

GIPS® COMPOSITE MANAGEMENT SOLUTION

Gain a comprehensive composite management solution that seamlessly integrates with your FactSet portfolios, data, and workflows to help you maintain compliance and adhere to the provisions of GIPS (Global Investment Performance Standards).

MANAGE COMPOSITES, ACCOUNTS, AND COMPONENTS

Leverage FactSet's composite management platform as a stand-alone module or part of a broader integrated solution.

- Integrate with internal and external systems
- Retroactively calculate results and ratios using prior performance data
- Leverage intuitive composite construction tools
- Perform powerful calculations (multi-currency, net or gross, composite-defined benchmarks, or portfolio aggregated benchmarks)
- Implement automatic controls and checks at firm-, composite-, and portfolio-levels
- Quickly access composite and firm disclosure variables within reports
- Generate customized reports, including pre-formatted disclosures

Global Absolute Return Composite

Benchmark: XYZ Global Macro Index
Currency: USD
Reporting Date: 31 December 2019



Year	Composite Total Return Gross %	Composite Total Return Net %	Primary Benchmark %	Composite 3-Yr Return %	Benchmark 3-Yr Return %	Composite 3-Yr St Dev %	Benchmark 3-Yr St Dev %	Number of Portfolios	Composite Disposition %	Composite Assets (millions)	Total Firm Assets (millions)
2012*	3.21	2.35	5.17	1.89	n/a	2.48	n/a	6	12.35	75	109
2013	7.04	5.24	29.21	4.17	n/a	2.19	n/a	6	14.06	81	116
2014	3.57	1.89	10.27	5.24	n/a	2.77	n/a	6	5.92	83	117
2015	0.70	-1.06	-8.85	3.77	18.08	3.13	18.06	6	15.57	84	120
2016	1.22	-0.58	10.89	1.86	18.52	3.39	18.62	6	2.86	86	122
2017	8.50	6.56	41.73	3.42	17.98	3.17	17.98	6	13.55	92	127
2018	3.81	1.95	-9.40	4.47	17.21	3.21	17.21	6	14.29	96	131
2019	1.19	-0.65	45.01	4.46	18.56	3.08	18.56	6	4.85	98	132

*Data is for the period from June 30, 2012 (inception) through December 31, 2012.
n/a= The three-year return and ex-post risk statistics are not presented because the composite does not yet have 36 monthly returns as of this date.

Disclosures

Definition of the Firm

FactSet is an independent investment management firm established in 2007. FactSet manages a variety of equity, fixed-income, and balancer assets, primarily for European clients.

Composite Description

FactSet's Global Absolute Return Composite is a fixed life strategy that uses a global macro approach to find what we believe are deep value-based equity and fixed-income securities. We look for value among beaten-down equity and fixed-income securities, including both investment-grade and non-investment-grade debt. Rather than treat distributions as cash flows to sell the index, we compute the weight of the distribution and remove the same weight. This modification tackles the negative net asset value (NAV) limitation that can occur with the traditional Long-Nickels PME calculation. The XYZ Global Macro Index consists of the median returns of global macro hedge funds that typically invest in long and short positions in international stocks and bonds, commodities, and currencies.

Custom Benchmark

The benchmark is calculated using a modified public market equivalent (PME) of the XYZ Global Macro Index, where capital calls are treated as cash flows to buy the index. Rather than treat distributions as cash flows to sell the index, we compute the weight of the distribution and remove the same weight. This modification tackles the negative net asset value (NAV) limitation that can occur with the traditional Long-Nickels PME calculation. The XYZ Global Macro Index consists of the median returns of global macro hedge funds that typically invest in long and short positions in international stocks and bonds, commodities, and currencies.

Fees

Gross returns are gross of management fees, custodial fees, and withholding taxes but net of all transaction costs. Net returns are net of actual management fees and transaction costs but gross of custodial fees and withholding taxes.

Sub-Advisor

A sub-advisor was used since the composite's inception to manage all equity investments.

Fee Schedule

The standard fixed annual management fee is 0.55% up to €50 million and 0.35% thereafter.

External Cash Flows

Effective 1 January 2020, money-weighted return (MWR) calculations use daily cash flows. Prior to this date, external cash flows were recorded quarterly.

Policies

FactSet's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. www.factset.com © 2019 CFA Institute. All rights reserved. | See Appendix A: Sample GIPS Composite Reports

List of Composites and Pooled Funds

A list including composites, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds is available upon request.

Change in Composite Returns

Given the fixed life nature of the strategy and the fact that we control the timing of cash flows to and from portfolios, we changed the type of composite returns that are presented, Effective 1 January 2020, we changed from presenting time-weighted returns (TWRA) to MWR because the firm believes it is the most appropriate composite return.

Error Correction

An incorrect amount was previously used for a cash distribution that occurred in 2020. The since-inception annualized gross and net composite returns have been restated from 8.4% and 7.9% to 7.4% and 6.9%, respectively.

Trademark

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BENEFIT FROM PACKAGED IMPLEMENTATION

Rely on FactSet's straightforward implementation framework, alongside training and support from our expert consulting team, for an optimized composite management solution.

- Minimize implementation risks with proven tools and techniques
- Review predictable implementation costs and schedules thanks to pre-defined processes and deliverables
- Quickly gain value from a phased go-live process