



## LWM Consultants Ltd Fund Manager Briefing Note

### Standard Life Global Absolute Return Strategies (GARS) Fund

The Standard Life GARS Fund is a key element of the portfolios we deliver. This is because it provides equity style returns with bond like volatility providing stability particularly in the more cautious portfolios. Over the period we have held this fund it has continued to deliver as the chart below demonstrates.



**Special note to graph:** You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

The fund is managed on a team basis consisting of the wider team of investment specialists and four key holders. These key holders are effectively the people authorised to make trades. The key individual and head of this strategy is Euan Munro. In February we met with one of the key holders David Millar, the notes from this meeting are on the website. It is interesting because one of the key discussions was what would happen if one or more of the key members of the team left.

The message at the time was that they already had in place a “what if” strategy in place should someone leave. One of these people was Neil Richardson who recently joined the team, and the other two individuals (who have been with the team for a number of years) are Ian Pizer and Roger Sadewsky.

We have been advised that the “what if” scenario has taken place and two of the key holders have left – these are David Millar and David Jubb. Clearly the main team with the strong leadership of Euan Munro remains in place and following discussions we remain confident that the fund will continue to deliver for our portfolios.

The other point that provides reassurance to us is the speed to move Neil, Ian and Roger into team to replace the leaving individuals. They have depth of experience which will add value and we see this as a positive step. At this stage we are waiting confirmation as to whether the key holders will be restricted to two – Euan Munro and Guy Stern, or whether any of these individuals will move into this role.

As with all the funds we use for our portfolios we constantly monitor their performance, and the management team to ensure that if something happens we are in a position to respond.

Clearly in this scenario although some of the faces have changed fundamentally the strategy remains and will continue to deliver into the future. A key point to consider (not that I am a football man) a manager often leaves to a bigger club following a period of success but then fails partly because they don’t have the same structure and team in place at the new club. This is true in fund management. It is easier for a strong team to deliver whatever the changes at the top than it is for a manager to deliver in a new environment without that team.

The source of information in this note has been provided by Standard Life and is correct as at 13 September 2013. These are notes from discussions with Standard Life and should not be seen as a recommendation to purchase this fund. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. You should also note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.