



FAM
EVOLUTION

FINECO

ASSET
MANAGEMENT

Diversification and control over risk-return:
all in one single solution



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Fineco Asset Management D.A.C.
One CustomHouse Plaza,
IFSC, D1, Dublin, Ireland

FAM Evolution ICAV, a UCITS Fund with
segmented liability between sub funds.

Fineco Asset Management D.A.C.
is part of the FinecoBank Group.

Fineco Asset Management D.A.C.
is regulated by the Central Bank of Ireland.

FAM EVOLUTION

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FAM Evolution

FAM Evolution Inside

Diversification and asset management

Features

FAM Evolution comes from the demand of a **simple and customized Asset Allocation service.**

We have created new kinds of products in the **Equity, Multi-Asset** and **Alternative** segments.

The investing philosophy embraces a modern approach by using:



As a result, FAM manages to set up the portfolio with three main features:

- **Limit the cost of the portfolio;**
- **Capture the most part of positive performances on the market;**
- **Reduce losses among market's downturns.**

The outcome is the development of **three kinds of funds:**

3 Families



FAM Evolution Inside

One solution, many opportunities



Strategic Expertise

Offers advisory among a diversified portfolio and not just on a single product which erases the risk of a single manager exposure.



Constant Monitoring

The portfolios are steadily monitored and rebalanced in real-time.



Full Disclosure

Highest levels of disclosure and detailed portfolio position always available, along with underlying strategies and investment ratios.



Minimum Operating Costs

The lowest operating costs among all funds on the market.



Zero Charge

No transaction's fee.

Fund of Funds

One family, three solutions

Features

FAM Advisory 3, 5, and 7 all hold their place in the new **FAM Evolution family**. The investment solution designed to offer you the benefits of a professional portfolio management also available through pound-cost averaging subscription.

FAM
Advisory 3



FAM
Advisory 5

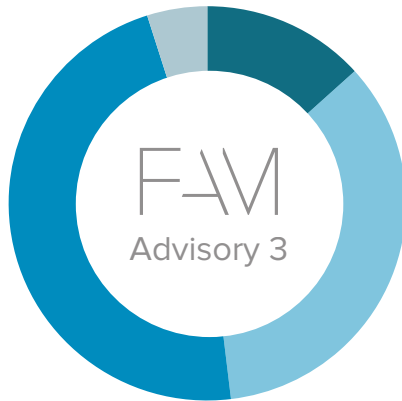


FAM
Advisory 7



FAM Advisory 3

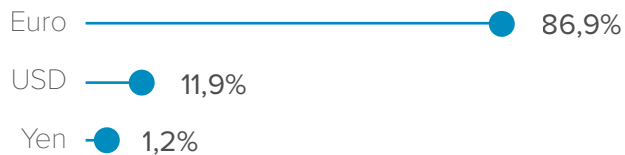
Portfolio's composition



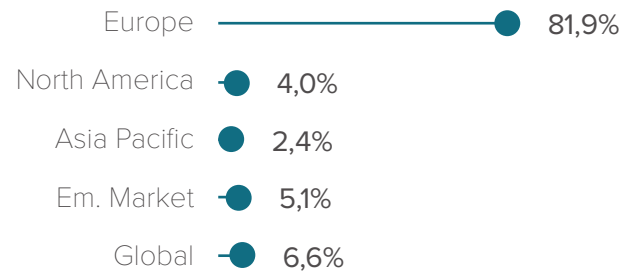
Macro Asset Class

Stock	13,4%
Bond	34,5%
Cash	47,1%
Alternative	5,0%

Currency Exposure



World Region Breakdown



FAM Advisory 5

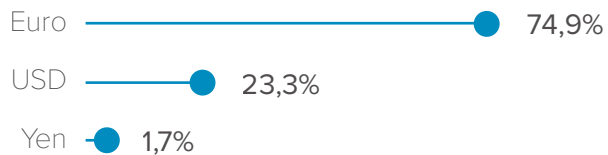
Portfolio's composition



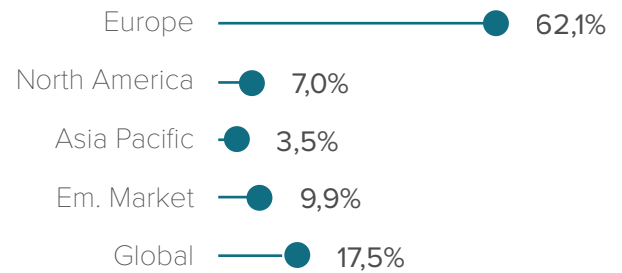
Macro Asset Class

Stock	26,2%
Bond	40,5%
Cash	21,8%
Alternative	11,5%

Currency Exposure



World Region Breakdown



FAM Advisory 7

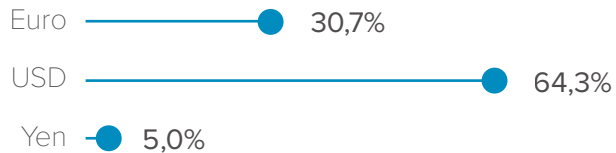
Portfolio's composition



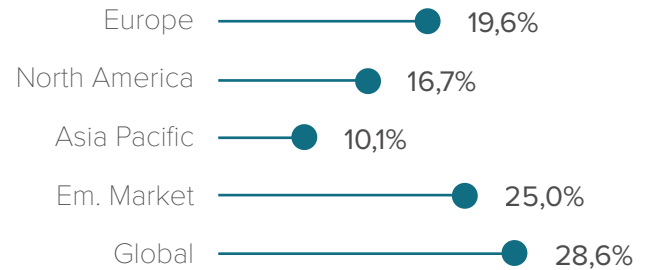
Macro Asset Class

Stock	57,1%
Bond	28,3%
Cash	0,7%
Alternative	13,9%

Currency Exposure



World Region Breakdown



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FAM Evolution products



FAM MegaTrends

The MegaTrends that are revolutionizing the world, in one single fund

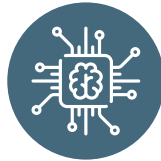
FAM MegaTrends

The forces shaping our World

Our MegaTrends

Megatrends are socio-economic, environmental and technological factors that mirror the changes among our lifestyles.

The Megatrends are intertwined and therefore each Megatrend has an impact on the other ones.



TECHNOLOGY & INNOVATION



DEMOGRAPHICS



SUSTAINABILITY



URBANISATION

Process

FAM MegaTrends is a multi-thematic product that guarantees a constant selection of the strategic themes made by the investing managers of FAM.

FAM selects the best among the managers in each theme, through aggregate solutions aimed to enhance the positive angles of each fund and reduce the negative ones as well.

The investment process is focused on a sustainable, long-term return.

Our themes



discover more > finecoassetmanagement.com/fam-megatrend/

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Strategies and funds

FAM Evolution

Selected portfolios

PORTFOLIO

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Fund descriptions	p. 25

01. Advisory: FAM Advisory 3

STRATEGIES	FUNDS	VALUE
Equity: Emerging Markets	Vontobel Fund - mtX Sustainable E. Markets Leaders	2,22%
	Goldman Sachs Europe CORE® Equity Portfolio	2,31%
Equity: European	State Street Europe Managed Volatility Equity Fund	2,34%
	M&G North American Value FAM	1,93%
Equity: North America	Vontobel US Equity	1,92%
	Schroder ISF Japanese Opportunities	1,13%
Equity: Pacific	Schroder ISF Asian Opportunities	1,14%
	Vontobel Emerging Markets Debt FAM Fund	1,92%
Fixed Income: Emerging Markets Hard Currency	Amundi Funds - Emerging Markets Local Currency Bond	0,83%
	DWS Invest Short Duration Credit Fund	13,90%
Fixed Income: Euro Corp Short Term	Fidelity Euro Short Term Bond FAM Fund	13,89%
	SPDR Bloomberg Barclays 1-3 Year Eur Gov. Bond UCITS ETF	1,63%
Fixed Income: Euro Govies		
Fixed Income: Global	Wellington Global Bond Fund	1,64%
Commodities	PIMCO GIS Commodity Real Return Fund	1,91%
	Allianz Treasury Short Term Plus Euro Fund	16,19%
Liquidity	SLF (F) Bond 6M Fund	16,19%
	BNP Paribas Enhanced Bond 6M Fund	13,89%
Alternatives	Jupiter Global Absolute Return	1,75%
	Lyxor Epsilon Global Trend Fund	1,26%
Core	iShares Core MSCI EM IMI ETF	0,37%
	iShares Euro Corp 1-5yr	0,99%

Performance as of September 30th 2019.

02. Advisory: FAM Advisory 5

STRATEGIES	FUNDS	VALUE
Equity: Emerging Markets	Vontobel Fund - mtX Sustainable E. Markets Leaders	5,49%
	Goldman Sachs Europe CORE® Equity Portfolio	4,15%
Equity: European	State Street Europe Managed Volatility Equity Fund	5,27%
	Threadneedle (Lux) - Pan European Small Cap Opportunities	0,75%
Equity: North America	M&G North American Value FAM	5,46%
	Vontobel US Equity	1,48%
Equity: Pacific	Schroder ISF Japanese Opportunities	1,67%
	Schroder ISF Asian Opportunities	1,70%
Fixed Income: Emerging Markets Hard Currency	Vontobel Emerging Markets Debt FAM Fund	3,07%
	Amundi Funds - Emerging Markets Local Currency Bond	1,31%
Fixed Income: Euro Corp	Blackrock Euro Corporate Bond FAM Fund	6,18%
Fixed Income: Euro Corp Short Term	DWS Invest Short Duration Credit Fund	7,82%
	Fidelity Euro Short Term Bond FAM Fund	7,82%
Fixed Income: Euro Govies	SPDR Bloomberg Barclays 1-3 Year Eur Gov. Bond UCITS ETF	7,38%
Fixed Income: Euro H Y	Nordea 1 - European High Yield Bond FundETF	0,95%
Fixed Income: Global	Wellington Global Bond Fund	4,32%
Fixed Income: Gl. High Yield	Janus Henderson Horizon Global HY Bond Fund	1,67%
Commodities	PIMCO GIS Commodity Real Return Fund	4,09%
Liquidity	Allianz Treasury Short Term Plus Euro Fund	10,42%
	SLF (F) Bond 6M Fund	10,42%
Alternatives	Jupiter Global Absolute Return	4,25%
	Lyxor Epsilon Global Trend Fund	3,01%

Performance as of September 30th 2019.

03. Advisory: FAM Advisory 7

STRATEGIES	FUNDS	VALUE
Equity: Emerging Markets	01. Vontobel Fund - mtX Sustainable E. Markets Leaders	11,37%
Equity: European	02. Goldman Sachs Europe CORE® Equity Portfolio	7,72%
	03. State Street Europe Managed Volatility Equity Fund	9,82%
	04. Threadneedle (Lux) - Pan European Small Cap Opportunities	1,39%
Equity: North America	05. M&G North American Value FAM	4,87%
	06. Vontobel US Equity	11,65%
Equity: Pacific	07. Schroder ISF Japanese Opportunities	4,91%
	08. Schroder ISF Asian Opportunities	5,01%
Fixed Income: Emerging Markets Hard Currency	09. Vontobel Emerging Markets Debt FAM Fund	9,58%
	10. Amundi Funds - Emerging Markets Local Currency Bond	4,11%
Fixed Income: Global	11. Wellington Global Bond Fund	5,20%
Fixed Income: Global High Yield	12. Janus Henderson Horizon Global HY Bond Fund	9,49%
Commodities	13. PIMCO GIS Commodity Real Return Fund	7,60%
Alternatives	14. Jupiter Global Absolute Return	3,64%
	15. Lyxor Epsilon Global Trend Fund	2,61%

Performance as of September 30th 2019.

01 Vontobel Fund - mtX Sustainable Emerging Markets Leaders

This fund invests across emerging markets in a concentrated portfolio mainly in those stocks which are among the leaders in their industry, which offer high and sustainable profitability potential, and whose prices have attractive upside versus the estimated enterprise value at investment.

The investment team takes long-term high conviction investment decisions based on in-depth research and systematic screening. The team integrates ESG criteria as part of their stock selection, looking for farsighted strategies, with sound financials and robust structures. These factors should enhance a firm's future profitability potential and thus its stock price.

02 State Street Europe Managed Volatility Equity Fund

The objective of the Fund is to seek competitive returns and maintain low volatility as compared to the MSCI Europe Index (Net) over the long term.

State Street use a proprietary quantitative investment process, where they seek to select a portfolio of securities they expect to exhibit lower volatility than the Index. Because of this, State Street believes the fund has the potential to provide competitive returns relative to the Index over the longer term.

03 **Goldman Sachs Europe CORE® Equity Portfolio**

The fund aims to provide capital growth over the longer term. It utilises the CORE strategy, a multi-factor proprietary model developed by Goldman Sachs which seeks to forecast returns on securities. This systematic process revolves around four pillars; identifying high-quality well-run companies, detecting fundamentally mispriced companies, discovering themes and trends, and exploring the sentiment surrounding companies. The Portfolio will mostly hold shares or similar instruments relating to European companies. Such companies are either based in or earn most of their profits or revenues from Europe.

04 **Threadneedle (Lux) - Pan European Small Cap Opportunities**

The fund's objective is to capture the "small company effect". The European smaller companies team seeks long-term growth of capital through active investment in small / mid-cap, high-quality growth companies.

Their philosophy is to mitigate stock-specific risk in smaller company investing by focusing on high-quality companies and picking business models with pricing power which enable sustainable high returns and as well as margin growth. The team use Porter's Five Forces as the main tool for this.

Their goal is to identify under-researched, under-valued and niche opportunities. While they are also guided by the house view on the global macroeconomic outlook.

05 **Vontobel US Equity**

The US Equity Fund is a concentrated portfolio of best ideas across US-domiciled local and multinational companies.

The approach is based on returns being driven by a long-term investment in companies with relatively stable and predictable earnings growth that can be sustained for extended periods of time.

The fund's strategy draws on the expertise of a 32-strong investment team. ESG is integral to the approach as the team focus on relatively stable and predictable 'quality' earnings growth combined with long-term holding periods.

06 **M&G North American Value FAM**

The fund invests in shares of North American companies, considered undervalued, with the aim of generating long-term capital growth (i.e. over five or more years).

Fund manager Daniel White uses a "Value" strategy, which means that it invests in cheap and little appreciated companies, whose share price, in his view, does not reflect the underlying value of the business.

Stocks are selected on the basis of their individual quality, through the combination of a value-oriented selection and a qualitative assessment.

The goal is to build a diversified portfolio of 60 to 100 stocks, with a typical holding period of three to five years.

Equity: Pacific**07 Schroder ISF Asian Opportunities**

Asian Opportunities aims to provide capital growth by investing in equities of Asian companies (excluding Japan). At least two-thirds of its assets in equities of Asian companies (excluding Japan). The process is fundamentally bottom-up focused, while the portfolio is constructed on a best ideas basis from analysts. ESG is also fully integrated.

A noteworthy feature of this fund is its ability to invest directly in China B-Shares and China H-Shares. The fund can invest up to 30% of its assets in China A-Shares through Shanghai/Shenzhen-Hong Kong Stock Connect. The fund may use derivatives to reduce risk or manage the fund more efficiently.

08 Schroder ISF Japanese Opportunities

The Schroder ISF Japanese Opportunities fund invests at least two-thirds of its assets in equity and equity related securities of Japanese companies. The process seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term. It has a buy and hold approach with three characteristics; long-term earnings growth focus, emphasis on valuation and a contrarian mentality. As the Fund is index-unconstrained it is managed without reference to an index. Fund manager Ken Maeda has managed the fund since December 2007.

09 Vontobel Emerging Markets Debt FAM Fund

This is an active, high conviction fund which focuses on emerging sovereign and quasi-sovereign hard-currency debt. It applies both top-down and distinctive bottom-up value and contrarian approaches based on proprietary analysis. To achieve the fund's aim to outperform its reference index over a rolling three-year investment cycle, the investment process is organized around the maximization of the emerging market credit spread for a given level of risk, which looks to profit from the numerous price dislocations apparent in emerging debt market.

10 Amundi Funds - Emerging Markets Local Currency Bond

The portfolio invests mainly in emerging market bonds that are denominated in a local currency from emerging markets, or where the bond's credit risk is linked to emerging markets.

A combination of overall market analysis and analysis of individual bond issuers seeks to identify those bonds that appear more creditworthy than their ratings indicate, offer the potential for attractive income and may benefit from increases in the value of local currencies.

11 Blackrock Euro Corporate Bond FAM Fund

Using fundamental credit analysis of corporate issuers on both an absolute and a relative basis, the portfolio seeks to maximise total return.

Quantitative and qualitative methods are used to identify investment opportunities to exploit factors such as the level of credit spreads, market supply and demand imbalances of credits, and liquidity. The portfolio invests principally in investment grade corporate debt denominated in euro.

**Fixed Income:
Euro Corp
Short Term**

12 **DWS Invest Short Duration Credit Fund**

The objective of the fund is to achieve sustained capital appreciation while maintaining relatively low interest rate sensitivity.

The fund focuses investments on global corporate bonds but may also hold covered, structured or subordinated bonds. Currency risks are hedged to Euro.

13 **Fidelity Euro Short Term Bond FAM Fund**

This fund invests primarily in a high quality portfolio of euro-denominated government and investment grade corporate bonds with duration in the range of 1-3 years and maturity below 5 years.

Returns are predominantly driven by duration management, yield curve positioning, asset allocation, sector allocation and security selection. With the corporate bond allocation, emphasis is put on bottom-up issuer selection and ensuring adequate diversity. Proprietary fundamental research underpins all holdings and draws extensively on bottom-up credit analysis.

**Fixed Income:
Euro Govies**

14 **SPDR Bloomberg Barclays 1-3 Year Euro Government Bond UCITS ETF**

The fund seeks to replicate, before expenses, the performance of the Barclays Capital 1-3 Year Euro Treasury Bond index.

The index measures the performance of the Eurozone government bond market and currently includes bonds from Austria, Belgium, Cyprus, Finland, France, Germany, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain. Only bonds with a maturity between one and up to (but not including) three years are included.

**Fixed Income:
Euro High Yield**

15 **Nordea 1 - European High Yield Bond Fund**

The fund invests in European High Yield bonds and aims to outperform the overall European High Yield market. The fund managers focus on a name-by-name credit selection based on pure bottom-up analysis.

They rely on an in-depth understanding of the fundamentals of the issuer and of the security to beat the market. The management team aims to hedge non-Euro investments to Euro; this is achieved via derivatives.

**Fixed Income:
Global**

16 **Wellington Global Bond Fund**

The investment objective of the fund is to provide long-term returns. The fund is actively managed against the Bloomberg Barclays Global Aggregate index, and seeks to achieve its objective by investing directly and via derivatives in a globally diversified portfolio of currencies and fixed income securities across a broad credit spectrum within a rigorous risk management framework.

**Fixed Income:
Global High Yield**

17 **Janus Henderson Horizon Global HY Bond Fund**

The investment objective of the fund is to provide a high overall yield and potential for capital growth.

The manager primarily invests in sub-investment grade corporate debt securities of issuers with a credit rating equivalent to BB+ or lower.

In selecting investments, the manager focuses on identifying the best risk–return prospects within the global high yield universe.

Commodities

18 PIMCO GIS Commodity Real Return Fund

The fund is an actively managed portfolio that provides exposure to two sources of real return. The first is exposure to a commodity index comprised of various sectors, including energy, industrial and precious metals, livestock and agriculture.

This is primarily via commodity-linked derivative instruments, which are collateralized by a portfolio of low duration global inflation-linked government bonds. The bonds form the second source of real return. The Commodity Real Return fund captures the total return of the index and seeks to enhance performance by exploiting structural inefficiencies in the commodity market.

This fund combines the benefits of exposure to commodities as an asset class with the industry-leading experience of PIMCO as an active manager of both commodities and inflation-linked bonds.

Liquidity

19 Allianz Treasury Short Term Plus Euro Fund

The objective of the fund is to consistently generate attractive risk-adjusted returns above those of the European money market through active management. The fund aims to draw upon a variety of alpha sources including duration management, yield curve positioning, market segment allocation & issuer selection.

Fixed income and currency derivatives may be used to enhance the risk-return profile and overall duration is limited to one year.

20 **BNP Paribas Enhanced Bond 6M Fund**

The fund seeks to achieve performance over a minimum investment period of six months by using an enhanced bond strategy which aims to combine a very low interest rate sensitivity with a high level of liquidity.

The objective of delivering returns higher than ultra short-term bond yields (lower than 2 years) is achieved through the use of fixed income and money market instruments and derivatives related to these instruments. It is actively managed against a composite benchmark consisting of 80% Eonia and 20% Bloomberg Barclays Aggregate 1-3Y Index.

21 **SLF (F) Bond 6M Fund**

The fund is a short-term Investment Grade rated bond fund with a residual maturity below 3 years.

The weighted average maturity of securities is below 6 months and their weighted average life is maximum 18 months.

Alternatives

22 **Jupiter Global Absolute Return**

The fund aims to generate an absolute return over a three year rolling period, independent of market conditions, by investing on a global basis.

The strategy is managed by James Clunie, who joined Jupiter in 2013 and has managed it since June 2016. James and his team have the freedom to use a variety of investment techniques, including the ability to short individual shares.

When selecting positions for the fund, James and his team use mathematical and statistical methods to identify potential long and short investment ideas. He also undertakes fundamental analysis to identify companies that may be under-valued or over-valued by the market.

23 Lyxor Epsilon Global Trend Fund

Lyxor Epsilon Global Trend Fund seeks to achieve capital appreciation over the medium to long term by implementing a trend-following strategy on listed futures across a number of asset classes (including equities, bonds, rates and currencies).

The strategy is model-based and price-driven, aiming to take advantage of up and down trends on global markets. It implements a dynamic allocation model to optimize the fund's expected risk/return, while controlling turnover.

The fund's investment management has been delegated since May 2017 to Metori Capital Management, whose founders are ex-Lyxor senior employees.

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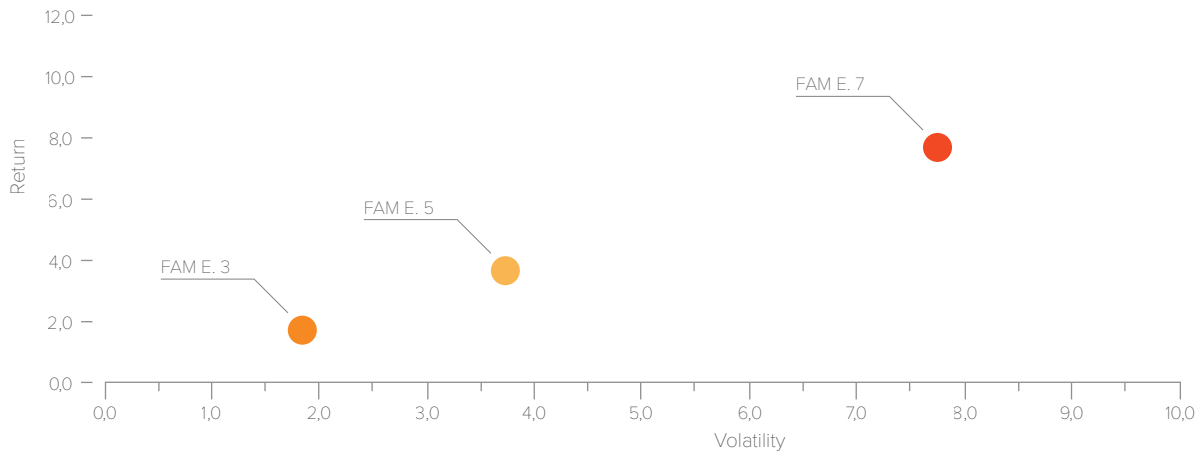
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Backtest

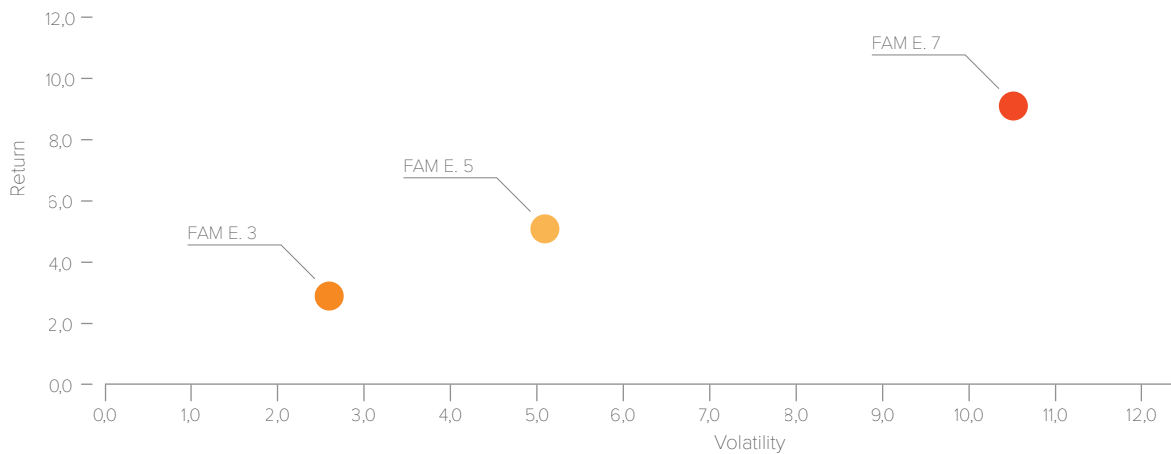
Efficient Frontier

Portfolios always aligned at the best risk-return ratio

3 years Backtest



10 years Backtest



* Data as of August 31st 2019

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Glossary

An Asymmetric return profile

When we speak about portfolio's return asymmetry, we speak about the shape of a portfolio's return profile of the portfolio.

An asymmetric return can be simply described as having higher and larger positive returns, and lower and fewer negative returns over time.

In statistical terms, this means that the portfolio's return has a mean greater than the normal distribution and is skewed relative to the normal distribution.

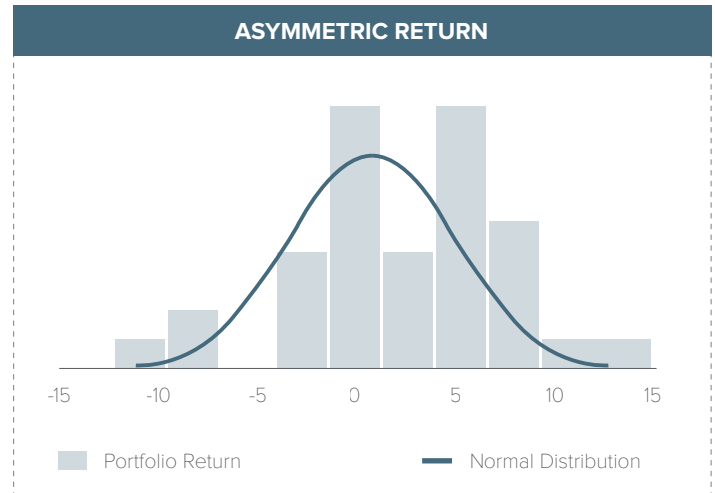
When we build a portfolio, we study its historical return profile aiming to generate an asymmetric return profile. It is true that historical returns do not predict future performance but it is important to study historical returns to understand how asset classes, strategies and managers behaved in the past.

By building a portfolio that has displayed a historical asymmetric return profile, we are allocating to managers or strategies in a combination that minimized participation in past down market periods through their expertise and knowhow.

Our goal over time as investors is to minimize our losses and maximise our gains. In other words, to produce a portfolio where the upside potential is greater than the downside risk.

Overtime we benefit by reducing losses. It enables us to keep past gains as much as possible and allows us to focus on maximizing future gains.

Riportiamo sotto alcune statistiche che ci permettono di valutare il rischio che il gestore del fondo intraprende per ottenere uno specifico rendimento.



Tracking Error

Tracking error is a measure of dispersion of a fund's returns relative to a benchmark. It is calculated as the volatility of the active returns of a fund.

It is useful to determine how actively a fund is being managed, a fund with a low tracking error will likely track its benchmark more closely while a fund with a

higher tracking error will likely deviate more from its benchmark.

For example if a US equity fund has a tracking error of 4.5% relative to the S&P 500 index, you would expect the fund's returns to be within +/- 4.5% of the S&P 500 approximately two out of every three years.

Sharpe Ratio

A Sharpe Ratio measures the risk adjusted returns of a fund. It is calculated as the excess returns of a fund over the risk free rate divided by the volatility of the fund. As such it gives an indication of the return achieved by the fund per unit of risk taken.

A higher Sharpe ratio is preferable as more return has been achieved with lower risk been taken on.

It is very useful in comparing funds that have a similar investment strategy. A fund with a return of 5% and a volatility of 10% would have a Sharpe Ratio of 0.5 (assuming the risk free rate is zero).

FORMULA

$$\text{Sharpe Ratio} = \frac{R_p - R_f}{\sigma_p}$$

R_p = rendimento del portafoglio

σ_p = deviazione standard (o volatilità)

R_f = tasso d'interesse privo di rischio

Sortino Ratio

A Sortino Ratio is similar to a Sharpe Ratio but with a focus on downside risk. Instead of using the volatility of the fund to measure risk, the Sortino Ratio uses downside volatility.

Only the negative returns of a fund are included in the downside volatility calculation rather than both the positive and negative returns which are used in the conventional volatility calculation. Therefore this metric gives an indication of the return achieved by the fund per unit of downside risk taken.

A higher Sortino ratio is preferable as more return has been achieved with lower downside risk. A fund with a return of 4% and a downside volatility of 5% would have a Sortino Ratio of 0.8 (assuming the risk free rate is zero).

FORMULA

$$\text{Sortino Ratio} = \frac{R_p - S}{DSR}$$

R_p = "rendimento obiettivo" dell'investimento

S = tasso soglia scelto dall'investitore

DSR = Downside Risk

Upside Capture Ratio

The Upside Capture Ratio measures how well a fund has performed during periods when the market has gone up.

The ratio is calculated by dividing the fund's return by its benchmark return during periods when the benchmark has gone up and multiplying this by 100.

A measure above 100% is favourable as this means the fund has outperformed during up markets.

For example a fund with an upside capture ratio of 110% means that in up markets the fund has returned 110% of what the benchmark returned.

FORMULA

$$\text{Up/Down - Market Capture Ratio} = \frac{\text{Manager's Returns}}{\text{Index Returns}} \times 100$$

Downside Capture Ratio

The Downside Capture Ratio is the opposite of the Upside Capture Ratio.

It measures how well a fund has performed during periods when the market has gone down. The ratio is calculated by dividing the fund's return by its benchmark return during periods when the benchmark has gone down and multiplying this by 100.

A measure below 100% is favourable as this means the fund has outperformed during down markets.

For example a fund with an upside capture ratio of 80% means that in down markets the fund has returned 80% of what the benchmark returned.

FORMULA

$$\text{Up/Down - Market Capture Ratio} = \frac{\text{Manager's Returns}}{\text{Index Returns}} \times 100$$

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