8AM GLOBAL

Your Investment Journey, Simplified.

Introduction

Successful investing is the catalyst for achieving your long-term financial goals.

Finding the right investment team, with an approach to investment designed for the 21st century, insulated from the mistakes and biases that even the most prominent of professional fund managers are prone to, and for a sensible cost... is difficult.

At 8AM Global we know this from experience.

Our Managed Portfolio Service is built on the foundations of the major principles of investing:

- Diversification across fund managers, geographies, assets, and sectors.
- Low-cost and fair management fee.
- A proven, repeatable investment strategy.
- Bias-free, algorithmic decision-making.
- High liquidity at all times.
- A long-term mindset.
- Broad exposure to passive investments.

Each of these aspects is powerful on its own, but when combined, they represent an approach to investment that gives us the best possible base to make consistent returns.

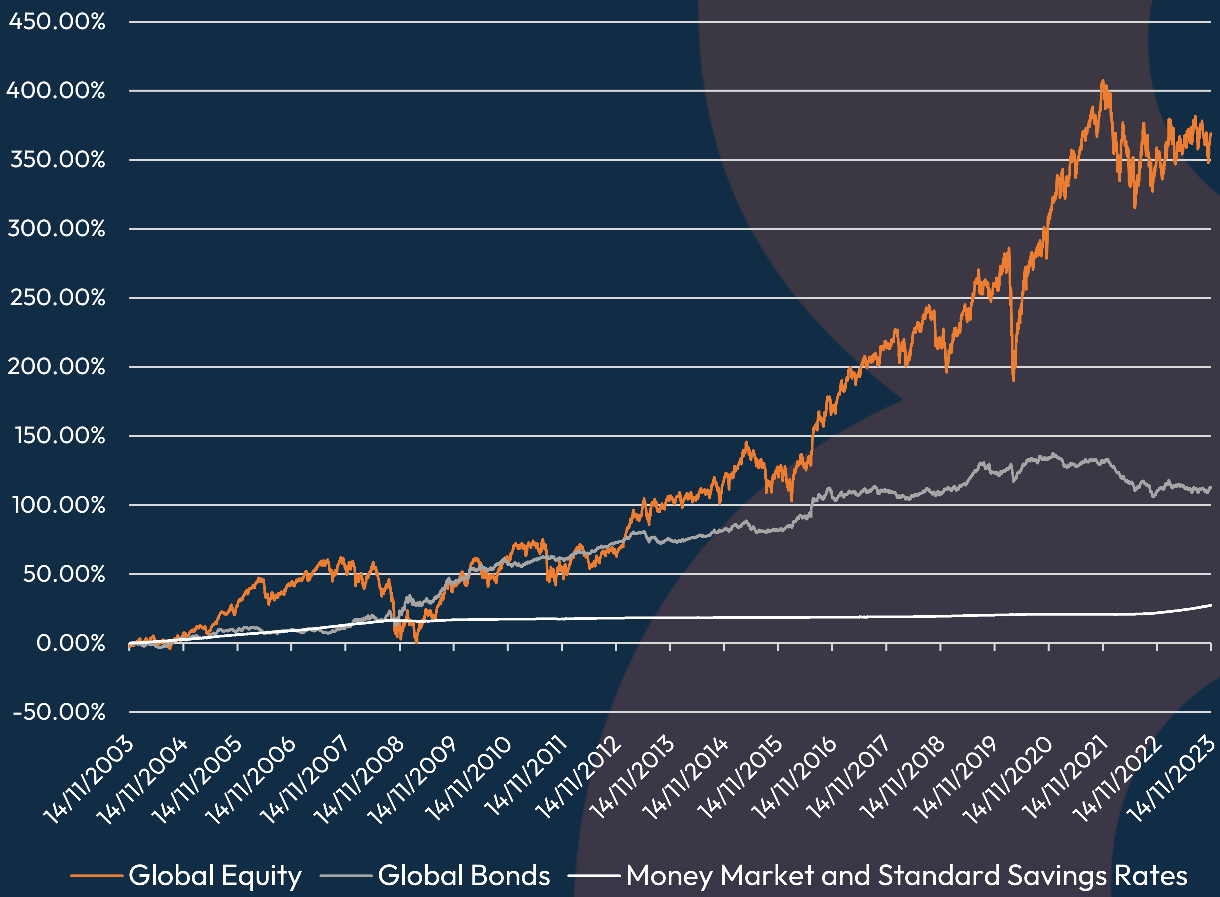
The Importance of Investment Management in Achieving Your Financial Goals

Over the years, at different stages of your life, you will likely experience several marked changes in your financial objectives.

Regardless of how your personal journey develops, your investment strategy remains a central spoke. We believe that it's crucial for investment managers to provide their clients with a consistent approach, allowing advisers to oversee and allocate your portfolio in alignment with your evolving goals.

The 8AM investment philosophy is based upon a backbone of passive investment which capture broad exposure to a range of global markets and assets, using active fund managers to enhance and complement this core.

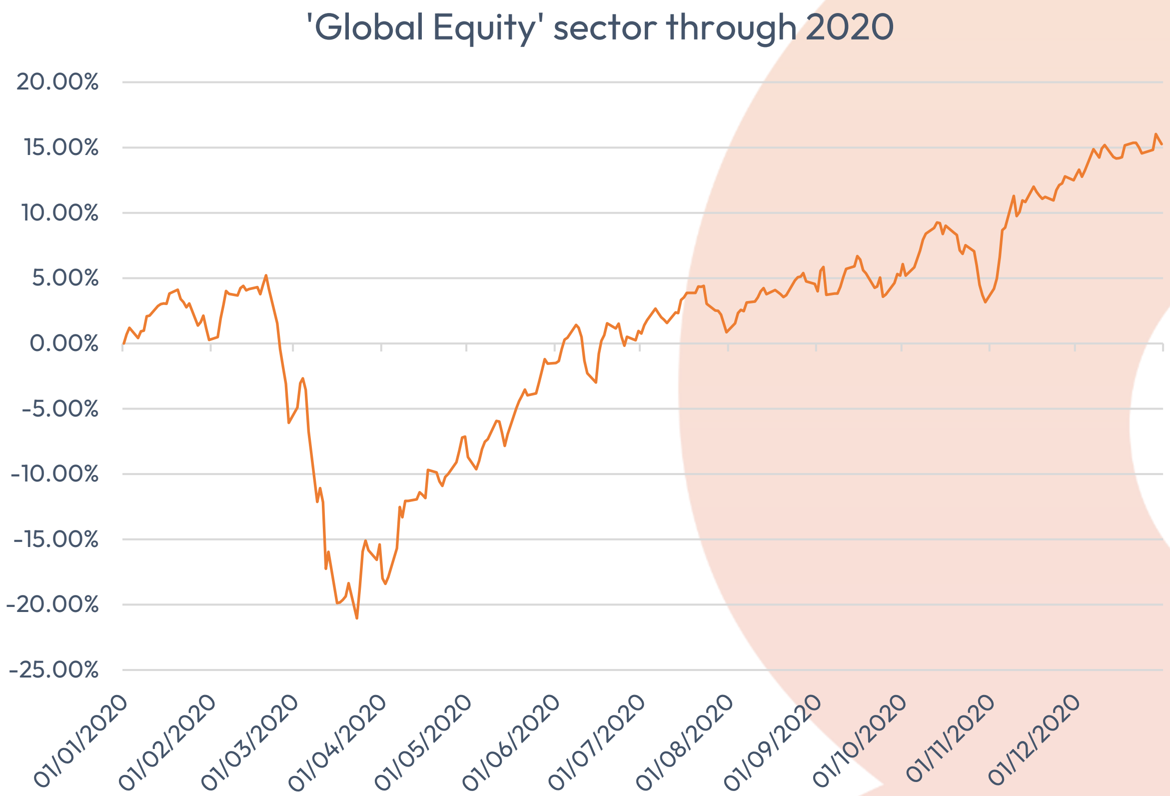
One of the great risks is not found in market exposure but the exact opposite - prolonged periods where the investor holds more cash than they need. This is perfectly illustrated by the following graph showing the returns of cash and money market funds, global bonds, and global equity over the last 20 years:-



Source: FE FundInfo Investment Association Sector Performance

As investors, there is always a tendency to focus on short to medium-term volatility while discounting, or even ignoring, long-term trends which are, generally, towards global economic expansion. Historically, markets have shown an unerring ability to bounce back, adapt to changing environments, and revert to calm and steady growth in the wake of challenging events.

What may seem to be major events at the time are often looked back upon in years to come as a relative blip, many may not even be prominent on graphs and charts. The following image shows the impact of economic challenges, geopolitical issues as well as the unexpected, such as the COVID-19 pandemic on stock markets.



Source: FE FundInfo Investment Association Global Sector Performance

The pandemic was a prime (and rapid) example of how markets react (or overreact) to uncertainty. After the initial fall, the fog cleared quickly, and markets recovered faster than anyone could have predicted. So it was after the Global Financial Crisis of 2008, the Dotcom crash of the new millennium, and so on back through time – although the period to recovery is usually a tad slower than that experienced in 2020!

While costly in terms of lives, health, business, travel, and so on, markets were able to recover from all of these events, rendering any kneejerk action unwise.

Who are 8AM Global?

8AM Global is a boutique asset manager whose mission is to design and operate great value, transparent and efficient investment management solutions in the UK.

Founded in 2006, the 8AM team has focused almost entirely on the development and provision of Model Portfolio Services (MPS) for financial advisers since 2015.

The 8AM team was assembled based on their individual areas of expertise and experience from financial advice firms, investment platforms, and risk management. We are client-centric in everything we do, with all aspects of the service being designed to help deliver sustainable long-term returns for you.

A Guide to the 8AM AQ Managed Portfolio Service

We offer a range of investment portfolios with different levels of risk, managed by our experienced Investment Team, and designed to help you reach your investment goals using three key principles;

Consistency

We strive to use investment management principles that focus on the provision of consistent and measurable outperformance at all times. We have created a robust and repeatable process, that that targets an increased likelihood of positive outcome.

Clarity

To always provide clear, data-driven rationale for all portfolio decisions.

Put simply, we provide clear and timely data to ensure that your financial adviser will always be able to tell you exactly what you are invested in and why.

Cost

For us, fair cost isn't just about the charge for providing our service. It encompasses the idea of *only* utilising more expensive 'Actively Managed' funds in our portfolios when we can quantify the additional value they offer to you.

By investing in the AQ MPS, you can be assured that the funds in your portfolio are consistently reassessed for the value they provide– all automatically.

The AQ Approach

The 8AM approach to fund selection differs from many traditional investment managers but without being esoteric.

By blending a mix of passive tracker funds with active counterparts selected by our algorithm, we help ensure the portfolio's costs remain low, the exposure to asset classes broad, and portfolio liquidity (how rapidly we can buy and sell the portfolio holdings, and you can access your capital) remains high.

Active funds are those that aim to outperform, rather than replicate their benchmark, and often take a more aggressive and concentrated approach to investment. In reality, many do not outperform over the longer term, and their costs are higher than with passive investments.

Our AQ (Active Quant) process is able to identify positive trends among those active funds, allowing us to invest while these 'extra' returns (commonly known as 'alpha') are being made, also identifying when the 'show is over', and allowing us to sell quickly, selecting an alternative Active fund with greater relevance or returning to a Passive Tracker position.

To get the best out of our strategy of continually maximising the risk/return efficiency of our managed portfolio service requires:-

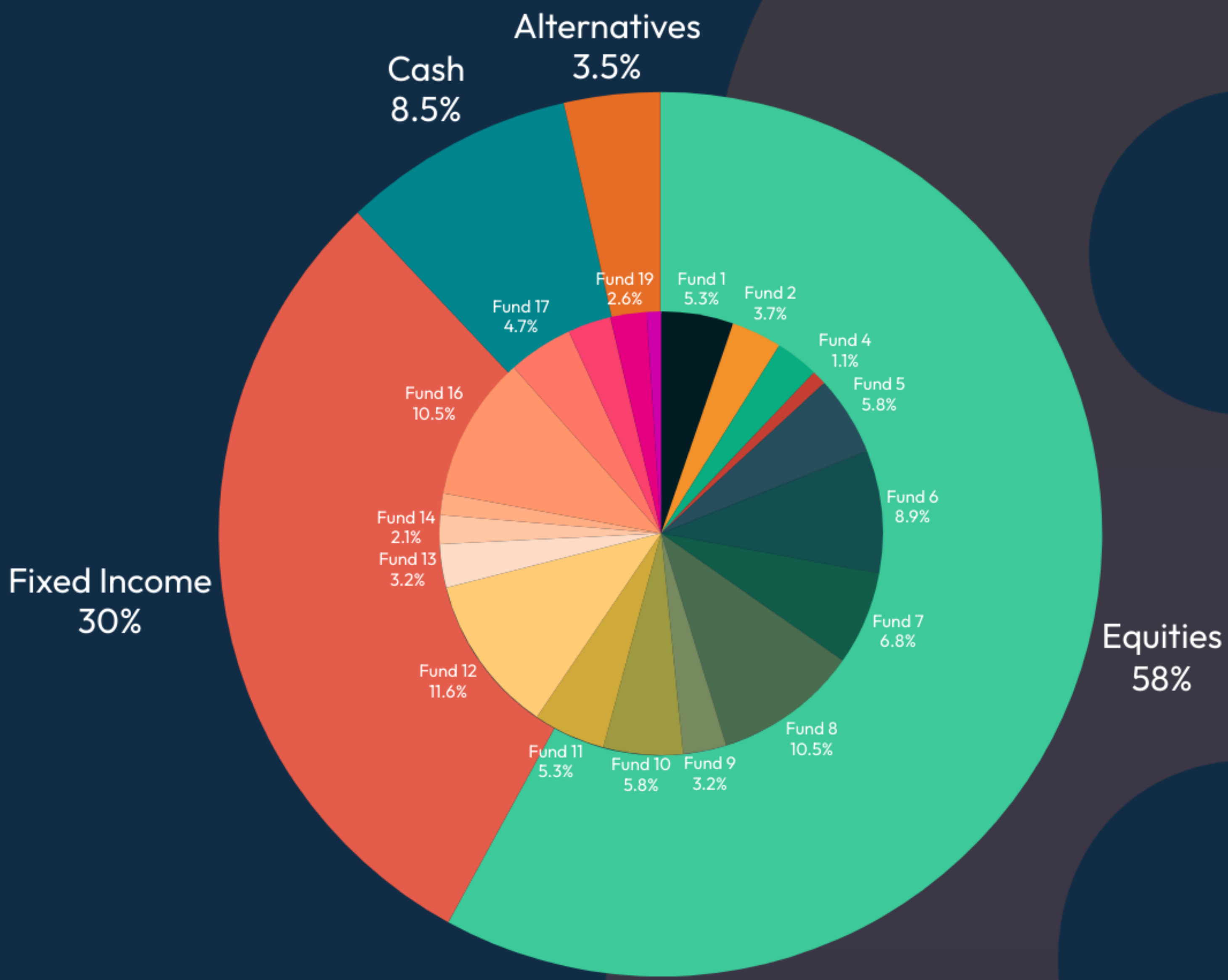
- Unbiased, unemotional analysis of fund performance
- The ability to quickly make informed changes based on market conditions – never conjecture
- Top-down strategic asset allocation – based on data not opinion
- Selective, data-driven, use of tactical allocation
- A continuous focus on investor value
- Frequent, focused investment committee meetings
- Independent portfolio risk management

Building a Diversified Portfolio

Diversification is one of successful portfolio management's core principles and the 8AM approach is no different.

We diversify both by asset class, selecting from a range of global equity, fixed income, and alternative markets, and by holding a range of funds at any one time, each with underlying portfolios of investments, ensuring multiple levels of diversification.

An illustrative example of a typical balanced AQ portfolio is shown below, with each asset class made up of a number of different underlying funds – all monitored by the AQ process every two months.



Our Commitment to your Adviser and You

Our firm commitment is an unrelenting drive to deliver consistent, data-driven investment returns alongside clear communication to your adviser around all investment decision-making.

Our principles of 'Consistency', 'Cost' and 'Clarity' are a central part of our ethos, and we embody those not just in our investment strategies but in our regular communication, and availability and unparalleled access to our investment team.

Our investment solutions encapsulate all that can be good about investment to providing a robust partnership with your adviser whilst avoiding common pitfalls that can nullify investment growth and understanding on the way to achieving your financial goals.

We look forward to being your partner in achieving those goals.

Accessing Support and Further Information

- The service is provided in conjunction with your Financial Adviser.
- In all instances your Financial Adviser should be your first port of call with any questions or issues about your portfolio. If appropriate, they may relay questions to the AQ investment team or arrange a meeting.
- Your adviser may offer to sign you up for a variety of different email reports from 8AM, including monthly factsheets and a 'Portfolio Change Report' produced at the point of each portfolio review.

Disclaimer

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