



Manager Research and Selection

Ascalon Signpost Series



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The Ascalon Manager Research Team is experienced and follows a repeatable and quantitative process, supported by deep qualitative research, incorporating clear and actionable core beliefs. We have a clear sense of the critical success factors required in building and sustaining a competitive investment advantage. We look for these success factors as an indicator of skill in delivering returns, rather than luck.

We maintain deep coverage of our preferred and back-up investment managers across our targeted asset classes and remain alert to new opportunities through our global reach.

What is Manager Research and Selection?

There are thousands of investments and investment managers available in the marketplace.

Filtering those managers to implement in investment portfolios is difficult but important. Manager selection is a key driver of returns within portfolios.

Manager Research and Selection is the process of selecting skilled investment managers who are likely to deliver on their investment objective.

Identifying skilled managers is a quantitative and qualitative process. A repeatable process is critical for quantitative review. Deep experience and a clear, actionable set of beliefs is central to exercising qualitative judgement about a manager's skill level.

Selecting a skilled manager to express a desired asset class exposure requires experience, judgement and clarity to blend portfolios that will deliver on investment objectives.



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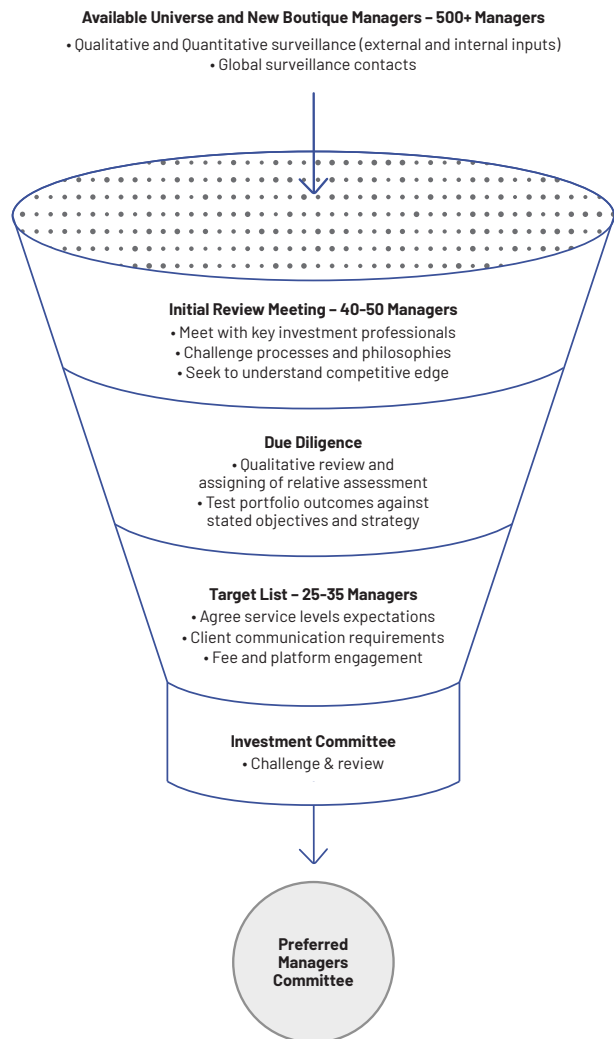


Figure 1 Manager Research and Selection is the process of filtering the broad investment universe to implement in a portfolio.



How does Ascalon conduct Manager Research and Selection?

- **Portfolio Objectives:** The first step is to ensure that there is both a strong connection to our investment beliefs and desired asset class exposures.
- **Targeted Investment Strategy:** Selecting quality active fund managers that generate consistent outperformance is difficult. Where we cannot find evidence of skill or if the asset class is particularly efficient, we implement via index or passive investment vehicles.
- **Investment Selection:** Managers are selected based on a bottom up qualitative and quantitative assessment of sustainable skill. Sustainable skill allows managers to outperform a given benchmark. We have an experienced team using qualitative and quantitative inputs, and external research to drive our fact-based opinion on the presence of critical success factors that drive and sustain manager skill.
- **Investment Monitoring:** We use a range of techniques to identify, test and monitor critical success factors. A material change in any of these is a trigger for review. We also use a range of performance and risk analytics to understand key historical drivers of returns as well as qualitatively forming a view regarding the likely persistence of these drivers.

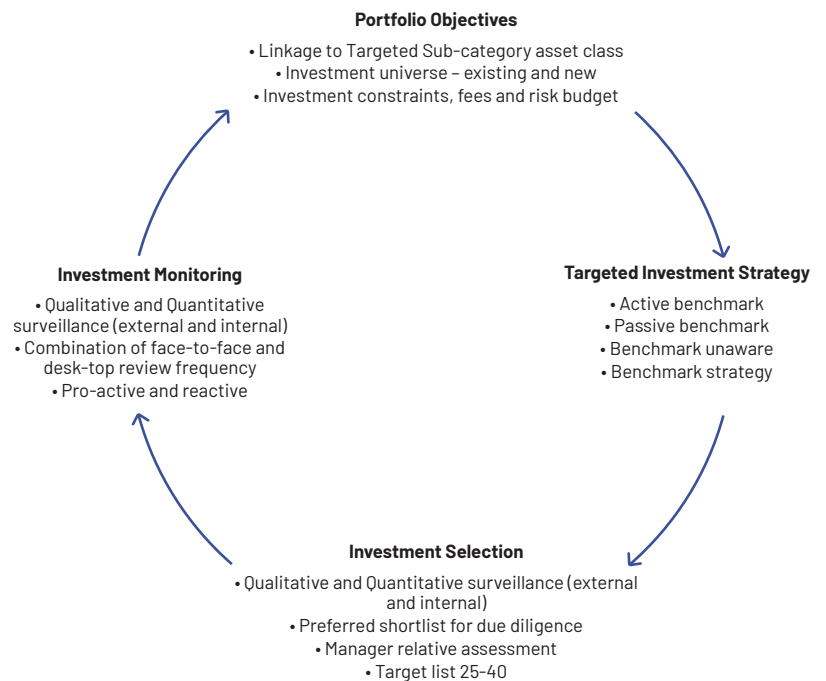


Figure 2 Ascalon uses a clear and repeatable process to drive Manager Research and Delection.



Why should you rely on the Ascalon Manager Research and Selection Process?

The Ascalon Manager Research team is globally experienced, with its roots in the Institutional investment world.

Ascalon holds a clear set of actionable beliefs that drive repeatable quantitative and qualitative processes to deliver great portfolio outcomes for you.

The team maintains deep coverage of a range of preferred and back-up investment managers in each targeted asset class sub-category whilst maintaining a watch for new opportunities through our global relationships.

There are thousands of investments available. The team works hard to identify the most appropriate investment structure for your portfolios. Managed funds, Separately Managed Accounts (SMA's) and Exchange Traded Funds (ETF's) are just some of the options available for our Manager Research Team to consider.

Our comprehensive due diligence approach with regular manager surveillance keeps our views fresh and increases the chance of identifying manager skill deterioration.

Ascalon's deep engagement with managers and market presence helps with fee negotiations to lower total portfolio costs.

Ascalon's broad investment capability and manager research contributes to a range of portfolios with different levels of alpha seeking opportunities that optimize risk adjusted returns and assists with portfolio suitability.

We are committed to continuous improvement and innovation.

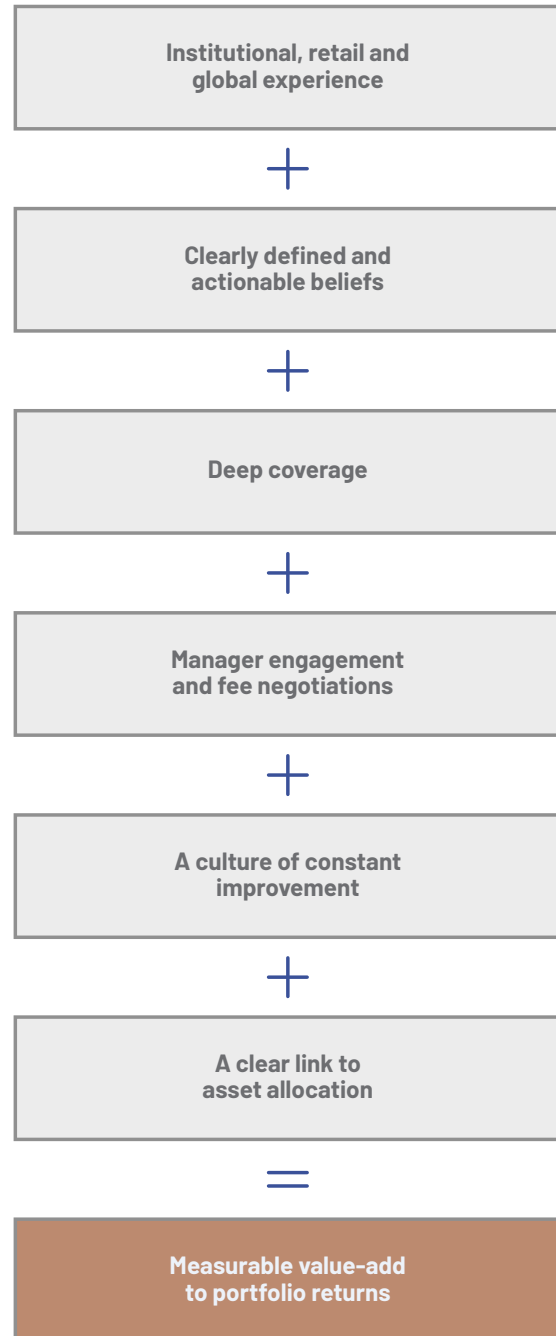


Figure 3 Ascalon is focused on adding value through our Manager Research and Selection Process.