

*multi-manager funds*



# *Blending the best of global investment expertise*

## **What are multi-manager funds?**

Multi-Manager funds enable investors to access a number of fund managers from different fund management companies within the one fund. The aim is to blend a number of specialist fund managers who complement each other. The aim is that the blend will lead to effective diversification and consistent outperformance.

With thousands of funds to choose from, selecting the most suitable funds to build an appropriate portfolio can be very difficult, time consuming and stressful. So why not leave it to a specialist in fund management selection and avoid having to

- potentially research thousands of funds
- analyse which funds might suit your needs
- make a final selection based on your research and analysis
- constantly monitor performance
- keep track of all the paper work.

Please remember that a multi-manager fund may not always be the most suitable fund choice. You should take financial advice about the suitability of such a fund for your needs before investing. The return on your investment in these funds is directly related to the performance of the assets in which they invest and the value of your investment which can fall as well as rise.



## *Do as the professionals do*

Multi-Manager funds owe their heritage to the world of institutional investment. The investment strategies used by multi-manager funds are very similar to those used by the largest professional investors, like pension funds, corporations and charities. The strategy appeals to these types of large investors because of the broad diversification and the strict emphasis on a clearly defined and consistent investment process.

Multi-Manager funds give all investors access to managers and professional investment processes, including those previously only available to institutional investors.

### **Why choose specialists?**

It is very difficult for one fund manager to be the leader in all investment markets all of the time. So, understandably, investors are looking for ways to access specialists in each market. Multi-Manager funds are designed to meet this need.

### **Blending the best of global investment expertise**

What multi-manager funds do is analyse fund managers and decide who is best at managing, for example, European shares and give them a portion of the fund to invest. Similarly, they decide who is best at investing in other equities as well as bonds. All this is achieved in just one fund. Multi-Manager funds add value and expertise by appointing the underlying fund managers directly, effectively building a dream team of global fund managers.

## *Blending styles helps consistency*

Multi-Manager funds aim to deliver consistent outperformance. They strive to achieve this by blending the different investment styles of the individual managers. Managers tend to adopt a particular investment style, such as 'Growth' or 'Value' or focus on a particular segment of the market, such as 'Large Cap' or 'Small Cap' shares. The theory is that by blending these different styles, the fund will perform better at different stages of the economic cycle. Investors are not locked into one investment style all the time, allowing the fund the potential to perform well throughout the market cycles. Although this approach offers great potential, better results are not guaranteed.



## *Introducing Wilshire*



A multi-manager fund will only be as good as the manager that selects the underlying managers. That is why we have chosen Wilshire Associates. Wilshire are one of the leading global investment consultancies and are experts in the multi-manager funds sector. Wilshire are an employee-owned company. This allows them to take a totally objective view on manager selection and ongoing monitoring.

- Based in the USA with a global reach across eight locations
- Pioneers in investment analysis techniques
- More than 22 years experience in investment consultancy and research
- Consult on approximately \$1.5 trillion worth of investments
- Proven expertise in multi-manager approach
- Extensive worldwide research database
- Serving more than 600 customers in 20 countries

# *How do Wilshire make it work?*

## **Step 1 – Research capability**

Wilshire provide the services of a specialist team of dedicated investment professionals who undertake research into fund managers.

## **Step 2 – Appoint managers**

After the research and analysis is complete, Wilshire identify the managers who are best placed to manage your investments.

## **Step 3 – Active monitoring**

Wilshire provide an ongoing review of fund managers' performance and the impact on the portfolio from any changes to their process, such as changes in key personnel.

If a fund manager is underperforming they can be replaced immediately. Or, if a manager with superior prospects is identified, they can take over.

What multi-manager funds can deliver is a disciplined process for the selection of fund managers in the same way that fund managers undertake a disciplined process towards stock selection. The aim is to provide a flexible fund arrangement with a focus on diversifying risk across a number of fund managers and maximising the investment performance of the portfolio. What you are buying into is effectively an extra level of investment expertise that has real potential to deliver more consistent outperformance.

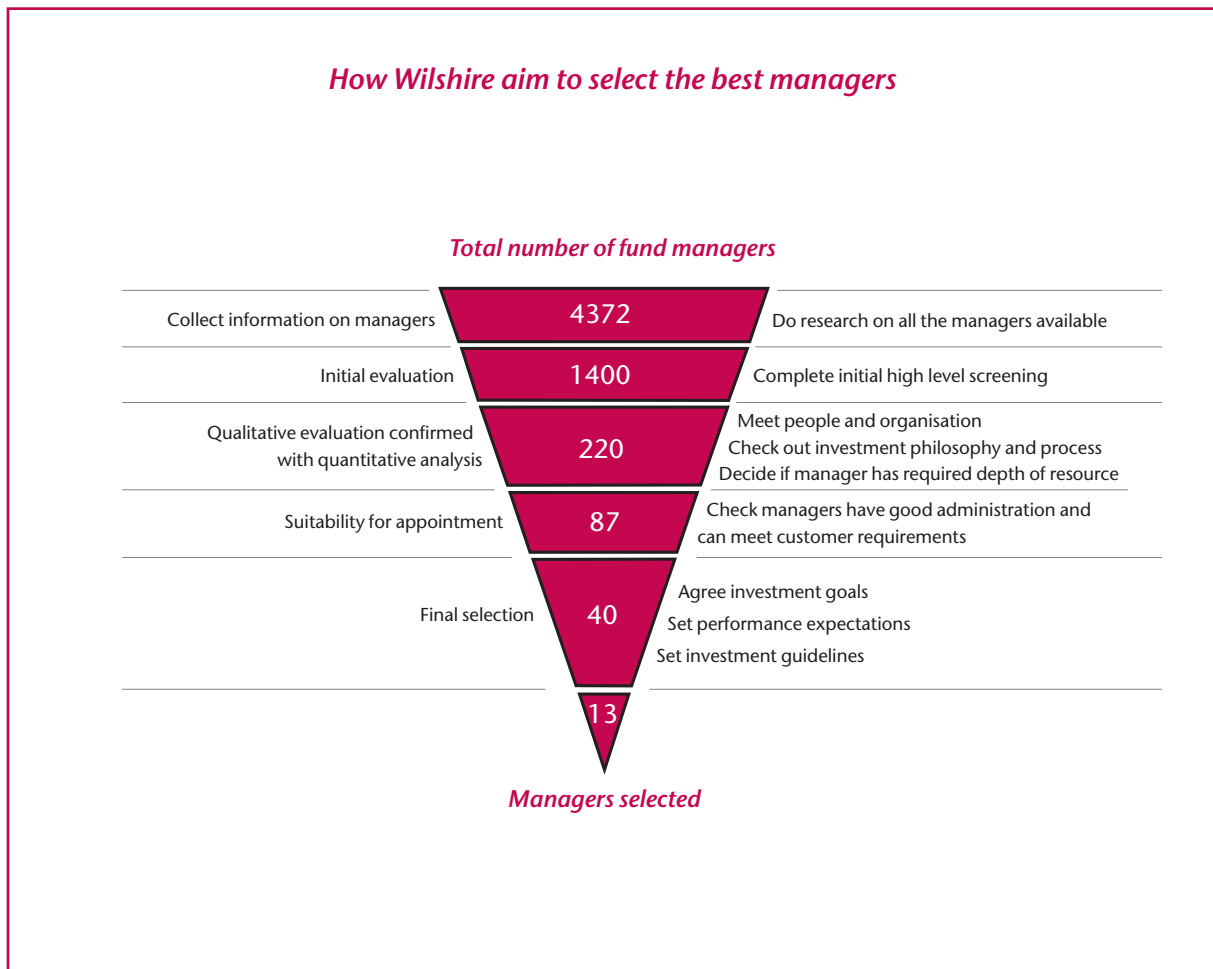
Please remember that there is no guarantee that the fund will outperform.



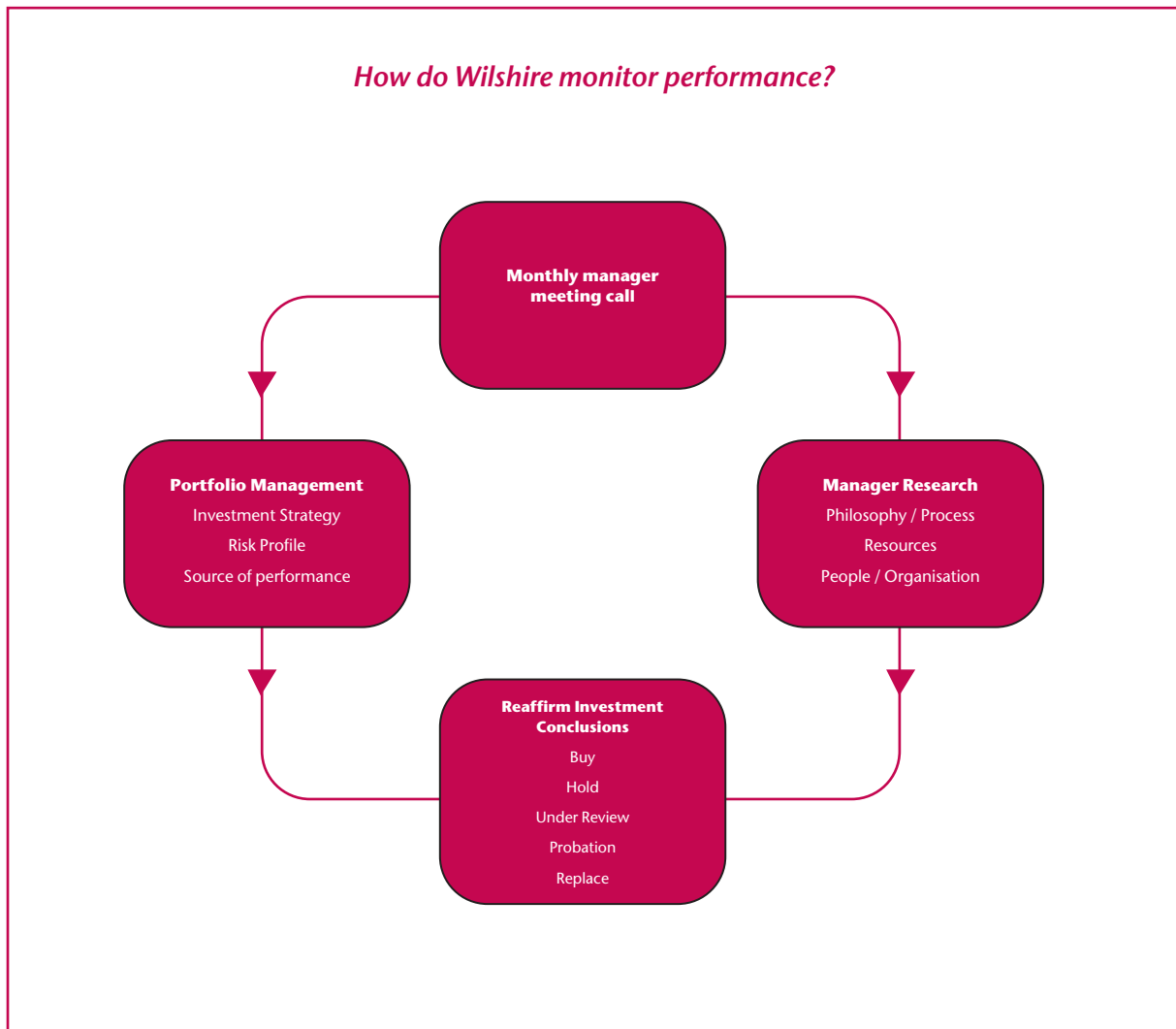
# How the multi-manager process works – seeking the best blend



Wilshire have a thorough research process that aims to blend some of the best global investment managers together. Below is a guide to how Wilshire work. The numbers are for guidance only.



By blending the talents of leading fund managers from across the world, Wilshire build a portfolio that has the potential to deliver consistent outperformance. Some of the names may not be familiar to you, but they have proven expertise and performance in their specialist area. The fact is that many of these specialist managers do not take on retail funds, so unless you invest through a multi-manager fund, you would not get access to them. Please remember that there is no guarantee that the fund will outperform and that past performance is not a guide to the future.



## *Easy to apply and keep track of*

Not only could you benefit from our aim to deliver more consistent outperformance and a lower level of risk, you'll also spend less time and effort looking after your investment. There is only one simple application form to complete and one statement to look out for.

### **How can I invest in a multi-manager fund?**

You can invest in a multi-manager fund through a range of Standard Life's investment and pension products.

### **How can I find out more?**

Your financial adviser can explain in more detail how multi-manager funds can benefit you, the different types of funds available, what the charges are and the products you can invest through.

### **Multi-Manager funds – seeking the best blend**

Multi-Manager funds are gaining popularity because they provide an attractive investment package, making investing a whole lot easier for you.

- Saves you time
- Increases the potential for more consistent outperformance, although this is not guaranteed
- Potentially reduces the level of risk you take through increased diversification





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