.53
Relative Geometric Mean: 4.06
Tracking Error: 3.55
Information Ratio: 1.15
Annual 12 Month Worst: -1.91%
Annual 12 Month Best: 12.98%

Firm Details

Year Founded: 2008
Firm AUM: £ 14,029.40m (as of 31/12/2018)
UNPRI: Considering

RETURNS (DEC 2018)

	3m	6m	1yr[2]	3yr[2]	5yr[2]
Absolute	-1.78%	-0.89%	-1.91%	4.55%	N/A
Benchmark	0.22%	0.41%	0.72%	0.52%	N/A
Relative	-2.00%	-1.30%	-2.63%	4.02%	N/A

[2] Annualised Returns

EMERGING MARKETS GOVERNMENT DEBT (USD)

Emerging Markets Government Debt (USD)

WINNER: Colchester Global Investors
VEHICLE: The Colchester Local Markets Bond Fund

Accepted by: Jeremy Church
Presented by: Natasha Silva

Key Facts

Asset Class: Emerging Markets Local Currency Government Fixed Income
Style: N/A
5 to 7 Years
Legal Structure: ICVC
Benchmark: JPM GBI-EM GLOBAL DIV Composite($) - TOT RETURN IND
Fund Size: $ 1,482.98m
Inception Date: Mar 18, 2013
Currency: USD
Min Investment: $ 3m
Management Approach: Active
Address: Heathcoat House 20 Savile Row London United Kingdom W1S 3PR
Website: www.colchesterglobal.com

Statistics (3 years)

Annualised Mean: 9.52
Annualised Std Deviation: 13.17
Relative Geometric Mean: 3.5
Tracking Error: 2.5
Information Ratio: 1.4
Annual 12 Month Worst: -9.53%
Annual 12 Month Best: 20.57%

Firm Details

Year Founded: 1999
Firm AUM: $ 44,321m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr²	3yr²	5yr²
Absolute	2.83%	0.40%	-3.90%	9.04%	0.28%
Benchmark	2.11%	0.25%	-6.21%	5.91%	-0.96%
Relative	0.72%	0.16%	2.31%	3.13%	1.24%

² Annualised Returns

CAMRADATA AWARDS WINNER 2019

FINDING REAL VALUE IN EMERGING MARKETS

BY **CIAN O'BRIEN**, INVESTMENT OFFICER, COLCHESTER GLOBAL INVESTORS LTD.

COLCHESTER GLOBAL INVESTORS LIMITED is an independent investment management firm focused solely on sovereign bond and currency management. Colchester started almost 20 years ago and has four core strategies: global sovereign bonds, global inflation-linked bonds, local currency emerging market debt and an alpha program. The firm manages assets for global institutions including corporate and public pension funds, foundations, endowments, insurance, sovereign wealth clients and individuals. We are delighted to receive the CAMRADATA awards for both Emerging Markets Government Debt and Global Government Debt categories.

INVESTMENT PHILOSOPHY

Colchester is a value-oriented manager. At the heart of Colchester's philosophy is the belief that investments should be valued in terms of the income they will generate in real terms. Our investment approach is therefore based on valuing bond markets in terms of their prospective real yield, i.e. the nominal yield adjusted for our forecast of future inflation. We separately value currencies using the real exchange rate and its deviation from fair value level. This is based on the theory of relative purchasing power parity, which posits that real exchange rates mean-revert over time. We also factor in the relative real return of owning a currency compared with others in the opportunity set.

Our valuation metrics for both bonds and currencies are adjusted for an assessment of the country's balance sheet strength and financial stability. This assessment incorporates a wide-ranging analysis of fiscal and external accounts as well as economic stability, institutional strength and Environmental, Social and Governance (ESG) factors. Both our bond and currency valuations can be thought of as indicators of long-term value. Hence, at Colchester we do not attempt to forecast short-term movements in either bond yields or exchange rates. In fact, we only forecast one thing and that is inflation.

WHERE DO YOU FIND VALUE CURRENTLY?

While emerging markets are having to adjust to a less favourable global environment with continued uncertainty about the pace of monetary tightening in the US and elsewhere, rising volatility and concerns around growing trade protectionism, the volatility and currency depreciation seen last year should not be seen as a harbinger of systemic crisis. On balance, most emerging markets should be able to withstand these more difficult conditions, especially those economies with flexible exchange rates, credible macroeconomic policies and independent institutions.

> "WE DO NOT ATTEMPT TO FORECAST SHORT-TERM MOVEMENTS IN EITHER BOND YIELDS OR EXCHANGE RATES. IN FACT, WE ONLY FORECAST ONE THING AND THAT IS INFLATION."

Emerging market currencies in general are undervalued against the US dollar, whilst the reliance on external funding has declined over recent years. In fact, economies such as Mexico, Brazil, Colombia, Russia and Malaysia are all running a surplus on the current account adjusted for net Foreign Direct Investment (suggesting no reliance on external portfolio flows). Generally low and stable inflation across emerging markets also underpins relatively attractive real yields, particularly in markets such as Mexico, Brazil, South Africa and Colombia.

In the developed market strategy, we favour bonds in Singapore, New Zealand and Canada, which offer attractive real yields relative to those in the UK, Japan or the core of the Eurozone.

EMERGING MARKETS GOVERNMENT/CORPORATE DEBT (USD)

Emerging Markets Government/ Corporate Debt (USD)

WINNER: TCW
VEHICLE: TCW Emerging Markets Fixed Income Total Return

Accepted by: Clive Crowe
Presented by: Natasha Silva

Key Facts

Asset Class: Gov/Corp
Style: N/A
Broad Market
Benchmark: JPM EMBI GLB.DIVERS COMPOSITE - TOT RETURN IND
Fund Size: $ 5,494.00m
Inception Date: Jun 01, 1994
Currency: USD
Min Investment: $ 100m
Management Approach: Active
Address: 25 Hanover Square London United Kingdom W1S 1JF
Website: www.tcw.com

Statistics (3 years)

Annualised Mean: 8.13
Annualised Std Deviation: 6.18
Relative Geometric Mean: 3.39
Tracking Error: 2.22
Information Ratio: 1.53
Annual 12 Month Worst: -2.22%
Annual 12 Month Best: 19.07%

Firm Details

Year Founded: 1971
Firm AUM: $ 190,743m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

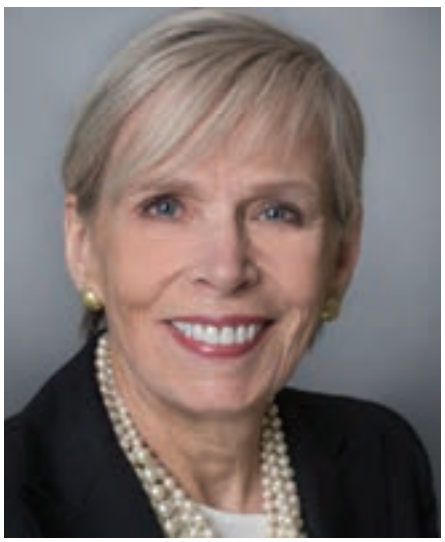
	3m	6m	1yr²	3yr²	5yr²
Absolute	-2.21%	0.19%	-2.22%	8.24%	4.86%
Benchmark	-1.26%	1.02%	-4.26%	5.15%	4.80%
Relative	-0.95%	-0.83%	2.04%	3.08%	0.07%

² Annualised Returns

CAMRADATA AWARDS WINNER 2019

OPPORTUNITIES IN EMERGING MARKETS DEBT

EMERGING MARKETS DEBT PRESENTS AN ATTRACTIVE OPPORTUNITY, SAYS **PENNY FOLEY**, PORTFOLIO MANAGER AT TCW, SUGGESTING THAT AT 20% OF GLOBAL FIXED INCOME, THE ASSET CLASS REMAINS LARGELY UNDERINVESTED AND UNDERCOVERED.



WHAT IS TCW'S OUTLOOK FOR EMERGING MARKETS (EM) DEBT?

We are constructive on the asset class, particularly as several of the headwinds that hurt the market in 2018 have started to improve. Global monetary policy has become more supportive, and the prospects for a US/China trade deal are improving. We are also starting to see early signs of China stabilising, with recent data suggesting that 1) Chinese growth may be close to bottoming and 2) a recovery is possible later this year on the back of both fiscal measures and monetary stimulus. This could help provide more support to both emerging markets and Europe. In addition, the spread between EM and developed markets (DM) growth is likely to increase, which typically leads to foreign direct investment and passive investment flows. Furthermore, relative valuations are supportive when compared to developed markets, with average yields of 6%-6.5% (with the potential to capture more in select markets).

HOW DO YOU APPROACH EMERGING MARKETS PORTFOLIOS?

In our emerging markets debt strategies, we take a total return approach, investing across hard currency sovereigns, corporates and local currency debt, to take advantage of the broadest possible opportunity set. We look to capture inflection points, whether driven by structural reforms, political change or improving growth dynamics, in order to capture the greatest risk/reward and minimise downside risk. We find that most gains are priced in before these events actually occur, so we look to adjust positioning in anticipation of the event. We also find that credits the market may deem among the riskiest can present attractive opportunities because they are often forced by economic and political realities to shift to a more orthodox policy mix.

> "WE LOOK TO CAPTURE INFLECTION POINTS, WHETHER DRIVEN BY STRUCTURAL REFORMS, POLITICAL CHANGE OR IMPROVING GROWTH DYNAMICS."

WHAT IS THE 'RIGHT' ALLOCATION TO EMD IN A GLOBAL FIXED INCOME PORTFOLIO?

Emerging markets debt now represents 20% of global fixed income. In other words, EMD has grown from a 'core plus' allocation to a standalone asset class. We have performed various efficient frontier analyses which indicate the optimal global fixed income portfolio over the test period (2003 through the end of 2016) would consist of at least 50% in EMD. We recognise that number is large and unrealistic in practice, but believe most institutional investors are significantly underweight even a neutral allocation and seem generally inclined to add on any sell-off. In addition, we continue to see new investors making strategic dedicated allocations to the asset class.

MSFI ABSOLUTE RETURN (USD)

NOMURA

MSFI Absolute Return
(USD)

WINNER: Nomura Asset Management Global
VEHICLE: Nomura Funds Ireland Global Dynamic Bond Fund

Accepted by: Francis Paxton
Presented by: Natasha Fletcher

Key Facts

Asset Class: Global Mix Broad Bond
Style: Absolute Return
Cash/Money Market
Legal Structure: ICVC
Fund Size: $ 347.88m
Inception Date: Jan 30, 2015
Currency: USD
Min Investment: $ 1m
Management Approach: Active
Address: 1-12-11 Nihonbashi Chuo-ku Tokyo Japan 103-8260
Website: http://global.nomura-am.co.jp/

Statistics (3 years)

Annualised Mean: 5.66
Annualised Std Deviation: 2.95
Relative Geometric Mean: 4.68
Tracking Error: 3.01
Information Ratio: 1.56
Annual 12 Month Worst: 1.02%
Annual 12 Month Best: 11.64%

Firm Details

Year Founded: 1959
Firm AUM: $ 425,429.80m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr²	3yr²	5yr²
Absolute	-0.52%	0.38%	1.27%	5.76%	N/A
Benchmark	0.59%	1.12%	2.00%	1.18%	N/A
Relative	-1.11%	-0.73%	-0.73%	4.58%	N/A

² Annualised Returns

CAMRADATA AWARDS WINNER 2019

"EFFICIENT PORTFOLIO MANAGEMENT"

BY **FRASER HEDGLEY**, CLIENT PORTFOLIO MANAGER
FOR THE NOMURA GLOBAL DYNAMIC BOND FUND.

NOMURA

BURIED DEEP in many fund prospectuses and defiling the pages of a thousand RFP responses is a dread phrase, "Derivatives may be used for efficient portfolio management purposes". This sounds positive: who would not want their portfolio to be managed in an 'efficient' way? In reality, this phrase affords the portfolio manager *carte blanche* to use derivatives more or less as he/she sees fit, often prompting pages of dire "risk warnings" to be issued from compliance departments.

In managing anything but the most basic of the fixed income portfolios, derivatives are essential to control costs whilst managing risks, and this truth becomes even more evident at the "absolute return" end of the portfolio range. It is the portfolio managers that go beyond risk management and use derivatives to take risk positions that need to use the phrase in the headline. We are one such manager, but when asked whether a derivative position is for risk management or speculation (ahem, "efficient portfolio management"), we frequently find ourselves struggling to answer.

For example, when in late 2017, as the Federal Reserve threatened to raise interest rates and was largely disregarded (erroneously) by the market, we elected to reduce interest rate risks on the portfolio by purchasing put options of US Treasuries, particularly at the more monetary policy-sensitive front end of the curve.

This might sound like risk reduction, since it reduced our interest rate exposure, but our motive was profit, and that "feels" more speculative to us at least. As a fund selector, please ask yourself how you would classify it? Does your view change if (as happened on our fund) the options move into the money, become more duration-sensitive and turn the US duration net negative? Even though our fund duration remained (narrowly) positive overall – we did not wish to express an outright, negative duration bet at portfolio level – sensitivity to US duration in isolation reached -1 year. The fund's use of interest rate risk "hedging" was a primary driver of its positive performance in 2018.

The fund has benefited from the early 2019 risk rally, through open positions in selected emerging market bonds, high yield bonds, financials and convertible bonds. These come with correlation to equity markets which, as we enter March, we have chosen to hedge using equity put options. The fund holds no equities and cannot buy them. Are the put options speculative? To us they "feel" the risk mitigation. It's a grey area, so we place ourselves in the "efficient portfolio management" camp.

Interest rate, credit risk and equity hedging have played an important part in controlling drawdowns and reducing volatility on the fund. Over the past three years, the chart below shows the reward to risk ratio of the fund versus that of major global asset classes. Perhaps a greater return per unit risk than any major asset class is what "efficient portfolio management" should deliver. Suddenly, the label doesn't sound so awful.

REWARD TO RISK RATIO VS MAJOR ASSET CLASSES

3 YEARS	FUND	MSCI WORLD	MSCI EM	FTSE	WGBI	GLOBAL CREDIT	GILTS	UK CORP
Return	6.57%	12.64%	15.04%	9.25%	1.41%	4.06%	2.44%	5.76%
Volatility	2.39%	10.79%	14.11%	11.63%	5.68%	2.79%	6.61%	5.31%
Reward/Risk	2.75	1.17	1.07	0.80	0.25	1.45	0.37	1.09

Sources: Bloomberg, NAM. Data to 28/02/2019. Returns are annualised for periods of more than one year. Volatility is the annualised daily standard deviation of returns. Indices used: MSCI World Total Return Net Index, MSCI EM Total Return Net Index, FTSE All Share Total Return Index, Citi WGBI, Bloomberg Barclays Global Aggregate Corporate Index, FTSE Actuaries UK Conventional Gilt All Maturities Total Return Index, Iboxx GBP Liquid Corporate Large Cap Index.

EQUITY

WHAT THE EXPERTS THINK

CAMRADATA AWARDS WINNERS 2019

ASIA EX-JAPAN
– All Cap & Large Cap (USD)

WINNER: J.P. Morgan Asset Management
VEHICLE: JPMorgan Funds - Asia Equity Fund

Accepted by: Nicole Vale
Presented by: Tom Ashford

CHINESE EQUITY
(USD)

WINNER: Vontobel Asset Management
VEHICLE: Vontobel Fund – mtx China Leaders

Accepted by: Sheridan Bowers
Presented by: Tom Ashford

EMERGING MARKETS EQUITY
– Core All Cap (GBP)

WINNER: Artisan Partners Limited
VEHICLE: Artisan Emerging Markets Composite – GBP

Accepted by: Julie Anderson
Presented by: Tom Ashford

EMERGING MARKETS EQUITY
– Core All Cap (USD)

WINNER: Wellington Management International Limited
VEHICLE: Emerging Markets Research Equity Separate Account/Composite

Accepted by: Nick Kinghan
Presented by: Michael Fennessy

EMERGING MARKETS EQUITY
– Growth All Cap (USD)

WINNER: J.P. Morgan Asset Management
VEHICLE: GEM Focused Composite

Accepted by: Nicole Vale
Presented by: Michael Fennessy

EMERGING MARKETS EQUITY
– No Predominant Style All Cap (USD)

WINNER: Ashmore Group
VEHICLE: Ashmore SICAV Emerging Markets Active Equity Fund

Accepted by: Kevin Bond
Presented by: Gemma Fishel

RESULTS

CAMRADATA AWARDS WINNERS 2019

EMERGING MARKETS EQUITY
– Value All Cap (USD)

WINNER: J.P. Morgan Asset Management
VEHICLE: GEM Opportunities Composite

Accepted by: Nicole Vale
Presented by: David Wright

EUROPEAN INC. UK EQUITY
– Core All Cap (EUR)

WINNER: Quoniam Asset Management
VEHICLE: Composite Equities Dynamic Europe (multi factor investing)

Accepted by: Amy Richardson on behalf of Quoniam Asset Management
Presented by: David Wright

GLOBAL EQUITY
– Core All Cap (EUR)

WINNER: AB (AllianceBernstein)
VEHICLE: Global Core Equity Portfolio – ix EUR Share Class

Accepted by: Michelle Inskip
Presented by: Paula Towner

GLOBAL EQUITY
– Core All Cap (GBP)

WINNER: Janus Henderson Investors
VEHICLE: Janus Henderson Global Equity Fund (Unit Trust)

Accepted by: Ben Ford
Presented by: Alan Chalmers

GLOBAL EQUITY
– Core All Cap (USD)

WINNER: AB (AllianceBernstein)
VEHICLE: Global Core Equity Composite

Accepted by: Michelle Inskip
Presented by: Paula Towner

GLOBAL EQUITY
– Core Large Cap (USD)

WINNER: Nikko Asset Management
VEHICLE: Nikko AM Global Equity

Accepted by: Ian Lewis
Presented by: Natasha Silva

CAMRADATA

GLOBAL EQUITY
– Growth All Cap (USD)

WINNER: Baillie Gifford & Co.
VEHICLE: Baillie Gifford Global Stewardship Composite (USD)

Accepted by: Roger Smillie
Presented by: Natasha Silva

GLOBAL EQUITY
– Growth Large Cap (USD)

WINNER: Sands Capital Management
VEHICLE: Global Growth Equity Separate Account

Accepted by: Amy Richardson on behalf of Sands Capital Management
Presented by: Sean Thompson

GLOBAL EQUITY
– No Predominant Style All Cap (GBP)

WINNER: Allianz Global Investors
VEHICLE: AllianzGI Global Equity Unconstrained composite

Accepted by: Victoria Blackman
Presented by: Michael Fennessy

GLOBAL EQUITY
– No Predominant Style All Cap (USD)

WINNER: Fisher Investments Europe
VEHICLE: FIIG All World Equity SMA (USD)

Accepted by: Seth Horwitz
Presented by: Michael Fennessy

GLOBAL EQUITY
– Value All Cap (USD)

WINNER: Allianz Global Investors
VEHICLE: AllianzGI High Dividend Global Composite

Accepted by: Victoria Blackman
Presented by: Amy Richardson

JAPANESE EQUITY
– All Cap (YEN)

WINNER: Daiwa SB Investments
VEHICLE: Japan Equity Sustainable Dividend Fund

Accepted by: Arnaud Gerard
Presented by: Amy Richardson

CAMRADATA AWARDS WINNERS 2019

UK EQUITY
– No Predominant Style All Cap (GBP)

WINNER: Allianz Global Investors
VEHICLE: UK Equity Unconstrained composite

Accepted by: Victoria Blackman
Presented by: Alan Chalmers

US EQUITY
– Core All Cap (USD)

WINNER: ClearBridge Investments
VEHICLE: ClearBridge Select Composite

Accepted by: James Arnold
Presented by: Alan Chalmers

US EQUITY
– Core Large Cap (USD)

WINNER: T. Rowe Price
VEHICLE: US Structured Research Equity Composite

Accepted by: Andrew Skeat
Presented by: Natasha Fletcher

US EQUITY
– Growth Large Cap (USD)

WINNER: T. Rowe Price
VEHICLE: US Large-Cap Growth Equity Composite

Accepted by: Andrew Skeat
Presented by: Natasha Fletcher

US EQUITY
– Value Large Cap (USD)

WINNER: Nuveen Asset Management
VEHICLE: Dividend Value

Accepted by: Amy Richardson on behalf of Nuveen Asset Management
Presented by: Gemma Fishel

"THOSE COLLECTING THEIR AWARDS ON STAGE FELT LIKE MOVIE STARS, ALBEIT THERE WERE NO TEARS OR PROTRACTED SPEECHES!"

JAPANESE EQUITY - All Cap (YEN)

Daiwa SB Investments

Japanese Equity
- All Cap (YEN)

WINNER: Daiwa SB Investments
VEHICLE: Japan Equity Sustainable Dividend Fund

Accepted by: Arnaud Gerard
Presented by: Amy Richardson

Key Facts

Asset Class: Japan Equity
Style: No Predominant Style
Size: All Cap
Benchmark: TOPIX - TOT RETURN IND
Fund Size: ¥ 107,870.96m
Inception Date: Mar 01, 2013
Currency: JPY
Min Investment: ¥ 5,500m
Management Approach: Active
Address: Kasumigaseki Common Gate West Tower 2-1, Kasumigaseki 3-Chome, Chiyoda-ku, Tokyo Japan 100-0013
Website: www.daiwasbi.co.uk

Statistics (3 years)

Annualised Mean: 7.87
Annualised Std Deviation: 13.27
Relative Geometric Mean: 6.35
Tracking Error: 5.78
Information Ratio: 1.1
Annual 12 Month Worst: -15.07%
Annual 12 Month Best: 38.66%

Firm Details

Year Founded: 1973
Firm AUM: $ 47,809.30m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr²	3yr²	5yr²
Absolute	-16.19%	-10.30%	-15.07%	7.23%	13.29%
Benchmark	-17.60%	-12.78%	-15.97%	1.00%	4.95%
Relative	1.42%	2.48%	0.90%	6.23%	8.34%

² Annualised Returns

CAMRADATA AWARDS WINNER 2019

DAWN OF A NEW ERA

A CLOSER LOOK AT THE JAPAN EQUITY SUSTAINABLE DIVIDEND STRATEGY.

Daiwa SB Investments

JAPAN IS POISED for a revival. The sea of change sweeping across Japan has created a fertile environment for active bottom-up, quality-oriented stock pickers. We aim to reap the benefits from Japan's economic and corporate governance reform, by investing in quality companies with an economic moat, an enduring competitive advantage that creates barriers to entry, where the sustainability of dividend payments can be assured.

ENHANCED CORPORATE GOVERNANCE

Genuine corporate governance reform and structural transformation in Japan is helping to improve the quality of Japanese companies. One of the first Asian markets to adopt a Stewardship Code in 2014, it has endorsed sustainable returns and growth via shareholder engagement. The Corporate Governance Code quickly followed suit in 2015 which heralded the start of Japan's journey to ESG integration with a call for companies and institutional investors to engage in constructive dialogue to enhance shareholder value and thus improve capital efficiency.

CLEARING UP MISCONCEPTIONS

We believe that Japanese equities retain the characteristics that can continue to work well, supported by a stable economy and positive, albeit slower, global growth. Low valuations, positive corporate earnings growth and structural market reforms should support rising corporate returns.

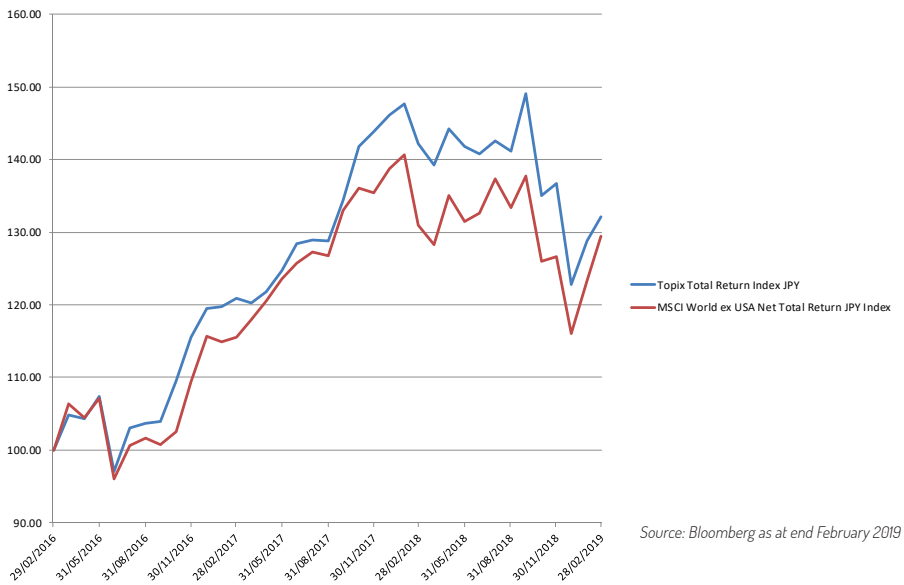
Excessive pessimism has clouded our ability to see the wood for the trees. The Japan equity market has performed in line with the rest of the world, excluding the US. Over the past 3 years through to end February 2019, the TOPIX index returned 9.74% on an annualised basis and the MSCI World ex US index returned 8.97% per annum. Japan is not a market to shy away from but in fact one to embrace. The comparison is even more favourable over 5 years.

DOWNSIDE PROTECTION

The Japan Equity Sustainable Dividend strategy endeavours to provide excellent total return in a risk controlled environment capturing the upside rallies whilst protecting against the downside. Over the past 5 years, it followed the benchmark approximately 100% in up-markets but less than 70% approximately in down-markets.

The demonstrated asymmetric return features of this strategy along with its historical performance should appeal to global investors looking to enhance their portfolio diversification in a risk controlled environment.

NOTE: *Daiwa SB Investments Ltd. (DSBI) will merge with Sumitomo Mitsui Asset Management Company, Limited (SMAM) on 1 April 2019. The objective of the merger is to create a stronger and better resourced entity that is able to weather the challenges facing the global asset management industry more effectively.*



Source: Bloomberg as at end February 2019

CAMRADATA

CAMRADATA's
IQ Online Tool

Expert Investment Analysis… at your fingertips

Ranking managers on statistical factors across asset classes

- CAMRADATA publishes universes, ranking managers by their CAMRADATA IQ Score, in the quarterly Asset Focus
- The CAMRADATA IQ Score is a quantitative ranking, reflecting five statistical factors commonly used in investment analysis
- The new IQ Online Tool allows the user to create their own IQ reports at any time from any of the universes available in CAMRADATA Live

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EMERGING MARKETS EQUITY - Core All Cap (GBP)

Emerging Markets Equity
- Core All Cap (GBP)

WINNER: Artisan Partners Limited
VEHICLE: Artisan Emerging Markets Composite – GBP

Accepted by: Julie Anderson
Presented by: Tom Ashford

Key Facts

Asset Class: Emerging Markets Equity
Style: Core
Size: All Cap
Benchmark: MSCI EM U$ - Total Return Index[1]
Fund Size: $ 178.96m
Inception Date: Jul 01, 2006
Currency: USD
Min Investment: $ 50m
Management Approach: Active
Address: 25 St. James's Street 3rd Floor London United Kingdom SW1A 1HA
Website: www.artisanpartners.com

Statistics (3 years)

Annualised Mean: 12.66
Annualised Std Deviation: 14.22
Relative Geometric Mean: 3.2
Tracking Error: 3.32
Information Ratio: 0.97
Annual 12 Month Worst: -14.2%
Annual 12 Month Best: 41.8%

Firm Details

Year Founded: 1994
Firm AUM: $ 96,224m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr[2]	3yr[2]	5yr[2]
Absolute	-5.92%	-8.20%	-14.20%	12.34%	4.18%
Benchmark	-7.39%	-8.27%	-14.24%	9.65%	2.03%
Relative	1.47%	0.07%	0.03%	2.68%	2.15%

[2] Annualised Returns

MULTI-ASSET

WHAT THE EXPERTS THINK

CAMRADATA AWARDS WINNERS 2019

DIVERSIFIED GROWTH FUNDS
– Cash + >3% to <5% (EUR)

WINNER: Amundi Asset Management
VEHICLE: Absolute Return Multi Strategy (Composite)

Accepted by: Michel Bernard
Presented by: Tom Ashford

DIVERSIFIED GROWTH FUNDS
– Cash + >3% to <5% (GBP)

WINNER: Legal & General Investment Management
VEHICLE: Dynamic Diversified Fund

Accepted by: Adam Willis
Presented by: Tom Ashford

DIVERSIFIED GROWTH FUNDS
– Cash + >3% to <5% (USD)

WINNER: William Blair International
VEHICLE: Dynamic Diversified Allocation ($) USD composite returns (primary listing for strategy)

Accepted by: Gordon Strachan
Presented by: Gemma Fishel

DIVERSIFIED GROWTH FUNDS
– Cash + >5% to <7% (EUR)

WINNER: Nordea Asset Management
VEHICLE: Alpha 15 MA Composite EUR

Accepted by: David Crawford
Presented by: Gemma Fishel

DIVERSIFIED GROWTH FUNDS
– Cash + >5% to <7% (GBP)

WINNER: Invesco Ltd.
VEHICLE: Invesco Balanced-Risk Allocation Composite

Accepted by: Jemma Paterson
Presented by: David Wright

GLOBAL BALANCED
(EUR)

WINNER: DWS
VEHICLE: DWS Concept Kaldemorgen FC

Accepted by: Natasha Fletcher on behalf of DWS
Presented by: Amy Richardson

RESULTS

CAMRADATA AWARDS WINNERS 2019

GLOBAL BALANCED
(GBP)

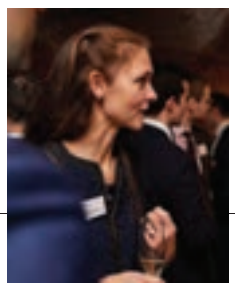
WINNER: HSBC Global Asset Management
VEHICLE: HSBC World Selection Adventurous

Accepted by: Dominic Bourne
Presented by: Paula Towner

GLOBAL BALANCED
(USD)

WINNER: Fidelity International
VEHICLE: FF – Global Multi Asset Income Fund A-ACC-USD

Accepted by: Chris Douse
Presented by: Paula Towner



"OUR CAMRADATA AWARDS HAVE BECOME ONE OF THE MOST SOUGHT-AFTER ACCOLADES IN THE FIELD OF ASSET MANAGEMENT."

DIVERSIFIED GROWTH FUNDS - Cash +>5% to <7% (EUR)

Nordea
ASSET MANAGEMENT

Diversified Growth Funds
- Cash +>5% to <7% (EUR)

WINNER: Nordea Asset Management
VEHICLE: Alpha 15 MA Composite EUR

Accepted by: David Crawford
Presented by: Gemma Fishel

Asset Class: Global Diversified Growth
Absolute Return Product: Yes
Benchmark: EURIBOR 1 MONTH - TOT RETURN IND
Fund Size: € 1,102.40m
Inception Date: Aug 31, 2011
Currency: EUR
Min Investment: No data provided
Management Approach: Active
Address: 6th Floor 5 Aldermanbury Square London United Kingdom EC2V 7AZ
Website: http://www.nordea.co.uk

Annualised Mean: 9.54
Annualised Std Deviation: 9.54
Relative Geometric Mean: 9.79
Tracking Error: 9.53
Information Ratio: 1.03
Annual 12 Month Worst: -1.76%
Annual 12 Month Best: 21.4%

Firm Details

Year Founded: 1990
Firm AUM: € 204,525.61m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr²	3yr²	5yr²
Absolute	-3.86%	-0.34%	-1.76%	9.49%	9.85%
Benchmark	-0.10%	-0.19%	-0.37%	-0.36%	-0.20%
Relative	-3.77%	-0.15%	-1.39%	9.85%	10.06%

² Annualised Returns

This strategy does not follow a benchmark however for the purpose of providing some comparative analysis cash has been used in this instance.

DIVERSIFIED GROWTH FUNDS - Cash +>3% to <5% (EUR)

Diversified Growth Funds

- Cash +>3% to <5% (EUR)

WINNER: Amundi Asset Management
VEHICLE: Absolute Return Multi Strategy (Composite)

Accepted by: Michel Bernard
Presented by: Tom Ashford

Key Facts

Asset Class: Global Diversified Growth
Absolute Return Product: Yes
Benchmark: EURO OVERNIGHT INDEX AVERAGE(EONIA) - TOT RETURN IND
Fund Size: € 1,643.45m
Inception Date: Aug 31, 2008
Currency: EUR
Min Investment: No data provided
Management Approach: Active
Address: 41 Lothbury London United Kingdom EC2R 7HF
Website: www.amundi.com

Statistics (3 years)

Annualised Mean: 1.52
Annualised Std Deviation: 2.74
Relative Geometric Mean: 1.83
Tracking Error: 2.74
Information Ratio: 0.67
Annual 12 Month Worst: -2.11%
Annual 12 Month Best: 6.47%

Firm Details

Year Founded: 1950
Firm AUM: € 1,425,063.70m (as of 31/12/2018)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr²	3yr²	5yr²
Absolute	-1.45%	-2.51%	-2.11%	1.50%	2.93%
Benchmark	-0.09%	-0.18%	-0.37%	-0.35%	-0.21%
Relative	-1.35%	-2.33%	-1.75%	1.84%	3.14%

² Annualised Returns

CAMRADATA AWARDS WINNER 2019

STANDING OUT FROM THE CROWD

A DIAMOND IN THE ROUGH: HOW AMUNDI SETS OUT TO DISTINGUISH ITSELF IN THE ABSOLUTE RETURN MULTI-STRATEGY FIELD.

AT AMUNDI, we believe we are amongst the market leaders in the field of Absolute Return Multi Asset investing as demonstrated by the CAMRADATA 2019 award in the DGF Cash +3%-5% (EUR) category received by our Absolute Return Multi-Strategy Fund. Our history in this space stretches back to 2004, when we established our investment team and launched our first pooled funds. In 2008, we launched two Luxembourg-domiciled UCITS funds that are still in existence today, giving them one of the longest track records in the asset class. The AuM of the team has grown consistently, especially in the last three years. The strength of our investment process and the quality of our investment team has been widely recognised by consultants and by institutional clients who have invested with us. Our investment process combines directional and relative value investment positions to build a highly diversified[1] portfolio of lowly correlated investment ideas. We seek to deliver positive absolute returns while ensuring we have a key focus on risk and drawdown management.

We believe that our Absolute Return Multi-Strategy team have a number of significant differentiating characteristics compared to other managers in this space.

- **A more diversified portfolio than others:** We run, on average, 100 different investment ideas in our portfolios. We believe this has two benefits – it leads to a highly diversified and lowly correlated portfolio and it also means that no single investment idea can dominate the portfolio, either in risk or performance terms.

- **More focus on downside management:** At Amundi, we place a major emphasis on trying to mitigate drawdowns. As losses get larger, the gains required to break even increase at a faster rate. At Amundi, we don't claim to be any better or any worse at risk management than competitors, but we do think risk management is a much bigger part of our investment process. We have six separate layers of risk management that could potentially help mitigate the extent of drawdowns.

- **Continuous hedging of risks:** Most investors know that the most expensive time to hedge risk is when there is a spike in volatility, hence the old market adage "hedge when you can, not when you have to". At Amundi, we are experienced enough to know that we might not get our macro calls right all the time, and therefore prudently hedging those calls can help to limit any potential downside. However, we also go a step further. We actively make this hedging component a part of our investment process, and we continually assess what are the best available hedges given our view of the world. In this way, we can minimise the cost of hedging, as opposed to investors who rush to hedge a risk when volatility spikes and end up implementing expensive hedging strategies.

- **Experience:** We are proud of our experience and our long track record in managing Absolute Return Multi-Strategy portfolios. Our lead portfolio manager, Davide Cataldo, set up the Absolute Return Multi-Strategy desk in 2004 and built a strong, experienced team of portfolio managers to work on this strategy. We have managed the strategy successfully with the same core investment team and investment process now for over ten years.

- **Pure focus on Absolute Return:** Davide and the portfolio managers who run our Absolute Return Multi-Strategy portfolios only manage Absolute Return – they are not managing any other style of portfolios. We believe this is very important, as the skill set needed to be an Absolute-Return manager is quite different from being a benchmark-focused portfolio manager.

Our analysis suggests that we are in the late phase of the market cycle. Normally in such a stage, markets become more nervous and volatile and investors look to build resilient portfolios that are tilted away from traditional allocations and towards enhanced diversification. In this environment, a focus on wealth preservation and downside risk management is important; we believe this could be achieved through an allocation to Absolute Return Multi-Asset strategies.

[1] The fund will typically hold 100 different investment ideas.

Diversification does not guarantee a profit or protect against a loss.

GLOBAL BALANCED (GBP)

Global Balanced
(GBP)

WINNER: HSBC Global Asset Management
VEHICLE: HSBC World Selection Adventurous

Accepted by: Dominic Bourne
Presented by: Paula Towner

Key Facts

Asset Class: Global Diversified Growth
Absolute Return Product: No
Benchmark: UK BOE LIBID/LIBOR 3 MONTH
Fund Size: £ 86.49m
Inception Date: Dec 31, 2014
Currency: GBP
Min Investment: £ 1m
Management Approach: Active
Address: 8 Canada Square London United Kingdom E14 5HQ
Website: http://www.assetmanagement.hsbc.com/

Statistics (3 years)

Annualised Mean: 11.34
Annualised Std Deviation: 9.87
Relative Geometric Mean: 11
Tracking Error: 9.88
Information Ratio: 1.11
Annual 12 Month Worst: -5.12%
Annual 12 Month Best: 34.26%

Firm Details

Year Founded: 1973
Firm AUM: $ 469,022.10m (as of 31/12/2017)
UNPRI: Yes

RETURNS (DEC 2018)

	3m	6m	1yr²	3yr²	5yr²
Absolute	-9.71%	-6.07%	-5.12%	11.42%	N/A
Benchmark	0.22%	0.41%	0.72%	0.52%	N/A
Relative	-9.93%	-6.48%	-5.84%	10.90%	N/A

² Annualised Returns

CAMRADATA AWARDS WINNER 2019

KEEPING AN EYE ON VOLATILE MARKETS

HSBC GLOBAL ASSET MANAGEMENT ASKS: CAN MULTI-ASSET HELP INVESTORS KEEP TABS ON RISK?

MANY INVESTORS will not be able to maintain a predictable risk profile in changing markets, as a large share of multi-asset investments is currently sitting in static portfolios. This is especially true in light of the rise in market volatility in the course of 2018. Portfolios will need to adjust their asset allocations and currency exposures to the changing conditions in order to maintain their risk parameters, taking into account the prospective return of each underlying asset class.

How does this work?

There is a two-step process. First, the longer-term or Strategic Asset Allocation is designed to capture the long-term return characteristics of the market.

In addition, Tactical Asset Allocation (TAA) is used to adjust portfolio asset class exposures depending on shorter-term market views. Researchers, including Mebane Faber in 2006, have shown that by applying a robust and consistent TAA approach, an investor is able to increase risk adjusted returns. According to Faber, "the investor would have also been able to side-step many of the protracted bear markets in various asset classes"[1].

Like with the SAA, an important focus of TAA is on providing some downside protection. This ties in well with investor expectations in times of challenging markets, which are addressed by the loss aversion theory[2].

As part of this approach, managers carefully monitor currency risk, not only through global diversification but also by using currency hedges where appropriate.

Looking forward

In creating a strategic mix for our portfolios, we believe it is essential to start with robust forward-looking estimates of expected returns for each underlying asset class. This adds an element of rigour and allows us to look through short-term trends. We then optimise, combining our return estimates with updated assumptions on long-term risk and correlation.

> "INVESTORS CAN MEET THEIR OBJECTIVES MORE EFFECTIVELY WHEN THEY FOCUS ON RISK-ADJUSTED RETURNS, RATHER THAN ABSOLUTE RETURNS THAT ARE DETACHED FROM THEIR INDIVIDUAL CIRCUMSTANCES"

Our strategic allocations are reviewed at least annually, but potentially more frequently as we continually review the assumptions we made in setting those allocations.

Markets don't function in a neat or timely fashion, so it is important our process is not constrained in that way.

Expecting the unexpected

Forecasting the twists and turns of the financial markets is very difficult, some would even argue impossible. For that reason, stressing our assumptions is essential and we need to make sure our portfolios are adequately diversified.

On the one hand, this could mean adding or removing asset classes from our strategic mix and our introduction of risk-premia strategies is an example.

On the other, when seeking out tactical opportunities, we need to look beyond "alpha seeking" but consider themes with a focus on portfolio resilience, to help protect investors from the risks we didn't see as well as those that we did.

Our multi-asset investment solutions are based on the strong belief that investors can meet their objectives more effectively when they focus on risk-adjusted returns, rather than absolute returns that are detached from their individual circumstances.

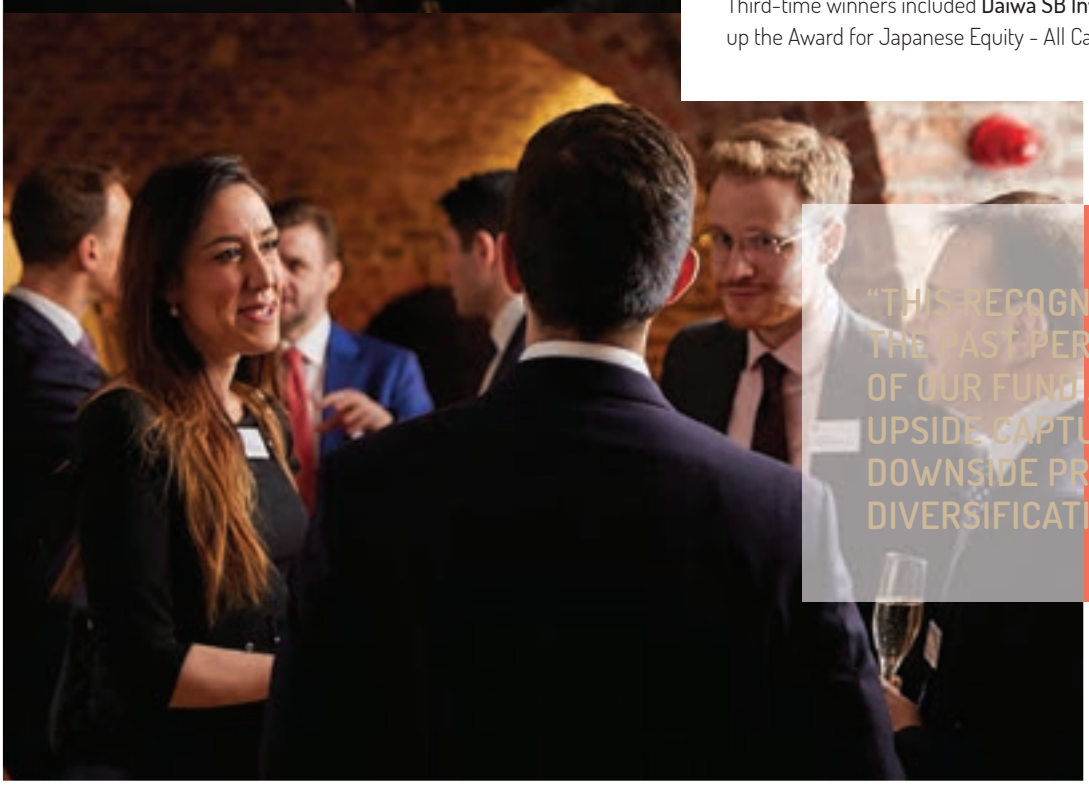
There is little point in taking on higher risks with uncertain prospects of being compensated for doing so.

[1] *Mebane T. Faber, A Quantitative Approach to Tactical Asset Allocation, July 2006.*
[2] *Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. Econometrica, 47, 263-291.*

WINNERS WHO PICKED UP TWO AWARDS EACH WERE:

- **AB (AllianceBernstein)**, who won the Global Equity – Core All Cap (EUR) and Global Equity – Core All Cap (USD) awards;
- **Capital Group**, who won the Emerging Markets Broad Bond Hard Currency (USD) and Global Broad Bond High Yield (USD) awards;
- **Colchester Global Investors Limited**, who won the Emerging Markets Government Debt (USD) Global and Government Debt (USD) awards;
- **MacKay Shields LLC**, who won the US Broad Bond High Yield (USD) and US Corporate Bond High Yield (USD) awards;
- **T Rowe Price Group, Inc**, who won the US Equity – Core Large Cap (USD) and US Equity – Growth Large Cap (USD) awards; and
- **Wellington Management International Limited**, who won the US Loans (USD) and Emerging Market Equity - Core All Cap (USD) awards.

Third-time winners included **Daiwa SB Investments (UK) Ltd**, who picked up the Award for Japanese Equity - All Cap (YEN).



"THIS RECOGNISES BOTH THE PAST PERFORMANCE OF OUR FUND AND ITS UPSIDE CAPTURE/ DOWNSIDE PROTECTION DIVERSIFICATION BENEFITS."

"WE ARE DELIGHTED TO HAVE BEEN INVITED TO THE CAMRADATA AWARDS FOR THE THIRD YEAR RUNNING AND ARE THRILLED TO WIN."

And another winner for a third year in a row, **TCW**, won the Emerging Markets Gov/Corp Debt (USD) award this year.

Clive Crowe, managing director at TCW Europe Limited, said: "TCW are delighted to have been invited to the CAMRADATA Awards for the third year running and are thrilled to win the 2019 CAMRADATA award for Emerging Markets Gov/Corp Debt (USD). This recognition is testament to the team's focus on long term, risk-adjusted returns."

UNDERSTANDING THE IQ SCORES

A GUIDE TO HOW ASSET MANAGERS ARE PERFORMING

FLOATING BAR CHART

The floating bar chart in the analysis highlights five asset managers against a universe of asset managers, all managing a similar strategy measured against a chosen benchmark. The chart shows where they are positioned in the universe when looking at return/risk and relative return/relative risk.

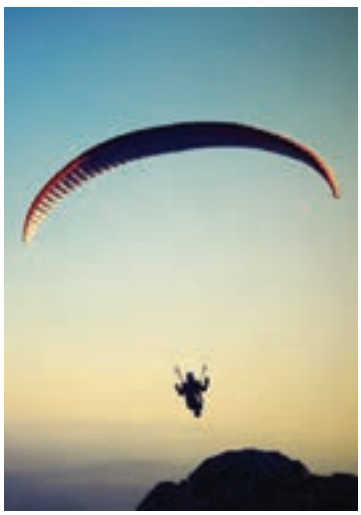
RISK/RETURN PLOT

The chart plots a group of asset managers (for example, five managers with the highest IQ scores) against the broader group of asset managers operating in the same universe. This enables the investor to see the returns and risk of other asset managers against the 'Top 5'. The investor can then decide whether to review some of the other asset managers in the universe.

INDEPENDENT QUANTITATIVE (IQ) SCORES

The CAMRADATA Independent Quantitative (IQ) scores is a ranking reflecting five statistical factors measured over a three-year period. Each factor generates a statistic, which is shown as a percentage or a number in the table.

To rank products, the percentile ranking of each factor is determined and an overall master score is calculated. This is a simple average of all percentile rankings for each product across all five factors. Investment products that share the same value for a factor are assigned the same percentile rank within that factor.



The highest-scoring products appear at the top of the table. For presentational purposes, we apply a 'unique sort' to pick out only the best product for each manager.

The five statistical factors that make up the CAMRADATA IQ score are:

EXCESS RETURN

A measure of overall added value. The underlying factor is the annualised excess return over the benchmark.

INFORMATION RATIO

A measure of efficiency. The Information Ratio is the return added by the asset manager for each 1% of risk being taken over the benchmark. Therefore the higher the Information Ratio, the more return being added for the 1% of risk being taken. The underlying factor is calculated by taking the excess return and dividing it by the excess risk.

WINS-LOSSES

A measure of the bet structure that a manager is taking. The underlying factor is calculated by taking the average positive relative returns away from the average negative relative returns. Investors use this to identify managers with a low frequency of winning but with a high payoff when a product beats the benchmark. Investors want to see that wins (positive returns) are greater than losses (negative returns), even if the wins are infrequent.

HIT RATE

A measure of consistency. The underlying factor is the percentage of times the manager beats the benchmark. Generally, you should expect a manager with strong consistency of beating the benchmark to have a probability of beating it greater than 50%.

DRAWDOWN STRENGTH

A measure of downside management. This measures a product's worst observed 12-month risk-adjusted relative return. It is in effect analysing the worst Information Ratio for each product in any 12-month period during the three years being measured. More credit is given to asset managers who have had positive 12-month risk-adjusted relative returns and who took less risk to achieve it. While during a 12-month period of negative returns, more credit is given to those asset managers who took more risk, showing they were actively managing their products rather than being passive during these times.

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