

# Select International Alpha Fund

## 30 November 2023

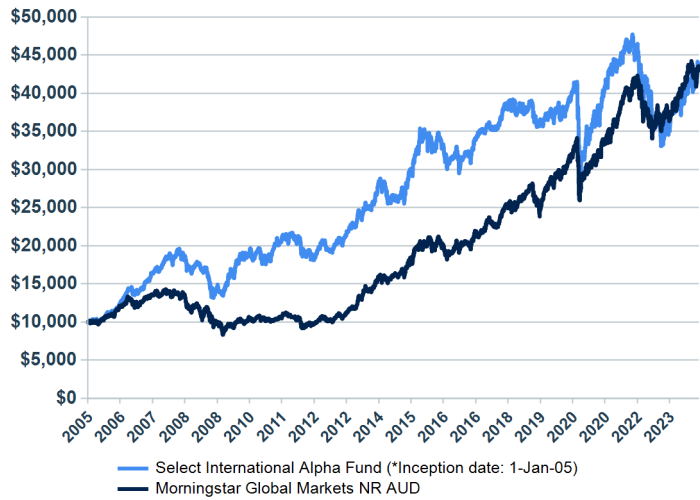


The Select International Alpha Fund is an Absolute Return equities fund. The fund is index-unaware, aiming to produce positive absolute returns over the long term with a capital preservation mindset. The Fund's mandate allows it to actively manage its net market exposure – utilising both cash and shorts to help protect clients' capital. The Fund has been managed by GAM Investments since January 2023.

	1 Month	3 Months	6 Months	1 Year	3 Years	Inception
Performance (Net of Fees)	4.81%	5.20%	7.98%	19.16%	3.80%	8.10%

Refer below detailed performance data matrix

### Growth of \$10,000



### Commentary

The Select International Alpha Fund has continued to perform strongly in both absolute terms and compared to the benchmark over the past year. The fund returned +4.81% for the month (ahead of the index) and +9.6% financial-year-to-date (FYTD) outperforming the index by +7.1%. The fund is now up +24.2% year-to-date (YTD) and +19.16% over the past year, ahead of the index by +6.0% and +6.7% respectively (net, after fees).

The economic data across the major global economies continue to reinforce that a soft landing remains the most probable global outcome. The resilience of developed economies following the aggressive pace of rate hikes has been the major surprise in 2023. There is unevenness in growth and therefore earnings. Hence the market volatility throughout the year, particularly currency and bond markets, which has been elevated as expectations have moved between a hard vs soft economic landing.

The restrictive monetary policy in the developed economies has been partly cushioned with ongoing fiscal stimulus reinforcing the non-recession outcome as the consensus view. This better performing economic data combined the lower bond yields over the past month has also helped drive the risk-on narrative in markets.

The expectation that rates will be cut over the next in the US is increasingly becoming a consensus view. While rates in the US will remain elevated compared to the past 15-years, the lower rates in the back half of 2024 will be supportive for equities in a soft-landing scenario.

The Fund is managed by the GAM Investments global equity team who are based in Europe, the US and the APAC region. Their active absolute global investment strategy with a focus on disruptive technology has performed strongly and is well placed to take advantage of any spike in global market volatility.

The global Fund overweights to quality Tech (including AI and cloud) have been key contributors to the performance. Overweights include Microsoft (MSFT), Alphabet (GOOGL), SK Hynix Inc [KRX], Netflix (NFLX), Coinbase (COIN), Uber Technologies [UBER] and Nvidia Corp [NVDA]. The Fund remains underweight Consumer Discretionary, Financials and Commercial Real Estate.

Name	%
Microsoft Corp	8.8%
Alphabet Inc (CFD)	5.1%
Amazon.com Inc (CFD)	4.7%
SK Hynix Inc	4.0%
Netflix Inc	3.9%
Coinbase Global Inc	3.9%
Uber Technologies Inc	3.8%
NVIDIA Corp	3.7%
Seagate Technology Holdings PLC	3.3%
BayCurrent Consulting Inc (CFD)	3.3%
<b>Total</b>	<b>44.3%</b>

Source: GAM Investments (GAM), GAM Star Alpha Technology Fund

### Category Top Categories by Net Exposure

Category	Net Exposure
Information Technology	15.3%
Industrials	9.4%
Healthcare	5.3%
Communication Services	4.2%
Consumer Discretionary	3.7%
Financials	-1.0%
Real Estate	-1.1%
Consumer Staples	-2.0%

■ Net (Short)      Gross Long 95.00%  
■ Net (Long)      Gross Short -61.20%

Source: GAM Investments (GAM), GAM Star Alpha Technology Fund

### Fund Characteristics

Portfolio Managers	Mark Hawtin, David Goodman, Wendy Chen, Pieran Maru & Kevin Kruczynski
Strategy	International Equities
Objectives	To deliver consistent absolute returns over the investment cycle with a focus on capital protection during periods of market declines
Return Target	+10% pa over the long term
Number of Stocks	Up to 80
Cash	Up to 100% of portfolio
Distributions	Annually
Management Fee	1.36%
Buy/Sell	Daily Application/Redemption
Performance Fee	15.38% pa of the amount by which the NAV per unit exceeds the High Water Mark once the fund achieves its hurdle

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## Select International Alpha Fund Net Monthly Returns in AUD

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Fin YTD	Fin YTD Index (1)	Average Cash	Average Short
2004/05							0.89	1.30	-0.44	-1.38	1.36	3.79	5.56	3.03	50.51%	-4.41%
2005/06	4.91	0.73	2.64	-0.96	4.20	4.43	5.11	4.42	5.66	-0.07	-3.66	2.02	33.16	22.26	21.28%	-4.15%
2006/07	0.43	2.13	2.80	3.60	1.97	4.81	2.40	0.13	1.06	3.14	5.05	-0.29	30.70	9.93	23.64%	-1.06%
2007/08	0.09	0.64	2.57	3.36	-3.71	-1.08	-8.04	-0.63	-1.22	2.98	1.83	-3.45	-7.04	-19.95	43.46%	-7.29%
2008/09	-2.51	2.89	-8.60	-9.70	-2.45	5.09	-3.10	-2.84	4.93	6.88	7.84	-0.65	-4.00	-15.30	51.14%	-3.95%
2009/10	7.58	2.13	3.34	-1.70	1.41	3.03	-4.09	0.16	4.70	0.17	-5.42	-2.72	8.11	8.36	11.69%	-1.03%
2010/11	4.31	-2.46	8.39	2.70	0.04	3.75	0.43	0.92	0.98	1.73	-1.91	-1.55	18.20	3.50	12.01%	-2.42%
2011/12	-2.18	-4.47	-4.46	2.48	-3.02	-1.70	3.61	4.73	3.57	-0.02	-4.28	-1.48	-7.57	-2.59	22.89%	-2.93%
2012/13	0.63	3.44	1.97	0.58	1.43	2.81	2.74	1.78	0.72	2.50	4.06	-0.44	24.49	31.02	6.72%	-0.35%
2013/14	3.93	-0.38	0.47	2.43	4.36	5.47	-0.93	1.56	-5.72	-2.51	1.16	-1.82	7.72	19.62	8.01%	-0.15%
2014/15	0.65	1.03	3.92	0.77	4.13	3.74	4.04	4.23	2.06	3.09	3.14	-2.68	31.74	23.89	13.16%	-0.63%
2015/16	-0.13	-2.30	-1.88	5.41	-2.12	-1.91	-3.98	-3.27	2.08	0.40	3.97	-7.06	-10.88	-0.60	20.86%	-0.71%
2016/17	2.90	2.13	0.13	-1.29	3.85	2.98	2.07	0.88	0.42	1.23	1.42	-2.06	15.50	15.36	23.10%	-2.82%
2017/18	0.26	0.99	1.89	3.62	2.39	-1.72	2.11	-0.29	-2.65	0.70	-0.69	-0.25	6.38	15.13	21.63%	-3.25%
2018/19	0.83	2.67	-0.16	-5.59	-1.95	2.09	-2.55	3.58	-0.28	3.12	-4.07	3.51	0.69	10.51	32.63%	-3.84%
2019/20	1.29	-1.58	1.39	0.26	2.89	1.88	0.26	-8.61	-16.74	4.90	6.25	-0.27	-9.91	3.22	9.52%	-2.35%
2020/21	2.93	5.39	0.02	-2.91	9.05	4.76	-0.45	4.70	1.05	2.69	-0.53	1.80	31.80	28.43	2.59%	-0.26%
2021/22	1.65	3.32	-3.37	2.76	-3.89	2.78	-6.81	-3.68	1.13	-3.00	-1.19	-11.91	-21.05	-8.80	5.43%	-0.15%
2022/23	4.96	-2.21	-8.79	3.56	6.86	-4.06	6.57	1.45	2.14	0.55	3.61	-1.50	12.63	19.97	7.68%	-25.68%
2023/24	3.22	0.96	-1.46	1.85	4.81								9.62	2.57	16.14%	-59.16%
												Incept.	336.60	332.28		
												Incept.	8.10%pa	8.05%pa	20.20%	-6.33%

(1) Morningstar Global Markets NR AUD

Up until 7 February 2023, K2 Asset Management Ltd was the investment manager of the Select International Alpha Fund (former name K2 Select International Absolute Return Fund). The data represented in this table and document for the dates prior to 7 February 2023 were for K2 Asset Management Ltd as the investment manager of the Fund. The past performance of the Fund is not a reliable indicator of the future performance of the Fund with a new investment manager.

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## Investment Team



**Mark Hawtin** is the investment director responsible for running global long only and long/short funds investing in the disruptive growth & technology sectors. Prior to joining GAM in October 2008, he was a partner and portfolio manager with Marshall Wace Asset Management for eight years, managing one of Europe's largest technology, media and telecoms hedge funds. Mark Hawtin previously spent seven years at Enskilda Securities, initially as head of sales, before taking responsibility for the international equity business, overseeing pan-European research and trading activities and around a quarter of the investment banking staff. He is based in London.



**David Goodman** is an investment manager in GAM's Global Equity team, responsible for applying technical analysis to assist with portfolio construction and risk management. Between joining GAM in December 2009 and starting his career trading equity derivatives for Citigroup, he has held numerous senior positions at such companies as SEB, Marshall Wace, Instinet Alpha and Pali International. David Goodman has passed the Securities Association, General Registered Representative examination and has passed the Society of Technical Analysts diploma exam thus is a full member of the Society of Technical Analysts (MSTA). He is based in London.



**Wendy Chen** Senior Investment Analyst, is responsible for covering the global internet sector in GAM's Global Equity team. Wendy joined GAM from Welight Capital, a family office for one of the founding partners of Tencent, where she was an Investment Analyst also covering the global internet sector. Wendy is a technology enthusiast and brings strong experience from her five years as an Associate at Goldman Sachs, where she was focused on China online entertainment equity research. Wendy holds a bachelor's degree in Economics and Law from the University of Peking in Beijing and a master's degree in International Finance and International Relations from John Hopkins University. She is based in Hong Kong.



**Pieran Maru** is an investment analyst and responsible for covering software and hardware companies in GAM's Global Equity team. Pieran joined the team from GAM's compliance function, where he joined GAM Investments in April 2017. Pieran holds a BA in Materials Science from the University of Oxford, the Investment Management Certificate (IMC) and has passed CFA Exam Level 1. He is based in London.



**Kevin Kruczynski**, Investment Manager, is a member of the Global Equity team. He is responsible for managing both Global and US Equity portfolios. He joined GAM Investments in 2016 from THS Partners, a global equity investment firm and a long-standing sub-advisor of GAM's oldest global equity strategies. Prior to that, Kevin spent two years at Cazenove Capital and in 2001 he worked for Merrill Lynch Investment Managers, where he supported the charities team. Kevin holds a degree in Banking and International Finance from City University and is a CFA charterholder. He is based in London.