



GRANT SAMUEL
FUNDS MANAGEMENT
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MEDIA RELEASE

Volatility fund receives “Recommended” rating

Research house Lonsec has awarded a “Recommended” rating to the Triple3 Volatility Advantage Fund.

The Triple3 Volatility Advantage Fund, which is distributed in the Australian market by Grant Samuel Funds Management, aims to generate long-term absolute returns with its volatility-focused strategy to capture alpha from highly liquid exchange-traded VIX options, which are negatively correlated to equities.

“The “**Recommended**” rating indicates that Lonsec has strong conviction the financial product can generate risk-adjusted returns in line with relevant objectives and that the financial product is considered an appropriate entry point to this asset class or strategy.

“The Fund is relatively simple in design and has intuitive appeal,” Lonsec says.

“It invests in exchange traded VIX options which are liquid and regularly priced. The Fund is heavily concentrated in just a few securities; VIX options, cash and cash-like securities, however given the nature of the strategy, Lonsec considers this to be an appropriate approach.

“From a broader portfolio construction perspective, the Fund is an appealing diversifier from traditional equity market risk.

“The Fund is expected to be causally negatively correlated to US equities when needed most (in times of falling equity markets),” Lonsec says.

Mr Damien McIntyre, director and head of distribution with Grant Samuel Funds Management, says the rating is timely, and will increase the appeal of the Fund to the retail market.

“Investing in volatility is at the forefront of investor activity in the United States, and this is increasingly being reflected in the investment range available there.

“There are 22 VIX based exchange traded products that operate in the US market.

But until the launch of the Triple 3 Volatility Advantage Fund there was not one VIX based product in the Australian market.

“Investing in volatility provides the ability to diversify in ways that asset classes can’t, and Australian investors can invest in volatility through this Fund,” Mr McIntyre says. The Fund also has a AA rating from van Eyk.

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Grant Samuel Funds Management (GSFM) was established in July 2007 and is a subsidiary of the Grant Samuel Group, and co-owned by the executives of GSFM. Grant Samuel Group is an independent investment advisory house founded in 1988 and owned by its executives. GSFM specializes in marketing funds managed by high calibre local and international managers to Australian institutional and retail investors.

GSFM formed an alliance in October 2007 with New York based Epoch Investment Partners, Inc. to distribute Epoch’s investment products to Australian clients.

In May 2008, GSFM acquired an equity stake in Tribeca Investment Partners, a successful Australian boutique manager which has been investing clients’ funds since 1999.

In May 2011, GSFM formed a relationship with Payden & Rygel, a Los Angeles based independent investment management firm established in 1983, to distribute its global fixed income and absolute return strategies in the Australian market.

In early 2014, GSFM established a relationship with Triple Three Partners Pty Ltd (Triple3) a boutique research and investment management firm based in Sydney. Triple3 specialises in volatility as an asset class. The first fund from this relationship the Triple3 Volatility Advantage Fund was launched in May 2014.

GSFM currently represents over \$4.6 billion funds under management (as of 30 June 2014). For more information about GSFM please visit the website: www.gsfm.com.au

Triple3 Partners is an independent research and investment firm based in Sydney that specialises in volatility as an asset class and provides volatility strategies to institutional clients. This includes alpha strategies, volatility overlay and volatility research.

Triple3 invests in portfolios of options in order to tap the alpha potential inherent in volatility. Using a proprietary quantitative strategy, Triple3 helps investors enhance returns and manage portfolio volatility.

Over the past seven years Triple3 has developed quantitative forecasting techniques and portfolio allocation algorithms, which represent a prominent source of its competitive edge. For more information please visit the website: www.triple3p.com

The PDS for the Fund may be obtained by contacting GSFM on (02) 9324 4356 or from www.gsfm.com.au. Before making an investment decision in relation to the Fund, investors should read and consider the PDS for the Fund.

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