

# **GAMA Funds – Global High Yielding Opportunities**

**An innovative and tax efficient high yielding strategy**

# GAMA Funds – Global High Yielding Opportunities



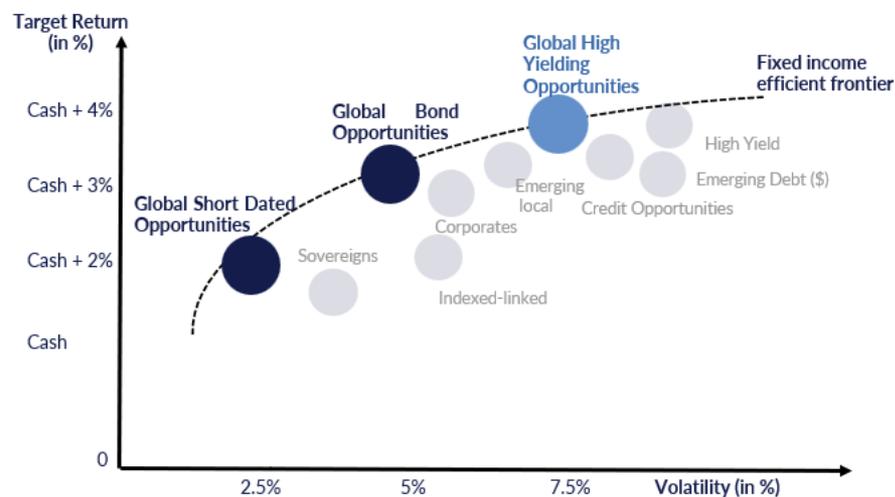
## Global High Yielding Strategy

- Global High Yielding fund invests in liquid bonds and credit derivatives to get **high income** with very **strong diversification** across issuers, sectors and countries.
- Optimized combination of active credit selection** on bonds and high yield credit risk replication– liquid, tax efficient and appealing risk-adjusted returns.
- Experienced and complementary investment team** following a strict investment process to generate active returns and mitigate risks.



## Key Facts & Statistics

Fund's Domicile	Luxembourg UCITS SICAV
Strategy	Global High Yield Strategy
Number of issuers	~300 issuers
Estimated Yield	8.5% (USD), 6% (EUR), 4% (CHF)
Target Return	Cash + 4%
Duration	2.5 years
Volatility	8-10%
ESG Policy	Integration process, Article 8 SFDR



# GAMA Funds – Global High Yielding Opportunities



## High Yielding Strategy

- € UCITS (Lux), AuM: EUR >40mn, Art.8 SFDR
- € Main exposures on Global corporates, focusing on <5Y maturity liquid IG bonds, highly diversified (~300 issuers) and very liquid (daily)
- € Credit exposure through credit derivatives (CDS indices)
- € Share classes: EUR, USD, CHF accumulation or distribution, fully hedged (no FX risk)
- € Inception Date: 19.09.2025 (NEW)

## Key Statistics

- € Hedged Yield To maturity: 6.48% in USD, 4.49% in EUR, 2.54% in CHF
- € Average Duration: 3.0 years
- € Average Rating: BBB+
- € MSCI ESG Rating: A
- € Volatility (Daily, 3Y): -
- € Bloomberg Peers Quintile\* (3Y): -

\*Peers: Short-term aggregate, OECD Countries

## Why This Fund ? Why Now?

- € Objective of outperforming global high yield market returns with lower downside risk
- € An innovative, cost and fiscal efficient solution in a challenging environment
- € Solid fundamental credit selection with ESG-integration and quantitative filters
- € Stable team with solid track record over various time-horizons

## Key Fund Information (EN)

- € Factsheets [EUR](#) [USD](#) [CHF](#)
- € KIDS [EUR](#) [USD](#) [CHF](#)
- € Prospectus [Click Here](#)
- € Why Invest ? 6 pagers [Click Here](#)
- € Full presentation with Process [Click Here](#)
- € Access to GAMA website [Click Here](#)

# GAMA Funds - Global High Yielding Opportunities



## INVESTMENT STRATEGY

High income fund that replicates high-yield market risk through credit derivatives resulting in a liquid, tax-efficient strategy.

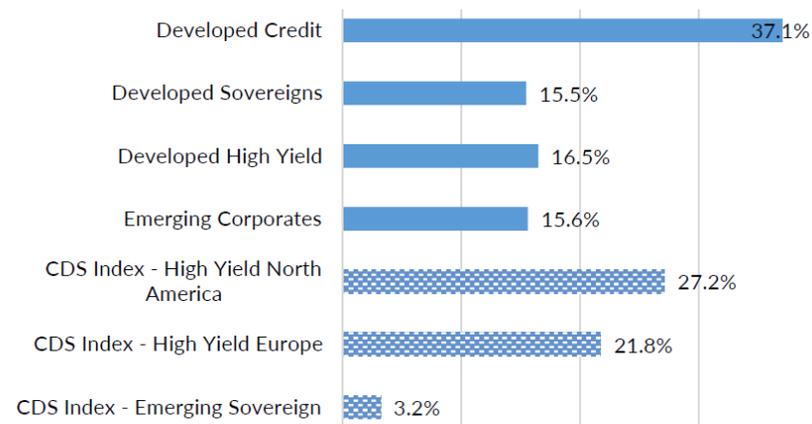
- After tax return is a key consideration
- Exposure to ~300 issuers through the use of Credit Default Swap Indices
- Credit selection broadly diversified across countries & sectors
- Luxembourg UCITS fund launched in 2025

Credit Exposure	AAA	High
Interest Risk Exposure	AA	Medium
Currency Exposure	-	Fully Hedged

## PORTFOLIO CHARACTERISTICS

Average yield (EUR)	4.49%
Average yield (USD)	6.48%
Average yield (CHF)	2.54%
Average yield (GBP)	5.97%
Average interest-rate duration	2.95
Average spread	241
Average credit rating of bonds	BBB+
Number of issuers	317

## BREAKDOWN BY SEGMENT

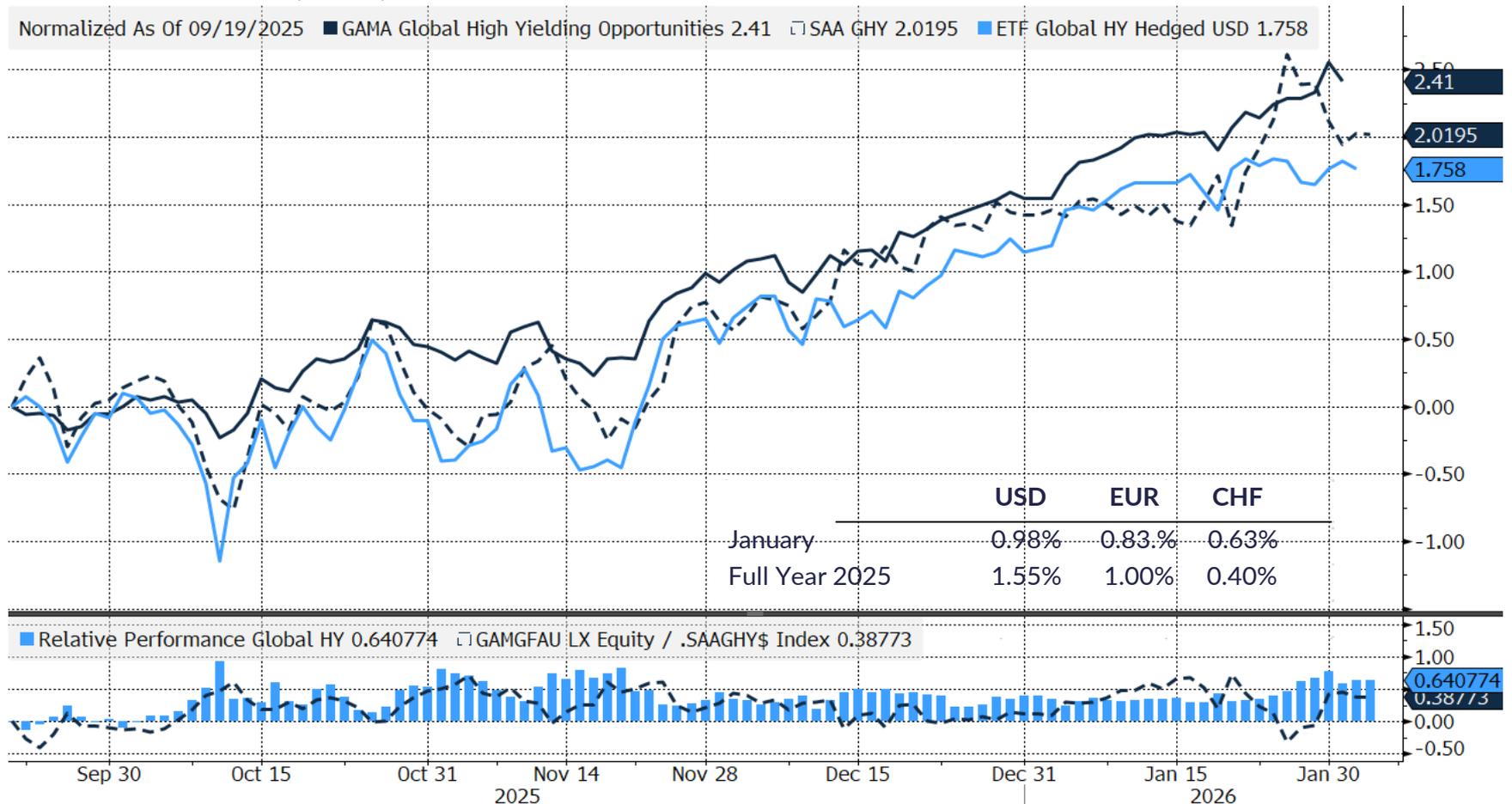


Portfolio characteristics may change at any time. Please refer to the fund prospectus for the investment guidelines.

# GAMA Global High Yielding Opportunities



## GAMA Global High Yielding Opportunities – Performance since inception (19.09.2025) as of 04.02.2025 (USD)



GAMGFAU LX Equity (Gama Funds-Global High Yielding Opportunities) GHYO vs HYU & SAA Daily 19SEP2025-04FEB2026

Copyright© 2026 Bloomberg Finance L.P.

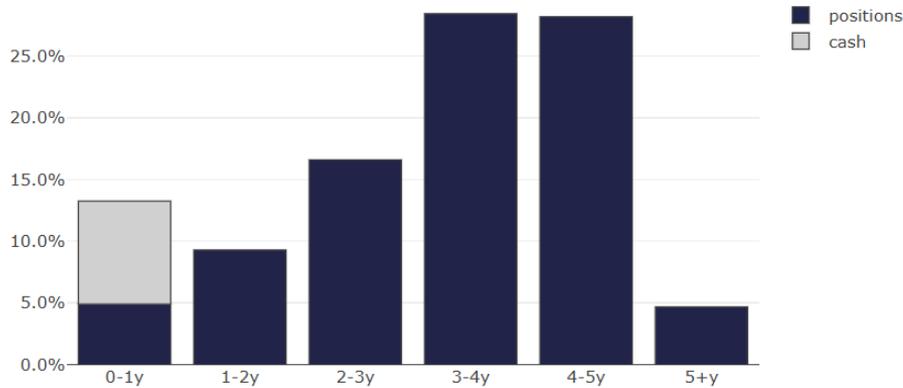
04-Feb-2026 11:30:24

Sources: GAMA, GAMA SAA Global High Yield is a strategic asset allocation (SAA) accounting with a 75% overlay of Credit Default Swaps, Global high yield hedged is the passive industry benchmark. GAMA Funds (USD share class F) and ETF are net of any fees, the SAA has no fees.

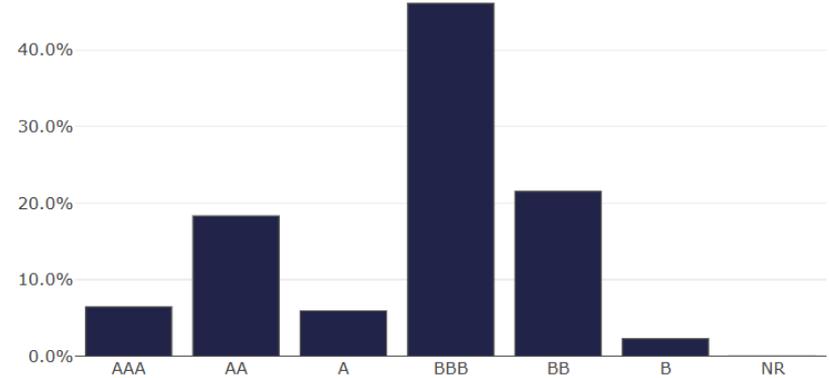
# GAMA Funds - Global High Yielding Opportunities



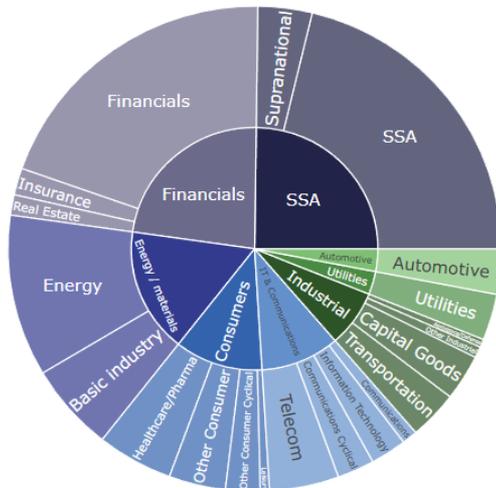
## BREAKDOWN BY MATURITY



## BREAKDOWN BY RATING



## BREAKDOWN BY SECTOR



## BREAKDOWN BY COUNTRY

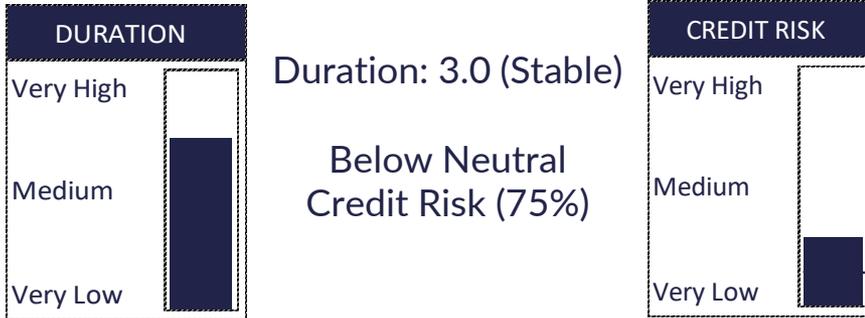


Sources: GAMA calculations

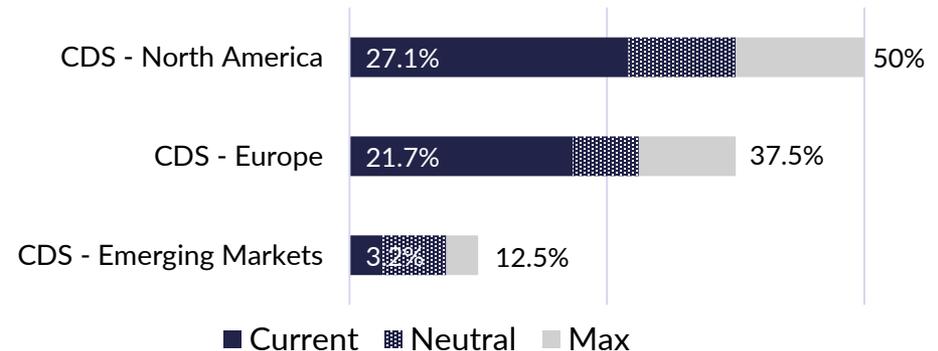
# GAMA Funds - Global High Yielding Opportunities



## DURATION



## CDS OVERLAY



## KEY BOND MONTHLY PURCHASES

- BANK HAPOALIM (BBB+) 2029 USD, G+114
- TURK IHRACAT (BB-) 2031 USD, G+271
- PROCREDIT (BBB) 2028 EUR, Z+105
- COMISION FEDERAL (BBB) 2031 USD, G+155
- PETROBRAS GLOB (BB) 2030 USD, G+159
- CHARTER COMM OPT (BBB-) 2029 USD, G+101
- LA FONCIERE VERT (B+) 2030 EUR, Z+355
- IHS HOLDING LTD (B+) 2028 USD, G+283

## KEY BONDS MONTHLY SALES

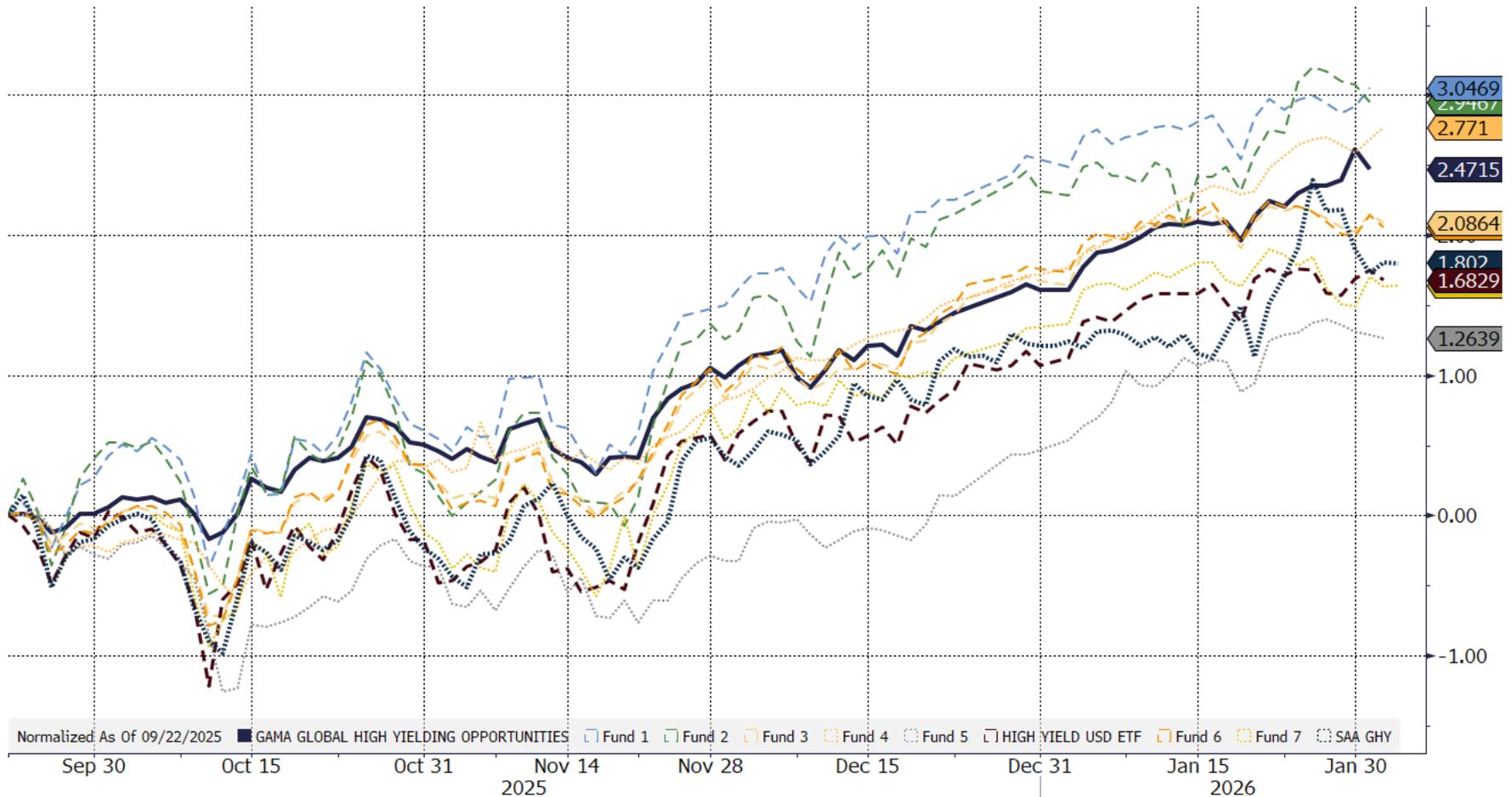
- COMISION FEDERAL (BBB) 2029 USD, G+104

### Matured / Tendered / Called (3.1%):

- KFW (AAA) 2026 USD
- US TREASURY N/B (AA+) 2026 USD
- CONTOURGLOB PWR (BB) 2028 EUR, Z+0

Sources: GAMA calculations.

# Global High Yielding Opportunities – Peer Group



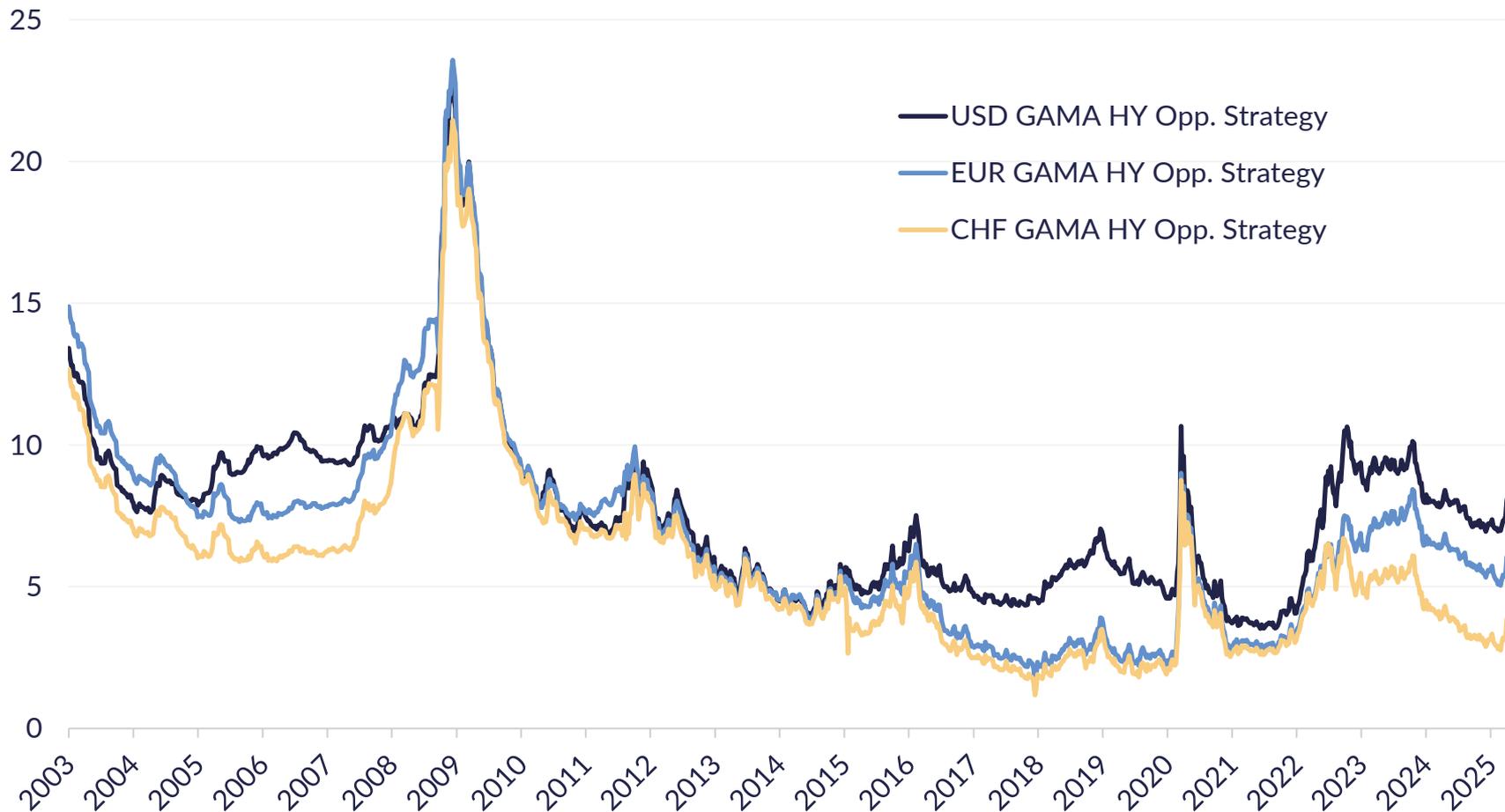
GAMGFAU LX Equity (Gama Funds-Global High Yielding Opportunities) GHY Peers SI Daily 22SEP2025-04FEB2026

Copyright© 2026 Bloomberg Finance L.P.

04-Feb-2026 11:31:24

Source: Bloomberg, GAMA, Performance net of fees since inception date (19.09.2025) versus peers and passive strategies (ETF or SAA).

# High Yield Strategy – Currency Specific Yield



Sources: GAMA calculations

# GAMA Global High Yielding Opportunities Video (click below)



**GAMA Funds – Global High Yielding Opportunities** 

Optimized combination of actively managed bonds with high yield passive replication

Cash Bond Portfolio 100%	CDS Indices Overlay 0% - 100%
	CDS – CDX EM Sovereigns (5Y)
	CDS – Itraxx EUR Xover (5Y)
	CDS – CDX US High Yield (5Y)



# GAMA Global High Yielding Opportunities



## GAMA Funds – Global High Yielding Opportunities: “A smarter way to earn high yielding fixed income in uncertain markets”

### Challenges for European & Swiss Investors

- ✓ Persistently low or negative (Swiss) interest rates with concerns over further central bank cuts
- ✓ Ongoing market volatility and inflation risk without compromising liquidity or safety
- ✓ Higher-yielding bonds may often lead to negative returns after-tax and after currency hedges

### An Innovative and Efficient Solution

- ✓ A globally diversified, actively managed bond fund focused on:
  - **Short-duration** (0–5Y) investment grade bonds
  - **Selective** high-yield exposure through bonds and liquid credit derivatives
  - **Cost and tax optimization** through lower-coupon and tax-efficient instruments

### Why GAMA ?

- ✓ **Expertise:** Global bonds management with senior management by seasoned professionals with leadership experience at Lombard Odier, Pictet, UBS, and Schrodgers
- ✓ **Deep knowledge** in global credit markets, asset allocation and portfolio engineering
- ✓ **Experience:** in managing funds with similar strategies and controlled risk since 2019
- ✓ **Full transparency** and access to key resources

### Why Global High Yielding Opportunities ?

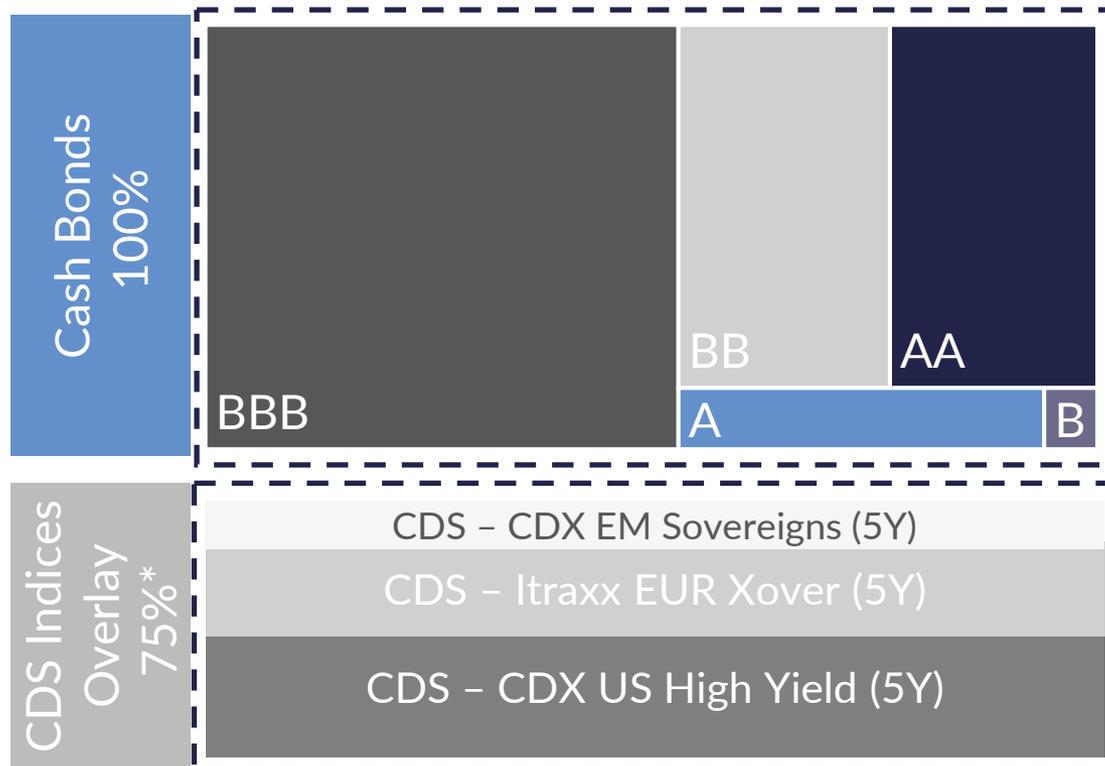
- ✓ Focus on **after-tax yield** with capital preservation
- ✓ **Actively managed** to outperform global high yield with lower downside volatility
- ✓ Focus on **shorter maturities** to limit interest rate sensitivity
- ✓ True **diversification** with 250+ issuers across sectors, regions
- ✓ Lux **UCITS structure** offering **daily liquidity** and investor protection

# GAMA Funds – Global High Yielding Opportunities



Optimized combination of actively managed bonds with high yield passive replication

## Funds Structure:



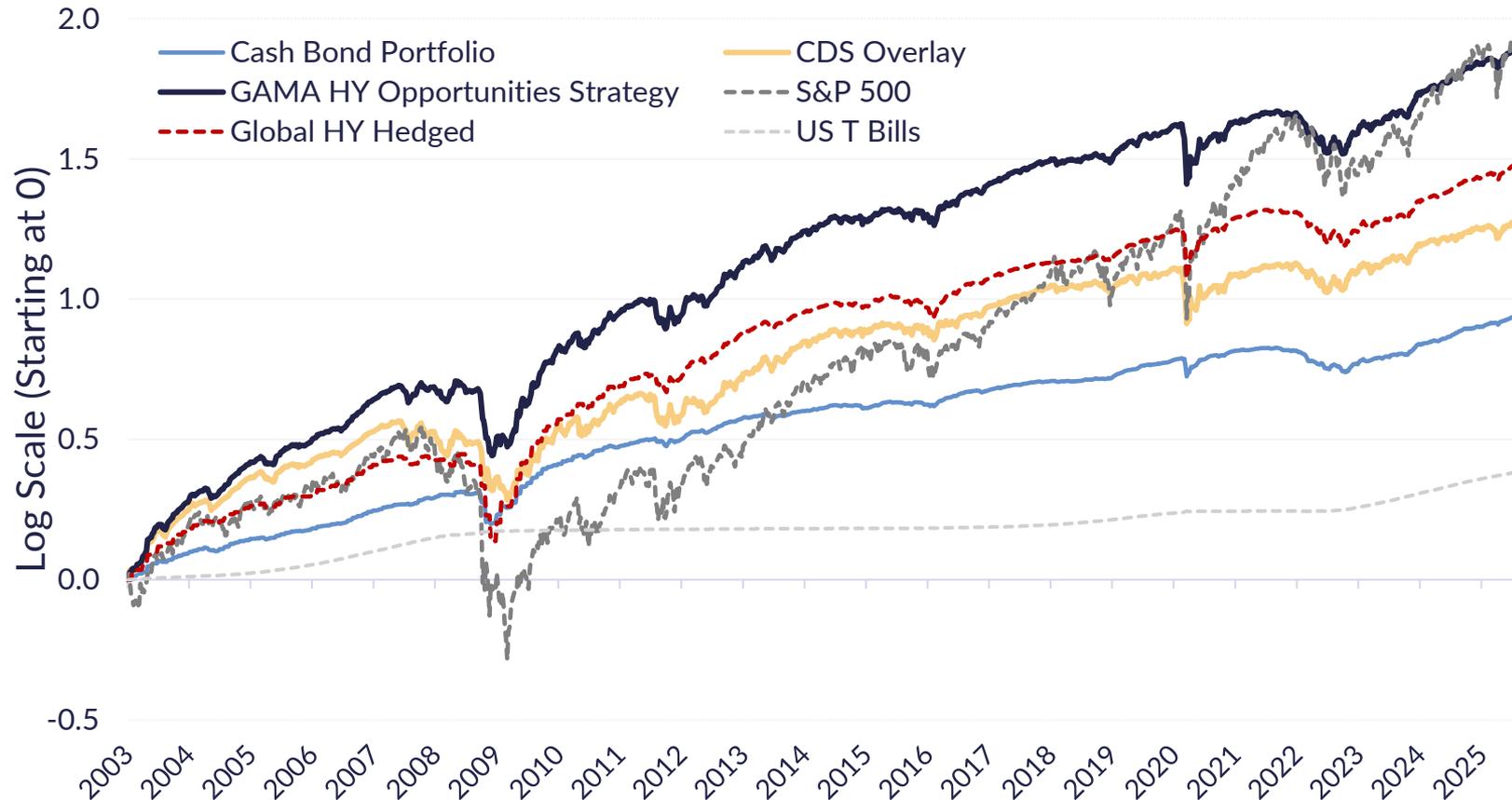
## Key Highlights:

- ☞ Actively managed Bond portfolio (0 – 5Y)
- ☞ Focus BBB and BB with average rating IG
- ☞ High liquidity preference
- ☞ Low coupons to minimise income distribution
- ☞ 180 issuers
  
- ☞ High Yield exposure using CDS indices (US CDX, EUR Itraxx Xover and CDX Emerging markets).
- ☞ 197 equally-weighted issuers

Source: GAMA, the strategic asset allocation (neutral allocation or SAA) is composed of the bond portfolio (100% cash bonds) and 75% of an issuer equally-weighted overlay of CDS indices across the US, Europe and Emerging Sovereigns. \*Tactically, the allocation to CDS indices can move down to 0% or a maximum of 100%.

# GAMA High Yield Strategy – Pro Forma Performance

Equity-like returns with circa half of realized volatilities of global equities



Sources: Bloomberg & Thomson Reuters, GAMA calculations using CDS indices (CDX High yield, Itraxx Crossover and EM CDX) and Bloomberg bond indices. HY spreads and return indices proxied up to 2007 with HY index equivalent. High Yield Spread CDS calculation accounts for a 75% overlay. Credit Bonds composed of Bloomberg Global High Yield Ba Rated 1-5, EM Aggregate USD 1-5, US T-Bills and Global Aggregate USD 1-5. The latter was proxied from US Aggregate 1-5 up to 2010. \*CDS return indexes proxied up to 2007 with HY index equivalent

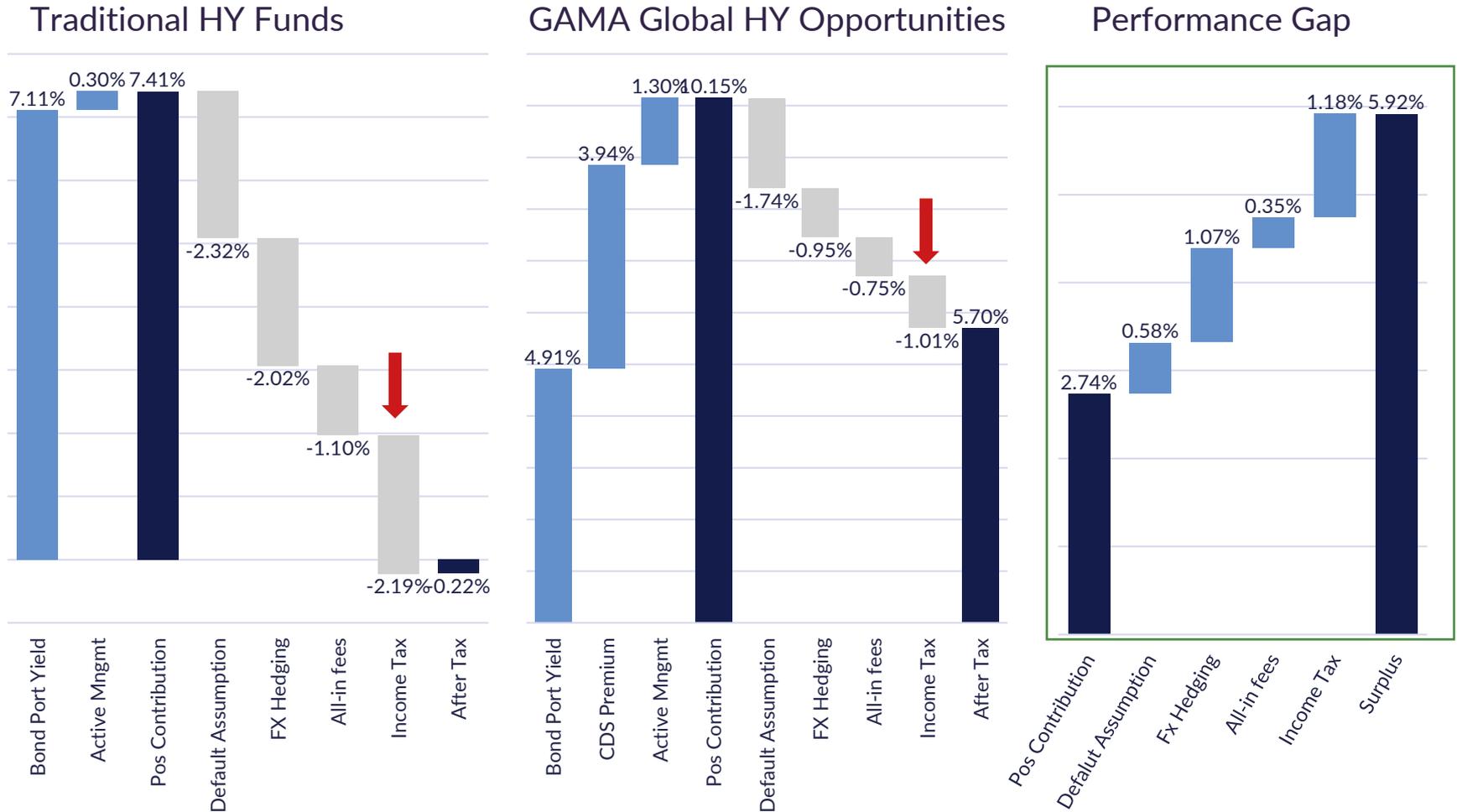
# High Yield Strategies – Performance & Risk Metrics



Returns	Cash Bond Portfolio	Credit Default Swaps Indices	GAMA HY Opp. Strategy	Global HY Hedged	Global Agg Hedged	S&P500 Index	US T-Bills
Median	4.03%	6.24%	8.94%	6.54%	2.38%	11.08%	0.91%
Avg	3.93%	5.35%	8.19%	6.48%	2.67%	9.53%	1.58%
Vol	4.17%	7.85%	9.60%	8.74%	2.38%	15.27%	1.74%
Sharpe Ratio	0.56	0.48	0.69	0.56	0.46	0.52	0.00
Sortino Ratio	0.94	0.86	1.18	0.79	0.69	0.61	0.00
5% Bottom	-4.23%	-8.30%	-9.72%	-7.89%	-1.34%	-19.02%	0.06%
ES	-6.38%	-12.67%	-14.05%	-13.82%	-3.54%	-33.02%	0.03%
Min	-8.87%	-18.89%	-21.68%	-25.02%	-5.56%	-48.60%	-0.03%
Max	22.77%	29.19%	43.34%	51.53%	9.00%	66.68%	5.36%

Source: Bloomberg & GAMA calculations in USD reference from Jan 2003 to July 2025. \*Global Aggregate 1-5 Years proxied up to 2010 with US Aggregate, CDS return indexes proxied up to 2007 with HY index equivalent

# Forward Return Decomposition & Comparison (EUR)



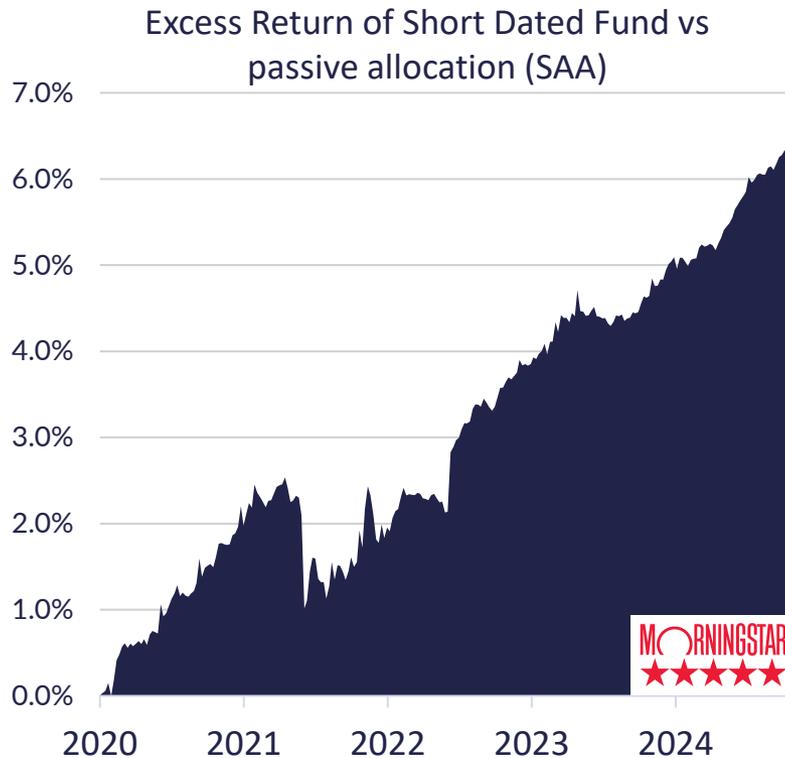
Sources: Bloomberg, GAMA calculations based on the strategy's portfolio statistics and comparison with major actively managed global high yield funds (share classes hedged in EUR), using Bloomberg Global High Yield market references for average yield and coupon. \*The after-tax return is provided for illustrative purposes only, assuming a 35% income tax rate applied solely on the average coupon. This illustration should be interpreted with caution and does not constitute tax advice. Investors should seek guidance from a qualified tax advisor.

# The “Positive Alpha” Impact



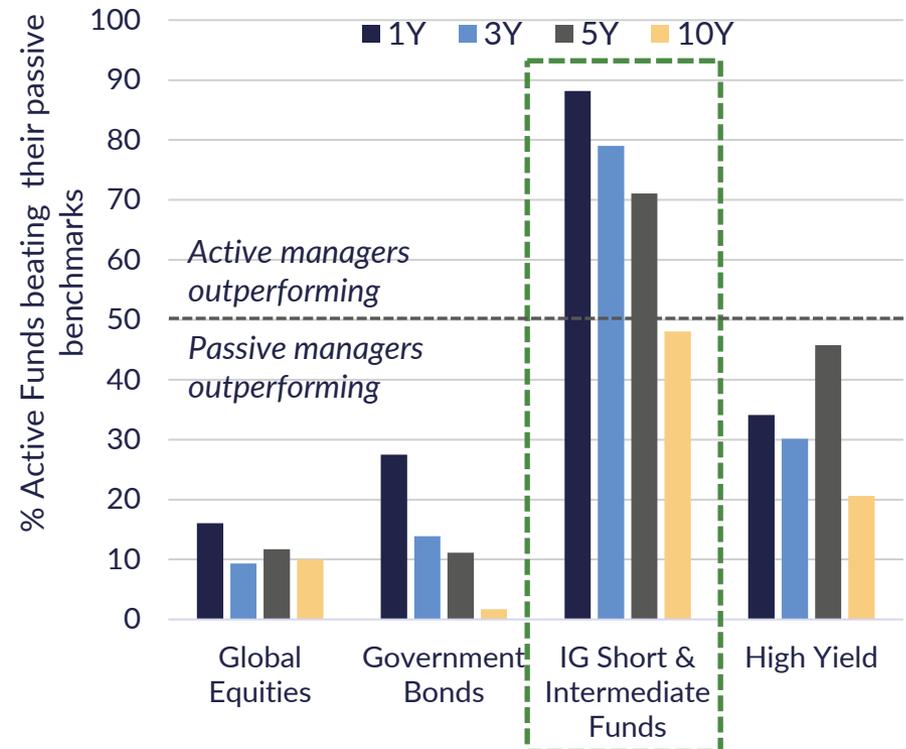
Focus active management on Crossover, with recognized track-record

Active management of our short-dated bond funds has added ~130 bps annually over the strategic allocation



Sources: Bloomberg, GAMA Funds - Global Short-Dated Opportunities Class F EUR (a 5-star Morningstar rated fund) accumulation since inception, Gross of fees (40 bps all-in).

Active managers generally outperform in short-intermediate IG; favor passive exposure in high yield



Source: S&P Capital, 31.12.2024, total data with details accessible on <https://www.spglobal.com/spdji/en/research-insights/spiva/#us>

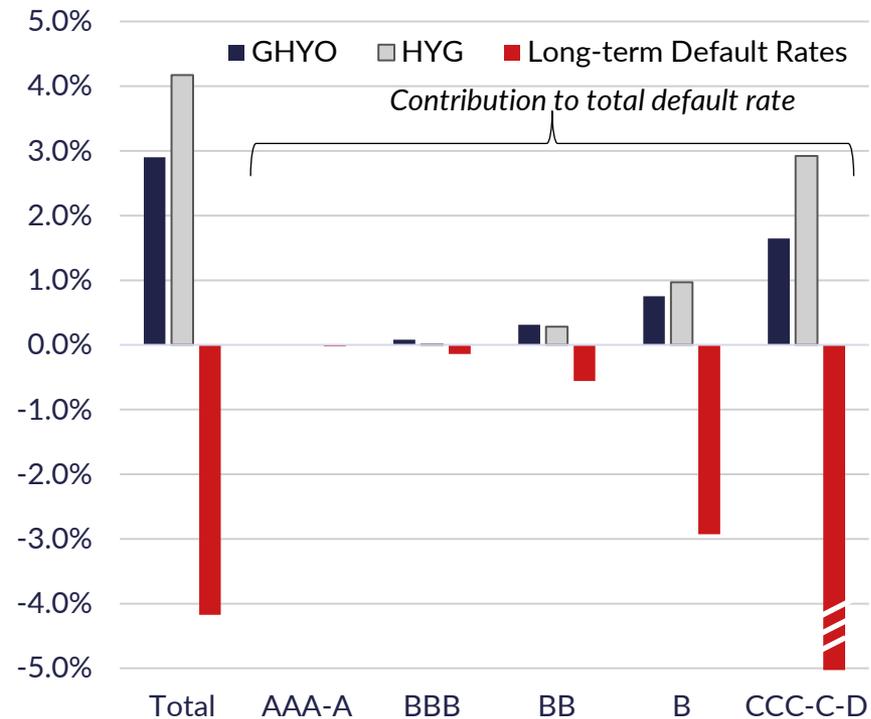
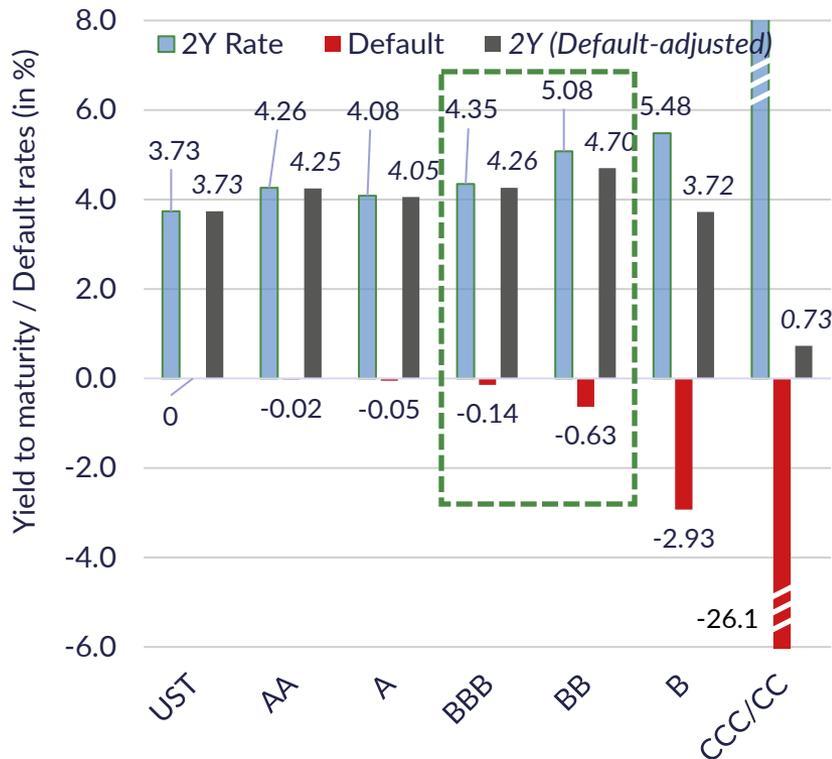
# The “Lower Default” Impact



The Combination of CDS indices and Xover bonds has lower default rates than HYG

The sweet spot for after-default yields (using average historical default) is BBB-BB, worsening below BB- and lower

GAMA Strategy exhibits lower long-term weighted default rates\* compared to Global High Yield (HYG), given its lower exposure below BB.



Sources: S&P, Bloomberg, GAMA calculations; Generic 2Y USD bonds across rating spectrum, using S&P long-term default rates since 1981 and an average recovery rate of 40%. Loss given default rate is the product of default times (100% - Recovery rate = 60%).

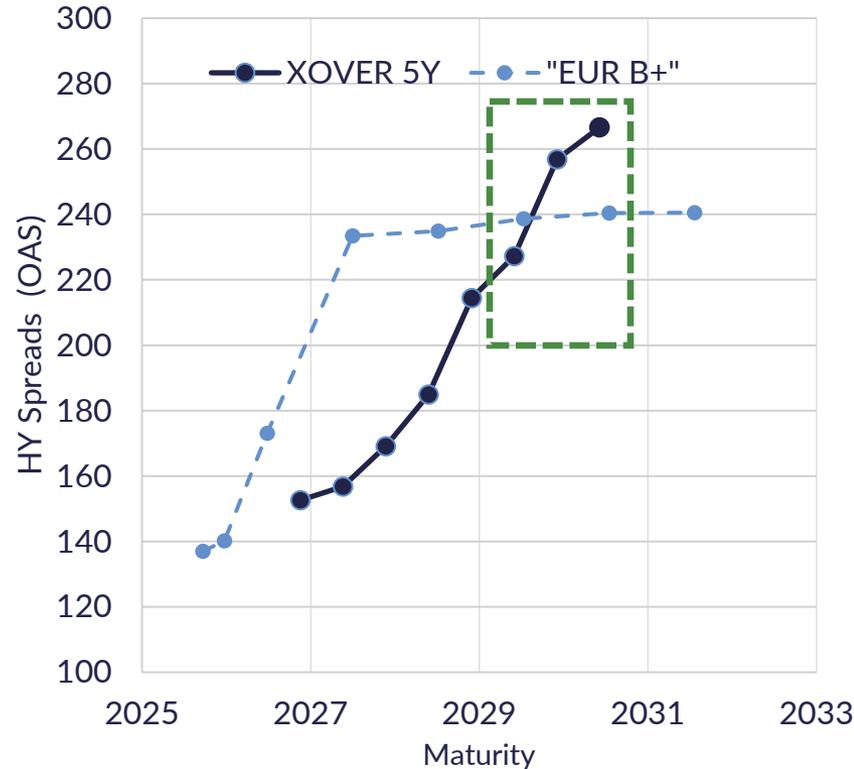
Sources: S&P, GAMA calculations, \*using average of default rates per rating spectrum from 1981 to 2024. GHYO strategy takes into account both cash bonds allocation and CDS overlay (75% long-term target).

# The “Roll-Down” Impact



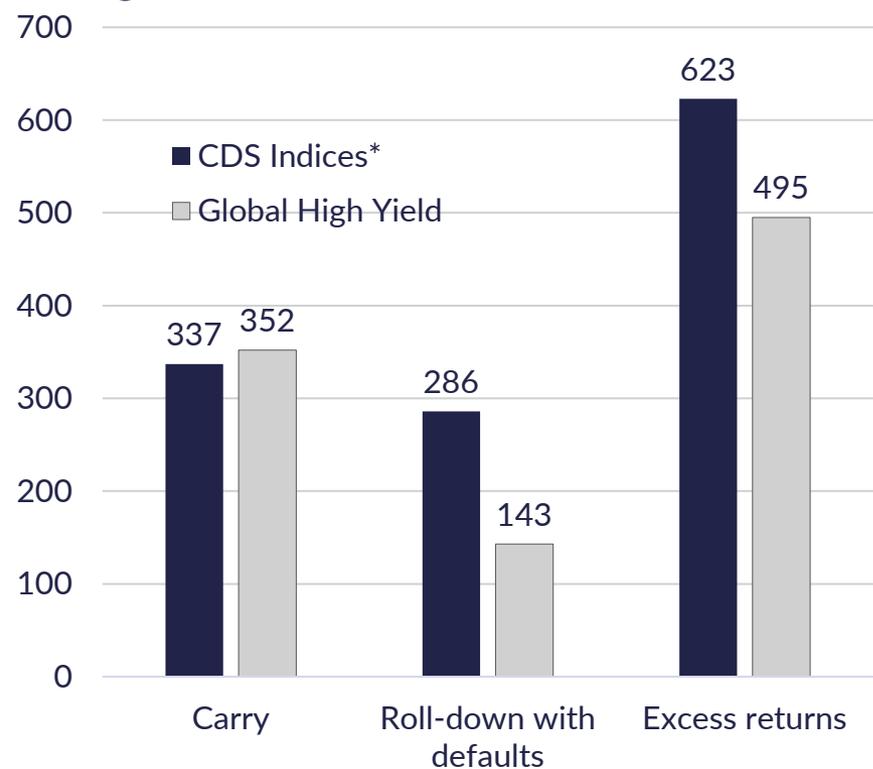
Exploit the power of Roll-down returns, even stronger on CDS indices

Credit Curves: CDS curve steeper than cash high yield bonds, translating into higher excess returns (Illustration: Xover)



Sources: Bloomberg, Itraxx, CDS Xover curve using various series of 5Y EUR Itraxx Xover (As of August 2025), compared with HY B+- rated spreads across 0-5Y maturities,

For illustration purpose: Same carry between cash high yield and CDS indices, but much stronger roll-down effect on CDS indices

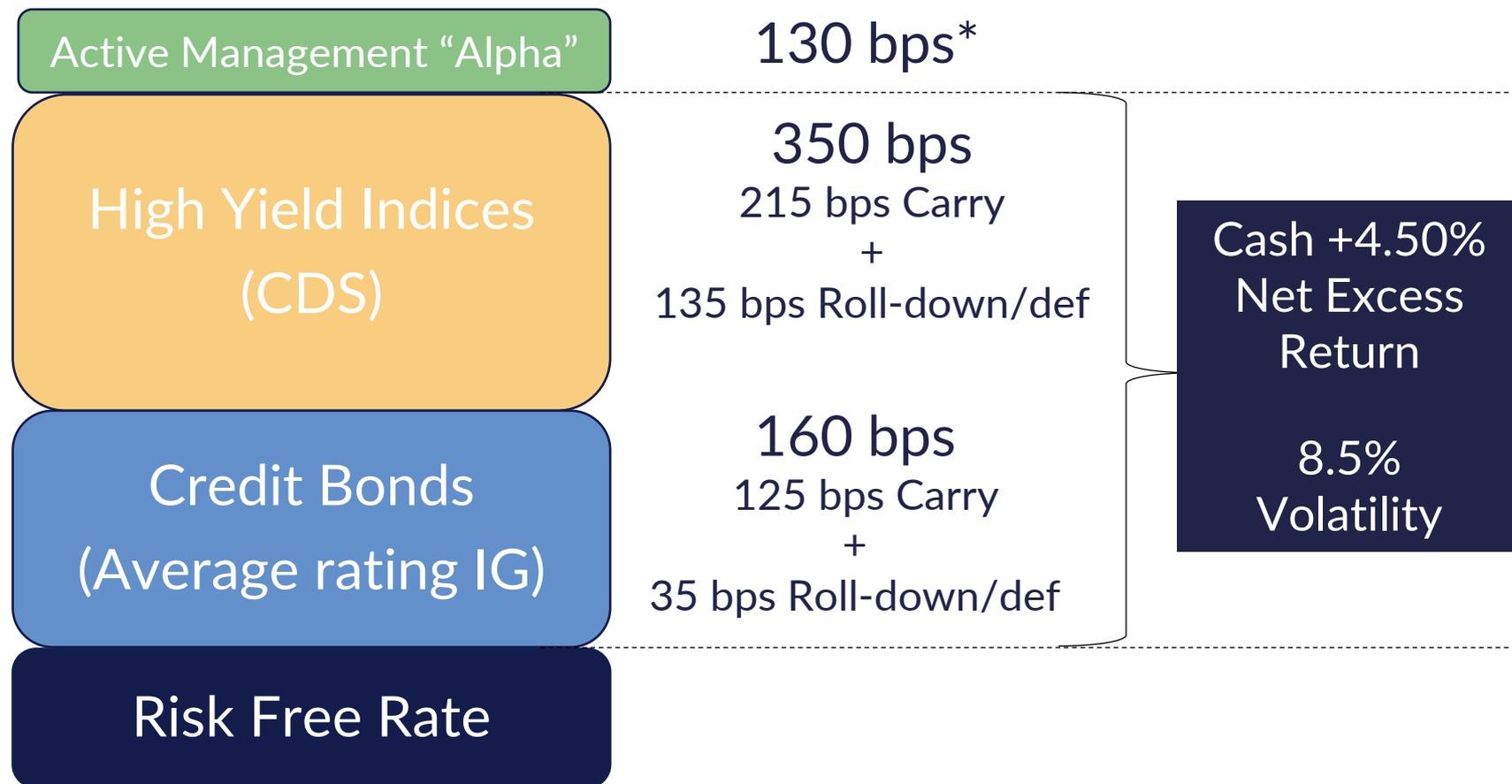


Sources: Bloomberg, GAMA calculations, \*CDS indices composed of 3 indices (US CDX HY 5Y front contracts, Itraxx Xover 5Y and CDX EM Sovereign 5Y.

# GAMA Funds – Global High Yielding Opportunities



## Forward Return Decomposition of Global High Yielding Opportunities Strategy



Sources: Bloomberg, GAMA Calculations using current credit spreads across indices and current GAMA cash bond portfolio. High Yield Spread CDS calculation accounts for a 75% overlay. Credit Bonds composed of Bloomberg Global High Yield Ba Rated 1-5, EM Aggregate USD 1-5, US T-Bills and Global Aggregate USD 1-5. Expected excess returns are net of management fees and \*Alpha assumptions are defined based on the GAMA short dated 5Y gross excess returns of SAA but not included on net expected excess return.

# The “Tax” Impact



Lower income is favored in most governing tax laws \*

Country					
Investor Status	Lump-Sum Taxation <sup>1</sup>	Ordinary Tax-Payer <sup>1</sup>	Resident Pvt Investor	Ordinary Pvt Tax-Payer	Ordinary Pvt Tax-Payer
Income Tax	Taxed on presumed yield and declared wealth (forfait)	44.75% <sup>2</sup> , capital gain exempt if duly reported to SFTA distinctly from other income	Tax deferred but accumulation increases the NAV	Progressive up to 45% Deemed distribution is added to base cost for capital gains tax <sup>4</sup>	ACC: Tax deferred DIS: 30% (+municipal surcharge for non-EU/EEA)
Capital Gains Tax	0%	0%, Exempted if Funds have a reporting status with AFC, if not 44.75%	30% unless the option for Progressive Tax regime is exercised (+ max 4% CEHR <sup>3</sup> ). Advance tax payment of 30% and 2778-DIV	24%, on NAV difference	None (but possible change since 1.1.2026), but subject to TOB <sup>5</sup>
Key Manager Adjustments	avoid CH domestic income	Offer transparent reporting, minimize coupon distribution & high accrued interest, use CDS for non-taxable carry	Promote tax-efficient wrappers (e.g., life insurances); minimize coupon, use CDS for non-taxable carry	Offer accumulation vs distribution classes; allow ISA/SIPP wrappers; minimize coupon, use CDS for non-taxable carry	Use accumulation class; promote tax-efficient wrappers (e.g., insurances); minimize coupon, use CDS for non-taxable carry
Preferred Share Class	ACC or DIS	ACC or DIS	ACC (Tax Deferred)	DIS	ACC (Tax Deferred) or DIS
Improved with minimal income	No	Yes	Yes	Yes	Yes
Required Reporting Status	SFTA	SFTA	None	UK reporting status, HMRC approved	None

<sup>1</sup>Fund tax reporting obligations towards the Swiss Federal Tax Administration (SFTA) apply to any investment funds (distributing, accumulating or mixed) that are registered or publicly offered in Switzerland. (Kursliste: <https://www.ictax.admin.ch/extern/fr.html#/ratelist/2024>).

<sup>2</sup>Maximum income tax rate (GE) but depends on canton of tax residency. Cantons generally levy also wealth tax, fiscal value on 31.12 is assessed on nominal value expressed in CHF – for the Funds with reporting status, value can be found on SFTA website.

<sup>3</sup>CEHR - Exceptional contribution on high incomes

<sup>4</sup>The capital gain is calculated on the difference between the sale price less fees and the base cost adjusted by the undistributed income taxed annually.

<sup>5</sup>Tax on stock exchange orders (0,12%-1,32%) at the time of acquisition

<sup>6</sup> If the fund provides the TIS (Taxable income per share), only the difference between the TIS at the time of purchase and the time of sales is being taxed at 30%; if not, all of the NAV appreciation is taxed as an income at 30%.

\*For illustrative purposes only. The information below does not constitute tax advice and must be reviewed by the client's qualified tax advisor.

Source: GAMA, reviewed by BRP Bizzozero & Partners SA.



## RISK SCREENING

### Duration (Rates)

Low/Medium: Median strategic duration 2.5 years (+/- 0.5)

### Credit Risk

High: Average rating BBB on Bonds with main focus on Crossover BBB-BB, low concentration risk, combined with CDS Indices overlay (BB)

### Liquidity

High liquidity: daily, no loans, no private debt

### Currency Risk

No risk, 100% hedged

### ESG

Article 8 with ESG integration

# GAMA Global High Yielding Opportunities



## Frequently Asked Questions ? FAQ

### Why be active on “Crossover” Bonds ?

- ✓ Crossover bonds (BBB-BB) are credit segments particularly adapted to active management given low default rates (< 1%) and still high level of price dispersion. High credit quality offers less price dispersion, while lower quality bonds (B or lower) exhibit negative asymmetry and tail risk.

### Why be passive on High Yield ?

- ✓ Active managers have historically underperformed passive managers after fees
- ✓ Large bid-ask (liquidity friction cost) is a key hurdle for turnover
- ✓ After default yields are not attractive for B or lower and require high skills or luck.

### Why replicate High Yield with CDS ?

- ✓ CDS indices replicate high yield markets with improved liquidity (volumes and circa 10 times lower bid-ask spreads)
- ✓ CDS indices are tax efficient instruments
- ✓ CDS indices are equally weighted instruments and not debt-weighted as cash bonds indices

### Why limit bonds to 5Y maturities ?

- ✓ Credit fundamentals are sufficiently visible when selecting the bonds with limited migration risk
- ✓ To capture the new issue premium as many issuers issue bonds with 5Y maturities
- ✓ With average rate duration of 2-2.5y, the strategy provides with a good risk-adjusted balance

### Why is the strategy cost and tax efficient ?

- ✓ The bond portfolio management will minimize coupons (preference for lower coupons) and minimize income tax.
- ✓ CDS indices have lower friction costs and are not considered as income (therefore no income tax).

### How active will we use CDS ?

- ✓ To capture the risk premium, the strategy will be passive and stable.
- ✓ During periods of very low credit spreads (e.g. 7<sup>th</sup> decile richness) or special situations, the manager can reduce the exposure.

# Monthly Performance



<b>MONTHLY RETURNS (IN USD, NET OF FEES)</b>							
	2020	2021	2022	2023	2024	2025	2026
January	-	-	-	-	-	-	0.98%
February	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-
September	-	-	-	-	-	-0.05%	-
October	-	-	-	-	-	0.49%	-
November	-	-	-	-	-	0.55%	-
December	-	-	-	-	-	0.55%	-
<b>Year</b>	-	-	-	-	-	<b>1.55%</b>	<b>0.98%</b>

Source: GAMA Asset Management SA, Class USD F

# GAMA Funds - Global High Yielding Opportunities



Share Class	Class R	Class P	Class N	Class F
Min. Investment	1'000	1 Mios	5 Mios	20 Mios
Management fees	1.20%	0.90%	Not available	0.60%
EUR	ACC LU2453867371	ACC LU2453868692		ACC LU2453871217
	DIS LU2453867967	DIS LU2453869237		DIS LU2453871993
CHF	ACC LU2453867454	ACC LU2453868775		ACC LU2453871308
	DIS LU2453868007	DIS LU2453869310		DIS LU2453872025
USD	ACC LU2453867538	ACC LU2453868858		ACC LU2453871480
	DIS LU2453868189	DIS LU2453869401		DIS LU2453872298
GBP	ACC LU2453867611	ACC LU2453868932		ACC LU2453871563
	DIS LU2453868262	DIS LU2453869583		DIS LU2453872371

Minimum investment amount defined in the currency of each share class.

Blue = active share classes, grey = available but inactive. To activate a new share class, please contact us.

# Addendum – Key Contents



1

GAMA Asset Management

2

Governance and Team

3

Investment Process

4

Risk Management

5

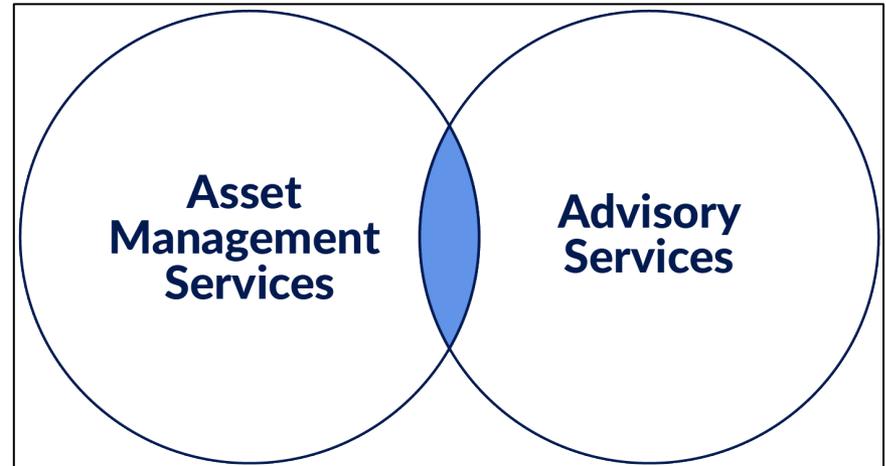
Case For Active Management

# GAMA - Key Highlights



## GAMA Asset Management SA

- ☞ GAMA is an independent fixed-income and macro boutique founded and majority-owned by seasoned investment professionals.
- ☞ GAMA provides global active global solutions through funds or dedicated mandates and tailor-made investment services.
- ☞ Our clients are exclusively professional and institutional investors willing to strengthen their fixed income, macro or asset allocation capabilities.
- ☞ GAMA is regulated by the FINMA as a manager of collective assets (art. 24 FinIA) and authorized by the CSSF (Luxembourg)



## Facts And Figures

- ☞ Company Founded in Geneva in **2019**
- ☞ Investment Team of **6** specialists
- ☞ **3** Luxembourg UCITS funds (GAMA Funds)
- ☞ Assets under management **~CHF 600 mm**
- ☞ **3** independent board members and **1** ESG advisory Board

# Our Corporate Values



Our business model and our activities are guided by strong values that we live out daily.



## **We are independent**

GAMA is a pure asset manager majority-owned by its investment team. Independence ensures that our interests are perfectly aligned with those of our clients.



## **We care about sustainable performance**

Our job is all about performance. Long-term performance is our principal objective. For that, we look at both financial and non-financial criteria. We continuously adapt to seize investment opportunities.



## **We are a close and reliable partner**

We put our experience and creativity at work for our clients. Being close to them allows us to design unique solutions that add value to their offering.



## **We work responsibly and ethically**

Each of us acts responsibly, with integrity, transparency and according to the highest ethical standards. We avoid or disclose conflicts of interest and always behave loyally towards our clients.

## The GAMA Investment Team



**Manuel Streiff, CFA, FRM**

Founding Partner,  
Senior Portfolio Manager

25 years of experience  
TAA, IG Credit, Rates, Currencies



**Rajeev De Mello**

Partner,  
Senior Portfolio Manager

36 years of experience  
Macro, SAA, TAA, EM



**Jérôme Strecker, CFA, FRM**

Partner,  
Senior Credit Analyst

19 years of experience  
Credit Analysis, Developed HY & IG



**Bastien Mourier**

Credit Analyst

2 years of experience  
Credit Analysis, Developed HY & IG



**Vinicius Marignac**

Portfolio Manager

1 year of experience  
EM Sovereigns, FX, Quant Strategies



**Akimou Ossé, PhD, MBF**

Independent Risk Management Consultant

23 years of experience



## Board Members & Operations



**Céline Richa**

Chairman (Independent)  
Richa Partners



**Manuel Streiff**

Vice-Chairman  
GAMA Founding Partner



**Christina Riva**

Board member (Independent)  
Adresse Unique Sarl



**Professor René Sieber**

Board member (Independent)  
University of Geneva  
Founding Partner of Dynagest SA



**Paul Lombard**

COO, Board Secretary  
GAMA



**Joachim Huet**

IT Solution Architect  
Master in Computer science, EPFL

# Investment Process



I. Strategy Generation



II. Portfolio Construction



III. Risk Management

# I. Strategy Generation

Fundamental decision-making process enhanced by quantitative models.

Focus on convexity and downside management.

## Fundamental analysis

### Micro – Credit Selection

- Business model
  - Financial analysis
  - Governance
  - Covenants
  - Sustainability
  - Liquidity
- 

### Macro

- Growth & inflation expectations
- Monetary and fiscal policy



## Quantitative Analysis

### Quantitative signals

- Valuation
  - Momentum
  - Carry
  - Positioning
-

## II. Portfolio Construction – Five Steps



Client's needs

Client's base currency and risk tolerance

1

Strategic asset allocation

Weighting of a diversified mix of asset classes to meet the client's long-run objectives (annual review)

2

Tactical asset allocation

Tactical change of strategic weights according to our investment strategy

3

Security selection

Selection of the security according to the issuer, structure, currency, maturity, liquidity, etc.

4

Dynamic management of portfolio exposures

Adjusting portfolio exposures through derivatives to limit downside risk and exploit short-term opportunities

# 1. Strategic Asset Allocation (SAA)



- ✓ The SAA is reviewed once a year except in exceptional circumstances.
- ✓ We use proprietary 10-year forward-looking expected returns for each asset class based on a deep analysis of risk premia
- ✓ We formulate a median case but also analyze alternative scenarios
- ✓ We shock asset class volatility and correlations
- ✓ We compare our capital market assumptions with those of major investors.



Mean-variance optimization using  
3 different scenarios

Illustration: Current SAA (GHYO)

Gl. Corporate 1-5 Year Ba/B	25%
EM Aggregate 1-5 Year	25%
Global Agg Corp. 1-5 Year	25%
Treasury Bills	25%
<hr/>	
CDX North America HY 5 Year	37.5%
Itraxx EUR Xover 5 Year	28.5%
CDX Emerging Sov 5 Year	9%

# GAMA High Yield Strategy (SAA) – Key Metrics



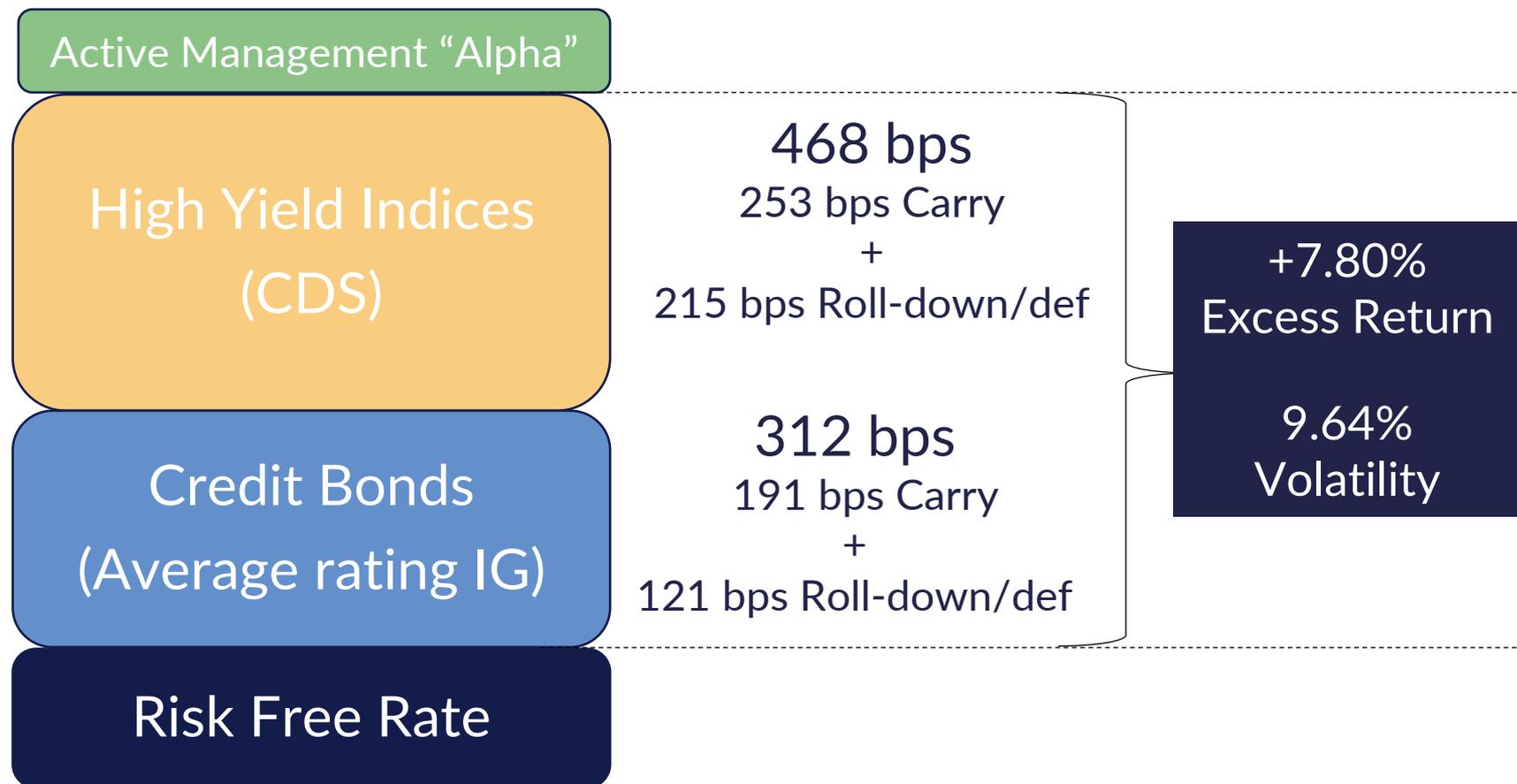
Segments	SAA	Rating*	Currency	Duration	Maturity	YTW	Spread
Cash Bond Portfolio	100%	BAA1	USD	2.04	2.43	4.61	108
Corporate 1-5 Year Ba/B	25%	BA3/B1	USD	2.47	3.37	6.34	233
EM Aggregate 1-5 Year	25%	BAA2/BAA3	USD	2.64	3.15	5.58	179
Global Agg 1-5 Year	25%	AA3/A1	USD	2.76	2.92	4.30	23
Treasury Bills	25%	AA1/AA1	USD	0.28	0.28	4.17	-3
Credit Default Swaps	75%			0.00	5	2.78	278
CDX NA HY 5 Year	50%	B1	USD	0.25	5	3.17	317
ITRAXX XO 5 Year	38%	BA3	EUR	0.25	5	2.68	268
CDX EM HY 5 Year	12%	BAA3	USD	0.25	5	1.46	146
<b>TOTAL</b>	175%	BA3	USD	2.04	3.53	6.69	317
Global High Yield	100%	B1	USD	3.13	4.61	6.98	305

Source: Bloomberg, GAMA calculations, SAA: Strategic Asset Allocation used as our long-term strategic anchor, reviewed on an annual basis.  
 \*Derived rating value that is used to classify bonds by credit quality in Bloomberg Fixed Income Indices. It is set as the middle rating of Moody's, Fitch and S&P; when a rating from only 2 agencies is available, the lower is used; if only 1 agency rates a bond, that rating is taken. August 2025.

# GAMA Funds – Global High Yielding Opportunities



## Median Past Return Decomposition of Global High Yielding Opportunities Strategy

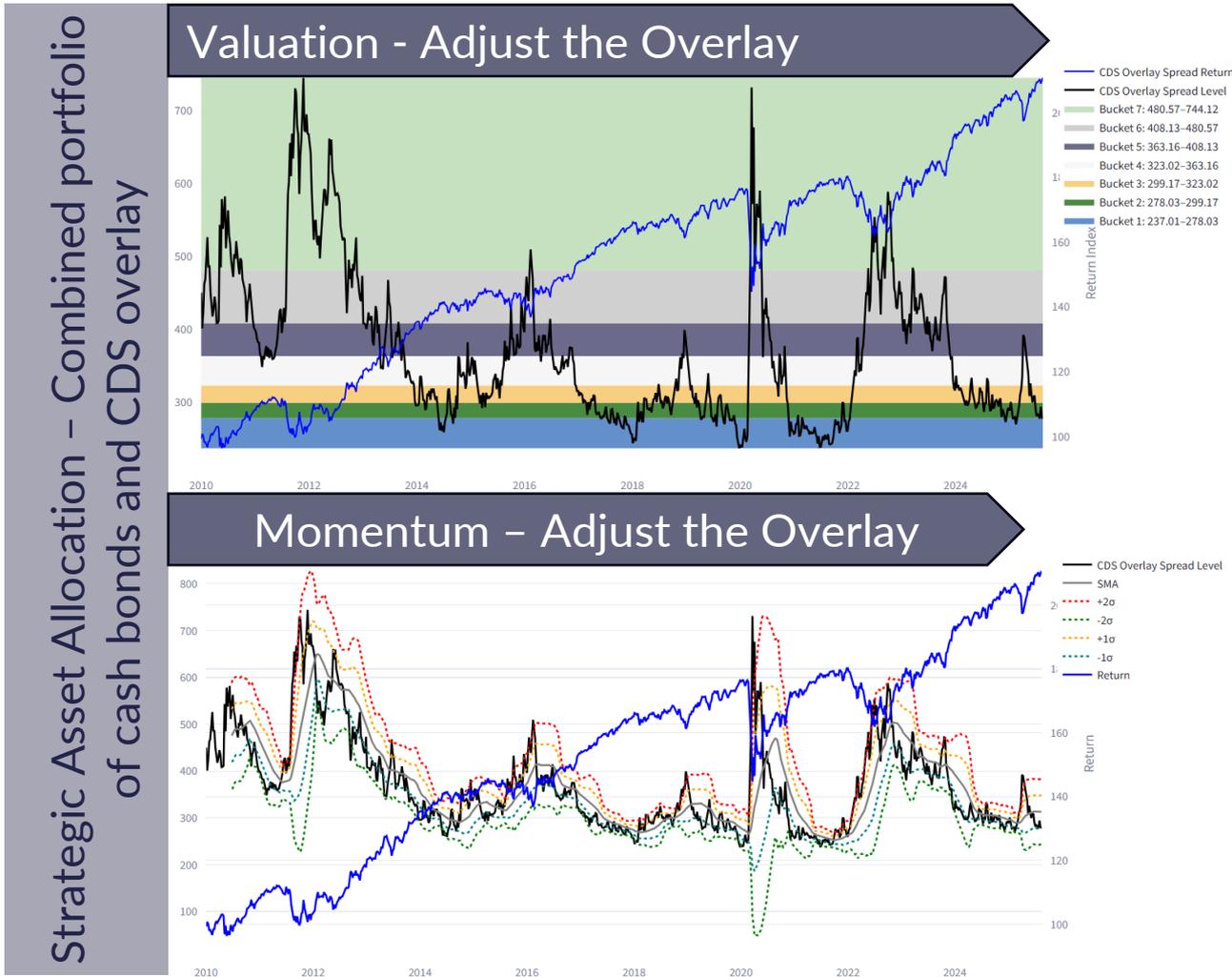


Sources: Bloomberg & Thomson Reuters, GAMA Calculations using the median 1-year rolling returns and spreads from Jan 2003 to Jul 2025. HY spreads and return indices proxied up to 2007 with HY index equivalent. High Yield Spread CDS calculation accounts for a 75% overlay. Credit Bonds composed of Bloomberg Global High Yield Ba Rated 1-5, EM Aggregate USD 1-5, US T-Bills and Global Aggregate USD 1-5. The latter was proxied from US Aggregate 1-5 up to 2010. Excess returns are gross of fees and without any active management excess returns (i.e. "alpha")

# 2. Tactical Asset Allocation



Adjust the overlay, when spreads are very tight and / or when spreads are widening



- Valuation Factor:**
- When spreads are reaching their tightest (richest bucket), reduce risk.
  - Historically, excess returns 12-month forwards are low, and often negative when spreads are very tight.
- Momentum Factor:**
- Acceleration in spreads lead to great losses; our proprietary models helps us capture deviations from the trend.
  - We identify how to readjust exposure to minimize losses and specify optimal reentry points.

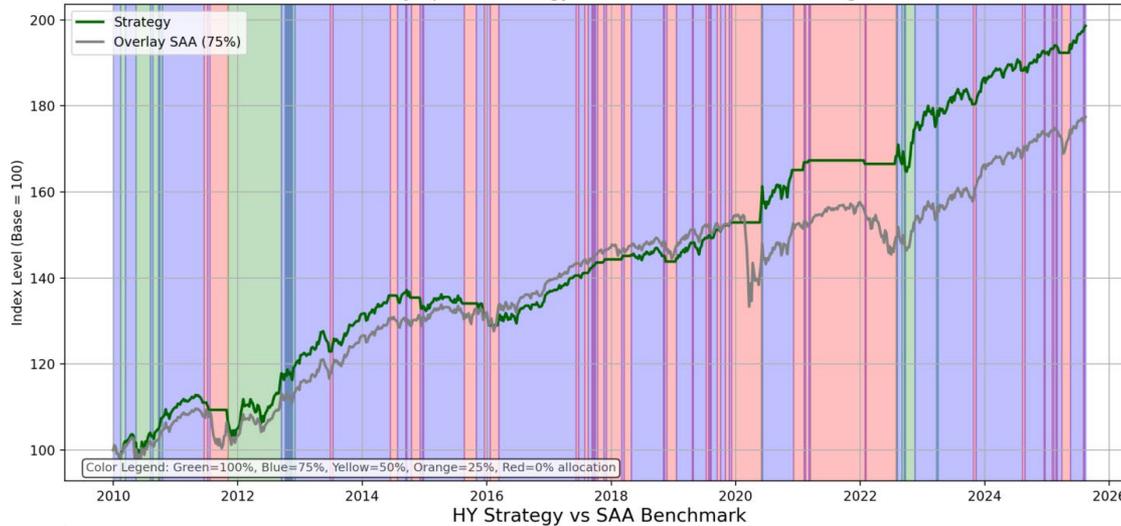
Sources: GAMA calculations,

# 2. Tactical Asset Allocation (TAA)

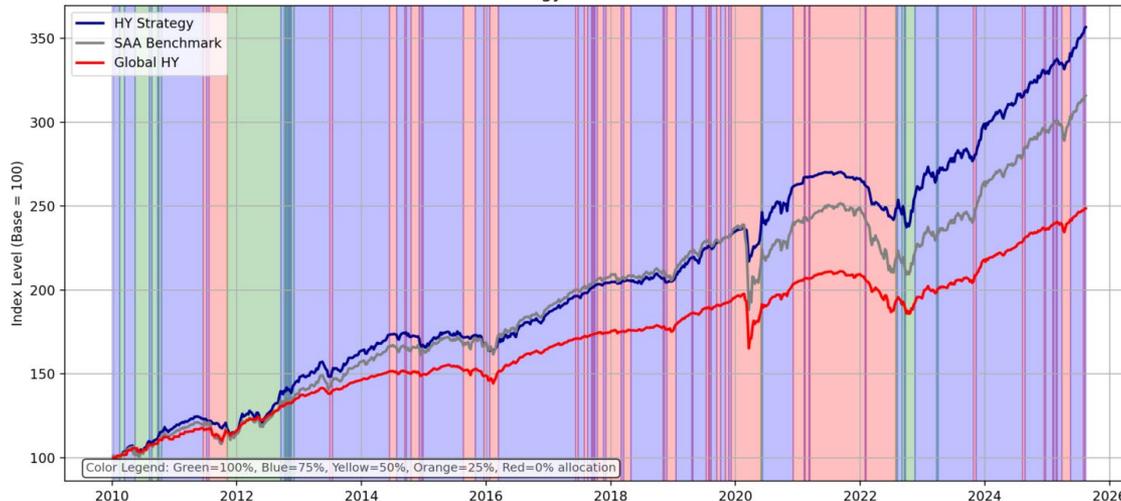


The dynamic CDS overlay strategy is able to reduce downside risk, while improving excess returns

CDS Overlay Spread Strategy vs Passive with Allocation Regimes



HY Strategy vs SAA Benchmark



## Strategy Performance Statistics

Metric	Strategy	SAA
Annualized Return	4.47%	3.72%
Annualized Volatility	4.61%	5.74%
Sharpe Ratio	0.97	0.67
Sortino Ratio	1.11	0.83
Max Drawdown	-9.33%	-13.78%
Annual VaR	-6.59%	-8.07%
Annual ES	-10.48%	-13.31%

## Risk Metrics Comparison

Metric	HY Strategy	SAA	Global HY
Annualized Return	8.45%	7.61%	5.99%
Annualized Volatility	6.11%	7.75%	4.87%
Sharpe Ratio	1.36	0.99	1.22
Sortino Ratio	1.71	1.12	1.07
Max Drawdown	-12.21%	-21.30%	-16.45%
Annual VaR	-7.74%	-9.70%	-5.48%
Annual ES	-13.69%	-17.87%	-10.87%

Sources: GAMA calculations,

# 3. Security Selection



## ESG Exclusions

- Nonconventional weapons, cluster bombs, anti-personnel mines
- Entities that derive more than 5% of their revenues from:
  - Tobacco
  - Nonconventional fossil fuel
  - Adult entertainment
  - Gambling

## Top-Down Input

- Liquidity conditions
- Risk appetite
- Sector preferences
- Regional preferences
- Cyclical views

## Credit Analysis

- Industry and Business Analysis
- Non-Financial Analysis (ESG)
- Financial Analysis
- Management/Ownership Analysis
- Capital Structure
- Covenants

## Security Analysis

- Liquidity
- Valuation
- Technical
- Upside/Downside Assessment

## Portfolio Considerations

- Currency
- Maturity
- Rank and types (senior, hybrid, subordination...)

# 4. Fundamental And Relative Value Analysis



Credit Selection: qualitative and quantitative tools

Issuer Summary Document for Investment, Relative Value Analysis for Specific Bonds including:

- Financial Metrics (credit risk)
- Sustainability Elements (ESG)
- Relative Value (valuation)

**GAMA Credit Tear-Sheet** 6 October 2022

**MERCER INTERNATIONAL INC** HY - Europe

**Credit Risk**

Higher Risk	Very High	High	Medium	Low	Very Low
Highly Speculative	Speculative	Highly Speculative	High	Medium	Low

**ESG Rating**

LAGGARD	AVERAGE	LEADER
5	4	2

**Description**

Mercer International Inc. is a global forest products company. The Company operates through two segments: Pulp and Wood Products. Its Pulp segment consists of the manufacture, sale and distribution of pulp, electricity and other by-products at its pulp mills. Its pulp mills include Rosenthal mill (Germany), Sönnel mill (Germany), Calgar mill (Canada), and Peace River mill (Canada). Its Wood Products segment consists of the manufacture, sale and distribution of lumber, electricity and other wood residuals at the Friesau mill (Germany). It owns and operates four pulp manufacturing facilities, two in Canada and two in Germany, has a 50% joint venture interest in a northern bleached softwood kraft (NBSK) pulp mill in Canada and owns and operates one sawmill in Germany. The Company operates two NBSK mills in Eastern Germany and one NBSK mill and a single kraft mill in Western Canada, which produces both NBSK and northern bleached hardwood kraft (NBHK). It also produces and sells tall oil, a by-product of its production process.

**Summary**

Reporting Currency	USD
Credit Rating	B+ (B)
ESG quintile	3/5
Sector	Basic Materials
Group	Forest Products/Paper
Sub-Group	Paper/Related Products

**Key Ratios**

	FY 2019	FY 2020	FY 2021
Total Leverage	3.3x	6.1x	2.6x
Net Leverage	3.7x	4.3x	1.9x
Interest Coverage Ratio	1.1x	1.5x	4.6x

**Key Figures (FY 2021)**

Market Capitalization (USD Bn)	0.9
Revenue (USD Bn)	1.8
EBITDA (USD Bn)	0.5
Net Leverage (x)	1.9

**Strengths**

- Modern and efficient operations
- Net energy producer
- Liquidity expected to remain strong
- Strong market share and favorable position in industry cost curve

**Weaknesses**

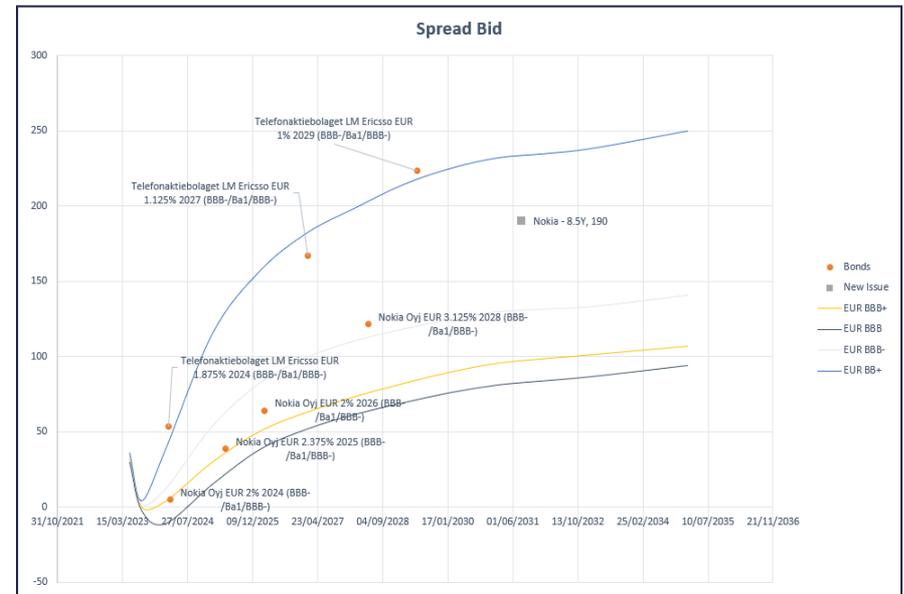
- Highly exposed to cyclical pulp and lumber prices
- Vulnerable to changes in wood fiber prices and supply disruption
- Limited product diversity

**Debt Distribution**

**ESG Rating Evolution**

**Cashflow**

**Important Information:** FOR FINANCIAL PROFESSIONALS AND INSTITUTIONAL INVESTORS ONLY - This Document is for information purpose only and does not constitute an offer or a recommendation to buy or sell any securities. The prices are indicative and might differ significantly depending on market conditions. Please see additional disclosure and explanations at the end of the document.



# III. Risk Management



## RISK – 4 PILLARS IN OUR RISK MANAGEMENT

- **Several layers of risk management:** Three different and independent levels of risk monitoring, starting 1) at the portfolio management level, 2) with an independent consultant firm working with 3) our chief risk officer, and monitoring risk through different lenses.
- **Investment constraints:** We limit our risk at the portfolio level (e.g., maximum 1-year expected shortfall of 5%, average rating minimum BBB-), at the country levels and issuer levels (max 1% of fund for a BBB issuer).
- **Fundamental diversification:** we look beyond statistical measures of risk and diversification to fundamental diversification by analysing sensitivity to various macro factors (e.g. USD, oil, interest rates, geopolitical risk).
- **Multi-scenarios and stress tests:** We calculate expected return under three different scenarios and stress test the portfolio under various assumptions.

# High Yielding Strategies

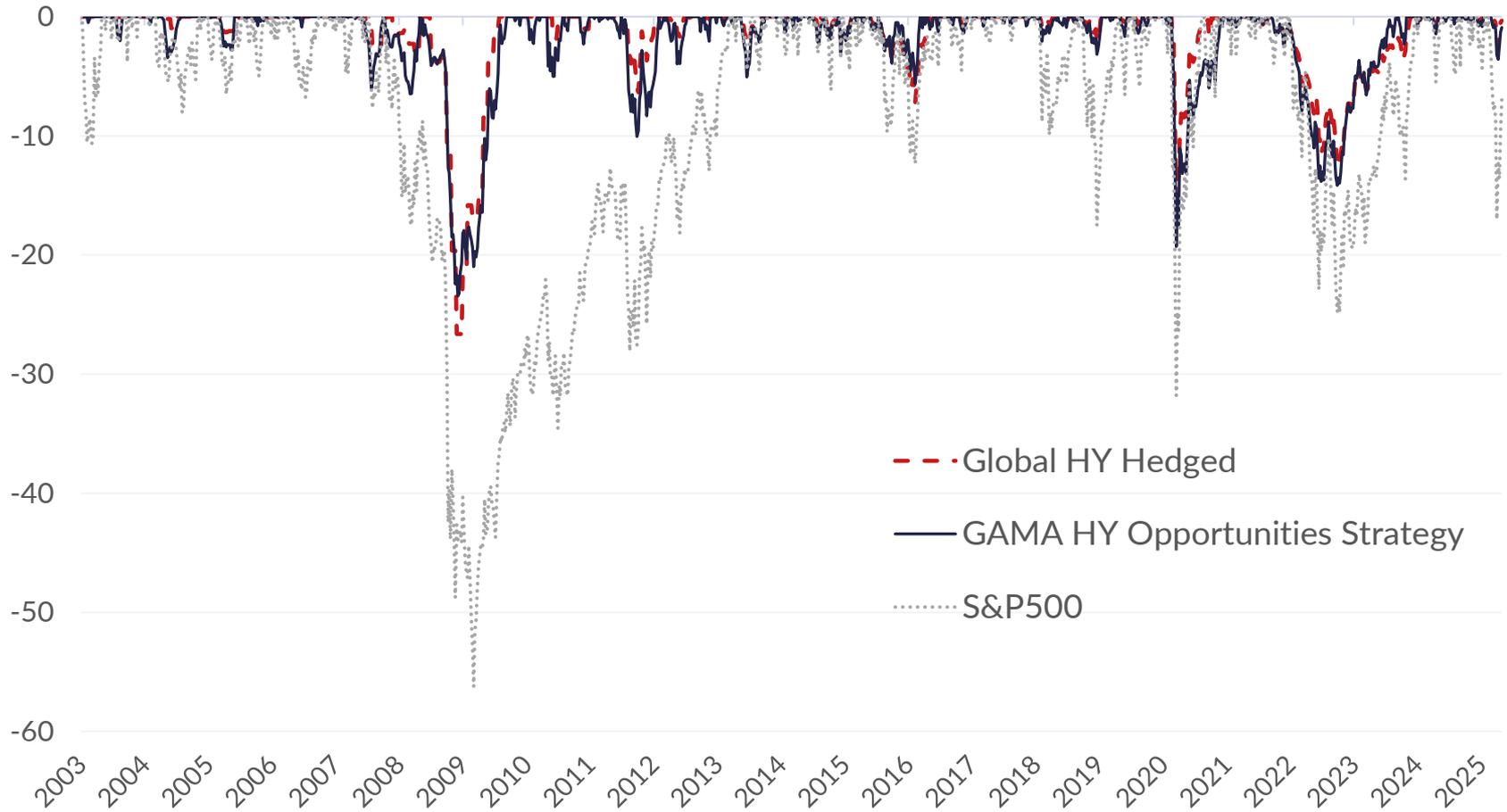


## Synthetic High Yield versus Cash bonds High Yield spreads



Source: Bloomberg

# Historical Drawdown



Source: Bloomberg

# CDS Indices Vs Cash High Yield Bonds



## Advantages:

- ✓ **Liquidity:** CDS indices are more liquid than individual high-yield bonds, especially during periods of market stress with narrower bid-ask spreads.
- ✓ **Ease of Diversification:** CDS indices represent a broad basket of issuers, providing diversification across multiple companies, sectors, and regions.
- ✓ **Hedging Capabilities:** CDS indices can be used for hedging credit exposure more efficiently than trading individual bonds (long or short)
- ✓ **Mark-to-Market Transparency:** CDS indices are more standardized and transparent in terms of pricing, making it easier to mark positions to market accurately.
- ✓ **Cashflows but no coupon income:** Unlike cash bonds, CDS contracts do not provide coupon payments. Investors gain or lose based on the spread movements and credit events, rather than regular income (fiscally attractive)

## Disadvantages:

- ❑ **Basis Risk:** Mismatch between the risk profile of the CDS index and a portfolio of cash bonds (Imperfect hedging)
- ❑ **Credit Event Risks:** There is a reliance on the credit event settlement process (auction), which may introduce some risks if there are disputes regarding the credit event, although the process has improved over the years.



## THREE PILLARS OF ESG POLICY AND EXTERNAL CHALLENGE

- ❑ **Exclusion:** restrict the investment in issuers that do not meet minimum fundamental responsibilities or are active in controversial activities.
  - ❑ **Integration:** favor issuers that best address the sustainability risks they face and adapt their business models and strategies to these new challenges.
  - ❑ **Engagement:** encourage the promotion of good corporate behaviors through constructive and open dialogue with the issuers.
- **ESG Board:** We benefit from the support of an independent ESG Board to support us in terms of sustainable finance and ESG positioning.

### Principles for Responsible Investment (PRI)



GAMA is signatory to the Principles for Responsible Investment (PRI\*) since February 2021.



GAMA is member of the Institutional Investor Group on Climate Change since April 2023



GAMA has taken various initiatives as an employer, including the encouragement of eco-mobility, to minimize carbon footprint and transparency

## Exclusion

Securities issued by corporate entities that are directly or indirectly involved in the production or distribution of biological and chemical weapons, cluster bombs as well as depleted uranium munitions and in companies that violate, in a very severe way, one or more of the ten principles of the Global Compact.

## Exclusion Based On Revenue

### Nuclear Weapons

- Maximum 2% of revenue

### Tobacco

- Maximum 5% of revenue

### Unconventional fossil fuels including shale gas and tar sand

- Maximum 5% of revenue

### Adult entertainment

- Maximum 5% of revenue

### Gambling activities

- Maximum 5% of revenue

## Integration

Based on a bottom-up issuer analysis process which systematically integrates material ESG issues and opportunities.

## Examples of element used for assessment

### Corporates

#### **Environment**

- Water consumption
- Carbon Gas Emission and Footprint
- Toxic Waste
- Exposure to Coal

#### **Social**

- Health and Safety:
- Human Capital Development
- Human Right Compliance

#### **Governance**

- Corporate Governance Practice
- Governance Exposure

### Sovereigns

#### **Environment**

- Natural Resources Risks
- Sovereign Warming Potential
- Energy Security Risk
- Energy Productivity

#### **Social**

- Human Capital Performance
- Income Inequality

#### **Governance**

- Political Stability
- Institutional Strength
- Level Of Corruption

# Engagement



## GAMA's level

Engagement with, mainly, local companies, not covered by ESG rating agencies to discuss ESG issues and promote the improvement of their environmental and social characteristics, especially when a specific issue has been detected.  
Encourage appropriate disclosure of material information in public reports.

## Collaboration

Given its size and in order to have more influence on the targeted companies, GAMA engages in coordination with other investors.  
GAMA is member of the Institutional Investor Group on Climate Change since April 2023 and member of the UN PRI since February 2021.





# Sustainability At GAMA Level



## Training

- ☞ We embed ESG into our corporate policies and reporting documents to maintain high standards of transparency, accountability, and governance more broadly.
- ☞ We seek to create a work environment where people are judged on their skills. We condemn all forms of discrimination and stereotyping, positive and negative.
- ☞ We encourage our employees' commitment to volunteer work and participation in educational programs.
- ☞ We strive to minimise the carbon footprint of our activities and to provide good stewardship of the environment
- ☞ 100% of investment staff to have an ESG certification

## SFDR Article 8

- ☞ All funds are currently under article 8 (Q4 2023)
- ☞ External reviewing of our funds



GAMA has taken various initiatives as an employer, including the encouragement of eco-mobility, to minimize carbon footprint and transparency

# ESG Advisory Board



GAMA benefits from the support of an independent ESG Board to support us in terms of sustainable finance and ESG positioning.

The firm can count on the expertise, experience and relevance of 3 members, whose skills in the ESG field are recognized.



**RENÉ SIEBER**  
INDEPENDANT BOARD MEMBER FOR  
GAMA



**DOMINIQUE HABEGGER**  
CHIEF SUSTAINABILITY OFFICER FOR  
DE PURY PICET TURRETTINI

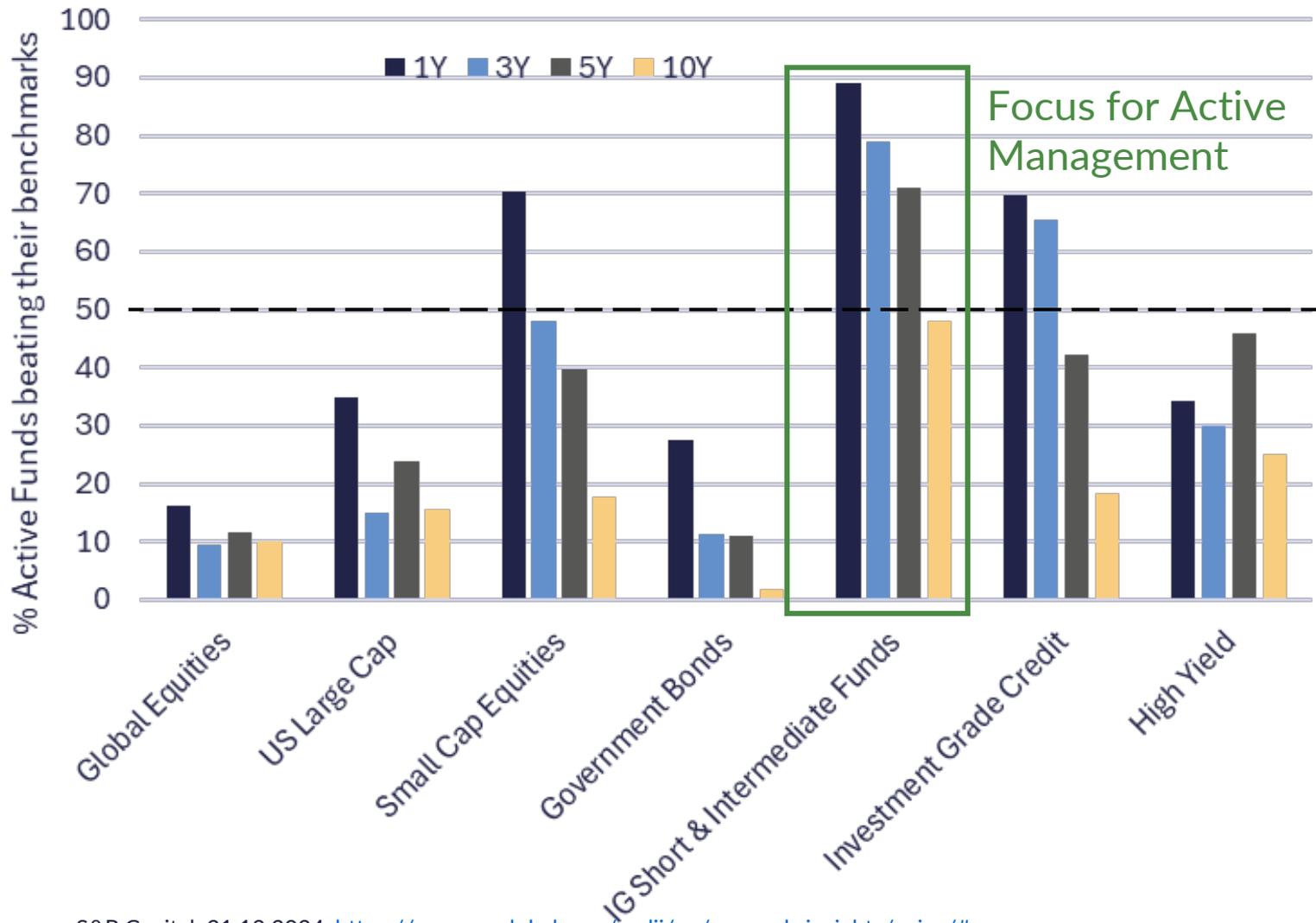


**JEAN LAVILLE**  
PARTNER AT CONSER INVEST

# GAMA Active Management Focus On Crossover Credit



% Outperformance of Funds In Equities and Bonds (1Y, 3Y, 5Y, 10Y)

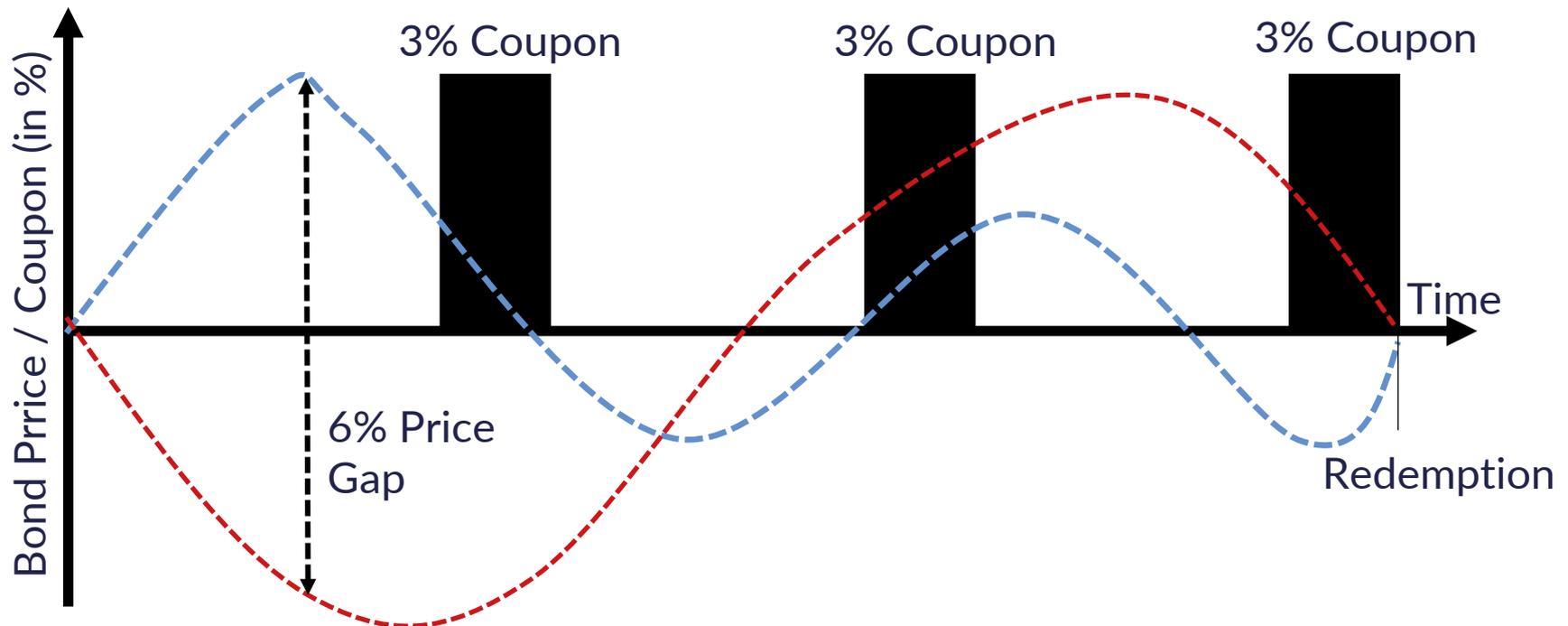


# The Case For Active Fixed Income Management



Imagine a world with 2 different 3Y bonds (IG), with same yield and coupon (3%): **Corporate A** and **Corporate B**. After 6 months, we observe a 6% price gap differential...

- Passive strategy\* or bad luck / bad skills active strategy\*\* = 3% annual
- Active strategy with luck / good skills\*\*\* = >5% annual



Source: \*Passive strategy would invest 50% in each bonds assuming the same weight in the index, \*\*bad luck or bad skills strategy would invest 100% in the Corporate B; \*\*\*good luck or skills strategy would invest 100% in Corporate A and switch into company B to capture a capital gain and beat passive investing

# What Makes GAMA Funds Different



## GAMA Asset Management:

- ✓ Independent investment firm focused on unconstrained global fixed income strategies
- ✓ Highly experienced and successful investment managers
- ✓ Rigorous investment process combining fundamental analysis with robust quantitative signals

## The GAMA Funds and dedicated mandates:

- 🌀 Global unconstrained active strategies with a proven track record
- 🌀 Better risk/return profile than corresponding market indices

# Disclaimer



This marketing document has been issued by GAMA Asset Management SA (hereinafter "GAMA"). This Document is for information purpose only and does not constitute an offer or a recommendation to buy or sell any securities. It is not intended for distribution, use or publication in any jurisdiction where such distribution use or publication would be prohibited. This document is the property of GAMA and is addressed to its recipient exclusively for their personal use. It may not be reproduced (in whole or in part), transmitted, modified, or used for any other purpose without the prior written permission of GAMA. The data are indicative and might differ significantly depending on market conditions. We do not guarantee the timeliness, accuracy or completeness of the information on this document. Information may become outdated and opinions may change, including as a result of new data or changes in the markets. The document may include information sourced from third parties. We are not responsible for the accuracy or completeness of, and do not recommend or endorse, such information. Except to the extent any law prohibits such exclusion, we are not liable for any loss (including direct, indirect and consequential loss, loss of profits, loss or corruption of data or economic loss of any kind) that may result from the use or access of, or the inability to use or access, the materials on this document. The value of investments and any income from them may go down as well as up. Investors may not get back all of their original investment. Past performance is no guarantee of future results. Each investor must make her / his own independent decisions regarding any securities or financial instruments mentioned herein. Investments are subject to various risks, such as credit risk, interest rate risks, currency

risks, or liquidity risks, as well as regulatory, legal and tax risk. The investments mentioned in this document may carry risks that are difficult to assess and quantify and those risks may significantly change over time. Some bond segments with specific features might be considered as complex instruments and may involve a high degree of risks and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. They might therefore be aimed only for those investors that are able to understand the risks involved and are ready to bear their associated risks. Before entering any transaction, investors should consult their investment advisor and, where necessary, get independent professional advice in respect to the risks and suitability of the investment. The liquidity of an instrument may not have a well-established secondary market or in extreme market conditions may be difficult to value, to buy or sell. Tax treatment depends on the individual circumstances of each person and may be subject to change in the future. GAMA does not provide tax advice. Therefore, each investor must verify with his/her external tax advisors whether the securities are suitable for her/his circumstances. GAMA may or may not hold positions in securities as referred to this document in the funds or portfolios managed on behalf of its clients.

© 2021 – GAMA Asset Management SA is authorised and regulated by FINMA as an asset manager of collective investment schemes – all rights reserved.



**Rue de la Pélisserie 16,  
CH-1204 Geneva, Switzerland**

**info@gama-am.ch  
www.gama-am.ch**

**+41 (0)22 318 00 33**