FIA A.M.

ASSET MANAGEMENT

FIA Asset Management

INSTITUTIONAL BROCHURE

FARAD GROUP SINCE 2001

Certified B Corporation

FIA ASSET MANAGEMENT

Asset and Wealth Management Company

About us FIA.LU

FIA Asset Management S.A. is a leading european **asset management company** based in **Luxembourg** and **with a** representative office in **Italy** (Milan)

Based on more than a decade experience within the asset management industry, we provide high-quality investment solutions to institutional clients across Europe.

We are part of one of Luxembourg's prominent **financial services platform**, **FARAD Group** (farad-group.com), serving domestic and worldwide clients since 2001 thanks to companies specialised in funds management, green finance and securities as well as insurance brokerage and consultancy.

It is the unique conviction-driven approach and SRI focused perspective of our qualified team that inspires our successful investment strategies aiming to deliver the best possible performances, within a defined market momentum, via customised and flexible investment solutions.

FARAD Group has been recognised internationally for its standards in ESG by being awarded the **B-Corporation** certification.

The group's commitment in this respect is embodied in **GreenEthica**, a business unit entirely dedicated to **sustainable finance**, proposing a wide range of cutting-edge, SRI-oriented financial tools and solutions.

An experienced and renowned asset manager

FIA operates under Free Provision of Services regime in **Italy, France, Belgium, Switzerland and United Kingdom.**

FIA places an specific focus on **SRI and ESG issues** and it is a UN PRI (Principles for Responsible Investment) signatory.

PRI Principles for Responsible Investment

5 specialised professionals + due intelifence and risk management teams
1 head of portfolio management, 1 portfolio manager, 1 analyst, 2 operational staff

5 European markets covered directly or in LPS

11 dedicated employees

50 employees as a group speaking **6** different languages

26 European depositary banks with which FIA has developed strong partnerships

2€ million own Capital

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A QUALIFIED PARTNER TO GRASP NOWADAYS GLOBAL INVESTMENT OPPORTUNITIES

Supported by more than a decade experience in active asset management, we strive to become a partner of reference for our institutional clients by offering them **innovative and diversified solutions** combined with an **outstanding ability to analyze major market situations.** In particular, we work in **open architecture** with numerous counterparts among which: banks, insurance companies, independent financial advisors, Family Offices and other institutional clients such as pension funds or fiduciaries.

Long-standing expertise in active portfolio management

A **proprietary investment process, database** and **integrated algorithms and quantitative analysis systems** for asset allocation and selection constitute our added value.

Each of these pillars is developed, structured and optimized by our investment team and aims at pursuing consistent excess performance over time versus peer groups and market benchmarks, allowing a high degree of flexibility.

Independence and transparency with a flexible approach

By benefiting from an **award-winning proprietary investment process** our clients are supported at any time by a qualified and dedicated investment team.

Our independence allows us to operate in **open architecture**, thus selecting the best investment solutions in a determined market momentum in order to better match our client's risk appetite.

A broad investment universe

By drawing strength from our **proprietary database** for asset allocation and selection we are able to reach a very large investment universe with **diversified solutions in terms of strategies, asset classes and geographical areas.**

A wide range of investment strategies

Traditional | Long-only | SRI | Multi-asset | Absolute return | Thematic | Flexible | Long-short

This essential added value allows us to offer a **complete set of investment** strategies defined in a precise market momentum by quantitative proprietary tools.

High-quality service and a prompt responsiveness to market changes

The know-how of our investment team, the expertise and the quality of the cutting-edge models we have developed over the years allow us to be on a very high quantitative level compared to competitors who rely on external provided databases or knowledge. The presence of an **in-house investment committee** represents a crucial added value in terms of **ability to grasp a specific market momentum** and to **rapidly adjust the portfolio** composition in advance, while aiming at foreseeing future market trends.

Innovative solutions that meet your needs

Offering increasingly advanced solutions in terms of **technological innovation and customisation** is paramount at FIA. Our superior insights mingled with the choice of a flexible strategy that combines a more **traditional approach**, based on the analysis of financial indicators, with a **quantitative one** in line with the Fintech trends, are key aspects of the win-win relation we strive to establish with our clients on a daily basis.

A TRACK RECORD OF SUCCESS

A dynamic and experienced investments team allowed us to stand out on the market thanks to the quality of our services, our pioneering spirit, as well as our commitment to keep and uphold an irreproachable customer relationship.

- 2013 — Diamant Awards 2013 — Best Asset Manager 2012
- 2014 — Diamant Awards 2014 — Best Asset Manager 2013
- 2015 — Diamant Awards 2015 — Best Asset Manager 2014
- 2016 — Diamant Awards 2016 — Best Asset Manager 2015; Luxembourg Finance Awards 2016 — Wealth Management Firm of the Year
- 2017 — Certified B Corporation
- 2018 — Diamant Awards 2018 — Best Asset Manager 2017

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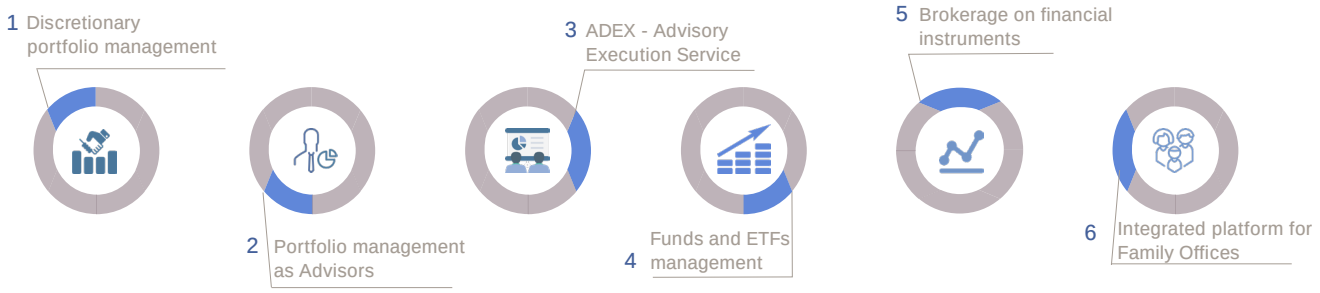
Our broad range of services for diversified partners

Backed by a long experience in asset management, we are specialised in offering **standard or customised portfolio management and advice services** to our institutional partners and independent consultants for their clients.



Discretionary portfolio management

Discretionary portfolio management is our core business. By signing a management mandate, the client allows us to **act as managers**, or directly implement the portfolio allocation choices based on the risk profile he has opted for. The management of the client's assets is entrusted to FIA, which on a day-to-day basis monitors markets and portfolio positioning rebalancing, when needed, the risk according to new market's environment, mood and projections. Customers may keep their assets in their own trusted bank, or rely on the 26 custodian banks in Europe, with which FIA has developed strong partnerships.

The discretionary portfolio management service may be delivered both for **unit-linked insurance policies** and for **current accounts**. We have been working for years with 22 leading European insurance companies for the **management of Dedicated Internal Funds** and for **Collective Internal Funds**.

Portfolio management as Advisors

We also act as investment advisors for institutional managers who decide to partly or wholly **outsource the investment management of their GPFs / GPMs** (discretionary portfolio management in funds/ direct lines) by leveraging on FIA's expertise while remaining the ultimate manager.

As for discretionary portfolio management, the client can choose between a standard portfolio, within the classic or algoritmica profiles, or can opt for a more personalised solution taking into account his/her different needs.

Brokerage on financial instruments

From Luxembourg we are authorised to offer brokerage services on financial instruments such as **bonds** and **equities** granting efficacy and discretion throughout the trading activity. Moreover, we can act as brokers on **structured products**.

ADEX - Advisory Execution Services

This particular service allows us to benefit from the knowledge of an external advisor while remaining the main and direct body accountable for the portfolio management. ADEX is directed to those institutional clients looking for **customised management optimisation strategies** by calling for specialised external portfolio management advisors. Our wealth management experience with external advisor extends from life insurance policies to bank accounts, from trusts to funds.

Funds management

Further to portfolio management FIA offers a diversified funds management service for funds either set-up via SELECTRA, the management company part of FARAD Group, or via third party ManCos.

We directly manage the following SRI-focused funds covering a complete set of investment strategies whose asset classes' exposure varies according to different clients' risk appetite.

- **SELECTRA Best of SRI Bonds**:100% of the portfolio invested into SRI bond funds.
- **SELECTRA Best of SRI Balanced**:50% of the portfolio invested into SRI equity funds and 50% into SRI bond funds.
- **SELECTRA Best of SRI Equity**:100% of the portfolio invested into SRI equity funds.

Moreover we act as investment managers for other eight funds.

Integrated platform for Family Offices

We have the technical expertise to support Family Offices in the management of their client's assets, in particular by grouping the different instruments the clients could be invested as bank accounts, insurance policies, art, real estate, trust, dedicated funds etc.

Our investment philosophy

Thanks to an **internal investment team**, the development of a **proprietary database** and **quantitative-predictive models** of financial markets implemented and fully integrated into the investment process, we aim at assuring **prompt reactivity** to the main macroeconomic changes as well as **high flexibility** in investment management.

Since 2005, betting on Responsible Investments

Further from joining the PRI community, we are strongly convinced that sustainability matters will be the differentiator for investments in the future, ensuring consistent returns in the medium to long term.

Therefore our portfolio management style is characterised by innovative, customisable and performing solutions with a **particular focus on ESG issues** integrated within the investment process. Moreover, we have developed a full set of **SRI-oriented tools** that support the investment team's activity, as well as a series of **advanced and dedicated products**.

- **GreenEthica Data**, a dedicated section of our internally developed database, entirely focused on SRI funds and direct lines used within the asset selection process.
- **GreenEthica Index**, an in-house developed benchmark on purely SRI funds.
- Direct management of two ESG-labelled funds: SELECTRA Best of SRI Bonds and Balanced.
- **SRI-focused** and **ad-hoc portfolio management solutions**:
  - SRI Equity
  - SRI Equity Clean Energy-focused
  - SRI Balanced with a distributing dividends policy

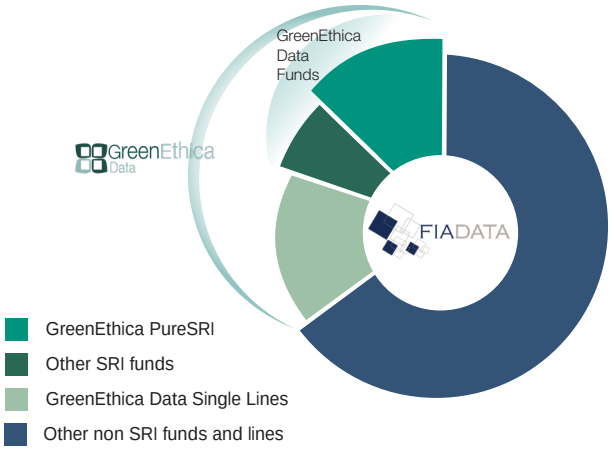
FIAData, an internally developed database underlies the entire process

By creating, developing and internally monitoring a proprietary database structured to be easily, quickly and accurately used within asset selection, we are able to **fully integrate and enhance the efficacy of our investment process** and the **modularity of the investment analysis**.

- Internally defined classification criteria to enhance the quality of the database
- Higher degree of specificity and deeper modularity thanks to a second extra classification

Continually populated, our database holds around 16.000 assets*, composed by both funds and direct lines **covering each different investment strategy available** among the entire investable universe within UCITS legislation and EU standard investment framework.

A specific branch of FIAData is dedicated to map different vehicles' ex dates, frequency distributions and dividend yields in order to create **optimised distributing solutions** among different asset classes and investment strategies.



Almost 1/3rd of our database is dedicated to sustainable finance.

**(November 2018)*

A fully integrated investment process

The seasoned know-how of our investment team is reflected in an investment process created in-house.

By capturing the best investment opportunities and strategies on the global financial market, the proprietary process has been designed to **generate superior performance** compared to peer groups' market benchmarks through a **top-down, multi-asset approach**.

- Promptness in modifying the asset allocation
- Automation of various steps within the investment process
- Objective markets' analysis

A thorough investment process:

Analysis
Optimised thanks to automated quatitative tools

1. Macroeconomic research
   Financial markets' analysis
   Forecasting models

Portfolio construction
Through a top-down investment approach

2. Asset allocation by defining main basic portfolio allocation breakdown between:
   - different asset classes,
   - investment strategies,
   - specific investment themes.

3. Asset selection carried out through a process integrated into the proprietary database via internally developed models such as:
   DELTA Process ▶ classic asset management
   Quantitative robo-advisory model ▶ algoritmica asset management

4. Model portfolio construction

Control
Volatility, stop-loss, take profit

5. Monitoring

In-house developed automated algorithms and risk-control tools

The investment process is considered fulfilled once the portfolio has undergone to a quantitative check especially concerning:

- Portfolio performance monitoring (both absolute and relative to a benchmark) as well as risk, stop losses and take profits supervision.
- Quantitative efficiency of the investment choices by analysing the risk/return profile of each investment in comparison with different benchmarks, by means of standard or proprietary automated tools (ex. the in-house developed VOLPER).

The main advantage offered by a proprietary tool is the **promptness in modifying the asset allocation** that characterises FIA's management team.

SORTING OUR INVESTMENT UNIVERSE IN DIFFERENT RISK PROFILES

The entire range of services is based upon FIAData, the internal database allowing our investment team to provide **asset allocations with different underlyings** (i.e. funds, ETFs and / or direct lines) **and investment focuses** (such as SRI investments, thematic products, Absolute Return strategies, standard investment approaches and / or a combination of them).

By maintaining this breadth of expertise, we intend to lead the way with innovative investment approaches that can target **investors' specific needs** for income, return or risk control and management while seeking to **provide sources of performance** across different market cycles.

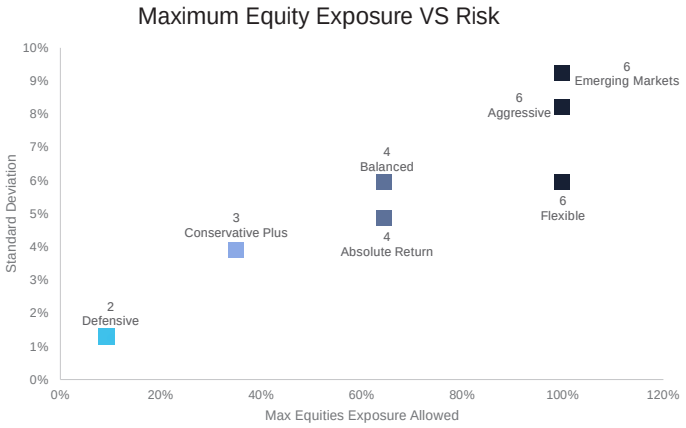
A full set of actively-managed strategies are complemented by quantitative, automated approaches that systematically look to capture or enhance market return.

The portfolio management style also stands out for its **multi-asset and multi-stretegy approach**, characterized by different maximum equity exposure according to specific risk profiles, and applied to both classic and automated asset management profiles. In addition to our broad set of investment profiles, a **customised management service** is also available upon request.

Our award-winning investment profiles				Some of our ad-hoc profiles	
Defensive	Conservative Plus	Balanced	Aggressive	SRI Balanced Distributing	SRI Equity
Emerging Markets	Absolute return	Flexible		SRI Equity Thematic	SRI Equity Clean Energy

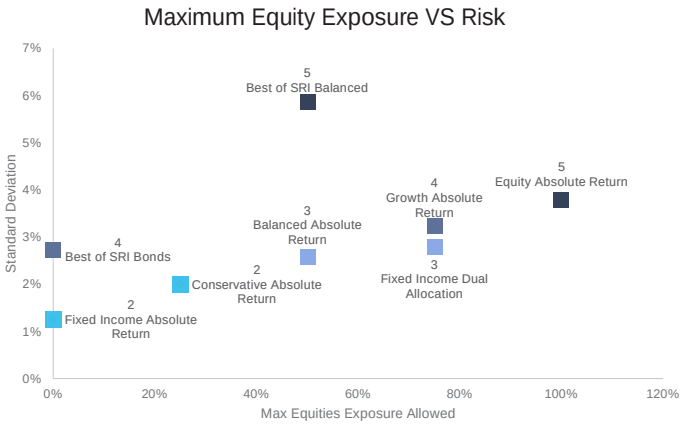
A broad and compelling investment proposition allows us to meet current and future needs of institutional clients.

Classic asset management



- An analysis of fundamental macroeconomic and geopolitical indicators, in parallel with the technical analysis of financial markets aimed at identifying the main current market trends at a global level is fundamental for classic portfolio management.
- Dynamic asset allocation: the asset allocation weight between bonds and equities may vary according to market changes, despite being always included between the minimum and max parameters allowed for each asset class, as defined in the investment profile.

Algoritmica asset management



- Profiles created with quantitative robo-advisory tools aim at identifying market trends and at proposing different portfolio allocations according to various risk and volatility parameters applied on the overall portfolio as well as on its underlyings.
- Defined asset allocation breakdown: the asset allocation weight between bonds and equities is more stable. The quantitative tool may however indentify, according to market changes, more defensive or neutral positions, always included between the minimum and max parameters allowed for each asset class, as defined in the investment profile.

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