



Who are Smart^{im}

Smart^{im} are responsible for the fund selection and portfolio consultation of the iGuard active portfolios and Smartfunds.

Smart^{im} are the wholly owned investment management company of the Praemium Group.

The team are responsible for the management of over £250 million of assets in a wide range of actively managed risk-graded model portfolios and an innovative range of multi-asset funds.

Who are Praemium?

Praemium are responsible for administration of your portfolio and outsource the custody of your portfolio to Northern Trust, who are responsible for custody of over \$6.2 trillion of assets

One of the fastest growing discretionary platforms in the international market, Praemium supports over 700 corporate firms, managing and administering over 300,000 investor accounts and £40 billion of assets.

Founded in Australia in 2001 and listed on the ASX, Praemium operates internationally with offices in Australia, UK, Jersey, Hong Kong, China and Armenia.

Praemium's clients are firms like GWM that provide financial advice to investors.

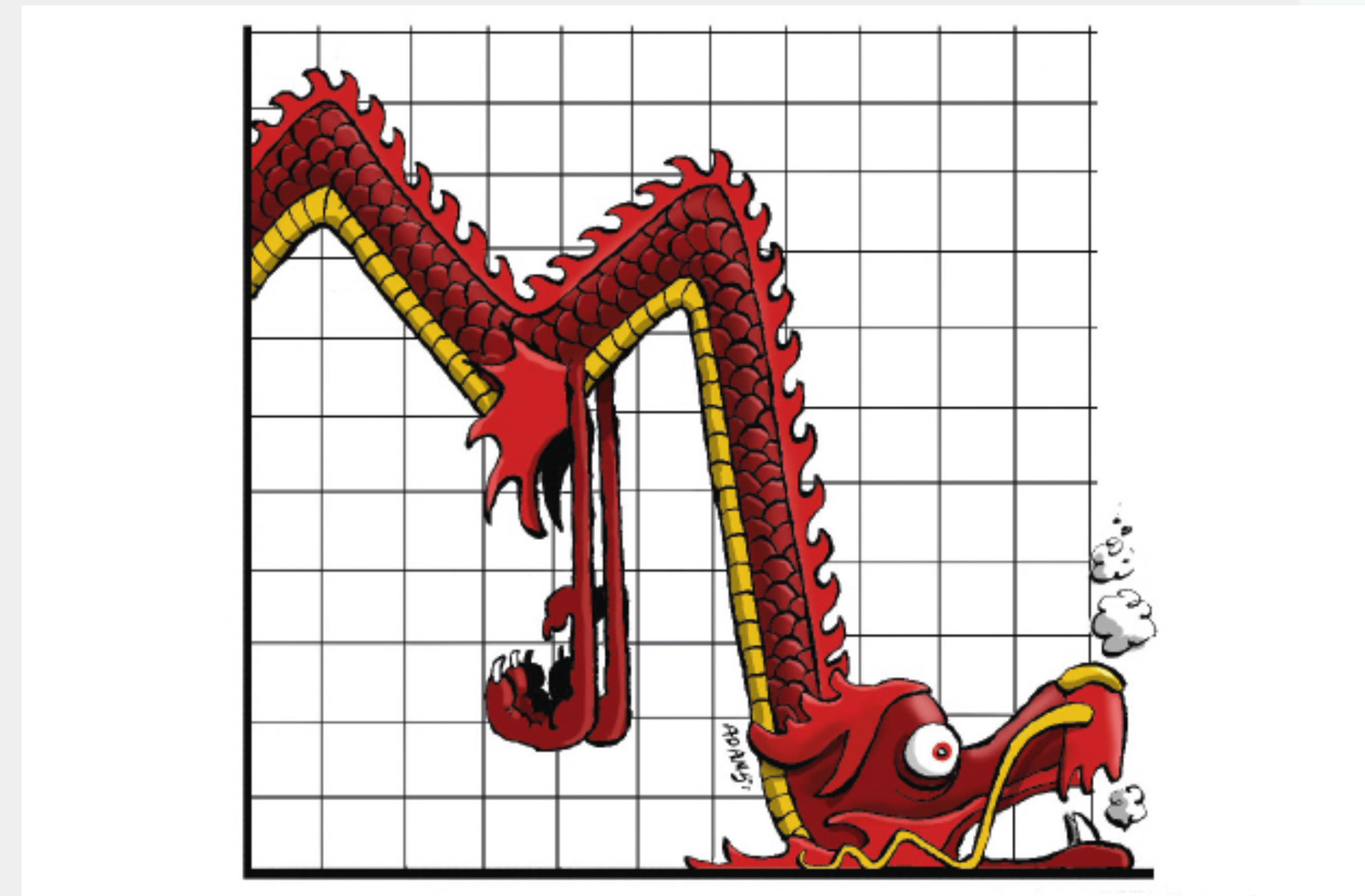
What happened in 2015?



Source: Thomson Reuters Datastream

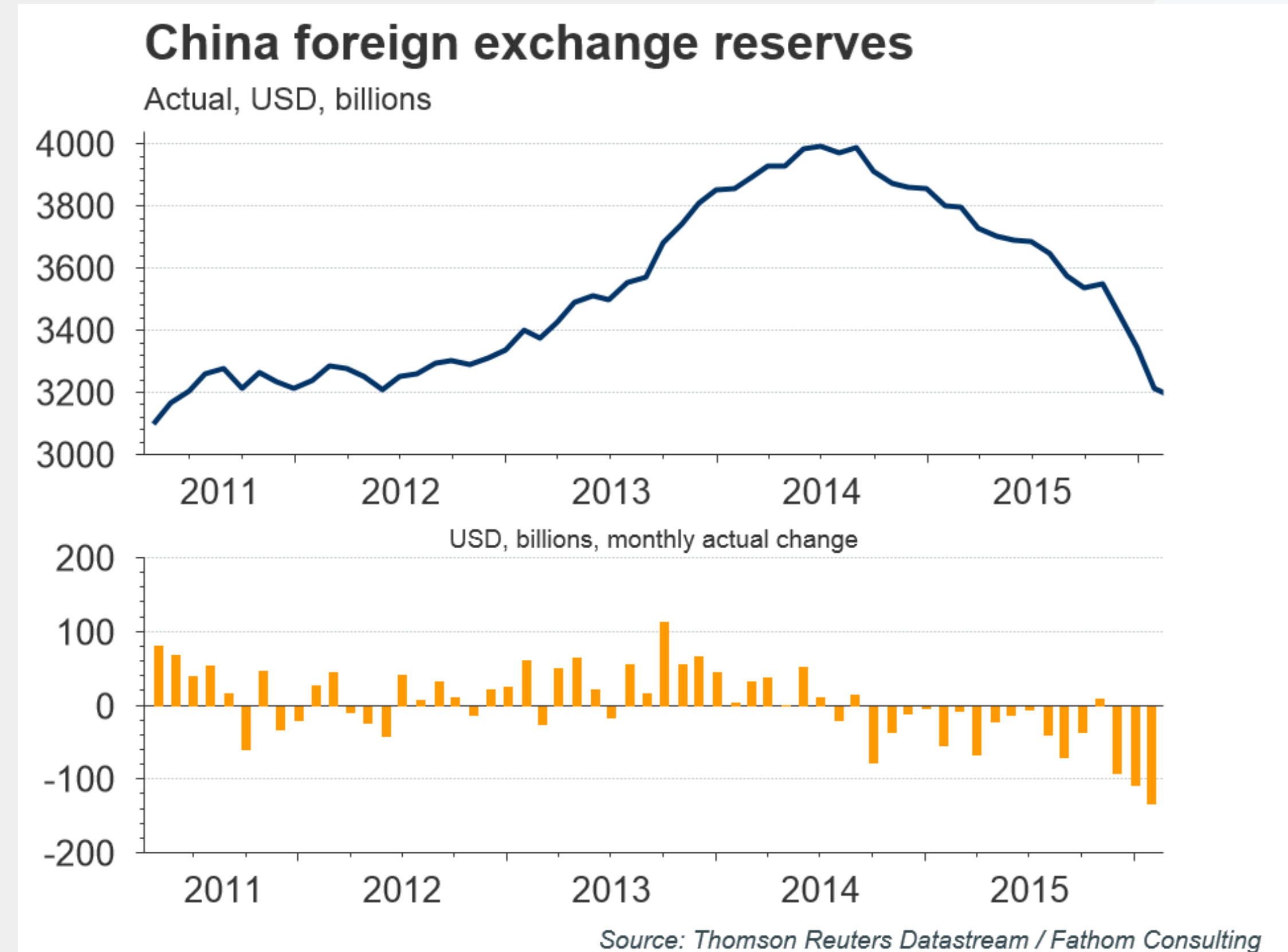
So what about 2016 – its Déjà vu!

Slowing Chinese economy



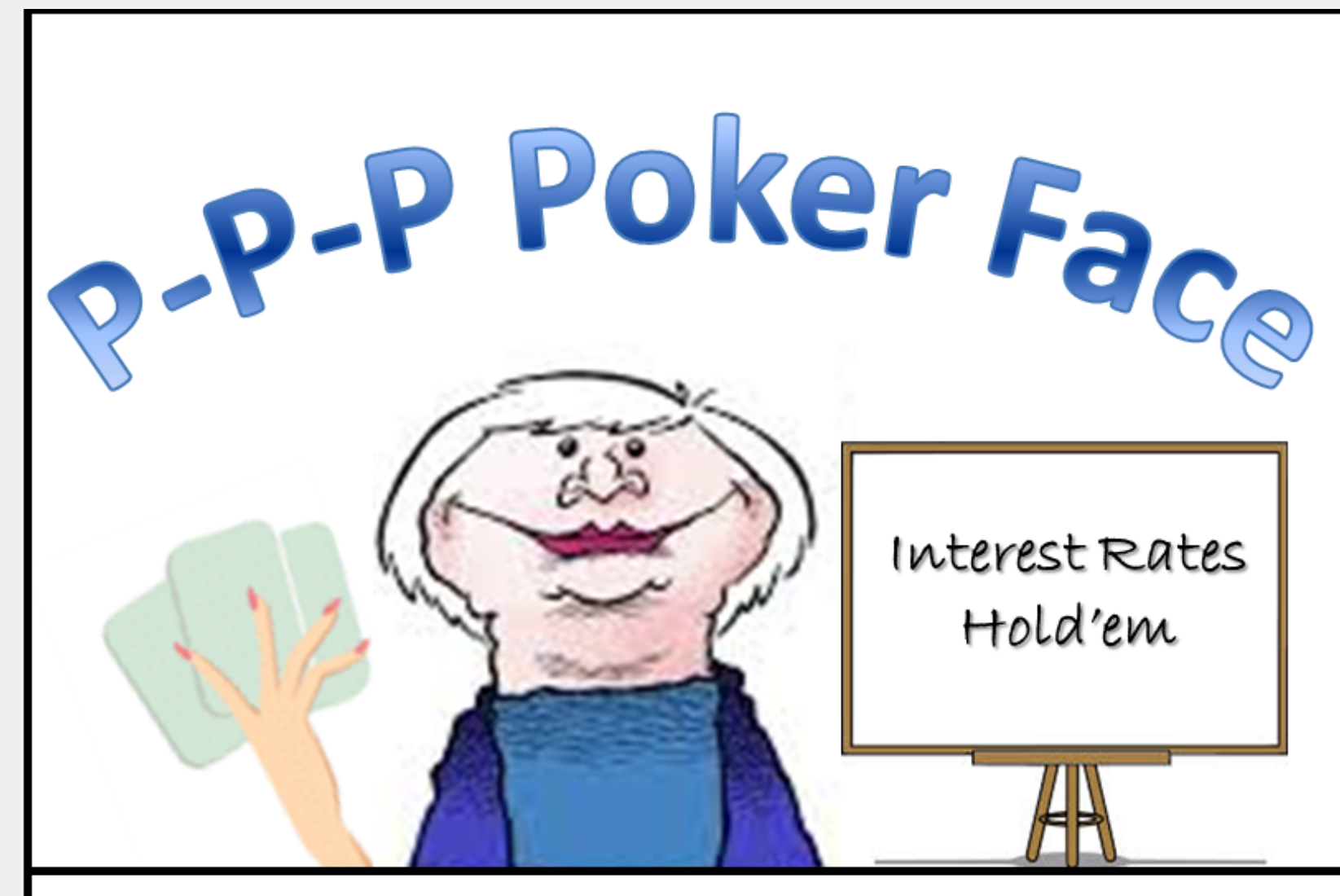
So what about 2016 – its Déjà vu!

- Slowing Chinese economy
- Chinese Yuan currency devaluation



So what about 2016 – its Déjà vu!

- Slowing Chinese economy
- Chinese Yuan currency devaluation
- US interest rates

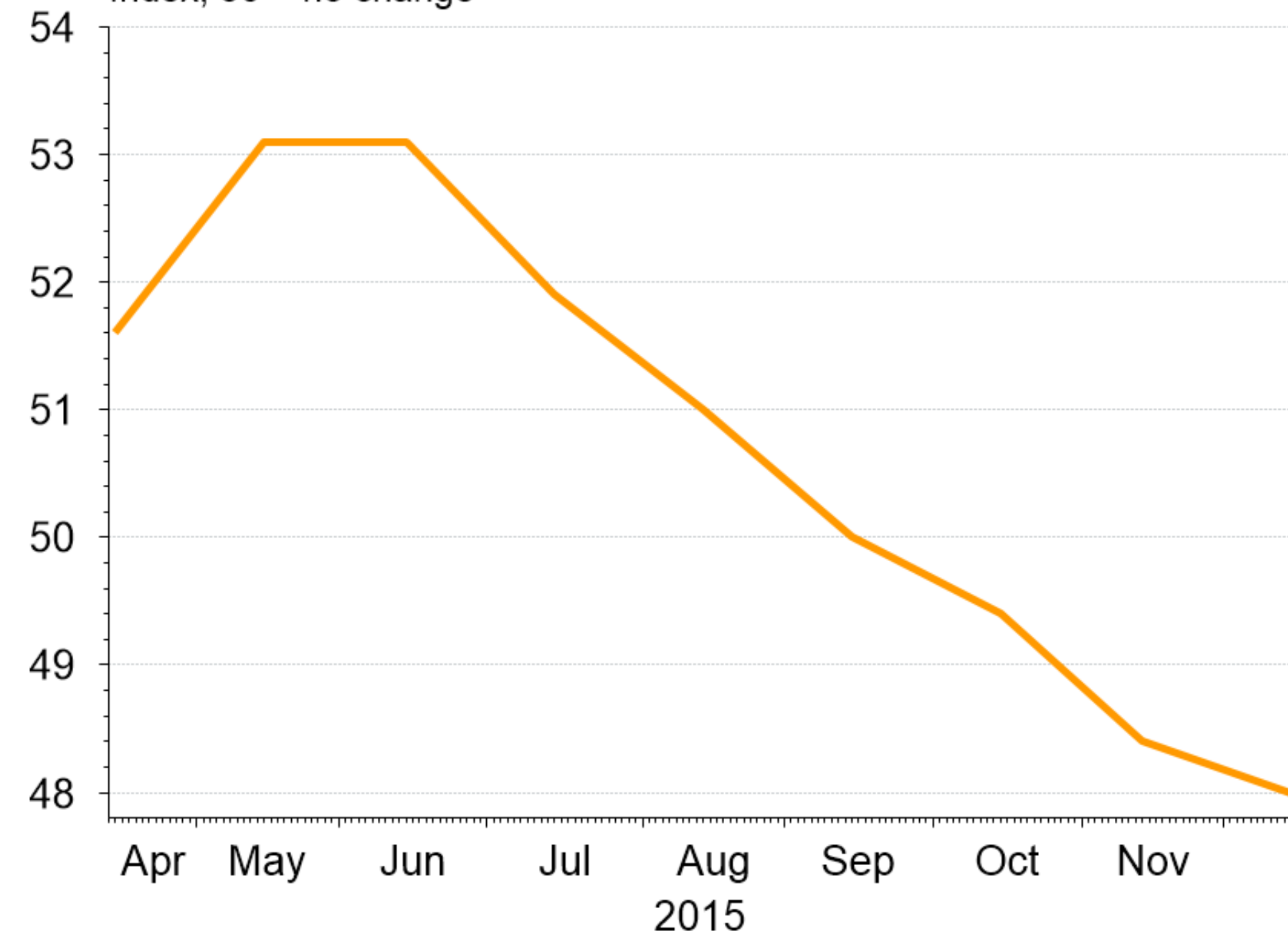


So what about 2016 – its Déjà vu!

- Slowing Chinese economy
- Chinese Yuan currency devaluation
- Continued fears over the path of US interest rates
- US manufacturing in recession

US ISM manufacturing PMI

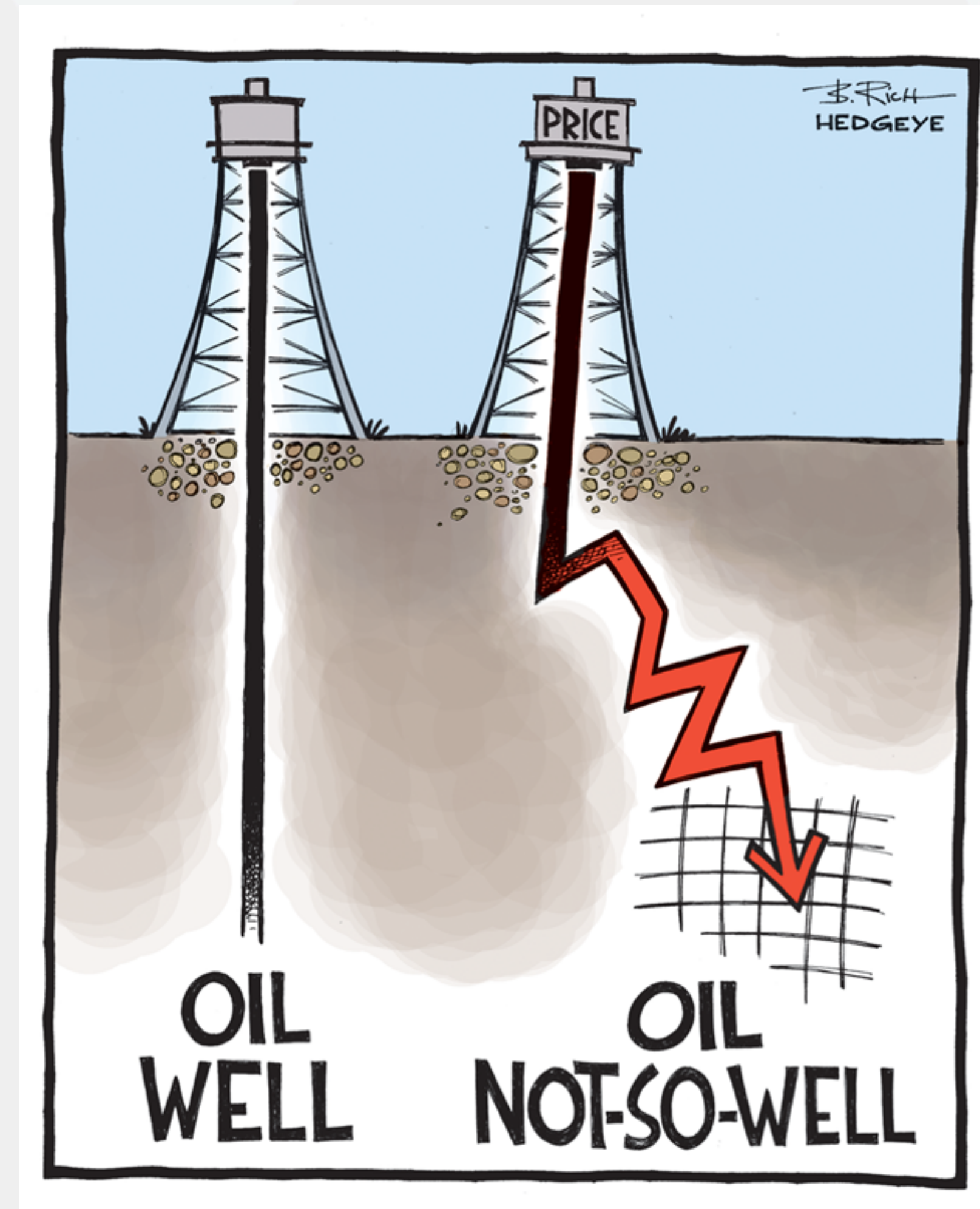
Index, 50 = no change



Source: Thomson Reuters Datastream / Fathom Consulting

So what about 2016 – its Déjà vu!

- Slowing Chinese economy
- Chinese Yuan currency devaluation
- Continued fears over the path of US interest rates
- US manufacturing in recession
- Continued slide in oil prices



What has this meant for markets?



The worst start to year since 1928

Source: Thomson Reuters Datastream

How do you make money in markets like this?

Equities	Jan: Neutral	Dec: Neutral
Underweight:	UK, EM	UK, EM, US
Overweight:	Europe, Japan	Europe, Japan, Asia
Neutral:	US, Asia	N/A

Fixed Income	Jan: Underweight	Dec: Underweight
Underweight:	Government Bonds	Government Bonds
Overweight:	Strategic Bonds	Strategic Bonds
Neutral:	Credit	Credit

Property	Jan: Neutral	Dec: Neutral
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Absolute Return	Jan: Overweight	Dec: Overweight
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Currencies	Jan:	Dec:
Underweight:	Euro, Japanese yen, sterling	Japanese yen, sterling
Overweight:	US Dollar	N/A

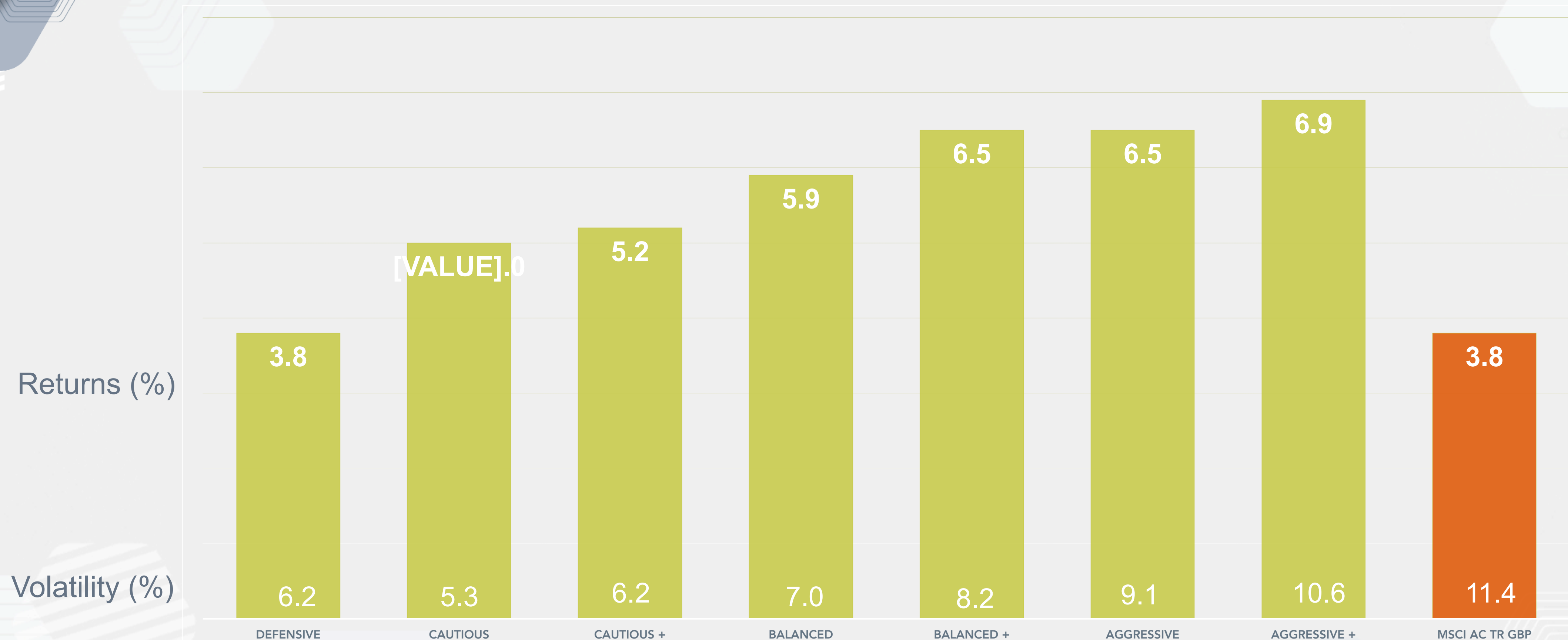
Active management is key



Source: Thomson Reuters Datastream

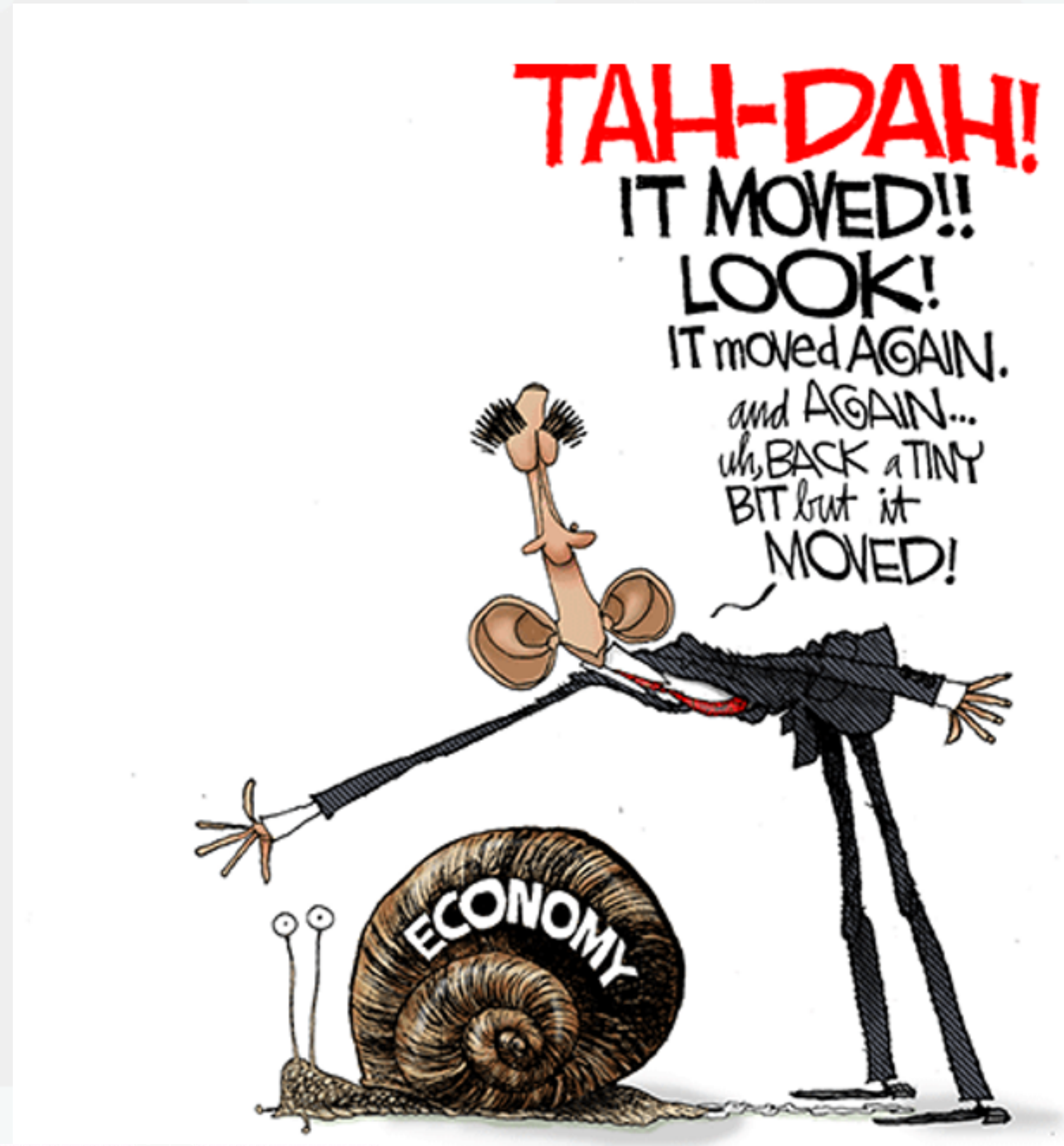
A robust active process can deliver returns even in volatile markets

Smart Portfolio performance in 2015



Outlook

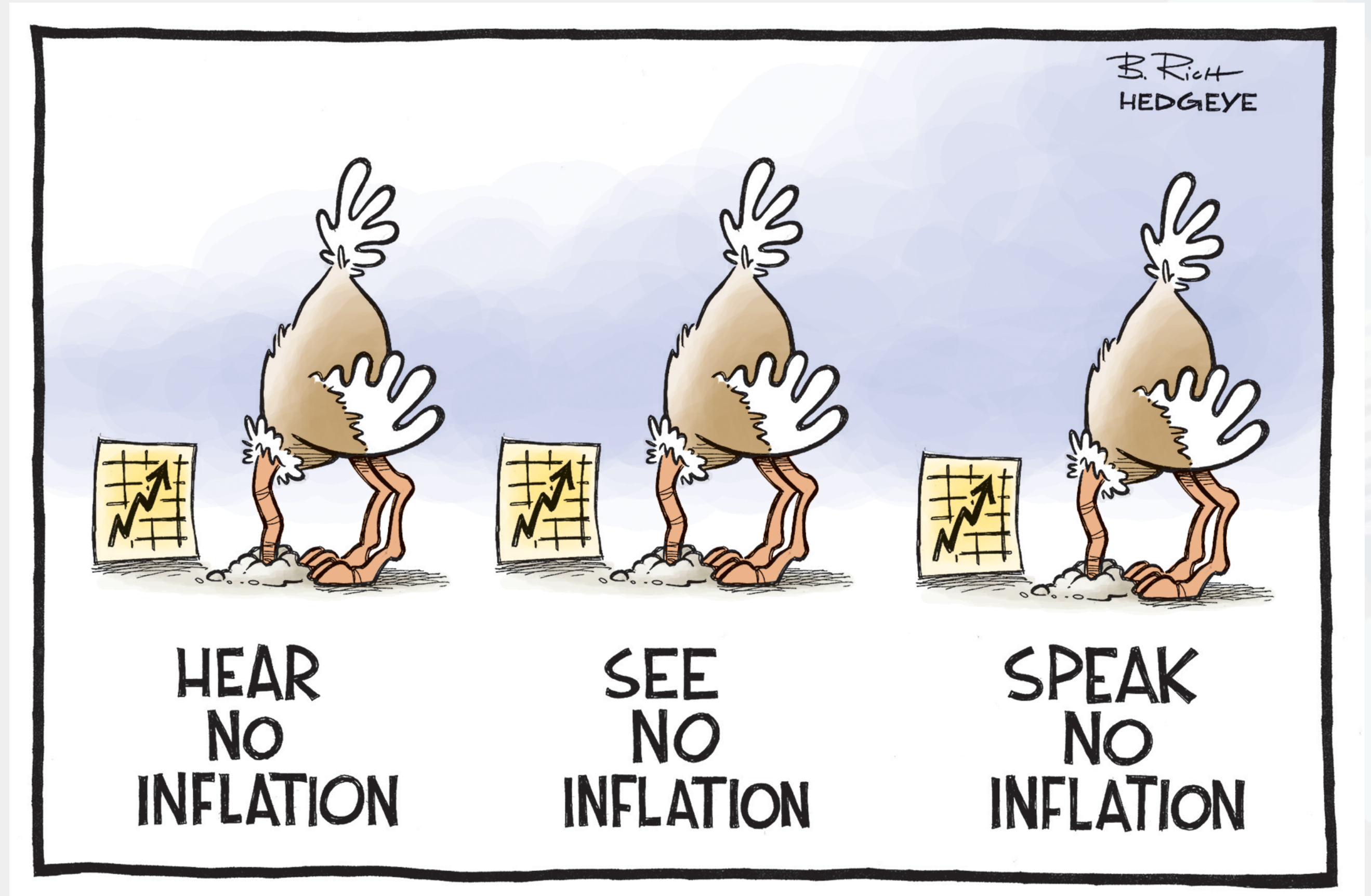
Weak economic growth



Outlook

Weak economic growth led by the US

Low inflationary environment

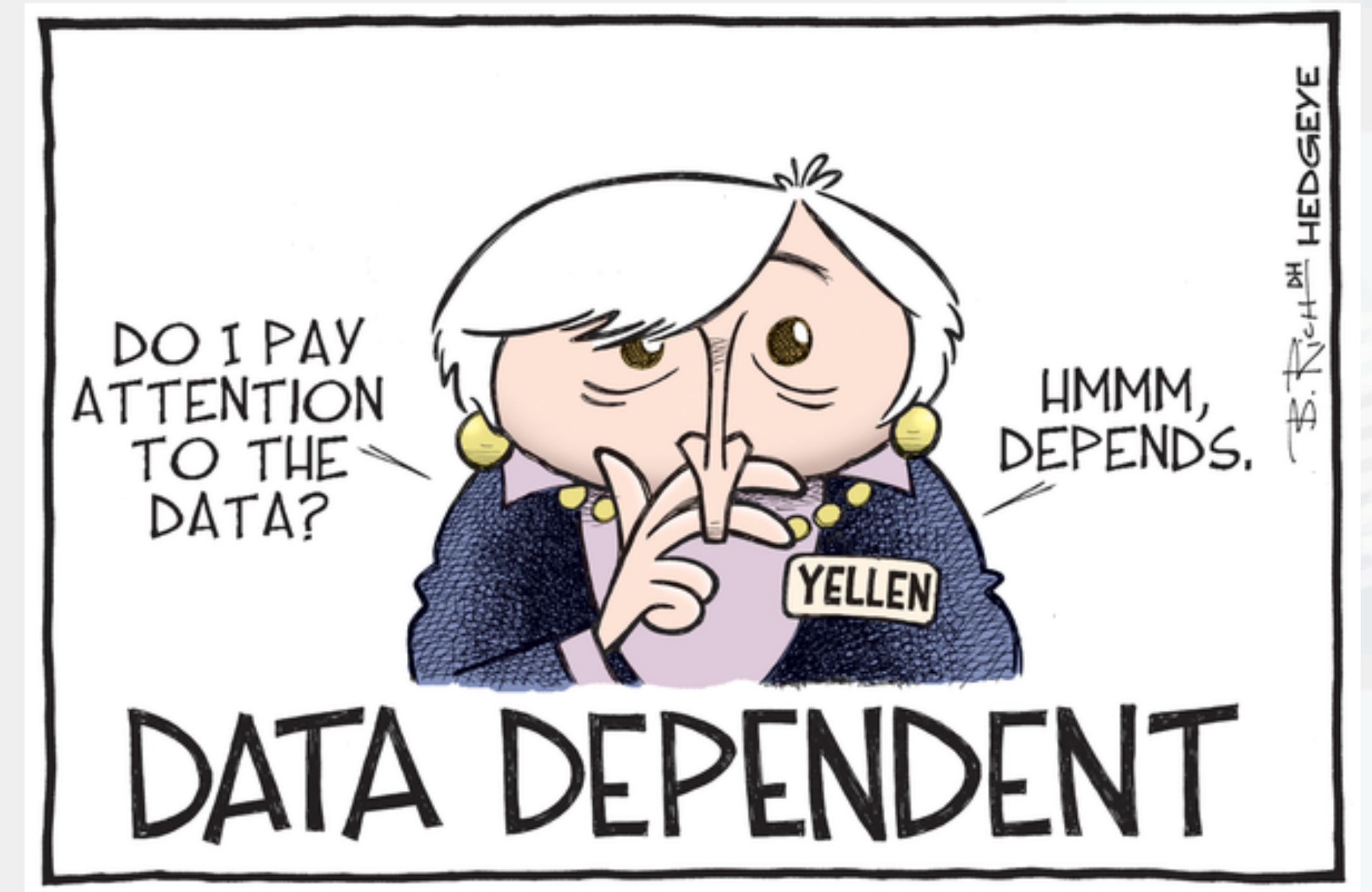


Outlook

Weak economic growth led by the US

Low inflationary environment

Interest rates low by historical standards



Outlook

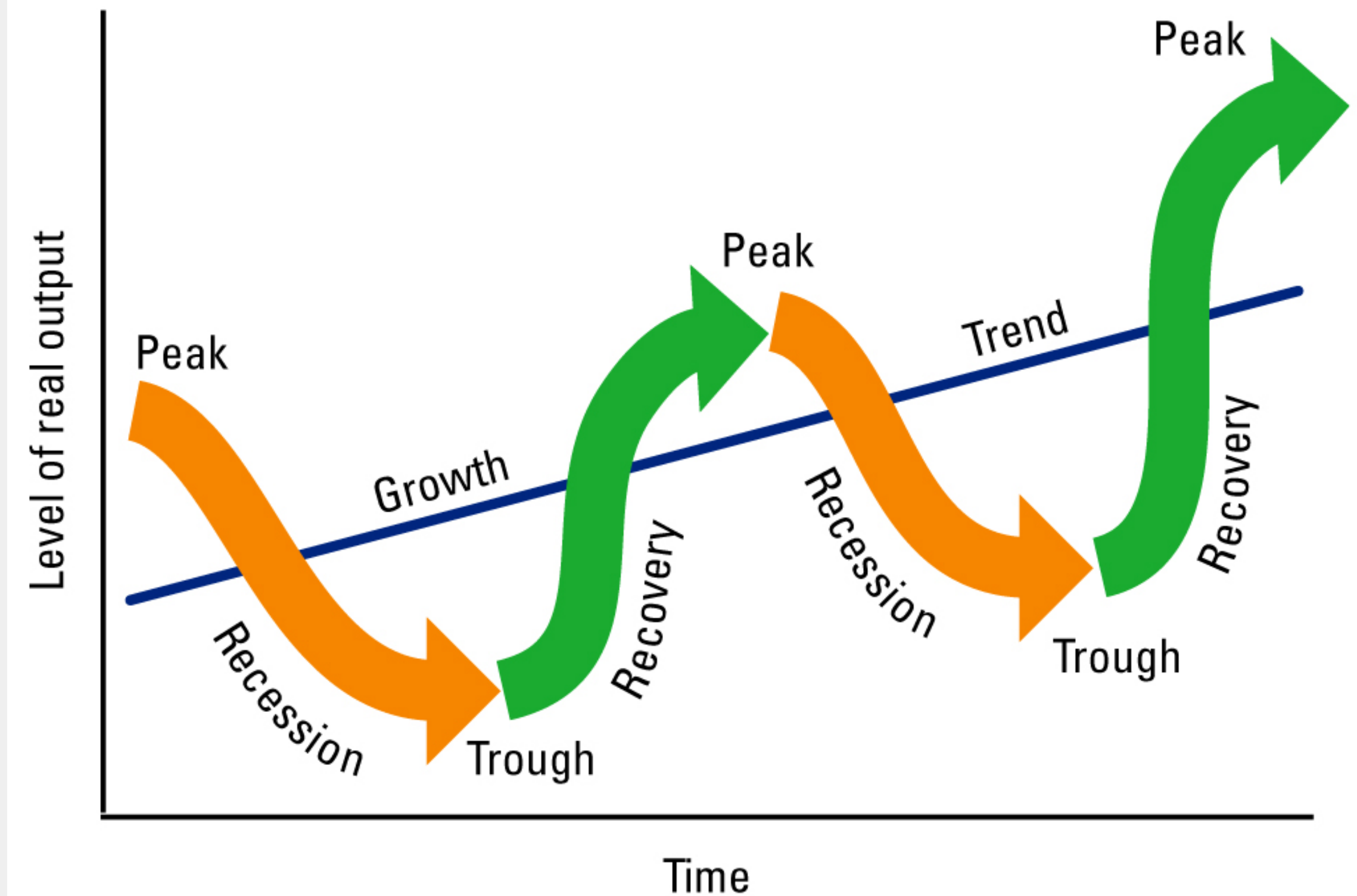
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Interest rates low by historical standards

Extended economic cycle

The Economic Cycle



Outlook

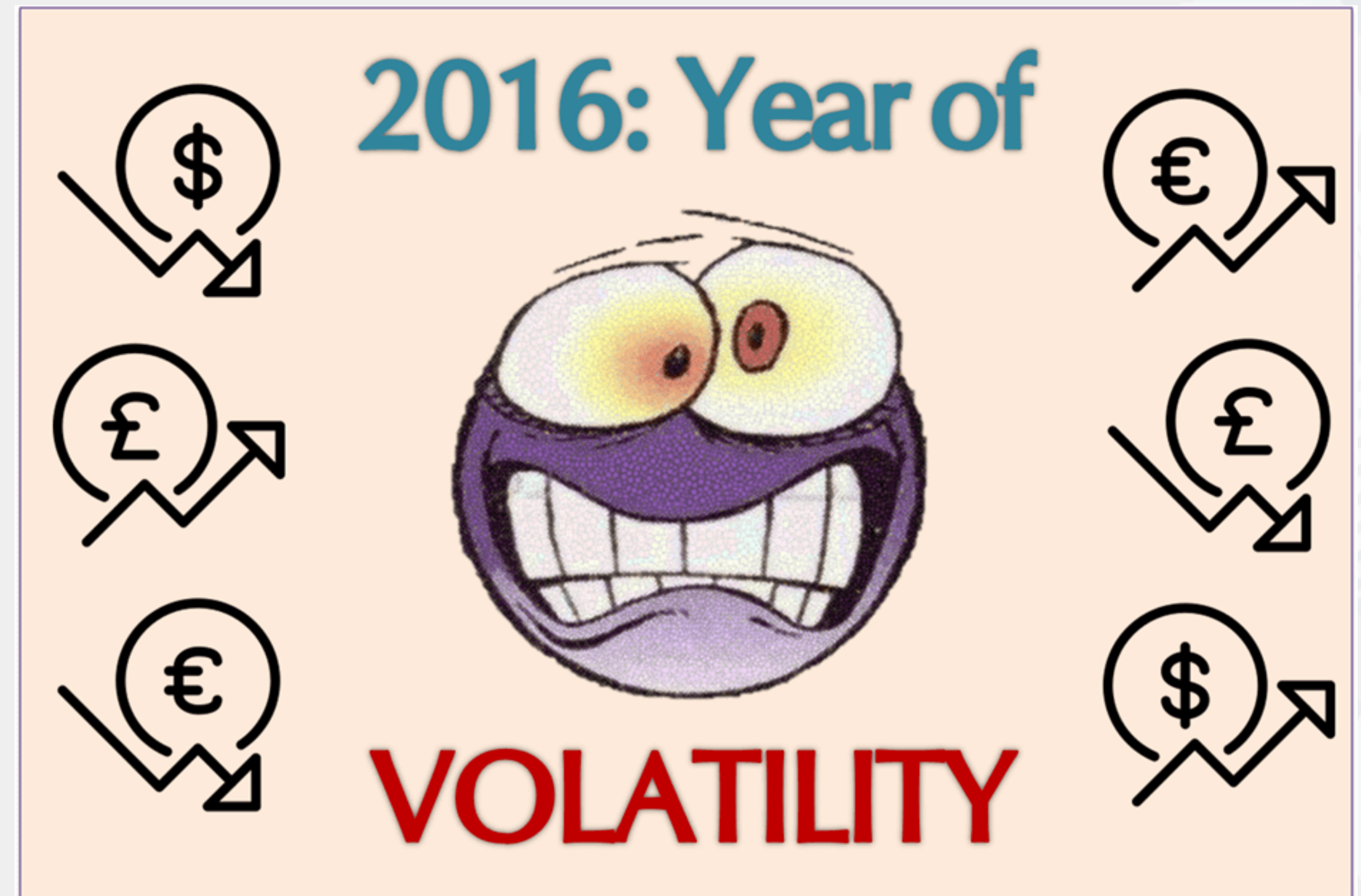
Weak economic growth led by the US

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Outlook

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Impact of QE waning



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Immediate impact of QE waning

Diversification is key



Outlook

- Weak economic growth led by the US
- Low inflationary environment
- Interest rates low by historical standards
- Extended economic cycle
- Volatility here to stay
- Immediate impact of QE waning
- Diversification is key
- Key risks
 - US interest rates/dollar
 - US election
 - China
 - Brexit

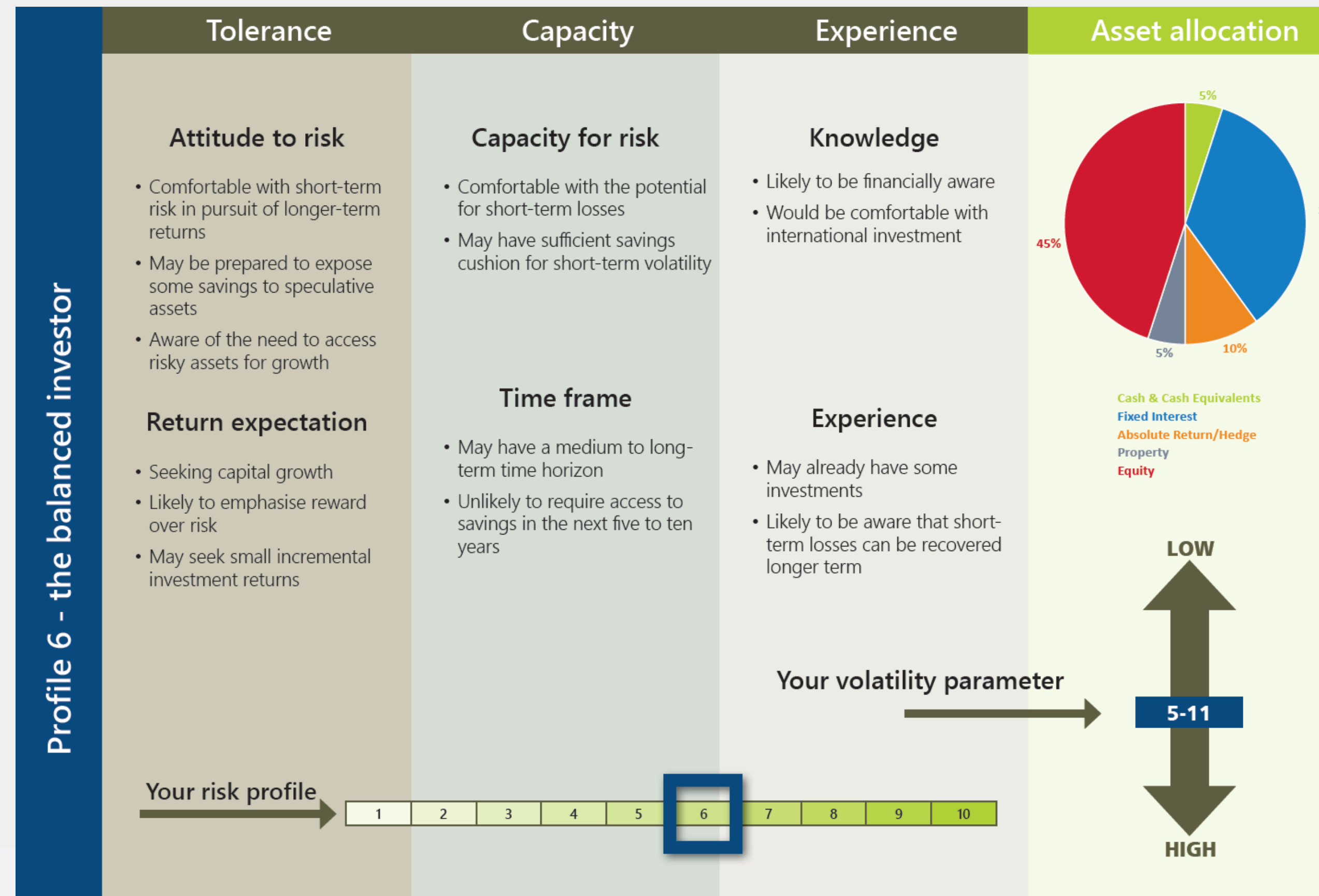


How were we positioned now?

- **Underweight equities** – Underweight - UK/ Euro Neutral – Japan/ Asia Overweight Europe
- **Underweight Fixed Interest** – Underweight – Gov't/ StrategicOverweight Currency/ Emg mkts
- **Property** – Neutral
- **Underweight Absolute Return**
- **Overweight currencies** – US Dollar
- **Overweight** - Cash

How can you put together your own portfolio?

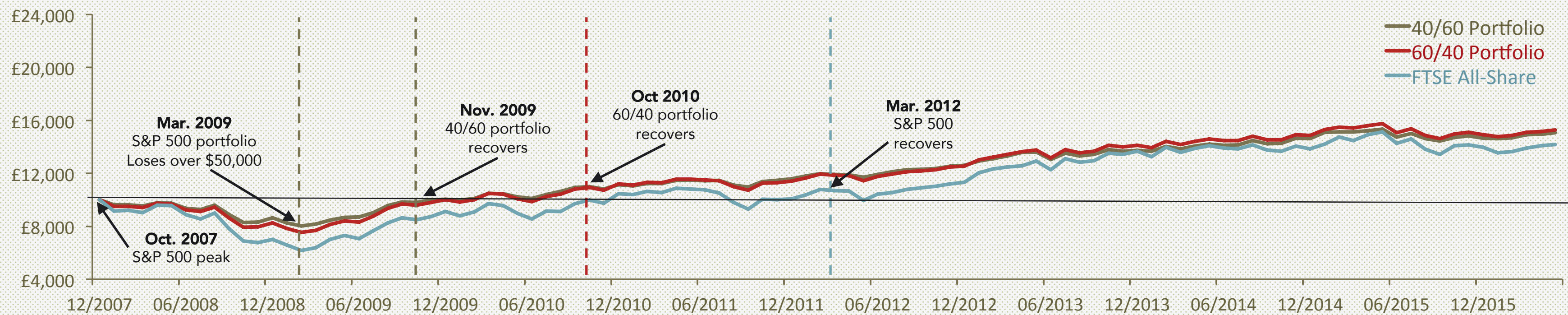
Start with determining what level of risk you are comfortable with



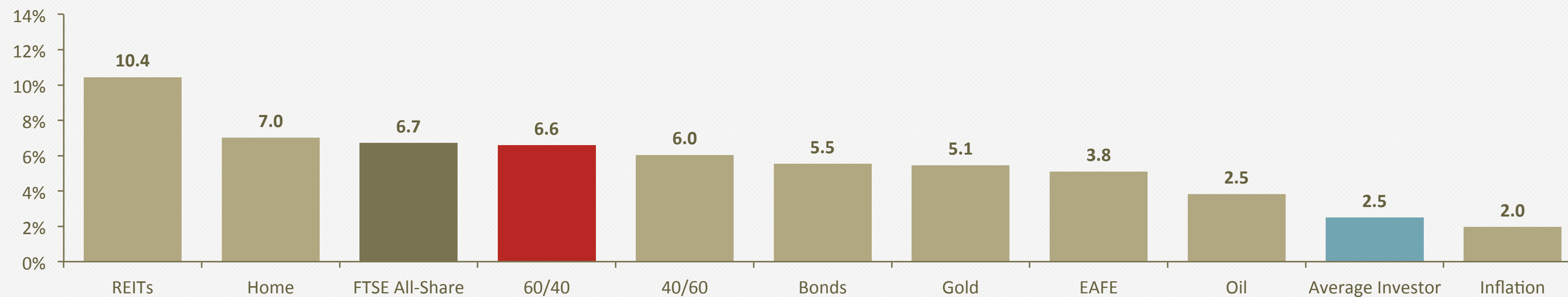
Diversify your investments

Diversification and the average investor (UK)

Portfolio returns: Equities vs. equity and fixed income blend

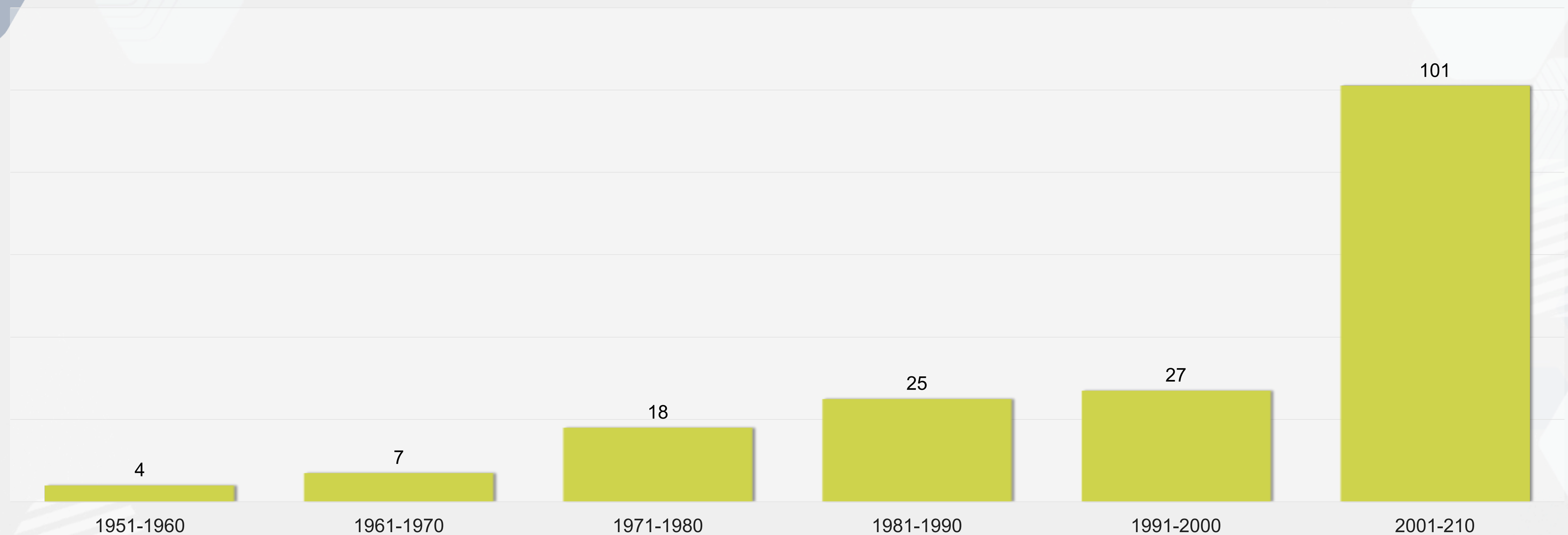


20-year annualised return by asset class (1995-2005)



Be active!

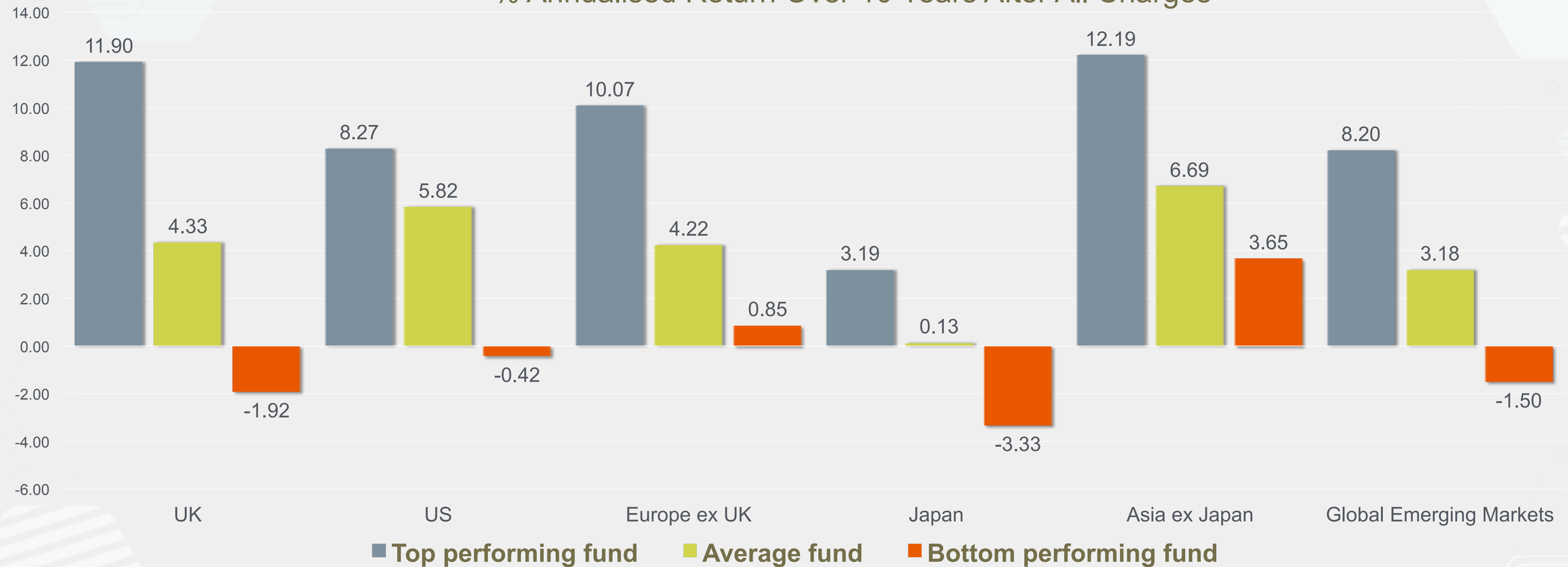
Number of 3% Daily Moves in S&P500 (by Decade)



Source: Lipper, Smarti^{im}. Annualised return from the IA sectors over 10 years to 31 March 2016. All figures are total return in sterling and are net of fees including the GWM Investment Management fee of 1%

Select the right investments

% Annualised Return Over 10 Years After All Charges



Source: Lipper, Smartim. Annualised return from the IA sectors over 10 years to 31 March 2016. All figures are total return in sterling and are net of fees including the GWM Investment Management fee of 1%

Keep your nerve!



Index returns are for illustrative purposes only and do not represent actual fund performance. Index returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: Dalbar, March 2013. Returns calculated in USD with an end date of December 31, 2012. The equity index is represented by S&P 500 Index, the fixed income index by Barclays Aggregate Bond Index. Average U.S. equity investor and average U.S. fixed income investor results are calculated using data supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemption, and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs.

Source: SEI, Smart^{im}

Do it yourself or let us do it for you

Advise

SuisseRock creates your financial plan

- We work with you to select or create a portfolios that is tailored to your goals and is suitable given your personal situation and attitude and capacity for risk.

Smart^{im} invest and manage your money

- Your client portfolios are invested in one or more portfolios using an appropriate administration and custody platform
- You can view portfolios 24/7 on-line

Service

SuisseRock monitors our progress and keeps you informed

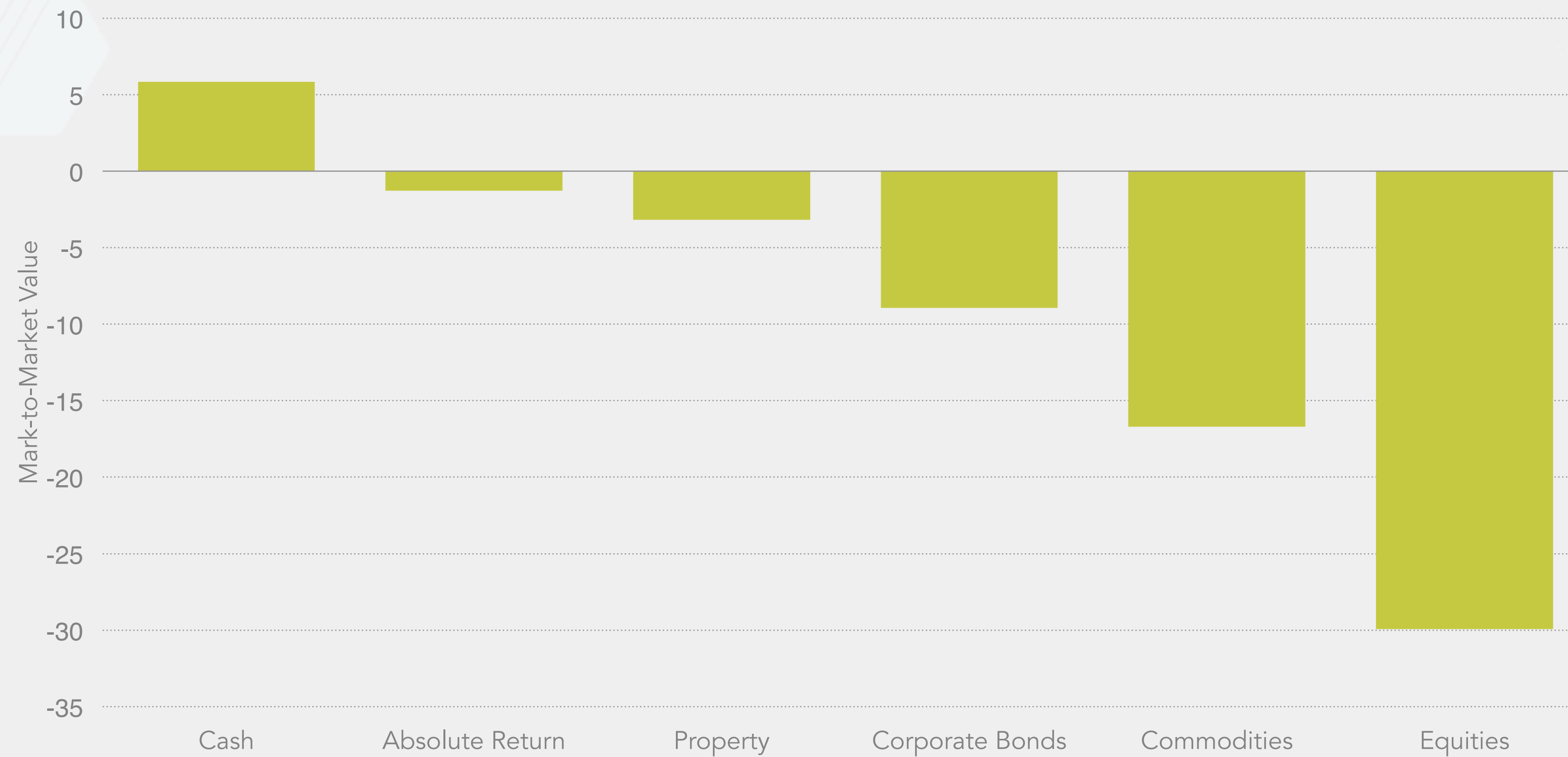
- Our investment committee will actively monitor the ongoing suitability of our investment managers and portfolios
- We will ensure the ongoing suitability of your investments against your goals personal situation, and attitude and capacity for risk
- We will provide regular updates and commentaries to keep you informed of changes to your portfolios and information about the markets

Diversification is important ...



Source: Smart^{im}, Lipper 31st December 1985 to 31st December 2013. All figures are total return in sterling.

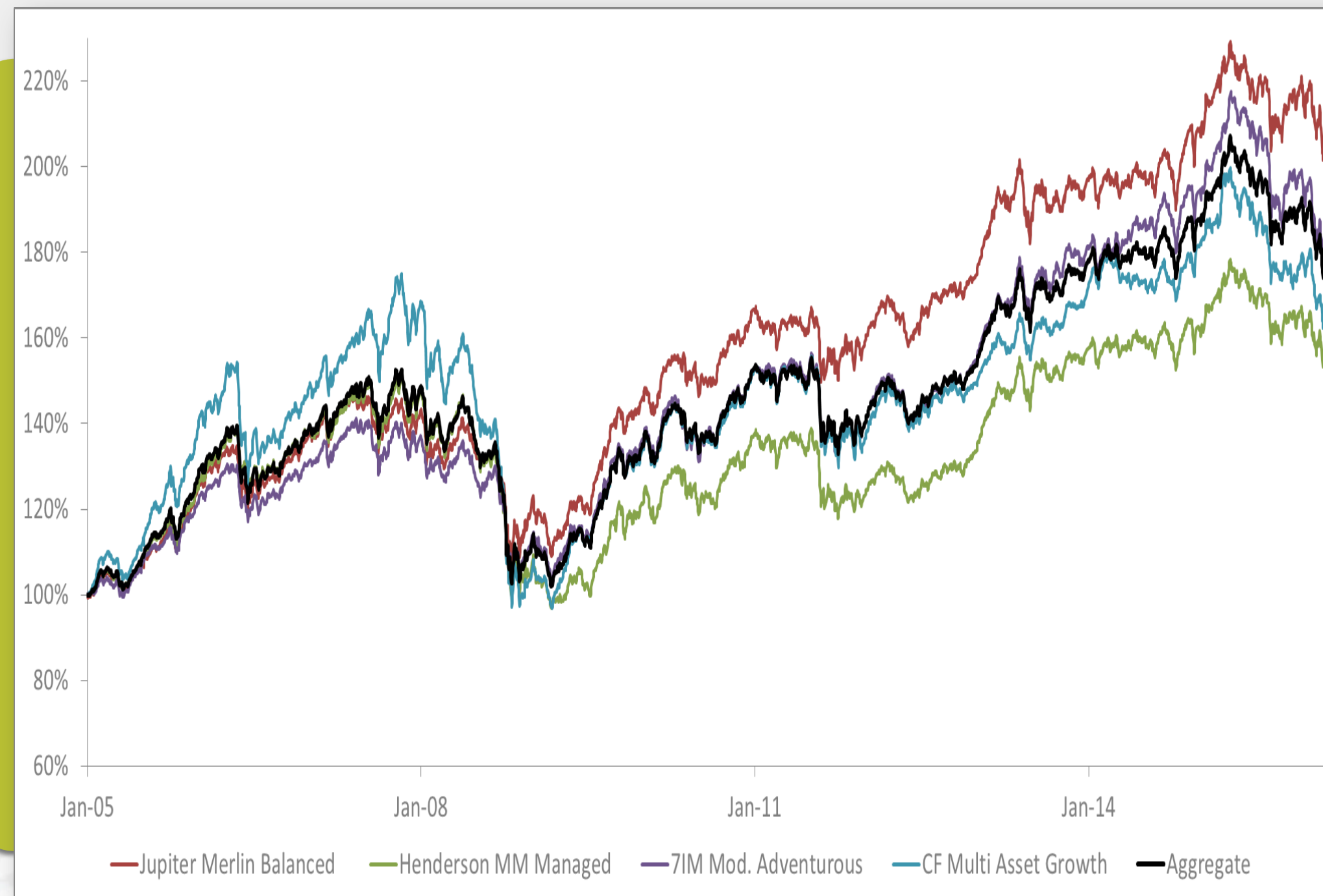
...but it does not always work - 2008



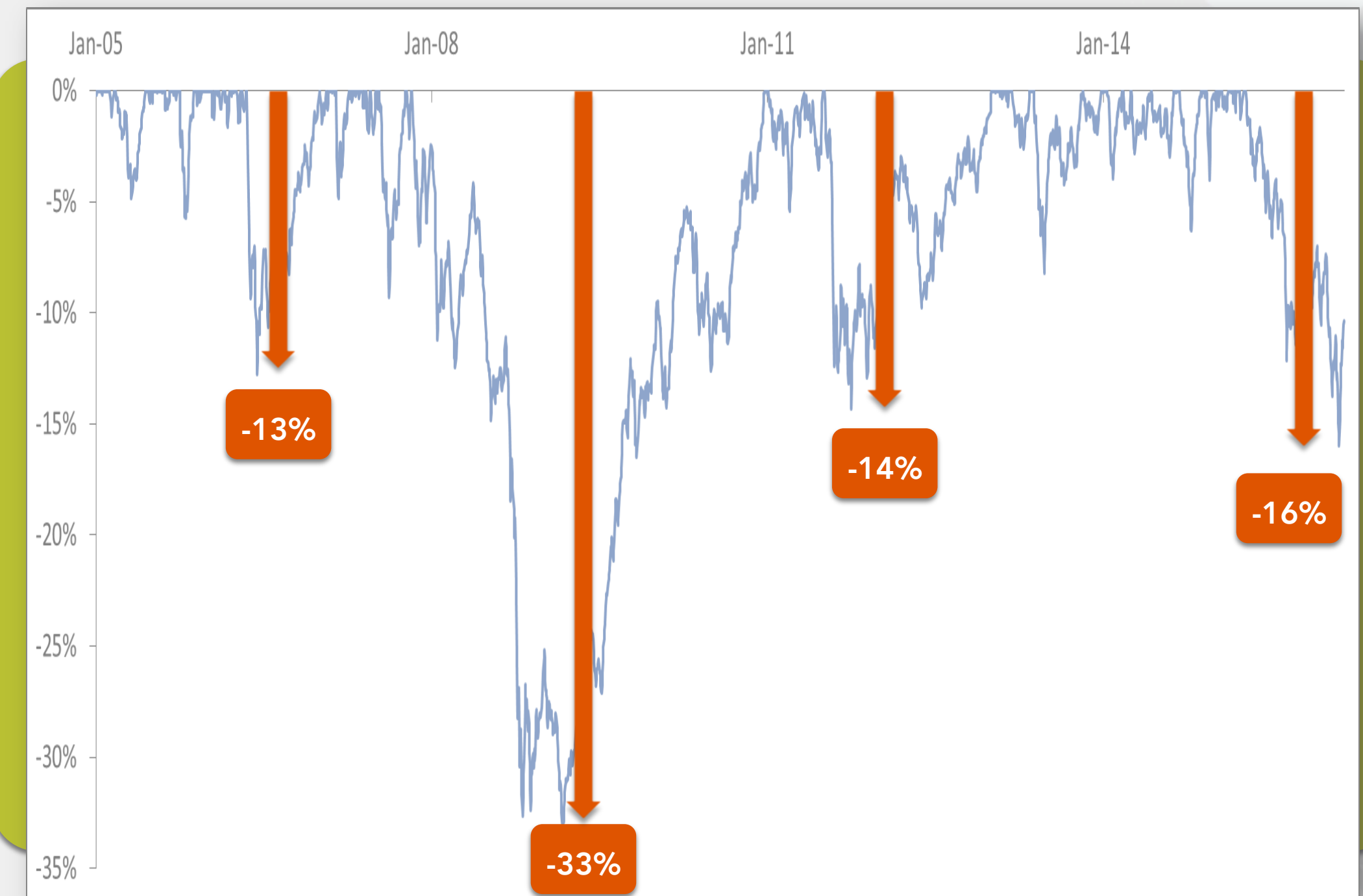
Source: Smart^{im}, Lipper 31st December 2007 to the 31st December 2013. All figures are total return in sterling.

Look at the experience of balanced multi asset funds

Example Balanced Fund Performance



Peak to Trough Drawdowns



Source: Smart^{im}, Lipper.

So where are we today? Bonds are not the safe haven they once were



Source: Smart^{im}, Lipper

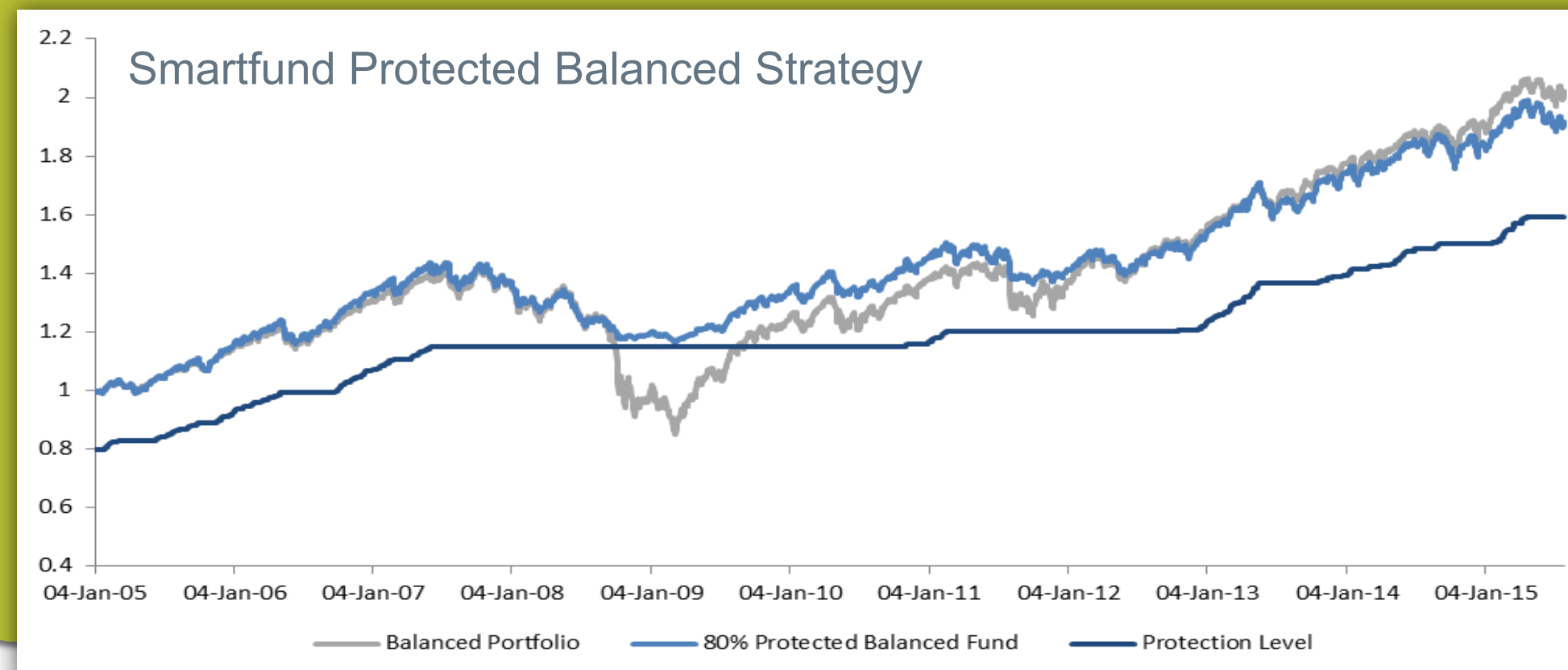
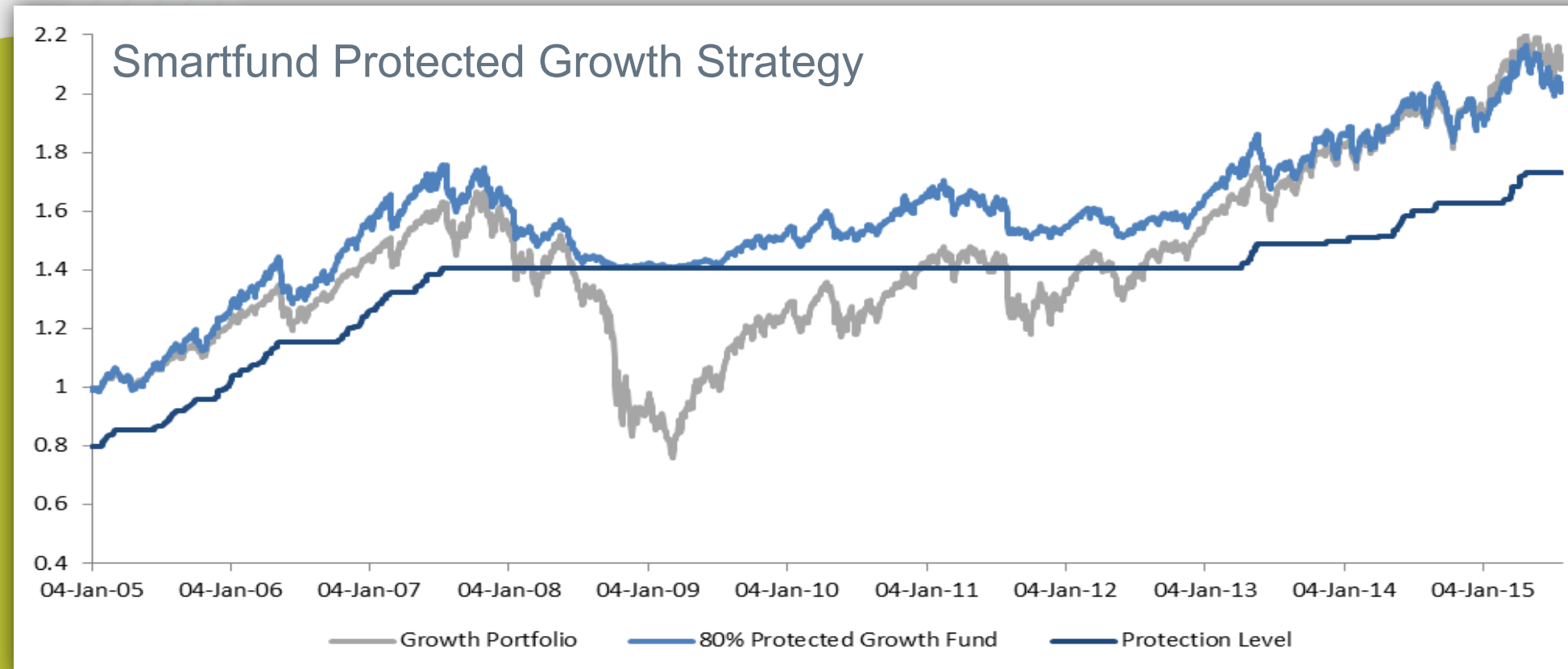


The impact of an increased expectation of a rate increase on German Bund Yields in July 2015!



Warning of what we might expect when Central banks exit QE.

Time for alternative strategy? Introducing Smartfund 80% Protected



	Growth Portfolio	80% Protected Growth Fund	Balanced Portfolio	80% Protected Balanced Fund
Performance	7.4%	6.9%	6.9%	6.4%
Volatility	15.7%	8.6%	9.9%	6.5%
Max peak to trough drawdown	-54.5%	-20.00%	-40.2%	-18.9%

Source: Smart^{im}. All returns are in sterling and include reinvestment of dividends. The table shows historical simulation of the 80% Protected portfolio vs the respective unprotected version over 10 years to 31 July 2015. These performance figures reflect what a client might have expected to have received gross which is before the deduction of any fund management charges or adviser fees. The annual management charge of the fund is 1.95%. These figures include the impact of the monthly performance cap and cost of protection. Past performance is not an indicator of future results.

What outcomes can this strategy deliver for you?

01

Smoother investment journey.

Peace of mind in volatile markets.

02

03

Daily traded providing access to capital.

Certainty of income when in drawdown.

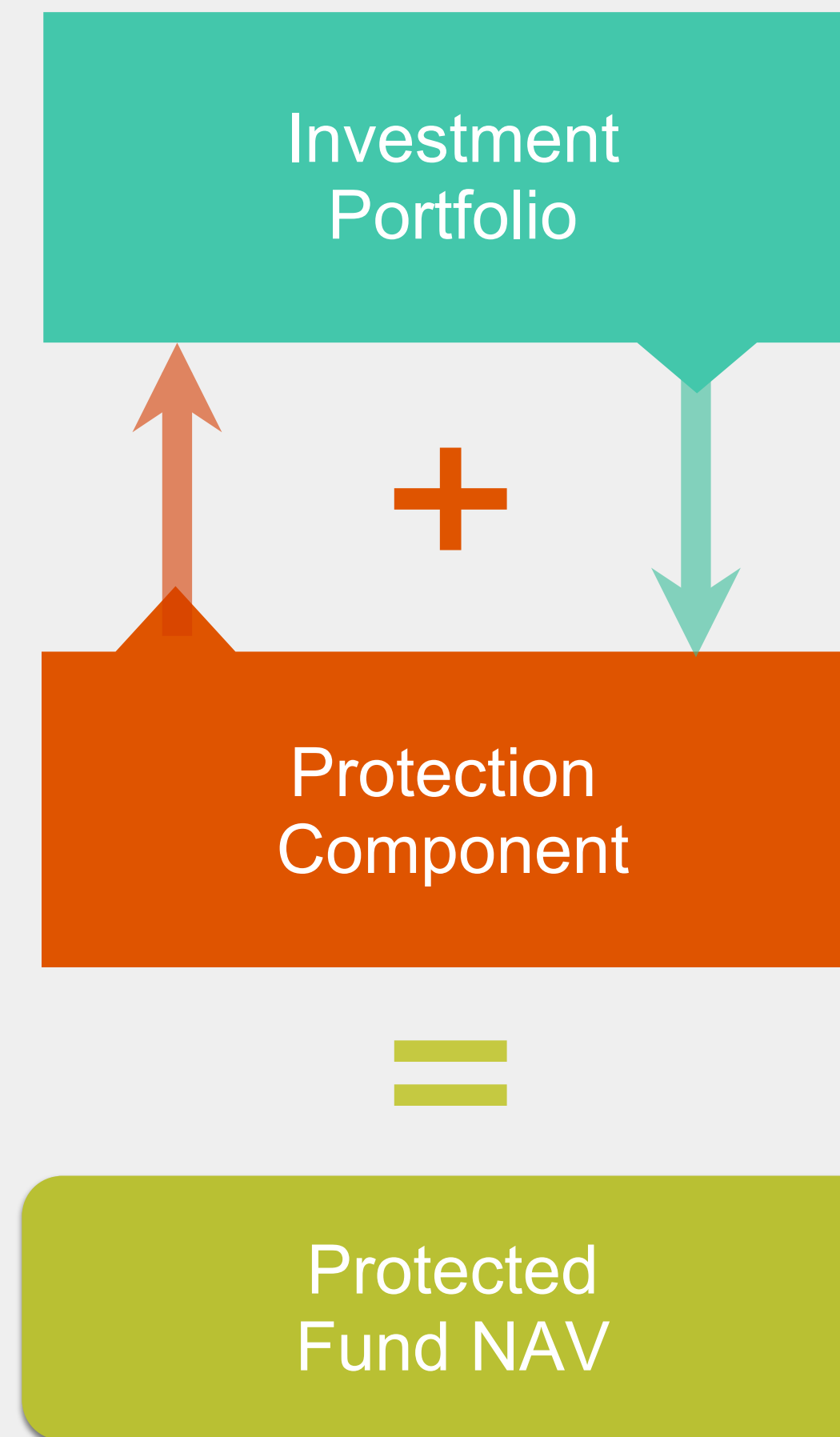
04

05

Security of Capital Protection in UCITSIV structure.

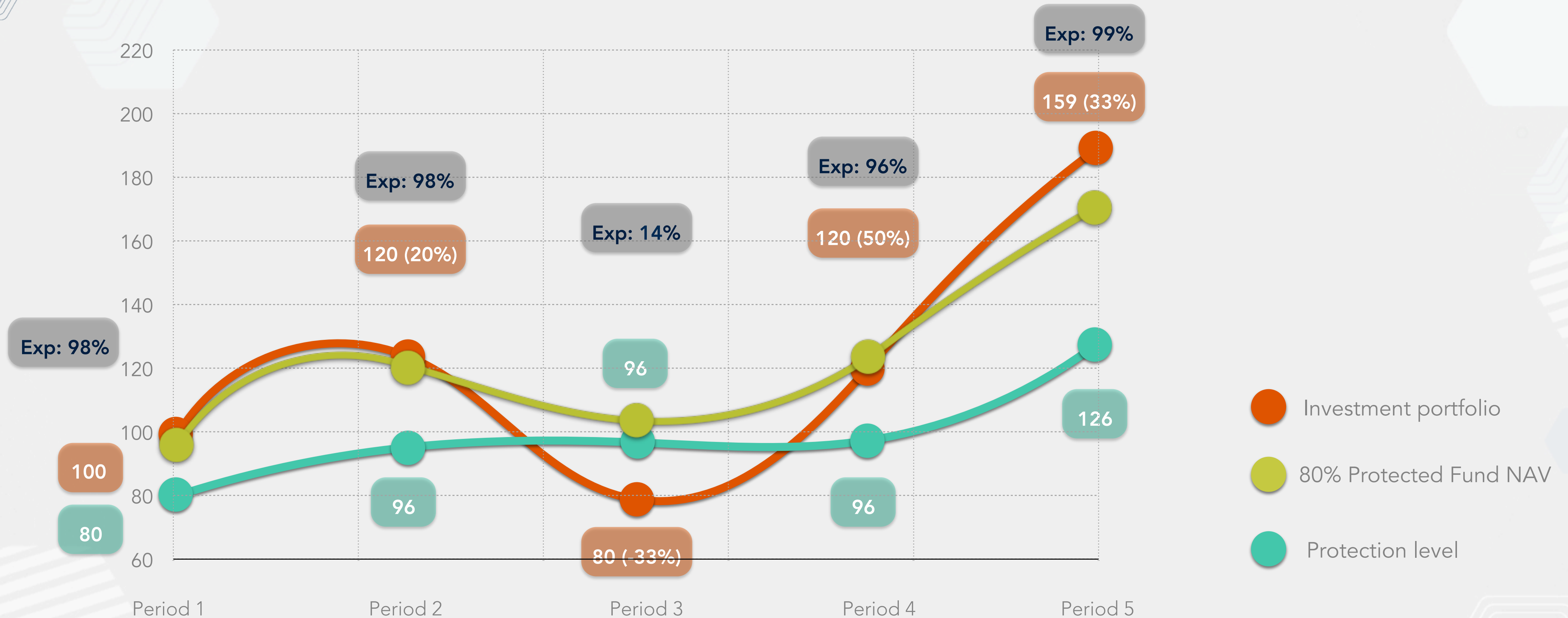
How does Smartfund 80% Protected work?

Performance engine is a multi-asset investment portfolio actively managed by Smart^{im}.



Put option linked to the investment portfolio ensures a minimum protection level of 80% of the max NAV. Delivered by Morgan Stanley.

How will the Fund perform in different market cycles?



For illustration purposes only.

Who is involved in the fund?

Praemium

(distributor)

ASX-listed provider of international fintech and investment solutions

US\$62.5bn

Fundlogic SAS

(investment manager)

Subsidiary of Morgan Stanley UCITS IV platform

US\$11.5bn AUM

Smart^{im}

(sub investment manager)

FCA-authorised subsidiary of Praemium

US\$360m AUM

Morgan Stanley

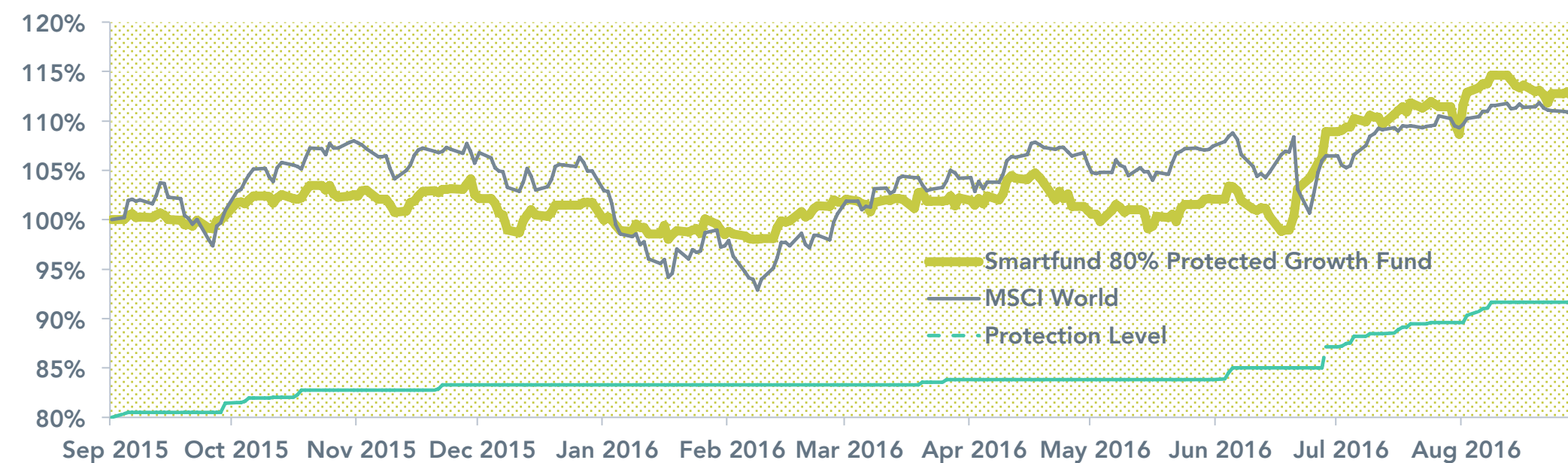
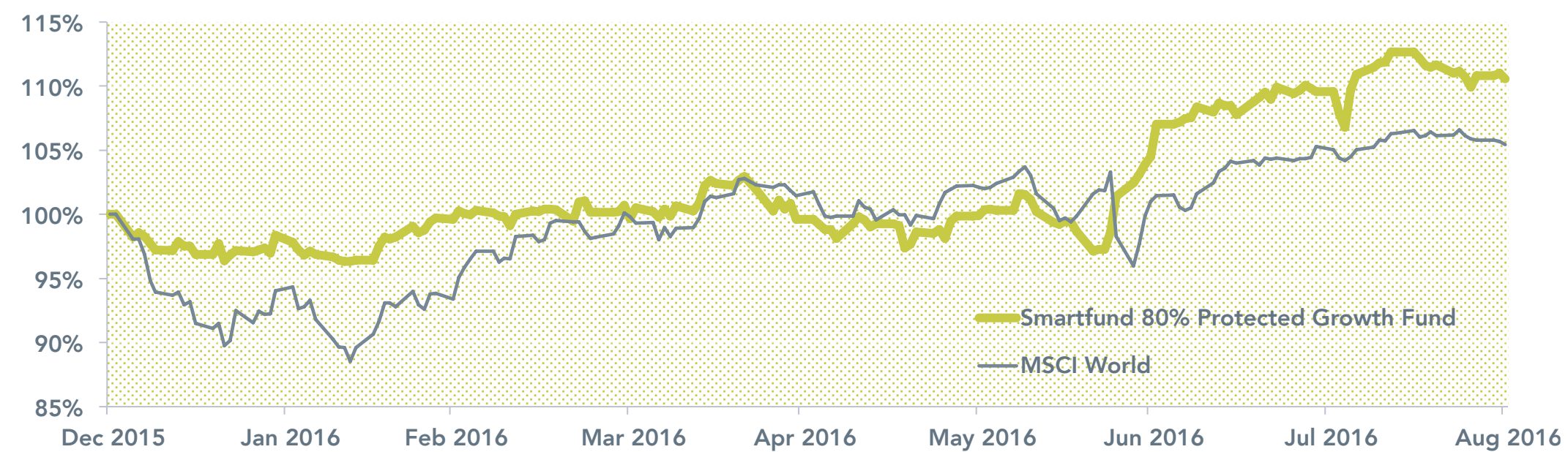
(protection provider)

One of the largest financial institutions
A+ credit rating

US\$2tr AUM

Performance of Smartfund 80% Protected Growth Fund

(4th Sept 2015 – 31st Aug 2016)



Year to Date	Return	Volatility	Peak/Trough Drawdown
Protected Growth Fund	10.55%	11.24%	-5.68%
MSCI World	5.45%	14.41%	-11.47%

Since Launch	Return	Volatility	Peak/Trough Drawdown	Protection Level
Protected Growth Fund	12.48%	10.29%	-5.88%	91.69%
MSCI World	10.64%	13.93%	-13.97%	-

Source: Smart Investment management Limited, Bloomberg. All figures are total return in sterling. This information has been prepared solely for information purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No representation is made that any results/returns indicated would be achieved or that all assumptions in achieving these returns have been considered or stated. Additional information is available on request. Past performance is not necessarily indicative of future results. Price and availability are subject to change without notice. Unless stated otherwise, the material contained herein has not been based on a consideration of any individual client circumstances and as such should not be considered to be a personal recommendation. These performance figures reflect what a client might have expected to receive net, which is after the deduction of any fund management charges or adviser fees. The annual management charge of the fund is 1.95%. These figures also reflect the impact of the monthly performance cap and the cost of the protection.

Important information

This document is a marketing document for the Smartfund 80% Protected range of funds and is solely intended for the use of the IFA.

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This information is provided for education purposes only and is not intended to provide legal or investment advice.

The Smartfund 80% Protected Fund range will be sub funds of Fundlogic Alternatives plc, a UCITS fund which is based in Republic of Ireland.

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