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MEDIA RELEASE

Payden & Rygel awarded Rest mandate

Global fixed income manager, Payden & Rygel, has secured a mandate from Rest, with its Payden Absolute Return Investment (PARI) strategy selected to form part of the superannuation fund's overall portfolio.

The PARI strategy is represented by GSFM in the Australian and New Zealand markets.

Charles Levinge, GSFM's Head of Institutional Business, said the mandate will see the PARI strategy sit within Rest's absolute return asset class.

"The key focus of the PARI strategy is on downside risk protection - with low correlation to equities, bonds and mainstream credit - and an overarching investment philosophy to preserve capital. It is a good fit with Rest's portfolio. We are looking forward to partnering with Rest to deliver the best investment outcomes for its members" Mr Levinge said.

"In addition to preserving capital, the PARI investment approach aims to limit volatility and outperform the Benchmark over time using a multi-sector, absolute return fixed income approach," he said.

Over each rolling three-year period, the portfolio aims to outperform the Bloomberg AusBond Bank Bill Index by two-to-three per cent gross per annum.

"The central pillar of the strategy is income generated from a highly diversified and rigorously vetted portfolio of global bonds. This stream of income provides the foundation from which the team adds shorter-term tactical views.

"Risk management is also key to the strategy's investment philosophy. It relies heavily on the team of analysts and strategists to thoroughly understand the entities in which they invest and determine sectors that provide the most risk-adjusted value opportunities," said Mr Levinge.

In order to achieve its objectives, the PARI strategy focuses on the concept of smart yield. Smart yield seeks to capture income from front-end maturity fixed income, with an emphasis on the steepest portions of global yield curves by investing in quality names that have a high probability of ultimate pay-off.

"GSFM has an eight-year relationship with Payden & Rygel who manage over \$2.8bn in Absolute Return and Global Corporate portfolios on behalf of Australian institutional and retail clients," Mr Levinge said.

Payden & Rygel originated in Los Angeles and is an independent global investment manager. It was founded in 1983 and is privately owned by 30 senior executives. It currently has \$175 billion in funds under management, \$17 billion of which is invested in the PARI strategy.

Rest is an industry superannuation fund supporting Australian retail workers, and currently has around two million members with \$57 billion in funds under management.

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GSFM was established in July 2007 as a subsidiary of the Grant Samuel Group. In November 2016 CI Financial Corp (CI) purchased an 80 per cent stake in the business. CI is a diversified wealth management firm with fee-earning assets of CAD\$176.7 billion (as of 30 June 2019). GSFM specialises in marketing funds managed by high calibre local and international managers to Australian and New Zealand institutional and Australian retail investors.

Since 2007, GSFM has formed alliances with following investment managers to distribute investment products to Australian and New Zealand clients:

- *New York based Epoch Investment Partners, Inc.*
- *Tribeca Investment Partners, a successful Australian boutique manager*
- *Payden & Rygel, a Los Angeles based independent investment management firm*
- *Triple Three Partners Pty Ltd (Triple3) a boutique research and investment management firm*
- *Munro Partners, an independent global equity manager*
- *London-based Man Group plc*
- *Toronto and Boston based Cambridge Global Asset Management*
- *Redpoint Investment Management, a boutique equities manager based in Sydney*

GSFM represents approximately \$7.4 billion funds under management (as at 30 September 2019). For more information about GSFM please visit the website:

www.gsfm.com.au