

G10 MACRO RATES STRATEGY

Blending experience, proprietary technologies and implementation efficiency to create alpha

INTRODUCTION

The G10 Macro Rates Strategy is an interest rate and FX macro strategy, implemented in a relative value style, aiming to deliver positive returns with a low correlation to equity and bond markets. The strategy is managed by a highly experienced team, with an outstanding track record of managing liquid diversified strategies. The team applies an established and disciplined investment process with a focus on implementation efficiency, centred around a G10 mandate.

HIGHLY EXPERIENCED TEAM



Dr Richard Marshall, Shayne Dunlap and Oleg Gustap

Specialists in relative value trading of G10 interest rates and FX

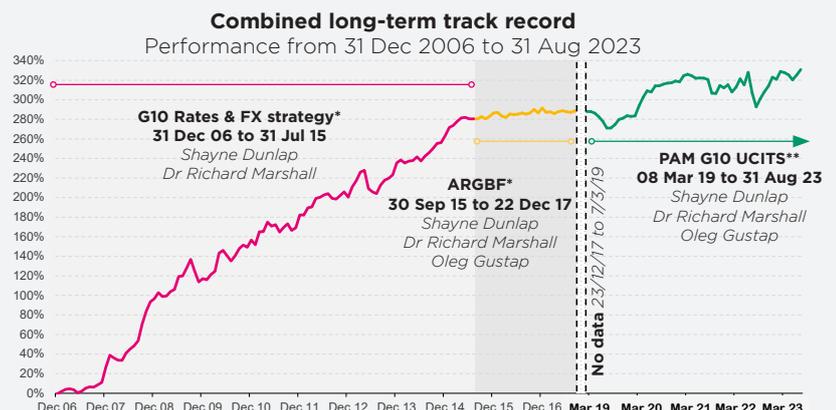
The investment team comprises of highly experienced portfolio managers Shayne Dunlap and Dr Richard Marshall, alongside co-portfolio manager Oleg Gustap, all of whom worked most recently at Aberdeen Standard Investments. Prior to 2015 Shayne and Richard worked together for over 15 years at Mizuho on the bank's proprietary trading desk. The team specialise in relative value trading of G10 interest rates and FX.

Highly experienced team with over 50 years' combined investment experience managing liquid diversified strategies

OUTSTANDING TRACK RECORD OF PRODUCING UNCORRELATED, POSITIVE RETURNS

Shayne Dunlap and Dr Richard Marshall were managers of a G10 Rates & FX strategy between December 2006 and July 2015, before managing an ARGBF strategy from September 2015 to December 2017 with Oleg Gustap. Over this period the strategy achieved positive net returns every year, including 2008.

*Fees calculated using following structure = 0.8% OCF (0.3% AMC+ additional charges) and 10% performance fee.
**Fees calculated using OCF of 0.88%.



OUR THREE MAJOR INVESTMENT PRINCIPLES

1 NOT TRADITIONAL MACRO FORECASTING

2 FOCUSED ON EXPLOITING PRICE INEFFICIENCY

3 POSITIVELY CONVEX RETURNS

INVESTMENT PROCESS

The G10 Macro Rates Strategy process combines proprietary technologies and implementation efficiency to create alpha

- Macro data has become industrialised and easily available, the team use common data to identify the drivers of global growth.
- The team extensively research the effect of these global drivers on five global liquidity pools. This focus enforces diversification and discipline.
- To truly understand the path of rates and identify market (mis)pricing the team use their own proprietary curve model generator. Standard curve models are often not accurate enough to exploit inefficiencies.
- Trades are designed with a minimum 2:1 upside ratio and subjected to extensive backtesting and validation.
- Risk management is embedded throughout the investment process and underpins the team's disciplined approach to implementation efficiency.

STEP 1 Define global macro environment

Identify drivers of global growth

STEP 2 Examine five global liquidity pools

Evaluate the effects of global drivers on liquidity pools

STEP 3 Market analysis

Identify market (mis) pricing, exploit inefficiencies

STEP 4 Trade and theme generation

Combine macro and market analysis

STEP 5 Portfolio construction

Focus on simple, liquid and diversified structures

EVERY STEP Risk management

Integrated throughout the process



DIVERSIFIED, LIQUID PORTFOLIO OF 20-40 TRADES, HIGHLY UNCORRELATED TO TRADITIONAL MARKETS

LIQUID AND DIVERSIFIED PORTFOLIO

Liquidity is of vital importance. The team only trade the most liquid G10 instruments and monitor them on a daily basis to ensure the portfolio remains within expected parameters.

Diversification is key in portfolio construction. New trades are tested for additional risk contribution. Stop-loss limits and profit targets are set for all individual trades and complemented by active VAR management.

Risk models and framework are run daily, automated and independent from the fund management team.



No credit



No equities



No EM



Liquid



Diversified



Uncorrelated

STRATEGY OVERVIEW

Fund type	G10 Macro Rates - AR - Liquid Alternatives
Fund structure	Irish-UCITS
Investment manager	Pacific Capital Partners
Inception date	08 March 2019
Strategy AUM	USD 621 million (as at 31 Aug 2023)
Currencies available	GBP, USD, EUR, CHF, SEK, JPY
Dealing frequency	Daily
Auditors	Deloitte
Depository	Citi Depository Services Ireland Limited
Administrators	Citibank Europe plc

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