

Why Multi-Management Why GESS

April 2024

Giorgio Carlino, CFA

Head of Multi-Management

Introduction

Hello, I'm
Giorgio Carlino



● Head of Multi-Management, Dublin



● **Global Chief Investment Officer, NYC (US)**

● Senior Portfolio Manager, Frankfurt AM (GE)



● Portfolio Manager, Milan (IT)



COMMERZBANK

● Junior Portfolio Manager, Roma (IT)

Let's Dig In!

I'm currently based in Dublin with my family—my wonderful wife, Georgia, and our two girls, Ariella and Melina. Between the giggles and bedtime stories, they manage to outshine us in multilingual banter, effortlessly switching between Italian, German, and English. It's a delightful chaos of languages under one roof.

Before settling here, my journey has taken me through various roles and experiences across Italy, Germany and USA.



DUBLIN

Agenda



Why Multi-Management

Why Global Style Selection

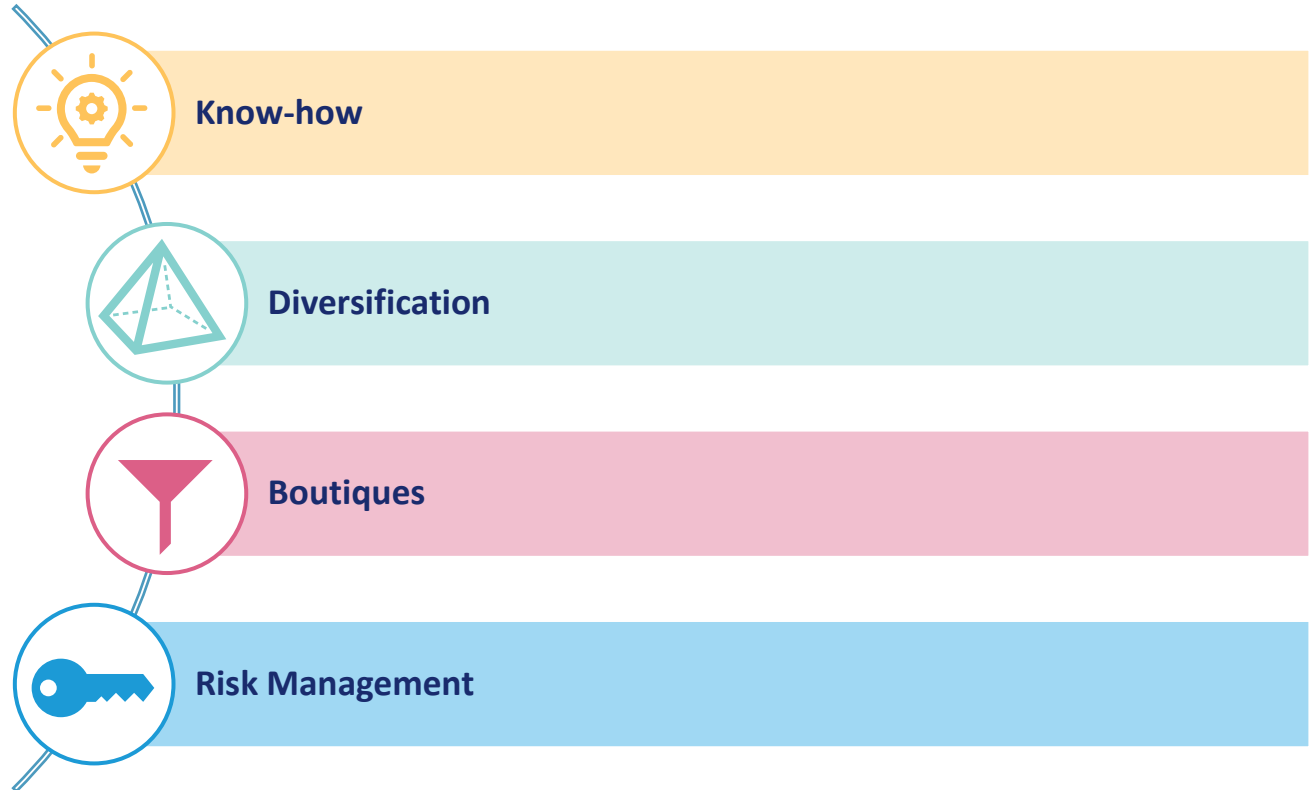
Agenda



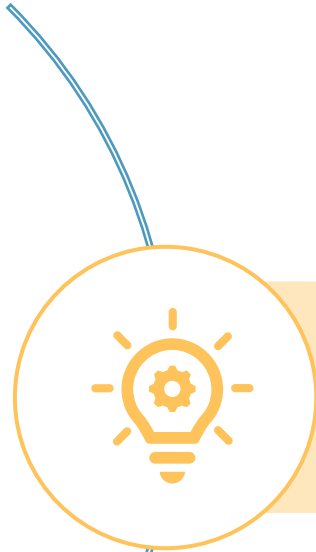
Why Multi-Management

Why Global Style Selection

Multi-Management: benefits

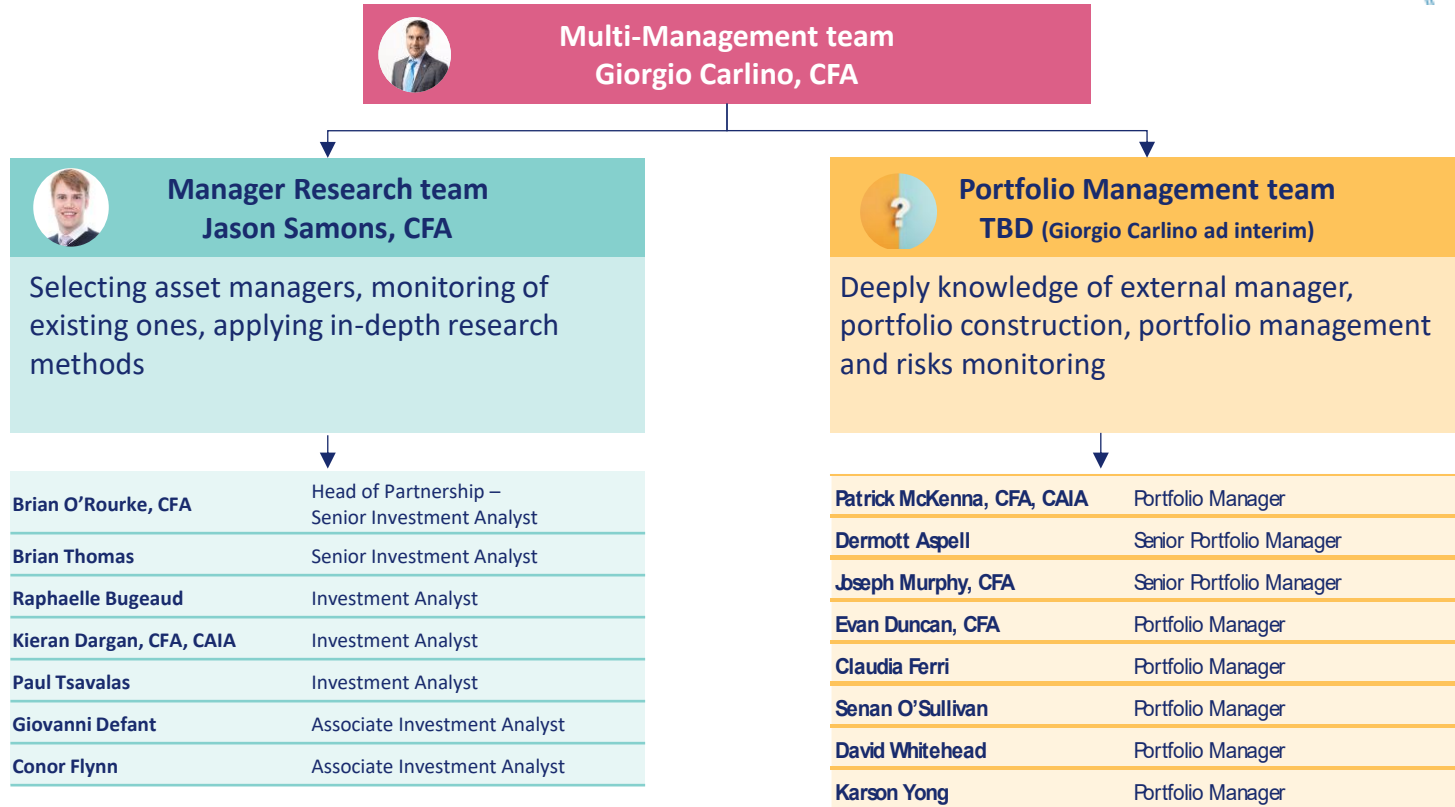


Multi-Management: benefits

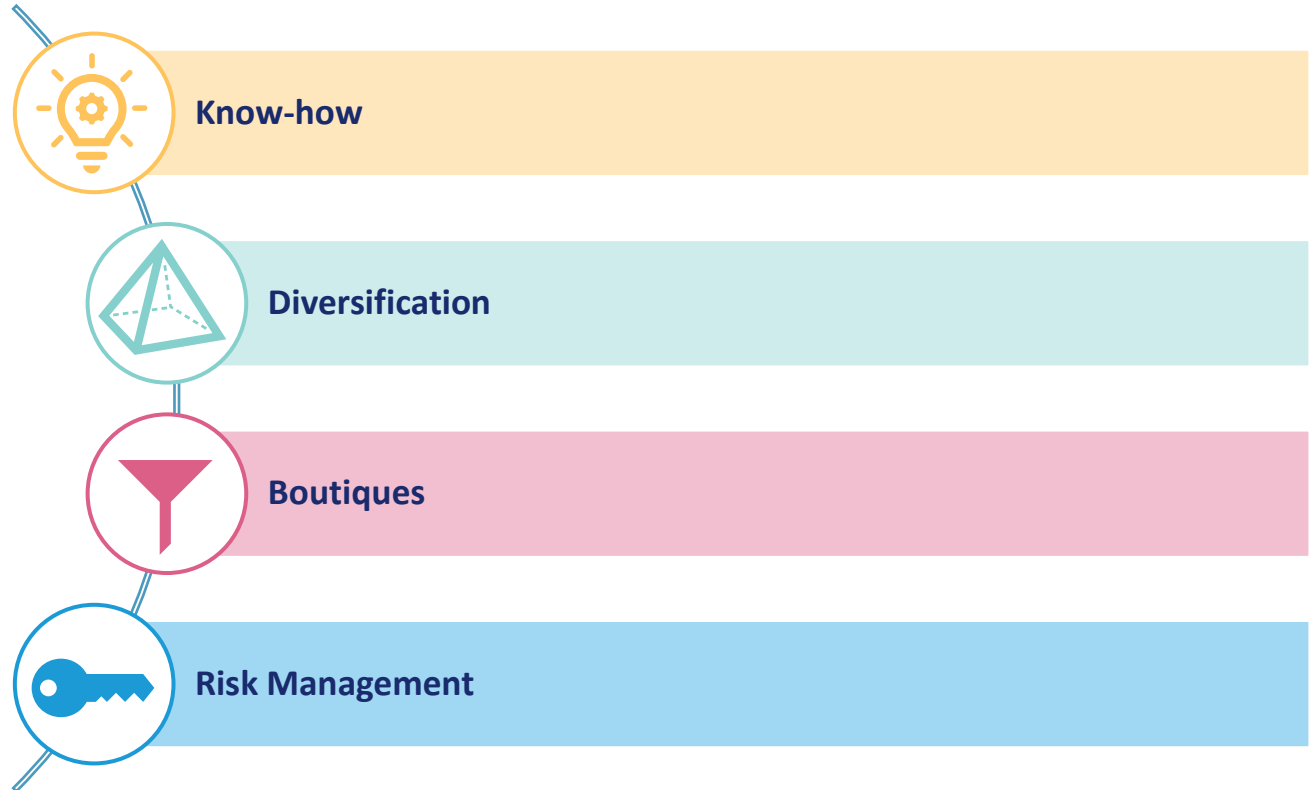


Know-how

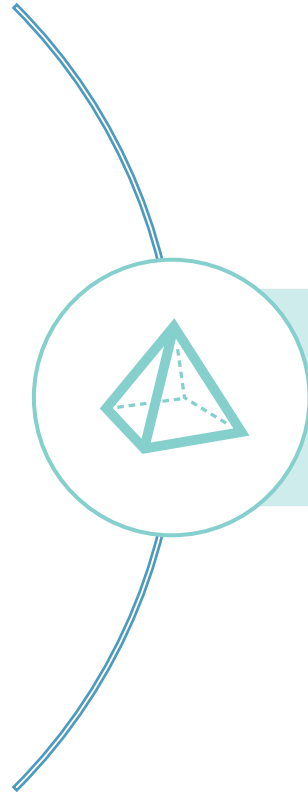
The Multi-Management team



Multi-Management: benefits



Multi-Management: benefits



Diversification

Combining different investing approaches



Diversification

Selecting **different managers** mean also having exposure to **different investment approaches**, that benefit the overall strategy constructed by MIFL.



Quant



Fundamentals

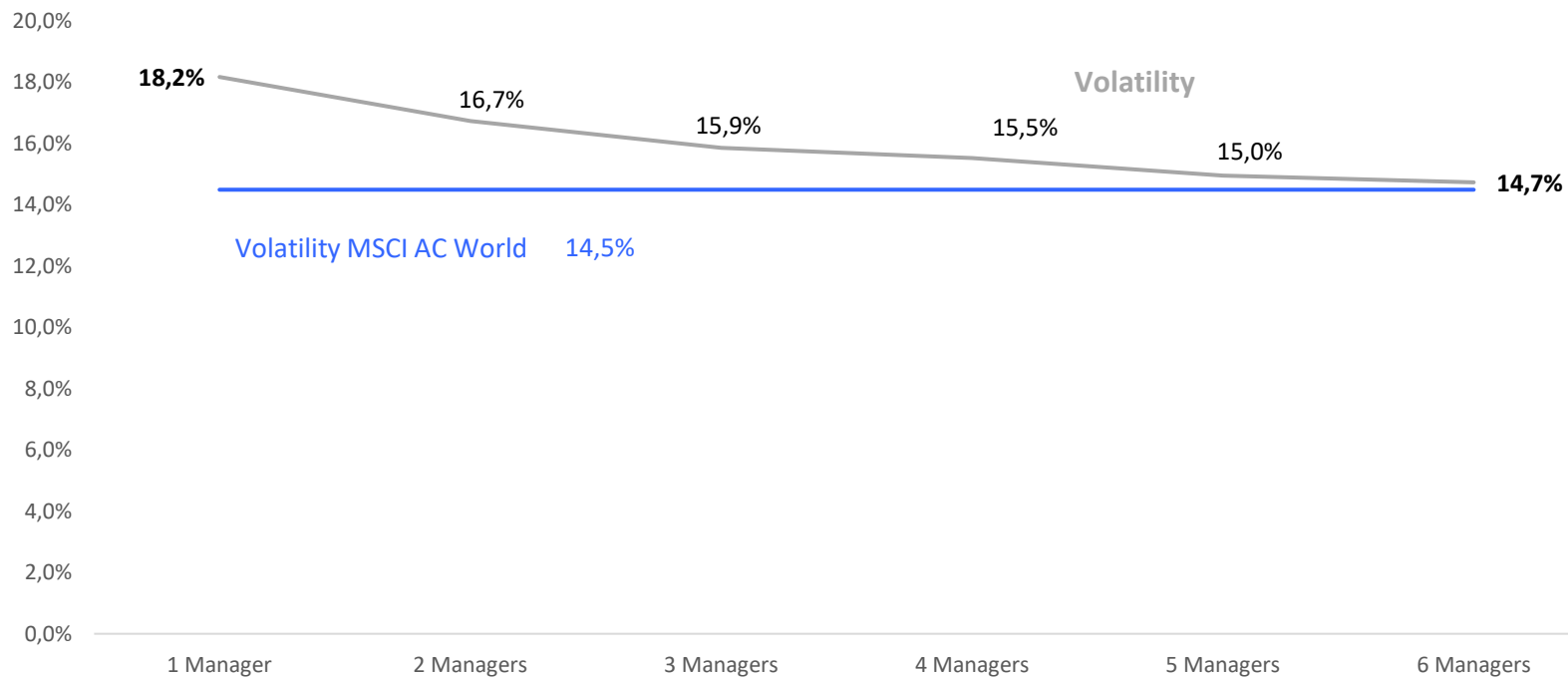


Momentum



Event driven

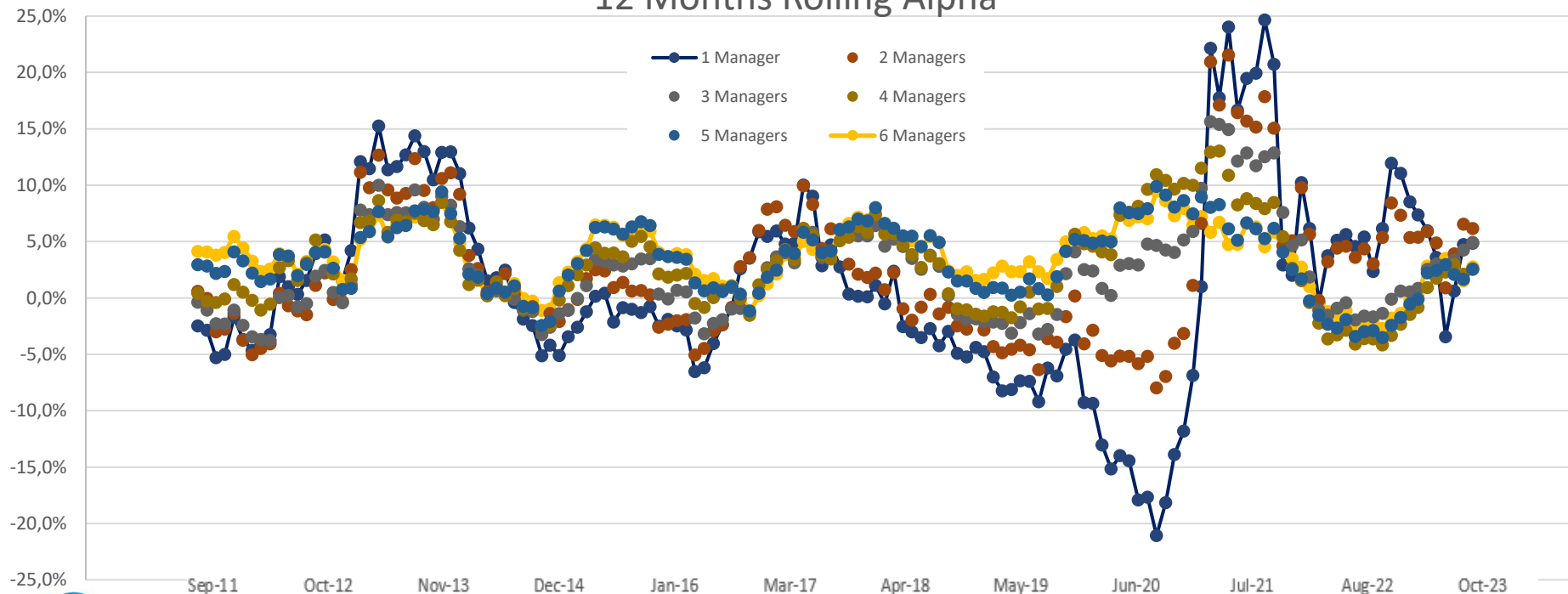
I vantaggi della diversificazione: esempio di un fondo azionario globale



Dati mensili.
Dal 30/11/2010 al 31/08/2023
Fonte Bloomberg

Diversificando con sei manager si reduce la volatilità dei risultati

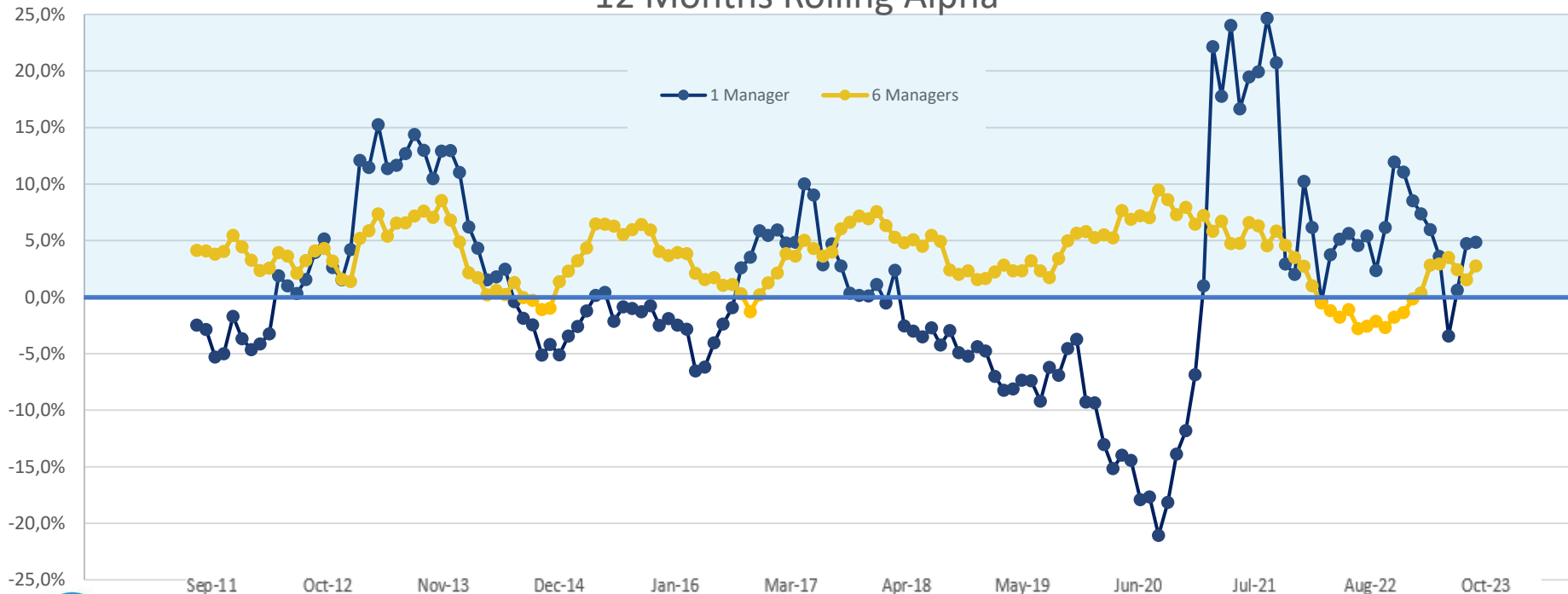
12 Months Rolling Alpha



Dati mensili.
Dal 30/11/2010 al 31/08/2023
Fonte Bloomberg

Risultati più stabili aiutano a gestire il comportamento dei clienti

12 Months Rolling Alpha

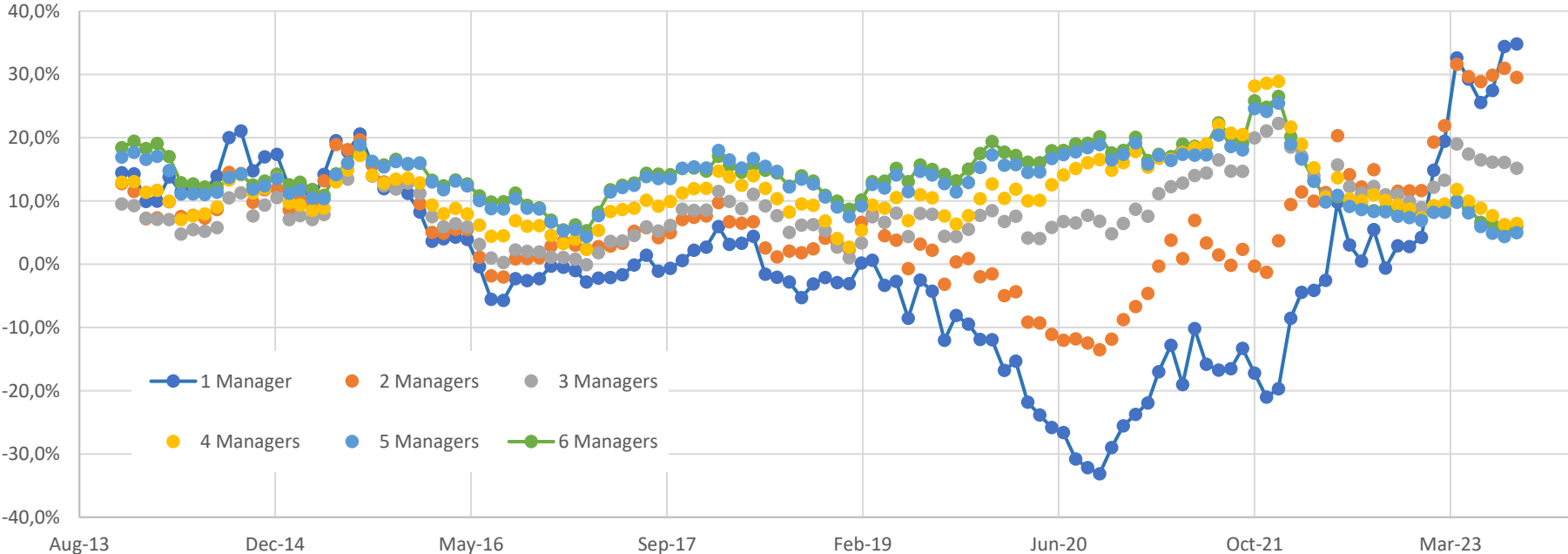


Dati mensili.
Dal 30/11/2010 al 31/08/2023
Fonte Bloomberg

Diversification with six managers reduces return volatility



36 Months Rolling Alpha



Monthly data
From 11/30/2010 To 8/31/2023
Source Bloomberg

More stable returns helps to manage client's behaviour



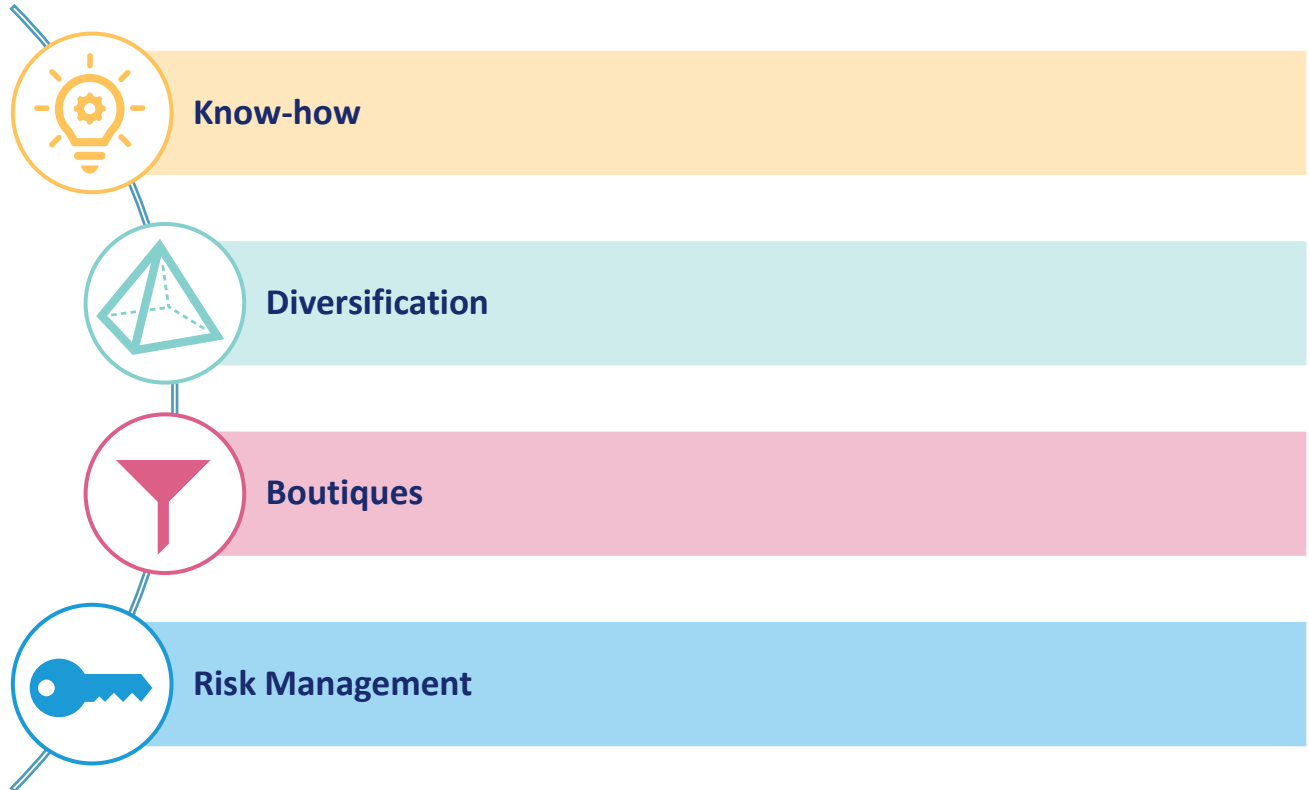
Diversification

36 Months Rolling Alpha

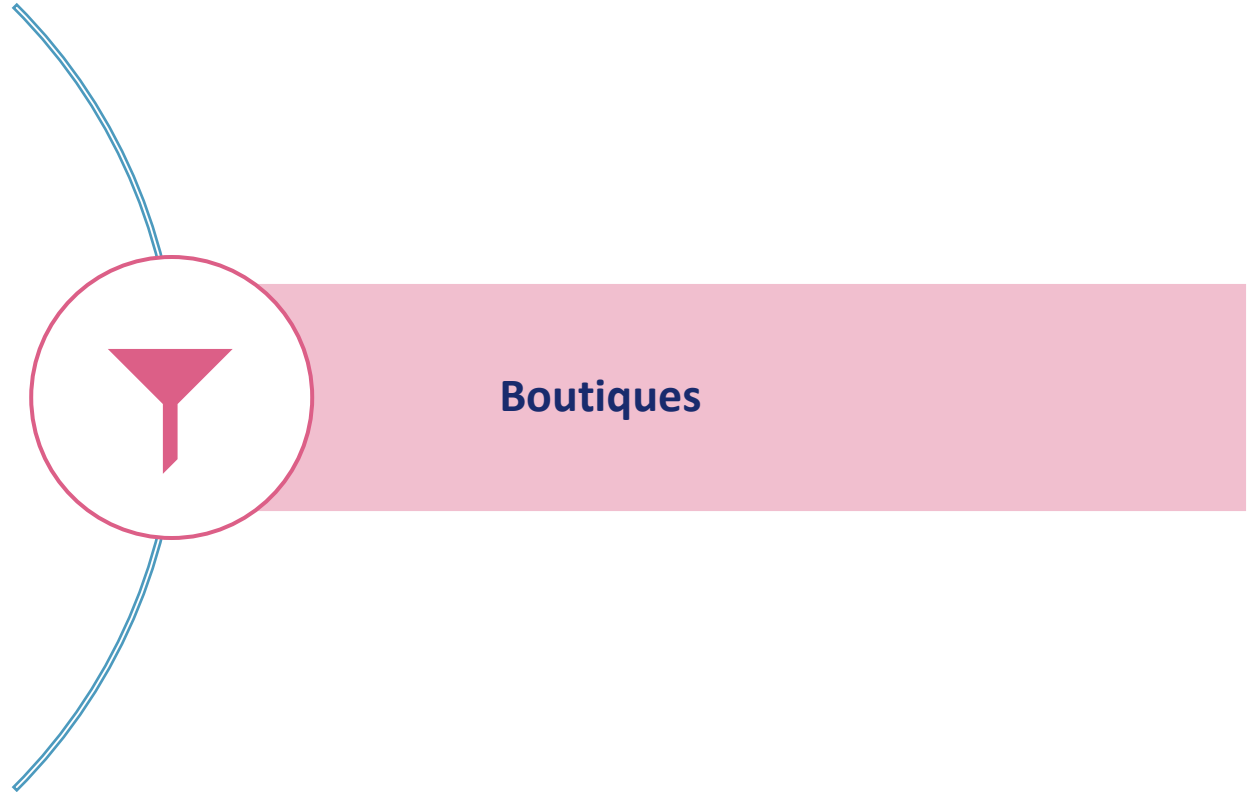


Monthly data
From 11/30/2010 To 8/31/2023
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Multi-Management: benefits



Multi-Management: benefits

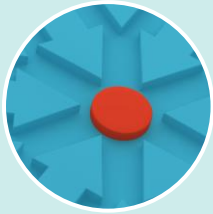


Benefits of boutique managers



Boutiques

Boutique managers are **smaller**, **specialized** asset managers with **unique expertise** within a specific **sector** or **region**.



Specialization



Ownership



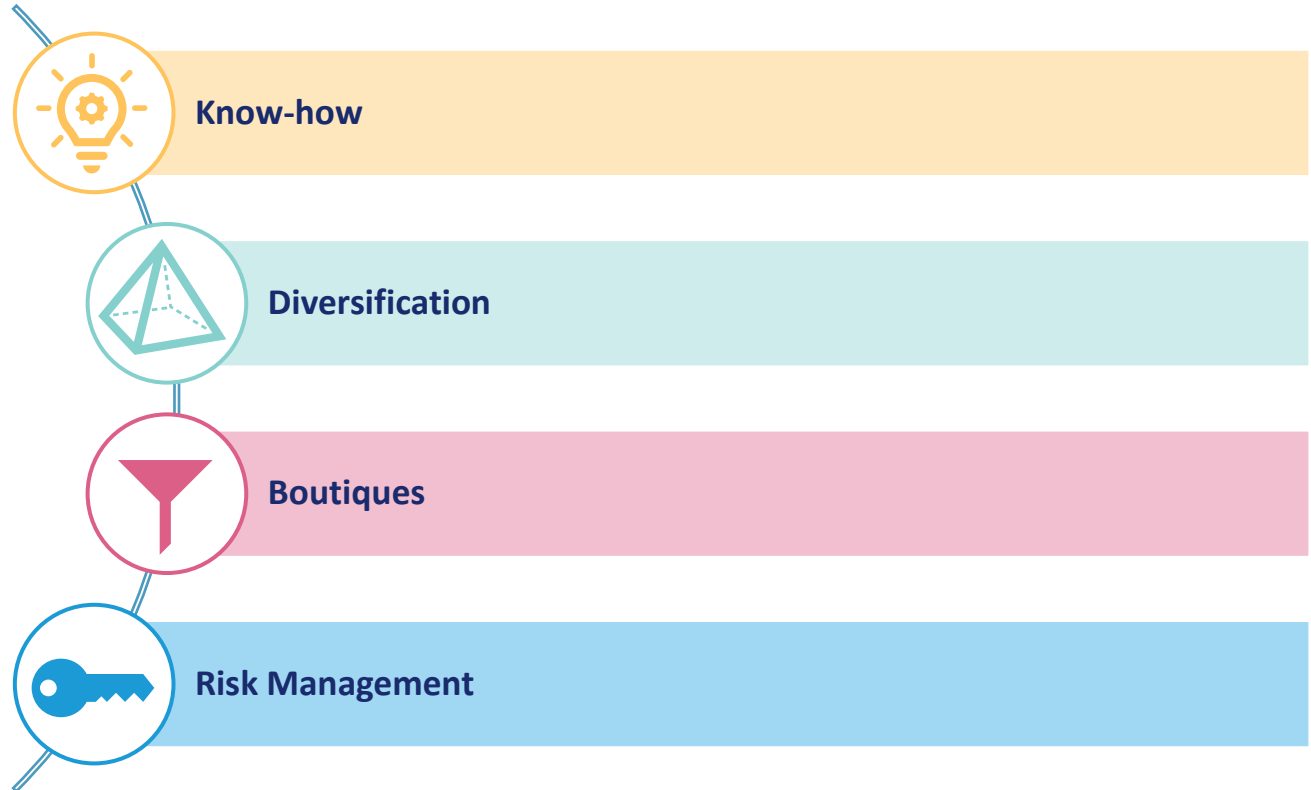
Performance



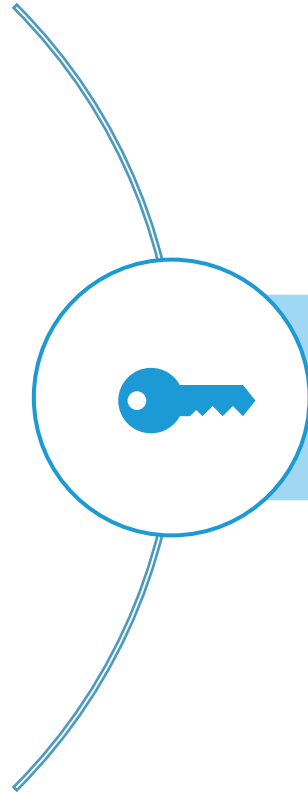
Differentiation



Multi-Management: benefits



Multi-Management: benefits



Risk Management

Risk Management at work – Global Leaders



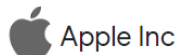
Best Brands Global Leaders	Manager Contribution to Active Risk Max 35%	Single Manager Max 30%	Manager Contribution to Active Risk Min 10%	Region +/- 10%	Sector +/- 10%	Single Stock active risk over 15% Contribution	Overall
Q1 2023	Red	Yellow	Green	Yellow	Green	Red	Red
Q3 2023	Green	Green	Green	Yellow	Green	Green	Green

PCR Flags

Manager Contribution to Active Risk Max 35%	Single Manager Max 30%
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Actions

- ✓ Added new delegate Guard Cap and Purchased Nvidia Stock & Apple Stock for Risk Management purposes.



Outcome



Next Steps

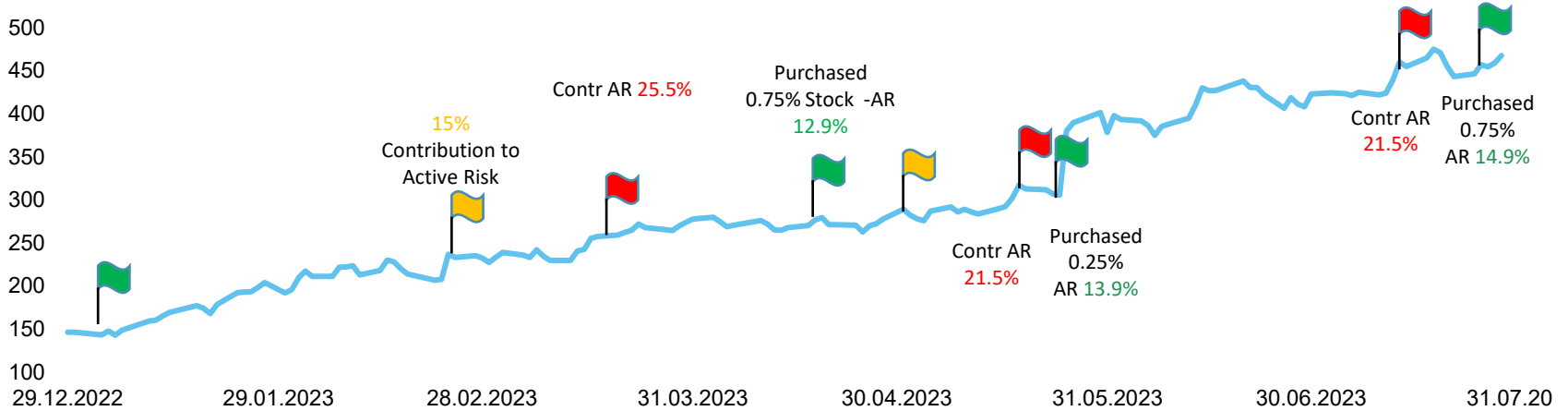
- ✓ New target fund allocation to Artisan to replace the iShares MSCI World Quality ETF



Risk Management at work



Single stock risk over 15% of Active Risk The Nvidia Case in 2023



Don't do this at home

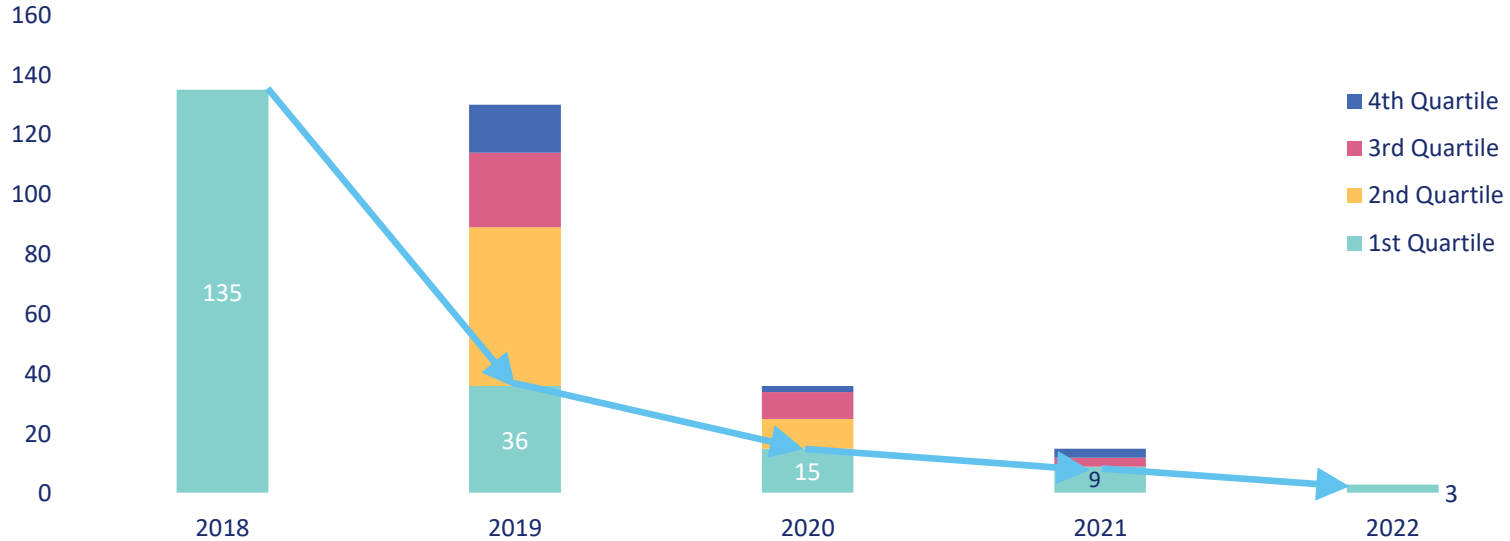
**DON'T
DO
THIS
AT
HOME**



We cannot not simply screen on performance!



Consecutive 1st Quartile performance for EAA Global Large-Cap Blend Equity Category* since 2018



Alpha comes from people and their investment ideas, not the manager's historical returns



Source: Morningstar as of February 2023.

*EAA Global Large-Cap Blend Equity Category, including only UCITS funds, the oldest share class for each fund, and funds with Assets under management greater than \$100M. Total 759 funds from the category.

Historical returns & future performance



Best and worst performing managers on the EAA Global Large-Cap Blend Equity Category*

	2017	2018	2019	2020	2021	2022
Top managers	 	 CARNEGIE FONDER DPAM <small>DEGROEF PETERCAM ASSET MANAGEMENT</small> BLI BANQUE DE LUXEMBOURG INVESTMENTS	 OBAM INVESTMENT MANAGEMENT WARBURG INVEST capital at work <small>Wealth Management Foyer Group</small>	 <small>ÍV SJÓÐIR</small> DJE Investment S.A.	 Union Investment Sydinvest Russell Investments	 <small>PIQUEMAL HOUGHTON INVESTMENTS</small> MFS LEMANIK
Bottom managers	 SOCIETE GENERALE Lån & Spar invest SPARKASSE <small>Oberösterreich</small>	 <small>CORONATION FUND MANAGERS</small> METZLER <small>Asset Management</small> HANSA INVEST	 Antipodes UBS cpr asset management	 ROBECO <small>The Investment Engineers</small> NATIXIS <small>INVESTMENT MANAGERS</small> CAPTOR	 <small>PIQUEMAL HOUGHTON INVESTMENTS</small> Mercer AIA	 UBS AIA nikko am <small>Nikko Asset Management</small>

Source: Morningstar as of February 2023.

*Top 3 and Bottom 3 Managers in the EAA Global Large-Cap Blend Equity Category, including only UCITS funds, the oldest share class for each fund, and funds with Assets under management greater than \$100M.

Agenda

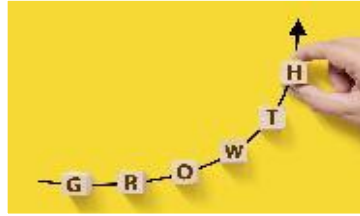


Why Multi-Management

Why Global Style Selection

GESS: The Balanced, Long-Term Solution

33%



33%



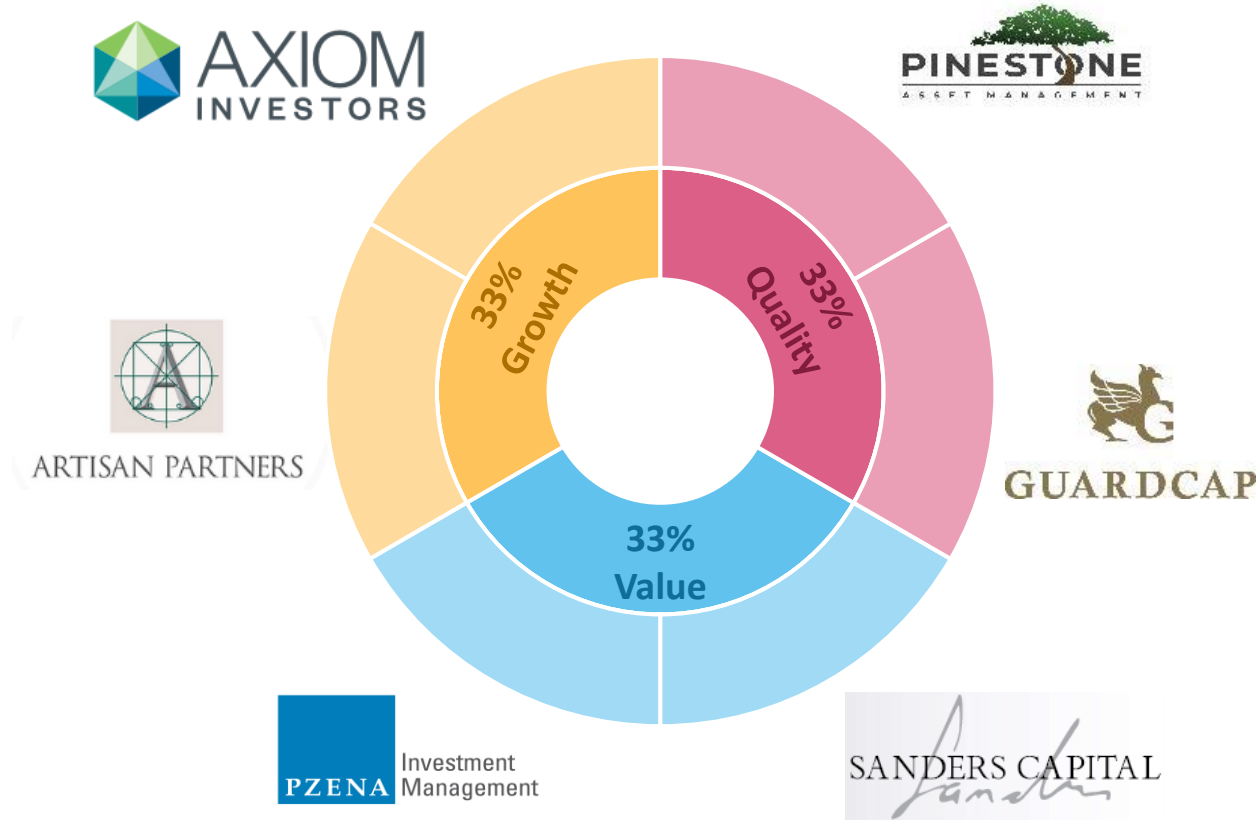
We believe that combining **different investment philosophies** and styles, it is possible to design **superior** portfolios.



33%



Best Brands Global Equity Style Selection



¹ The allocation among different managers is for illustration purposes only. All the managers may be subject to change.

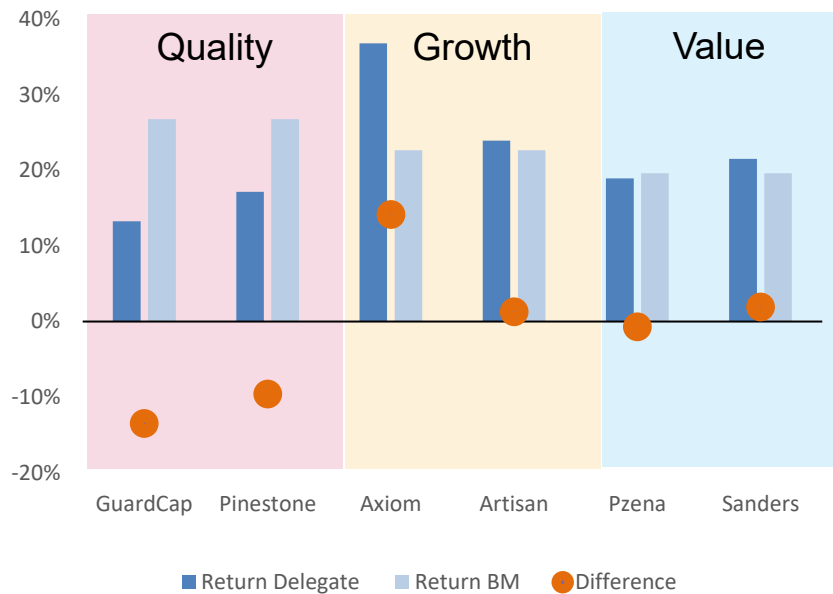
Best Brands Global Equity Style Selection



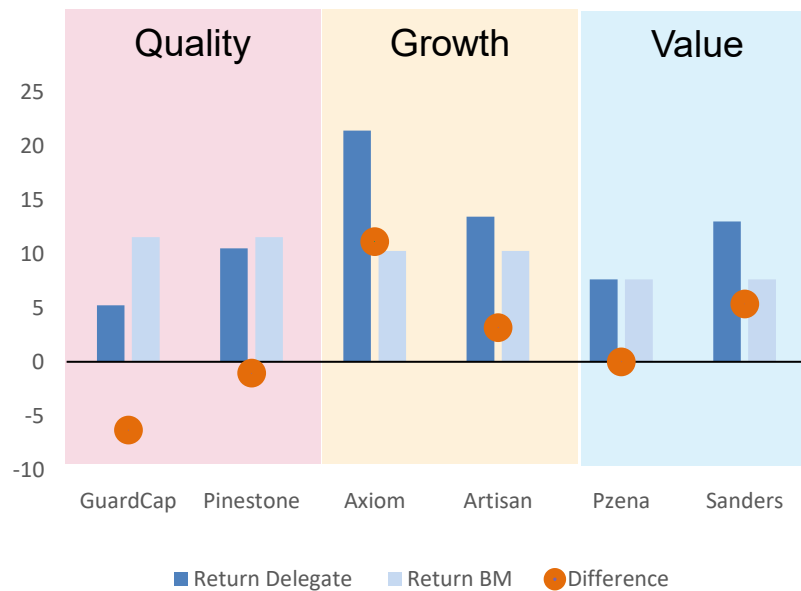
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Best Brands GESS Delegates

31/05/2023 - 31/03/2024 (Gross, %)



YTD to March 31st (Gross, %)



Appendix

GESS Delegates Performance YTD to March 31st (%, gross)

	Return Delegate	Return BM	Difference	Contrib. to Portf. return %
MIFLTargetFund	12.89	11.06	1.83	2.59
GuardCap (Quality)	5.23	11.57	-6.34	0.90
Pinestone (Quality)	10.52	11.57	-1.05	1.74
Axiom (Growth)	21.43	10.29	11.14	3.59
Artisan (Growth)	13.46	10.29	3.17	2.21
Pzena (Value)	7.64	7.64	0.00	1.31
Sanders (Value)	13.01	7.64	5.37	2.17
Portfolio gross	12.10	10.75	1.35	
Portfolio NET	10.63			



GESS Delegates Performance 31/05/2023 - 31/03/2024 (%, gross)

	Return Delegate	Return BM	Difference
GuardCap (Quality)	13.27%	26.77%	-13.49%
Pinestone (Quality)	17.16%	26.77%	-9.60%
Axiom (Growth)	36.85%	22.69%	14.16%
Artisan (Growth) *	23.96%	22.69%	1.27%
Pzena (Value)	18.93%	19.63%	-0.69%
Sanders (Value)	21.52%	19.63%	1.90%
Portflio NET	16.60%		



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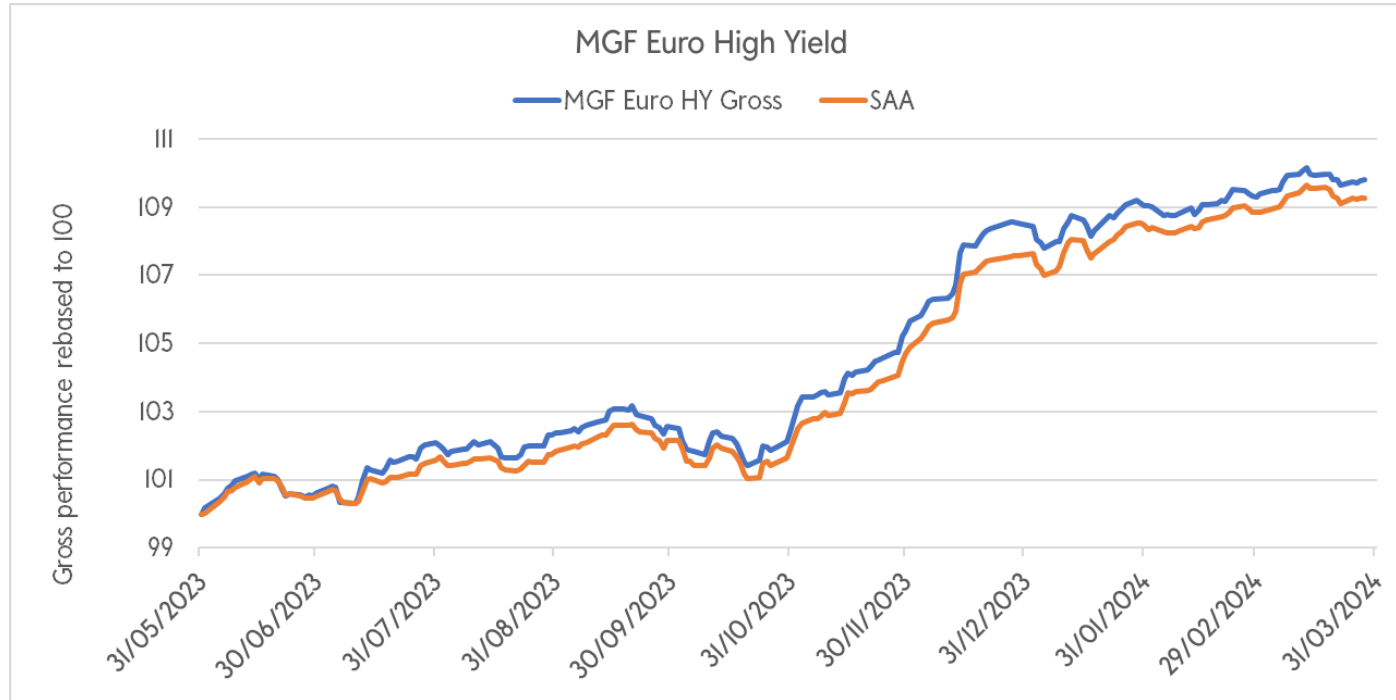


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MGF Euro High Yield



Thank you

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