

26 October 2016

MEDIA RELEASE

Global Equity Advantage Fund added to Macquarie Wrap

The Grant Samuel Global Equity Advantage Fund has been added as an investment option on the Macquarie Wrap platform, 12 months after the fund was launched to provide investors with a risk managed global equities exposure and following its recent addition to the HUB24 platform.

The fund combines the expertise of global equity specialist Epoch Investment Partners' shareholder yield strategy and Triple3 Partners' volatility management strategy. Epoch manages the underlying fund while Triple3 manages the options-based volatility overlay that seeks to mitigate the risk of capital loss in the fund.

Mr Damien McIntyre, director and head of distribution with Grant Samuel Funds Management, says the Macquarie Wrap platform listing is timely.

"With term deposit rates hovering around the 2-3 per cent mark, investors can't afford to sit in cash holdings that provide returns that barely keep pace with inflation. While investors recognise that lower returns and longer life expectancy means capital growth is required – even in retirement – the volatility in equity markets means they are understandably fearful of capital loss.

"The fund is designed to enable investors, particularly those close to or in retirement, to retain an exposure to global equities while mitigating the potential loss of capital.

"It seeks to maintain the significant capital gains investors have made in recent years and aims to help investors manage equity market volatility and drawdowns in a cost effective way.

"By providing a global equity fund with a volatility overlay to smooth out the returns and reduce the risk associated with investing with equities, this fund addresses the two basic concerns of investors," Mr McIntyre said.

"The fund provides access to a portfolio of 90-120 global companies with attractive income and capital growth potential, with the addition of an options-based volatility overlay that seeks to smooth and reduce the volatility of returns in the underlying fund and minimise loss of capital.

“By entering into options contracts, which generally move in the opposite direction to the underlying fund, the options overlay seeks to smooth returns so that the value of the fund does not fall as far as the underlying fund in times of market stress.”

The Fund also helps investors combat and manage sequencing risk, which is the risk that the order and timing of investments and returns are unfavourable.

“Volatility in markets and the order in which investment returns occur can make a big difference to the capital base once investors begin to draw on their retirement savings,” Mr McIntyre said.

“If investors experience positive investment returns in the first few years of retirement, they are better placed to ride out market downturns. But if investors face negative returns in earlier years it makes it difficult for those in the draw down phase to recoup their losses. But timing markets is notoriously difficult, even for the experts.

“The fund’s structure means investors can continue to maintain an exposure to growth assets in retirement.

“Given its focus on income, investors can receive a return in excess of that from term deposits, while also gaining from the bonus of capital growth.”

The Grant Samuel Global Equity Advantage Fund has been awarded an ‘Investment Grade’ rating from Lonsec and a ‘Recommended’ rating from Zenith.

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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 and New Zealand institutional and Australian 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 and New Zealand 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 and New Zealand 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.

GSFM's funds under management at 30 September 2016 exceeds \$6.4 billion. For more information about GSFM, please visit www.gsfm.com.au