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## Our investment mandate offering: a turnkey investment solution



**Marc Terras**  
Head  
of Open Architecture

High standards, regulatory complexity and market volatility – these are some of the reasons to delegate asset allocation to financial market experts. Backed by our full capabilities, our open-architecture-based asset managers have developed an investment mandate featuring five profiles targeted to each investor's needs.

### What does your investment mandate offering consist of?

**Marc Terras:** This new offering is an investment solution that I would call “high end” in terms of its investment style, the resources it calls upon, and how its portfolios are constructed. Similar to a private banking offering, we allocate considerable resources to it for both portfolio research and construction. But the similarity ends there, as our offering is far more accessible, with an initial threshold of 250,000 euros. This investment mandate offers turnkey solutions adjusted to various investor profiles. In fact, we have established five investment management profiles: defensive, balanced, dynamic, Global Thematic and Sustainable.

### Who is it meant for?

**M. T.:** For all the aforementioned reasons, these open-architecture investment solutions are especially well suited to investors who are unwilling or unable to call on a private bank but who wish to delegate investment management to a specialised investment management team. The five investment profiles address our clients' needs based on their convictions, objectives and risk appetite. Moreover, this offering is available everywhere in Europe – via a French life insurance contract or, elsewhere in Europe, via a Luxembourg internal dedicated fund.

### What do you mean by “open architecture”?

**M. T.:** That means that we identify and select those managers that we regard as the most knowledgeable and the most complementary in various asset classes, geographical regions and through various styles of investment management. As a result, our portfolios consist of a selection of funds that best reflects our allocation choices and market convictions. We have used an especially demanding process to draw up a buy list of about 350 financial products from more than 90 asset management firms. As an asset management firm ourselves, we possess certain in-house capabilities. However, we have chosen to offer a truly open architecture that is fully independent of these capabilities. This focuses our approach solely on performance and client satisfaction.

### What are your investment mandate offering's main features?

**M. T.:** First of all, we apply the same philosophy to all our funds, whether for large institutional or individual investors. We offer opportunistic and flexible investment management that is suited to the current volatile environment. Second – and this is how we can liken this offering to a private banking one – we seek out broad portfolio diversification and, through the depth of our buy list, are able to shift our allocations rapidly based on the market environment and our convictions. Even so, and this is our third feature, the mandate's accessibility threshold sets it off clearly from private banks, which generally require a minimum investment of 1 million euros



for this type of solution. Fourth, our model draws fully on synergies among our Group's various business lines, particularly asset management, private banking and merchant banking in its unlisted portion. In this way, we combine perfectly complementary expertises, whether in open architecture, direct investment management or private equity.

### How is this a “turnkey” solution?

**M. T.:** We call this a “turnkey” offering, because, after selecting a profile, investors delegate all of their asset allocation. Assets are allocated on the basis of processes that are pre-determined to go with the chosen profile, making our investment choices perfectly transparent. We then do research, determine the investment strategy and choose the underlying investments. Each month, we produce a detailed performance report recapping the main portfolio information fully transparently.

### How are your various portfolios structured?

**M. T.:** The allocation obviously depends on the profile, but all mandates include a selection of funds from our buy list, supplemented by directly held shares to target specific thematics or sectors and, in some cases, private equity funds, an asset class generally reserved for private banking clients. All in all, each portfolio holds on average 30 to 40 stocks that are as diversified as possible based on pre-determined allocation processes.

### Speaking of which, how do you provide this diversification?

**M. T.:** This is done at several levels. We cover all asset classes, including equities, bonds, currencies, commodities and others. This diversification is also geographical, with the option of investing on any financial market. Our fund selection calls on a wide variety of capabilities, both traditional (e.g., long-only and value/growth) and alternative (long/short, market-neutral, etc.). While most of our investments are through funds, the possibility of investing in directly held shares allows us to express certain ideas or convictions that cannot be expressed otherwise. And, lastly, when conditions are right, we supplement this allocation with private equity funds that offer something special, whether financially, in terms of investment, or in risk management.

### What teams are in charge of managing these mandates?

**M. T.:** Our team has 19 persons, including three managers more specifically in charge of managing investment mandates. Stock picking, based on our investment choices, is handled by five analysts whose degree of specialisation offers a uniquely high level of sector and thematic granularity. Meanwhile, we benefit from all the expertise of our private asset team. Combining this know-how allows us to offer complementary portfolios suited to investors having varied profiles.



#### Focus

### An exacting selection process to draw up our buy list

#### Philosophy

- Investment solutions in all asset classes, geographical zones and investment management styles
- A search for diversification within each strategy and each investment style
- Integration of ESG criteria, with almost 50% of our questionnaires dealing with ESG and 55% of funds selected classified as SFDR Article 8 or Article 9

#### Methodology

- Quantitative filters to lay out a homogenous universe for each category
- Quantitative research to establish a short list of candidates for qualitative research
- Meetings with short-listed managers
- In-depth due diligence in investment, operations and ESG

Article 8: a product's marketing documents mention some environmental and social features, but these are not their main focus, nor the central focus of the investment process.

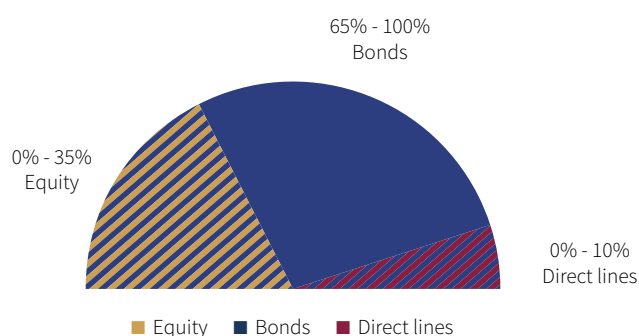
Article 9: the product has a sustainable investment objective.



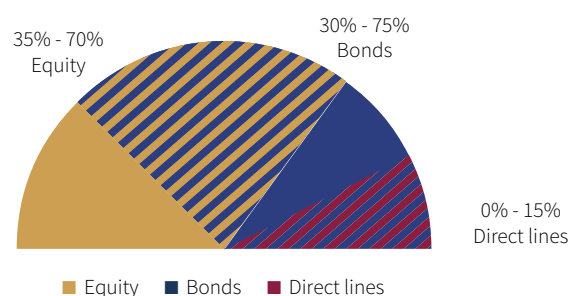
# Five investment management profiles that address each investor's needs

As an asset manager, our role is to research at all times the economic and financial environment, in order to optimise asset allocation within your portfolio. The allocation limits we set give us sufficient leeway to adjust our strategies to market conditions.

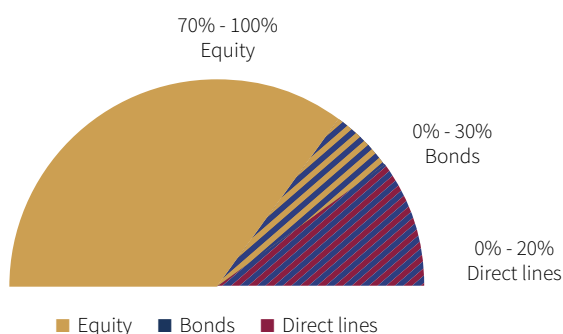
## Defensive Profile



## Balanced Profile

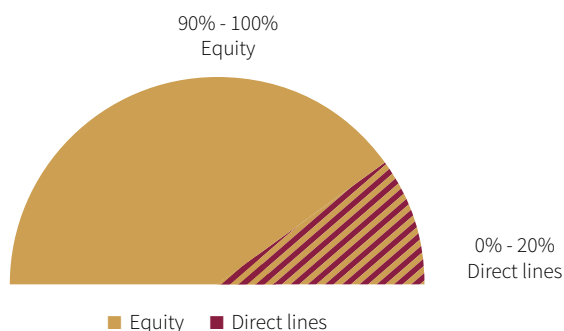


## Dynamic Profile



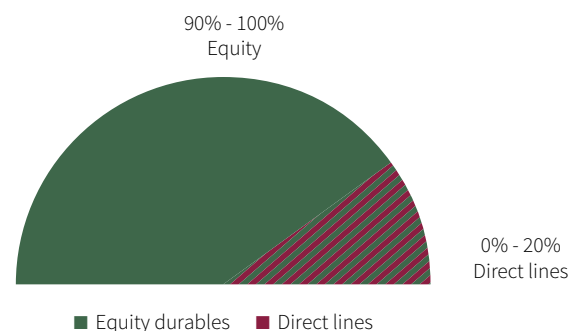
## Global Thematic Profile

Through the Global Thematic profile, we propose to invest in innovative thematics likely to support growth today and in the coming years.



## Sustainable Profile

While all our investment management profiles include ESG criteria, as a sustainable investment solution, the Sustainable profile consists exclusively of SFDR Article 9 companies<sup>(1)</sup>.



(1) Article 9 products have a sustainable investment goal, i.e., investing in economic activities that contribute to an environmental or social objective. The aforementioned features are provided as an indication and are subject to change without notice. They are provided as an illustration and are not meant to be combined with an existing or planned structure.



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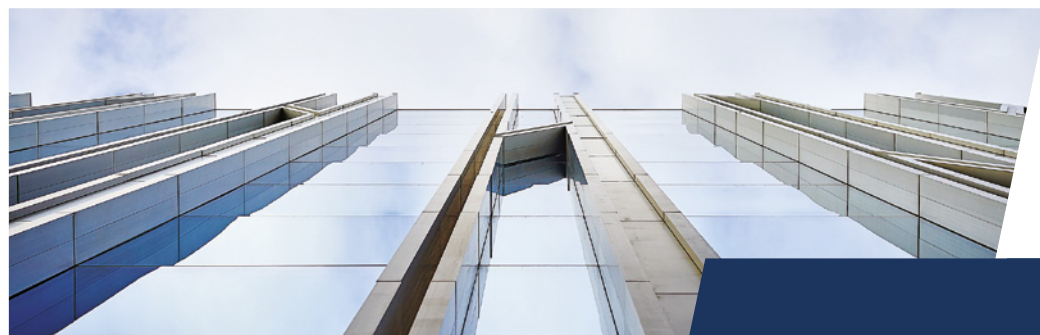
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