



The Benefits of Multi-Management and Sub-Advisory for Clients

Giorgio Carlino - Head of Multi-Management, Mediolanum International Funds



Our Investment Philosophy



We believe that through the combination of different **investment approaches, styles** and **processes**, it is possible to achieve **superior results** over different market cycles.



Multi-Management Team

Our Investment Philosophy



We believe that through the combination of different **investment approaches, styles** and **processes**, it is possible to achieve **superior results** over different market cycles.

The founding element is combining managers in which we have **high conviction** with a consistent, **long-term established process**, and a relentless **research** for new and diversified source of **alpha**.



Multi-Management Team

Our unique strengths



A unique combination of investment capabilities
with more than 65 investment professionals



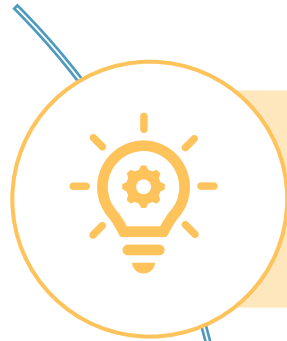
Top Multi Management Company
in Europe with more than 46 bln euro in multi manager
strategies out of the total of over 50 bln euro AuM



Long-term partnerships



Multi-Management: benefits



Investment Team – The value of experience



Diversification – The value of manager selection



Risk Management – The value of manager allocation



The Value of the Investment Experience

MIFL Investment team

Diverse **expertise** and **resources** to build a **strong** and **valuable** team.

Average team's experience:

13 years

Average seniors' experience:

24 years

Multi-Management team

Manager Research team

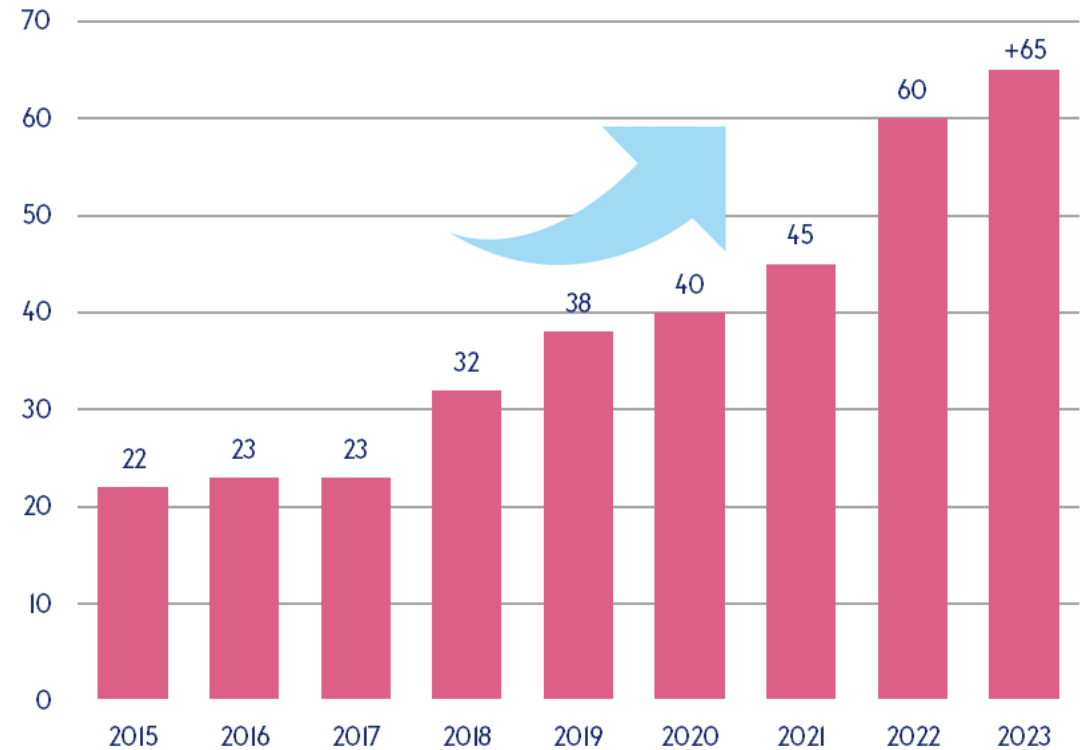
Selecting new asset managers and monitoring of existing ones, applying in-depth research methods

Portfolio Management team

Using research and monitoring reports from Manager Research team, to manage Mediolanum funds



Investment Professionals

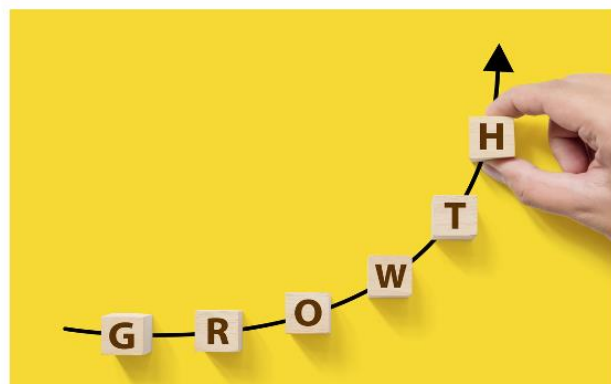


Example of the different approaches to manage a Global Equity strategy



Example of the different approaches to manage a Global Equity strategy

Example of Investment styles within Global Equity Strategy



Growth companies are expected to increase sales and profits rapidly. Often operate in newer industries or offer a new product or service. Higher stock market valuation.



High quality, market leading companies that offer consistent profit growth and tend to fare well in periods of uncertainty. Usually characterised by competitive advantage such as high barriers to entry.



Established companies with a proven business model that the market is underestimating. The company's stock is undervalued relative to its fundamentals often because of bad news or negative sentiment.

Example of the different approaches to manage a Global Equity strategy

Example of Investment styles within Global Equity Strategy

Example of Investment processes within Investment Styles

Selecting **different managers** mean also having exposure to **different investment approaches**, that might benefit the over all strategy constructed by MIFL. Here some examples...



Quant



Fundamentals



Momentum



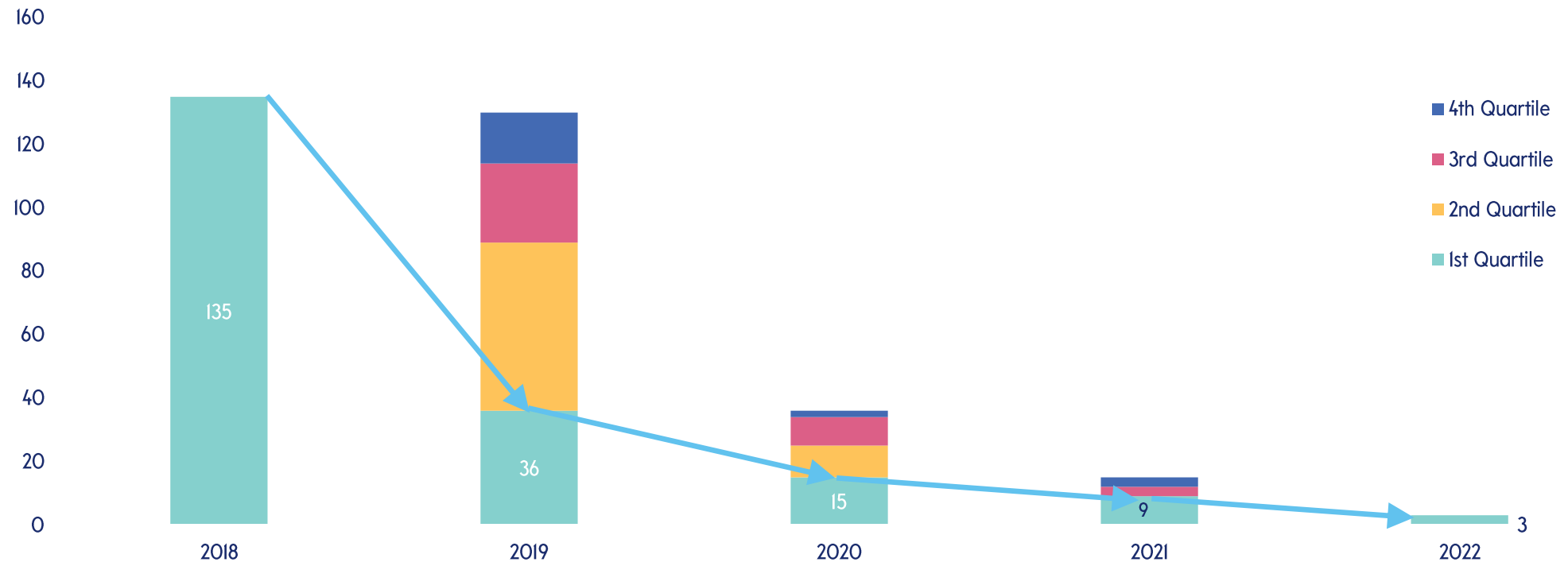
Event driven



The Value of the Manager Selection

We cannot not simply screen on performance!

Consecutive 1st Quartile performance for EAA Global Large-Cap Blend Equity Category* since 2018



Alpha comes from people and their **investment ideas**, not the manager's historical returns












Source: Morningstar as of February 2023.

*EAA Global Large-Cap Blend Equity Category, including only UCITS funds, the oldest share class for each fund, and funds with Assets under management greater than \$100M. Total 759 funds from the category.

Historical returns & future performance

Best and worst performing managers on the EAA Global Large-Cap Blend Equity Category*

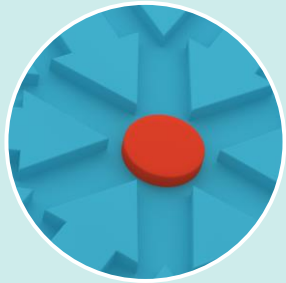
	2017	2018	2019	2020	2021	2022	2023
Top managers							?
							?
							?
Bottom managers							?
							?
							?

Source: Morningstar as of February 2023.

*Top 3 and Bottom 3 Managers in the EAA Global Large-Cap Blend Equity Category, including only UCITS funds, the oldest share class for each fund, and funds with Assets under management greater than \$100M.

Diversification: use of boutiques and large managers

Boutique managers are **smaller, specialized** asset managers with **unique expertise** within a specific **sector or region**.



Specialization

Boutiques tend to focus on a smaller number of strategies, allowing MIFL to access their specific know-how and expertise



Ownership

Portfolio Managers have usually direct ownership of boutiques, leading to better long-term performances for MIFL



Performance

MIFL takes advantage of boutiques specialization and flexibility to obtain better performance over the long-run



Differentiation

Partnering with boutiques helps MIFL creating a unique value selling proposition in a particularly competitive market





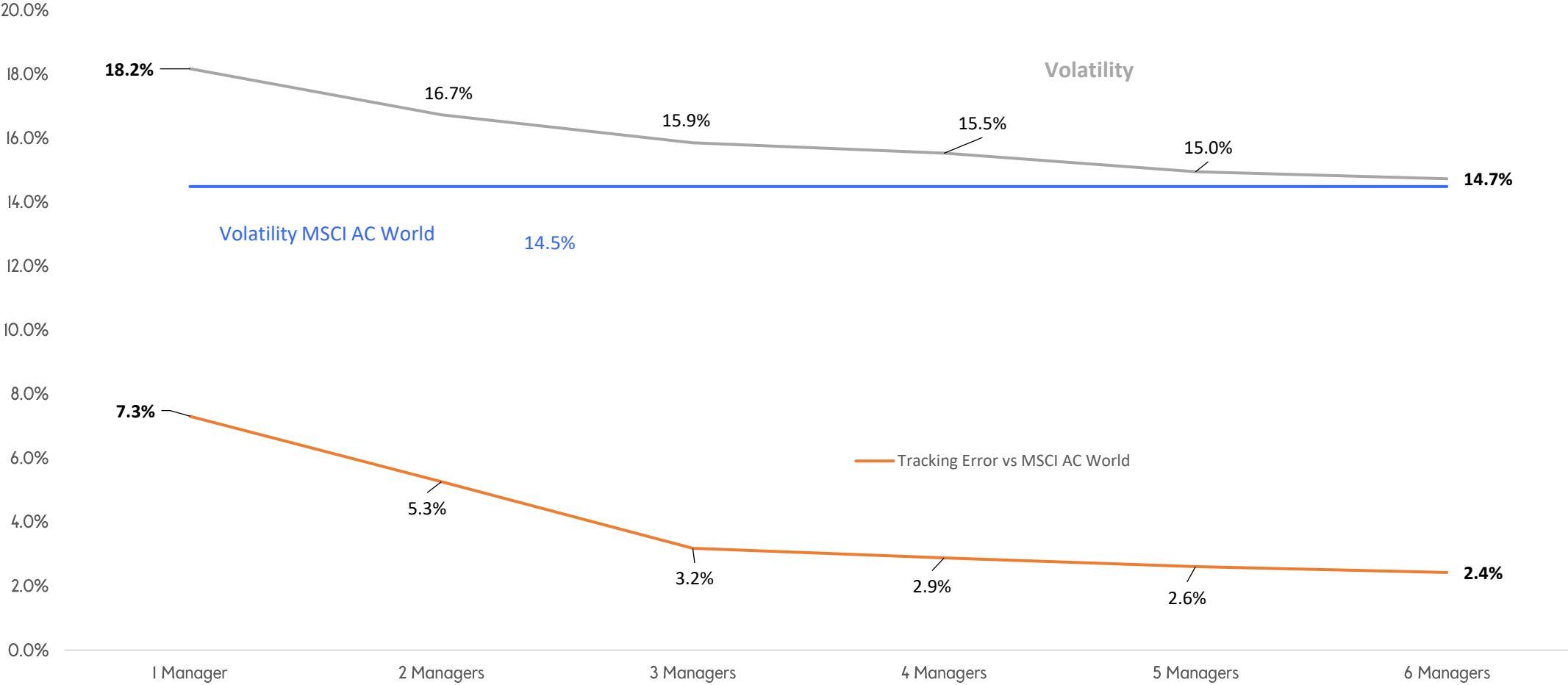
The Value of the Manager Allocation

Risk Management at work – examples

	Manager Contribution to Active Risk Max 35%	Single Manager Max 30%	Manager Contribution to Active Risk Min 10%	Region +/- 10%	Sector +/- 10%	Single Stock active risk over 15% Contribution	Overall
Manager and Portfolio Allocation	Red	Yellow	Green	Yellow	Green	Red	Red
	Downward Arrow	Downward Arrow				Downward Arrow	Downward Arrow
After Action	Green	Green	Green	Yellow	Green	Green	Green



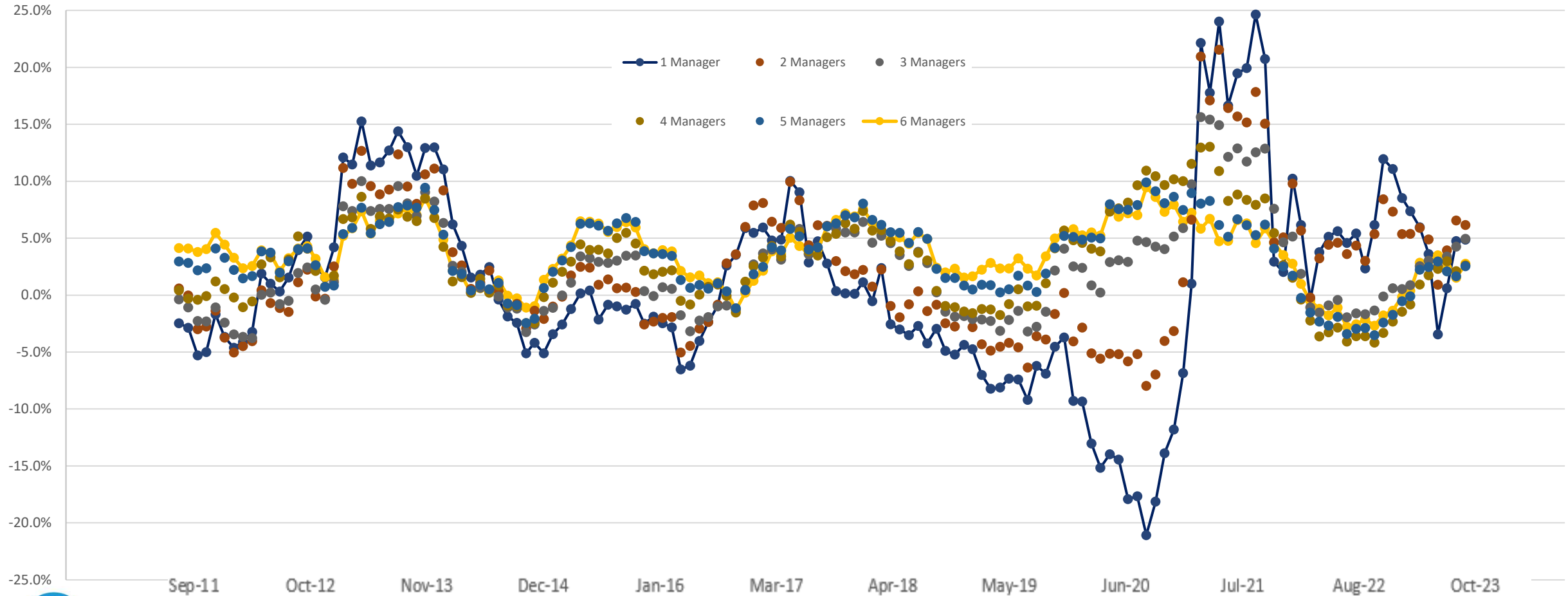
The benefit of Diversification: example of a global equity fund



Monthly data
From 11/30/2010 To 8/31/2023
Source Bloomberg

Diversification with six managers reduces return volatility

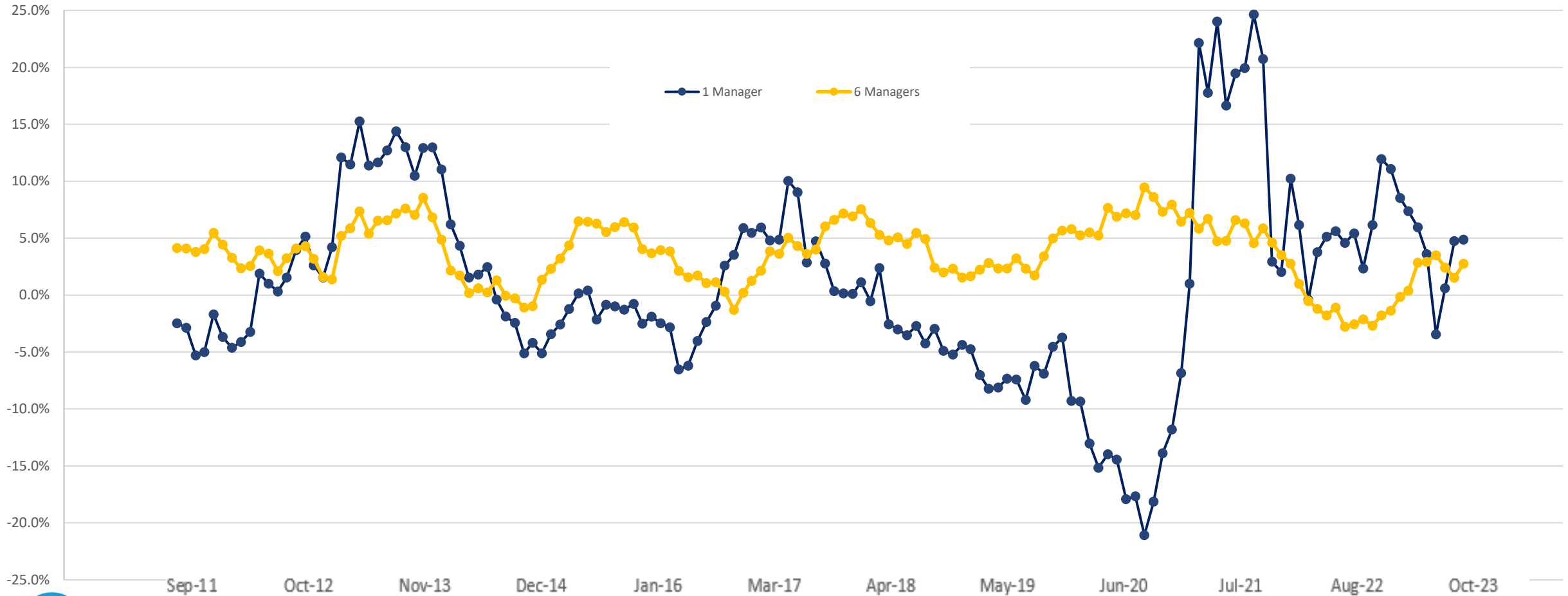
12 Months Rolling Alpha



Monthly data
From 11/30/2010 To 8/31/2023
Source Bloomberg

More stable returns over time helps manage clients behaviour

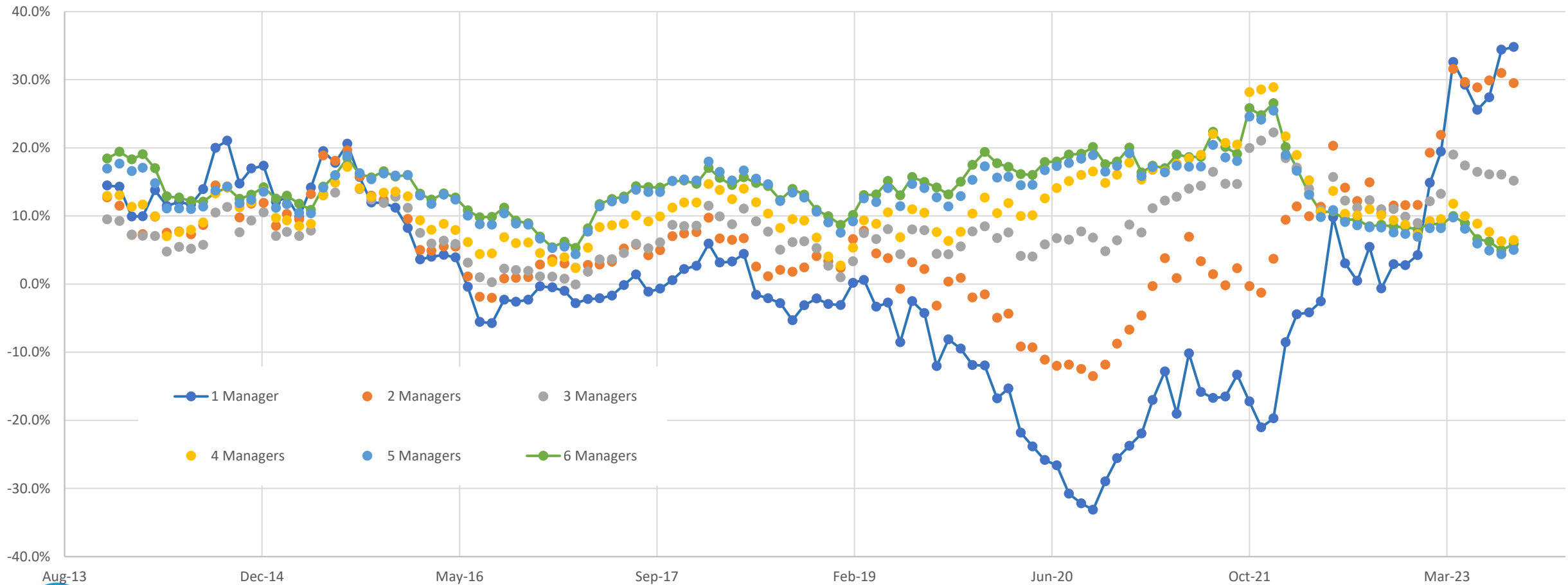
12 Months Rolling Alpha



Monthly data
From 11/30/2010 To 8/31/2023
Source Bloomberg

Diversification with six managers reduces return volatility

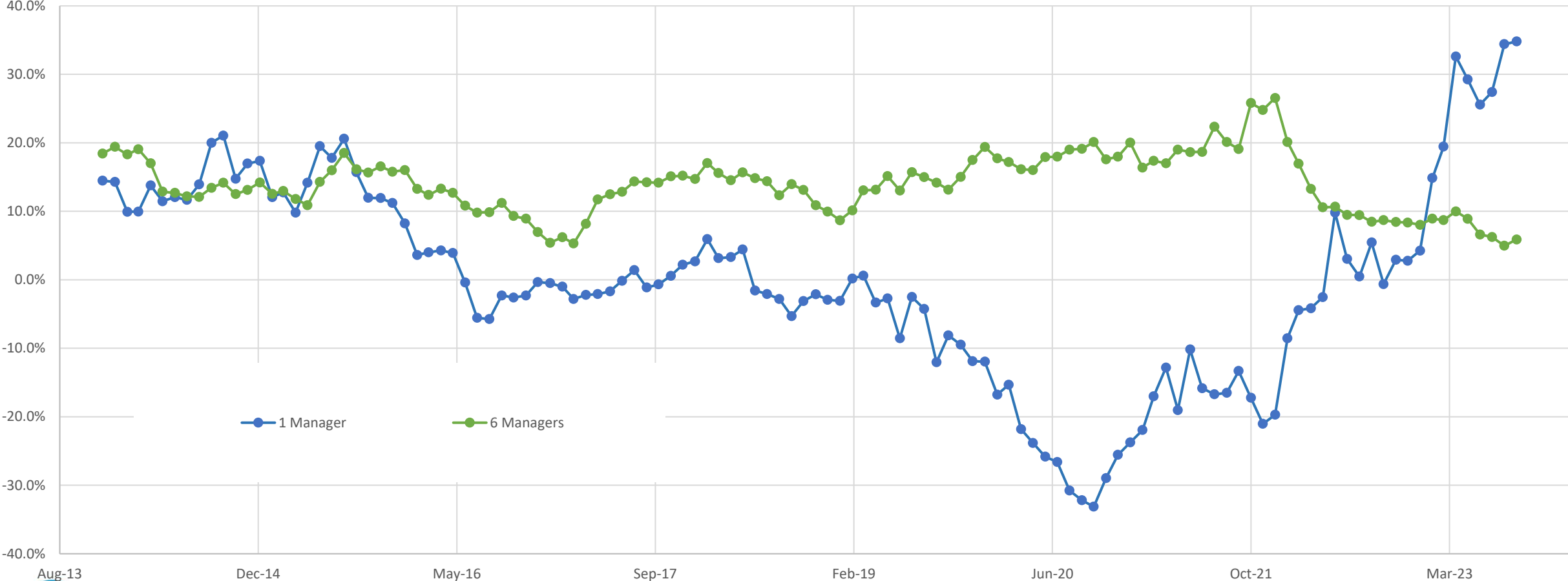
36 Months Rolling Alpha



Monthly data
From 11/30/2010 To 8/31/2023
Source Bloomberg

More stable returns over time helps manage clients behaviour

36 Months Rolling Alpha



Monthly data
From 11/30/2010 To 8/31/2023
Source Bloomberg

Don't do this at home

**DON'T
DO
THIS
AT
HOME**

