

Syntax Thematic



What is Thematic Investing?

Indexation, asset allocation, sector and factor investing has evolved to themes that persist for durations of time with changing global macro fundamental conditions. Thematic investing allows for capitalization on structural trends while avoiding speculative “fads”. Themes relate to global developments that are fundamental drivers and expected to yield superior outcomes.

Why Now?

We live in a world with long term structural problems. Global quantitative easing, currency manipulations and corporate financial engineering can levitate financial markets for only so long. On the other hand, strong forces of anti-globalization and populism are affecting global asset classes and will result in significant volatility. These seismic changes will create winners and losers.

There is a growing trend of investing in private equity and other illiquid strategies because most investors are concerned about near term market risk from liquid, marketable securities. Investing in dominant themes with dynamic risk assessment provides a liquid alternative in pursuit of a responsible rate of return.

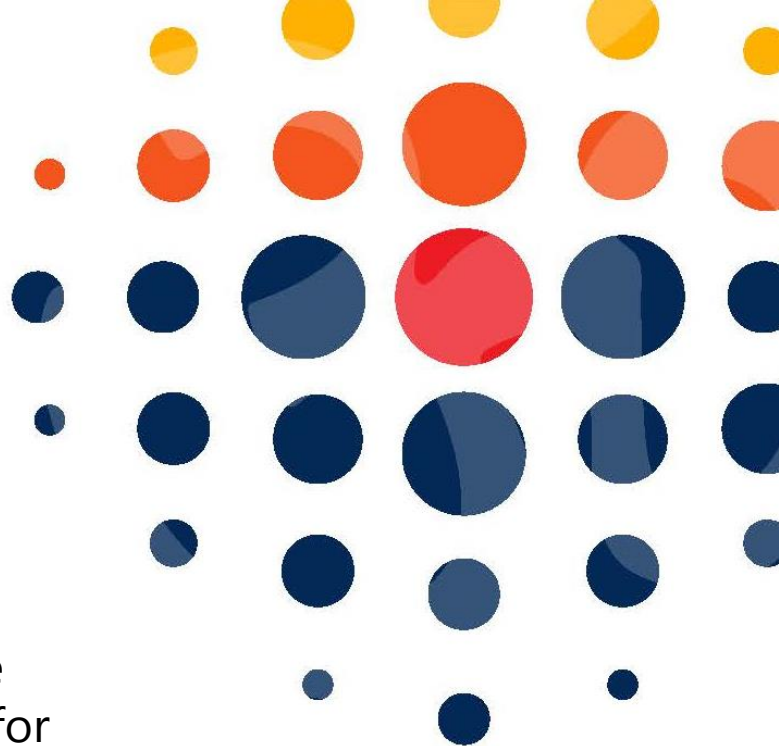
How does thematic investing work?

Utilizing our proprietary global macro research, Syntax Thematic will identify medium and long term themes with positive and negative outcomes. The output of our fundamental research is then validated using quantitative models, creating a dynamic assessment of companies benefiting from such themes.

Who Should Be Interested?

Syntax Thematic will focus on persistent factors which will drive financial markets for some time. It is a good fit for investors concerned about the global state of affairs with a long term objective. Although Syntax Thematic strategy construct is long only, we aim to mitigate portfolio risk by investing in companies which benefit from market declines.

Investment Philosophy



Our investment philosophy is founded on the principle of dynamically managing risks while seeking opportunities to create long-term value for our clients. Utilizing our proprietary global macro research, we seek to identify thematic long-term trends as well medium-term cyclicity associated with these trends. We believe that seismic shifts in global economics and the evolving geopolitical landscape have created a “new normal”. Understanding the sources of risk to accept or mitigate in pursuit of a responsible rate of return is the hallmark of the Syntax Thematic strategy.

Investment Strategy

- A portfolio targeting low volatility and low correlated returns to equities using a fundamental global macro research framework.
- Assess which scenarios have the potential to create systemic risk. Absent systemic risk, asset flows have to go somewhere. Identify most attractive investable themes which fit our investment style.
- Determine market outlook for the next 12 months and dynamically manage risk with changing market conditions.





Investment Process

1 Proprietary Research

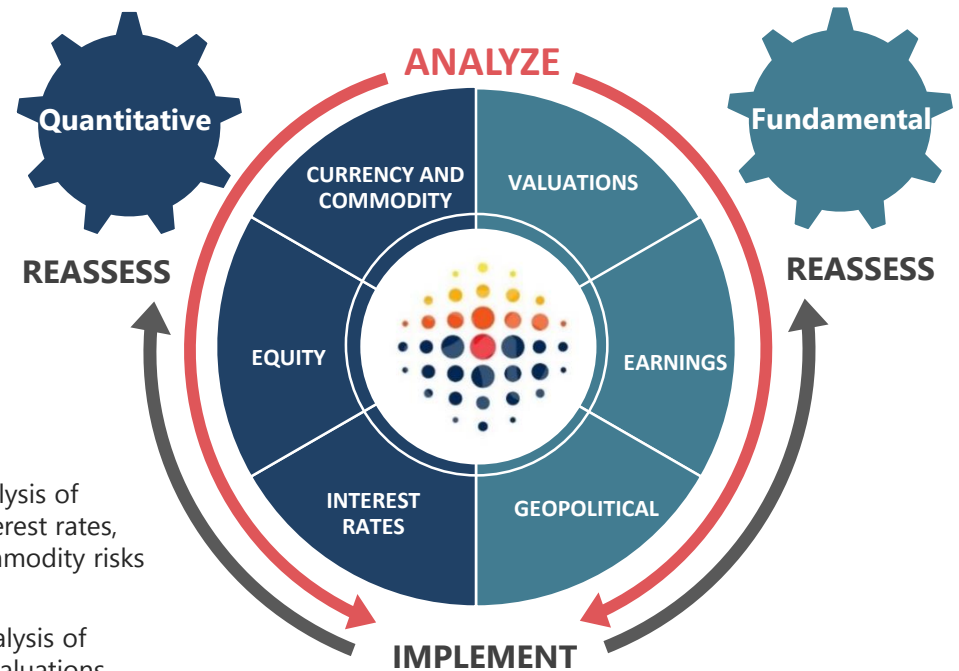
2 Thematic Identification

3 Thematic Selection

4 Investment Selection

5 Portfolio Construction

Our global macro research continuously assesses market outlook, gross and net portfolio exposures.



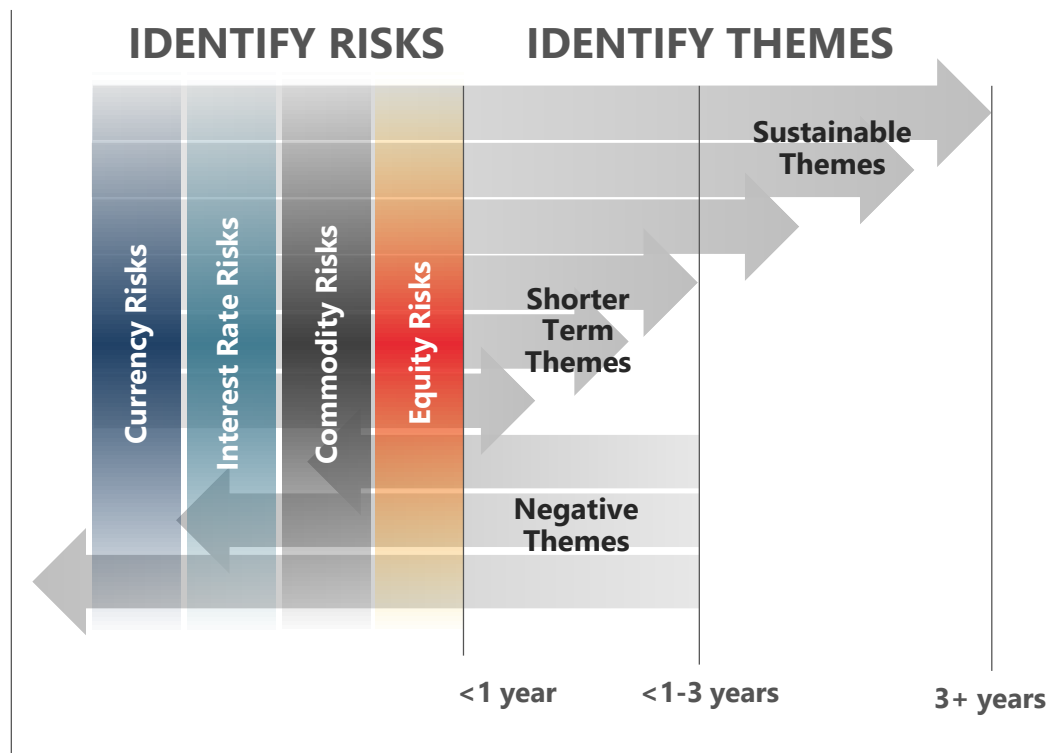
- **Quantitative** analysis of global equity, interest rates, currency and commodity risks
- **Fundamental** analysis of earnings, equity valuations and geo political risks



Investment Process

- 1** Proprietary Research
- 2** Thematic Identification
- 3** Thematic Selection
- 4** Investment Selection
- 5** Portfolio Construction

Use proprietary global macro research to create a global investment view identifying sources of potential risks and thematic investment opportunities





Investment Process

1 Proprietary Research

2 Thematic Identification

3 Thematic Selection

4 Investment Selection

5 Portfolio Construction

CIO determines Region/ Country/ Sector/ Industry/ Stock to give effect to portfolio exposures which will benefit from resulting rise/fall in security prices

Theme	Term	Focus
Global populism	Long	● ● ●
Old economy outperforms new economy	Medium	● ● ○
Ex-US equities outperform US equities	Long	● ● ●
Regulatory reform	Short	● ○ ○
Tax reform (short cycle)	Short	● ○ ○
Agriculture (very long cycle)	Long	○ ○ ○
Water (very long cycle)	Long	○ ○ ○
Rotation (short cycle)	Short	● ○ ○
Rising/falling rate environment	Medium	● ● ○
Rising/falling USD environment	Medium	● ● ○

Investment Process



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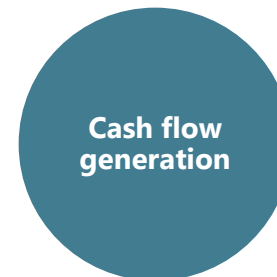
QUANTITATIVE

- Multi asset portfolio consistent with our global macro views for broad exposure



FUNDAMENTAL

- Multi asset portfolio consistent with our global macro views for broad exposure





Investment Process

1 Proprietary Research

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Best ideas using our proprietary research and methodology

Long Portfolio

	Emphasis on equities with enduring business models
	Strong balance sheet with emphasis on dividends
	Thread of discontentment resulting in below-intrinsic valuations
	Catalyst for change with an objective timeline
	20 equities, weighted by theme