

**Absolute Return:** Pure Quantitative Approach: Advanced Behavioural Finance R&D

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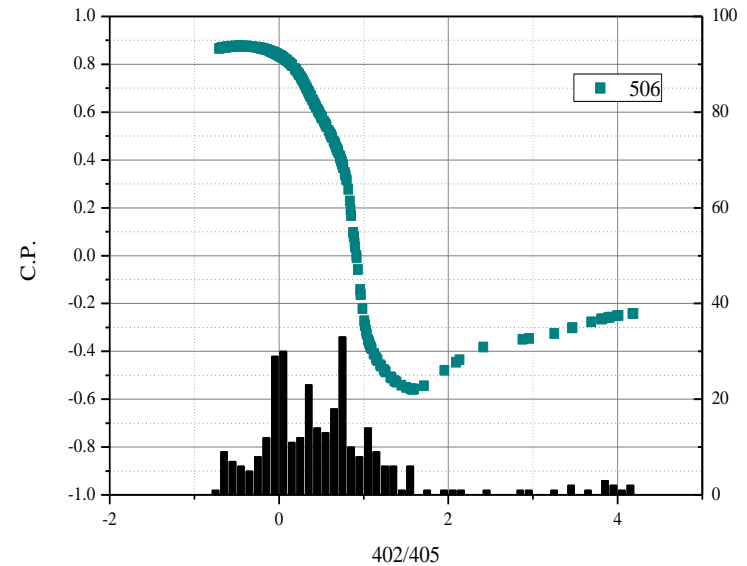
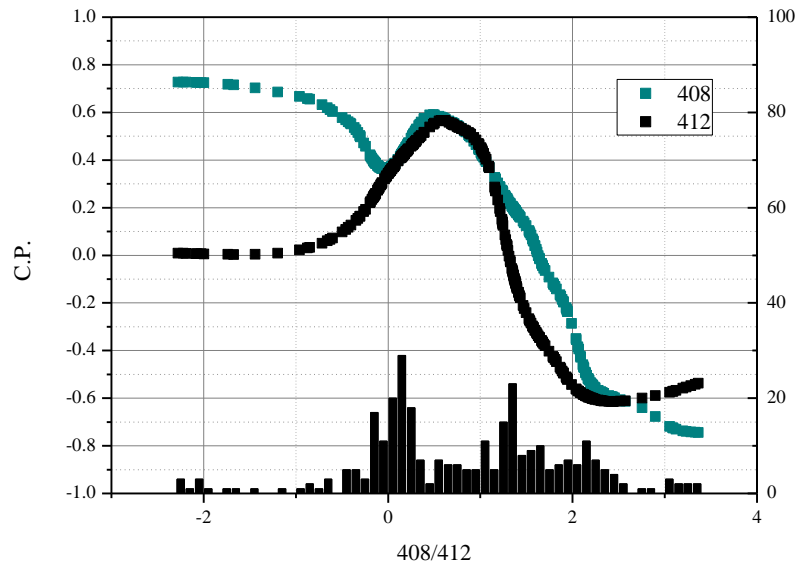
Pareturn GVC Gaesco Absolute Return Fund

# GVC Gaesco Absolute Return. Description of the Models

## 1. "Flow of Funds" Strategy

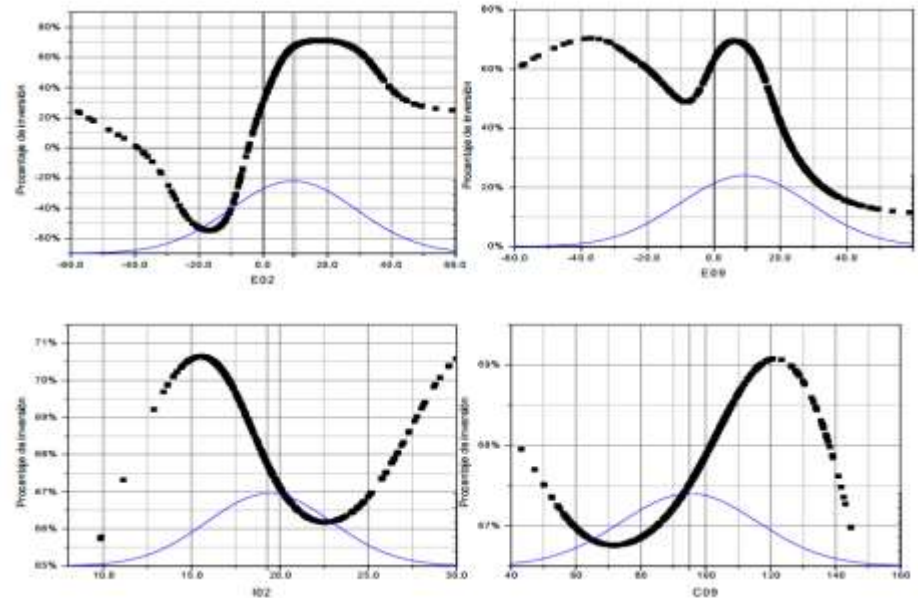
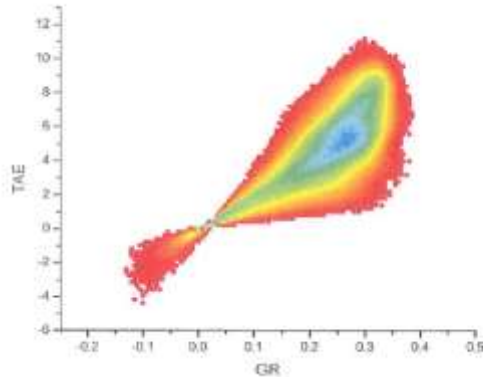
- Rationale:** Net subscriptions in both, equity funds and fixed income funds, are used as inputs for the equity exposure of the Strategy. It is benefiting from the fact that investors usually buy the assets that have already performed instead of buying the cheap assets as EMH supposes.

**Implementation:** On a monthly bases, the volume of net subscriptions on mutual funds feeds a neuronal network that calculates the exposure to equities.



## 2. “CCC” Strategy

- CCC uses confidence indexes:
  - Entrepreneurs
  - Investors (proprietary index)
  - Consumers
- **Rationale:** Some agents might behave as if the economic cycle didn't exist, even if there is a strong evidence of it
- **Length of investment:** One month



**Description:** These charts plot the distribution function of each confidence index (blue line) and the exposure to equities consistent with it. The final exposure of the strategy blends all the information in an optimal way.

### Two new models: Portfolio Managers Bias & Fund Selector Bias

- **Portfolio Managers Bias: Implemented since November 2016**
  - **Rationale:** Professional European equity fund managers confidence level used as a leading indicator.
- **Fund Selector Bias: Implementation in 2Q18**
  - **Rationale:** Fund selectors might have some behavioral bias that might be a leading indicator

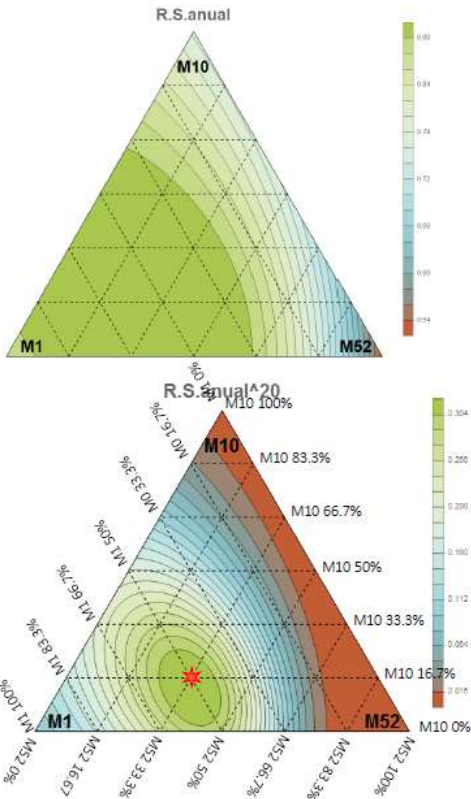


## GVC Gaesco Absolute Return. Strategies & Models

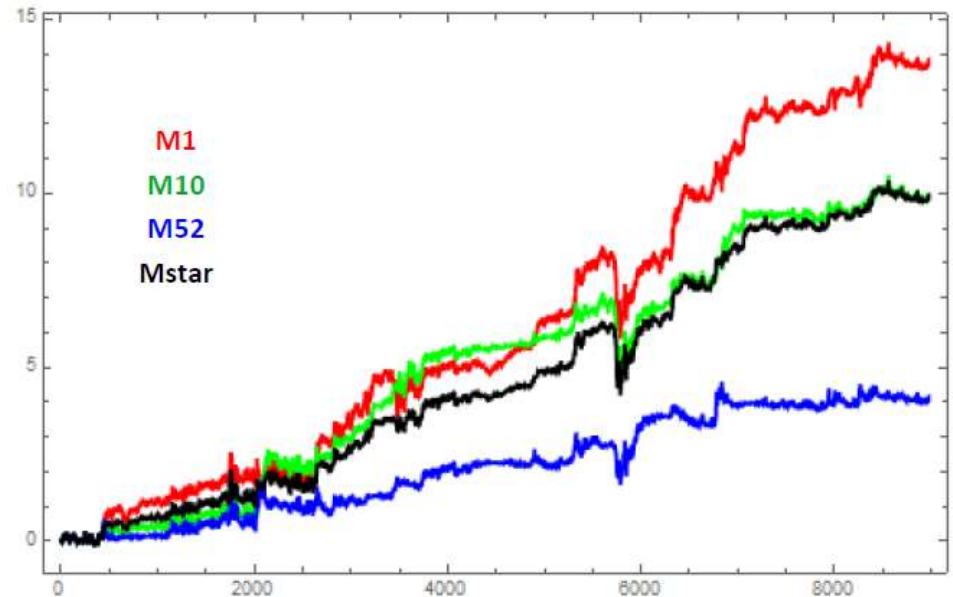
| Strategy                       | Model                  | Underlying       | Product | Number of Tecnic | Actual Weights | Leveraged Weights | Avg. Duration | Order Generated | Execution |
|--------------------------------|------------------------|------------------|---------|------------------|----------------|-------------------|---------------|-----------------|-----------|
| <b>Volatility Player</b>       |                        |                  |         |                  | <b>7.4</b>     | <b>12.6</b>       |               |                 |           |
|                                | Volatility             | VIX/Vstoxx/ VDAX | Futures | 3                | 7.4            | 12.6              | 12            | A               | M         |
| <b>Currency Mean Reversion</b> |                        |                  |         |                  | <b>2.2</b>     | <b>3.8</b>        |               |                 |           |
|                                | Currency               | 6 Currencies     | Futures | 8                | 2.2            | 3.8               | 12            | A               | M         |
| <b>Trend Follower</b>          |                        |                  |         |                  | <b>34.6</b>    | <b>47.4</b>       |               |                 |           |
| Long / Short                   |                        |                  |         |                  | <b>26.4</b>    | <b>39.2</b>       |               |                 |           |
|                                | Equity Trends          | 124 Holdings     | Equity  | 4                | 8.1            | 8.1               | 113           | A               | M         |
|                                | Currency trends        | 6 Currencies     | Futures | 6                | 4.4            | 7.5               | 121           | A               | M         |
|                                | Persistence            | Stock Exchange   | Futures | 14               | 13.9           | 23.6              | 15            | A               | M         |
| Long Only - Trends             |                        |                  |         |                  | <b>4.9</b>     | <b>4.9</b>        |               |                 |           |
|                                | Mov. Average           | 1000 Holdings    | Equity  | 3                | 0.6            | 0.6               | 191           | A               | M         |
|                                | RSI                    | 1000 Holdings    | Equity  | 6                | 0.5            | 0.5               | 126           | A               | M         |
|                                | MACD                   | 1000 Holdings    | Equity  | 4                | 1.8            | 1.8               | 145           | A               | M         |
|                                | RSI-MACD               | 1000 Holdings    | Equity  | 4                | 1.8            | 1.8               | 54            | A               | M         |
| Long Only - Corrections        |                        |                  |         |                  | <b>3.3</b>     | <b>3.3</b>        |               |                 |           |
|                                | Support                | 1000 Holdings    | Equity  | 1                | 1.1            | 1.1               | 24            | A               | M         |
|                                | Fibonacci              | 1000 Holdings    | Equity  | 2                | 2.2            | 2.2               | 93            | A               | M         |
| <b>Behavioral Fiance Core</b>  |                        |                  |         |                  | <b>48.8</b>    | <b>82.9</b>       |               | A               | M         |
| Long / Short                   |                        |                  |         |                  | <b>34.6</b>    | <b>58.8</b>       |               |                 |           |
|                                | CCC                    | S&P 500          | Futures | 1                | 3.7            | 6.2               | 30            | A               | M         |
|                                | Investor Flows         | S&P 500          | Futures | 1                | 8.6            | 14.6              | 30            | A               | M         |
|                                | CCC+                   | S&P 500          | Futures | 1                | 6.5            | 11.0              | 30            | A               | M         |
|                                | Portfolio Manager Bias | Eurostoxx 50     | Futures | 1                | 10.9           | 18.5              | 54            | A               | M         |
|                                | Zero Effect            | Dax              | Futures | 2                | 5.0            | 8,5               | 0             | A               | A         |
| Long Only - Trends             |                        |                  |         |                  | <b>14.2</b>    | <b>24.1</b>       |               |                 |           |
|                                | Panic                  | Eurostoxx 50     | Futures | 1                | 0.6            | 1.1               | 34            | A               | M         |
|                                | Fund Selectors         | Sectorial S&P    | Futures | 4                | 4.5            | 7.7               | 30            |                 |           |
|                                | Seasonally             | S&P 500          | Futures | 1                | 9.0            | 15.3              | 180           | A               | M         |
| <b>Event Driven</b>            |                        |                  |         |                  | <b>7.0</b>     | <b>7.0</b>        |               |                 |           |
|                                | Special Situations     | Equity           | Equity  | 1                | 7.0            | 7.0               | 0             | M               | M         |
|                                |                        |                  |         | <b>68</b>        | <b>100.0</b>   | <b>153.7</b>      |               |                 |           |

Strategies can be leveraged 1.7x only using

► Taking profit of **media wordings** and how affects the markets



Model Star  
M1: 50 % , M10: 16.67%, M52: 33.33%



## Our Absolute Return Strategy

### ► De-correlation is not our goal

- Final correlation depends on the market conditions: We look for a “good” correlation and try to avoid the “bad” one

| Period                  | Correlation | MSCI World | Patrimonialista |
|-------------------------|-------------|------------|-----------------|
| 10.12.2007 - 10.13.2009 | +33.0%      | -38.0%     | +4.4%           |
| 05.18.2011 - 05.21.2013 | +89.7%      | +13.3%     | +3.8%           |

| Period                  | Correlation | MSCI World Ret. | Ret. Absoluto |
|-------------------------|-------------|-----------------|---------------|
| 02.01.2008 - 02.02.2010 | +66.0%      | -26.1%          | +2.3%         |
| 06.03.2013 - 06.03.2015 | +80.0%      | +19.5%          | +16.3%        |

### ► Euros Optimization

- Weight allocated per each strategy its optimized under risk return ratio calculated in Euros.

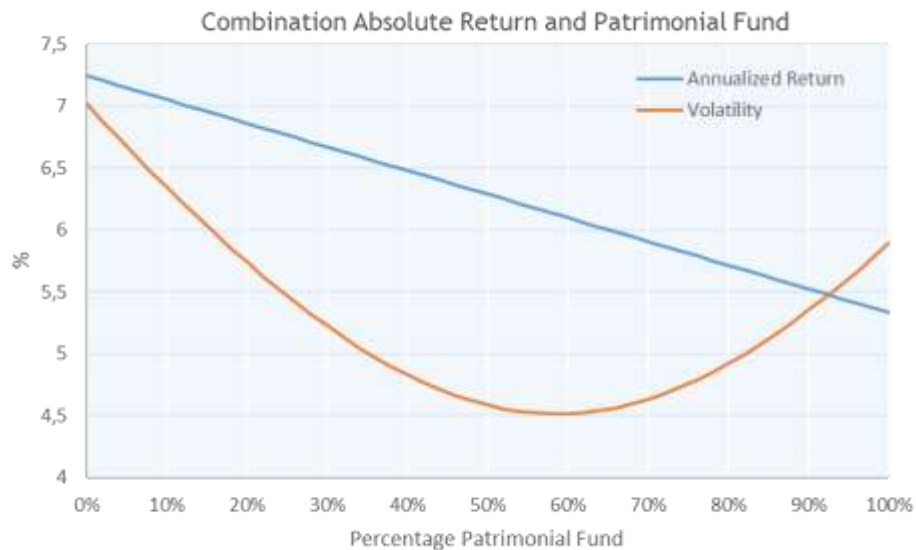
### ► Not Risk Budget utilization

- The Volatility of the fund fluctuates within a controlled range, around the average, but it is not programmed to be stable



Source: GVC Gaesco

## Combining both GVC Gaesco Retorno Absoluto & GVC Gaesco Patrimonialista



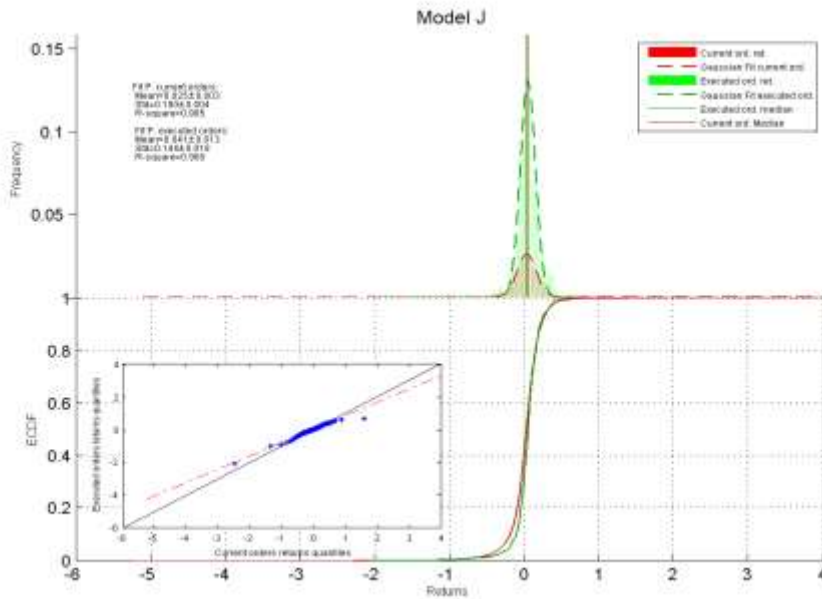
| Proforma Data: 1988 - 2018 | 100% GVC Gaesco Retorno Absoluto | 100% GVC Gaesco Patrimonialista | 50% / 50% |
|----------------------------|----------------------------------|---------------------------------|-----------|
| Net Annual Return          | 7.24                             | 6.59                            | 6.82      |
| Volatility                 | 6.73                             | 5.44                            | 4.58      |
| Sharpe Ratio               | 1.03                             | 0.90                            | 1.37      |
| Max. Loss 99% 1Yr.         | -6.4                             | -5.7                            | -6.28     |
| Max. Drawdown              | -13.75                           | -10.52                          | -10.24    |





## ► Double ex-post Models Control: Validity & Execution

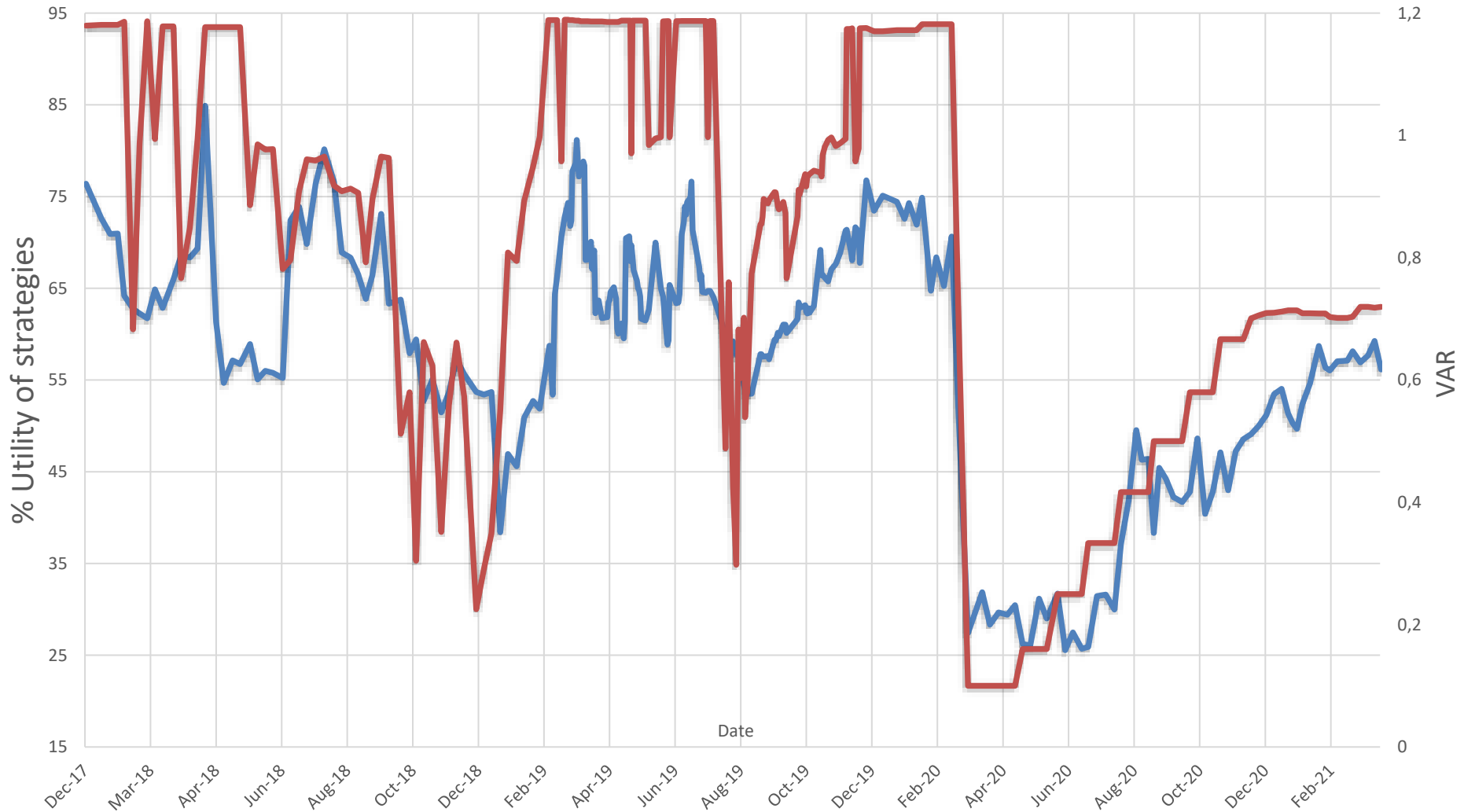
2. **Execution Analysis:** The analysis controls the execution risk, and determines if different factors as slippage, transaction costs or any other execution factor undermines the performance of the models



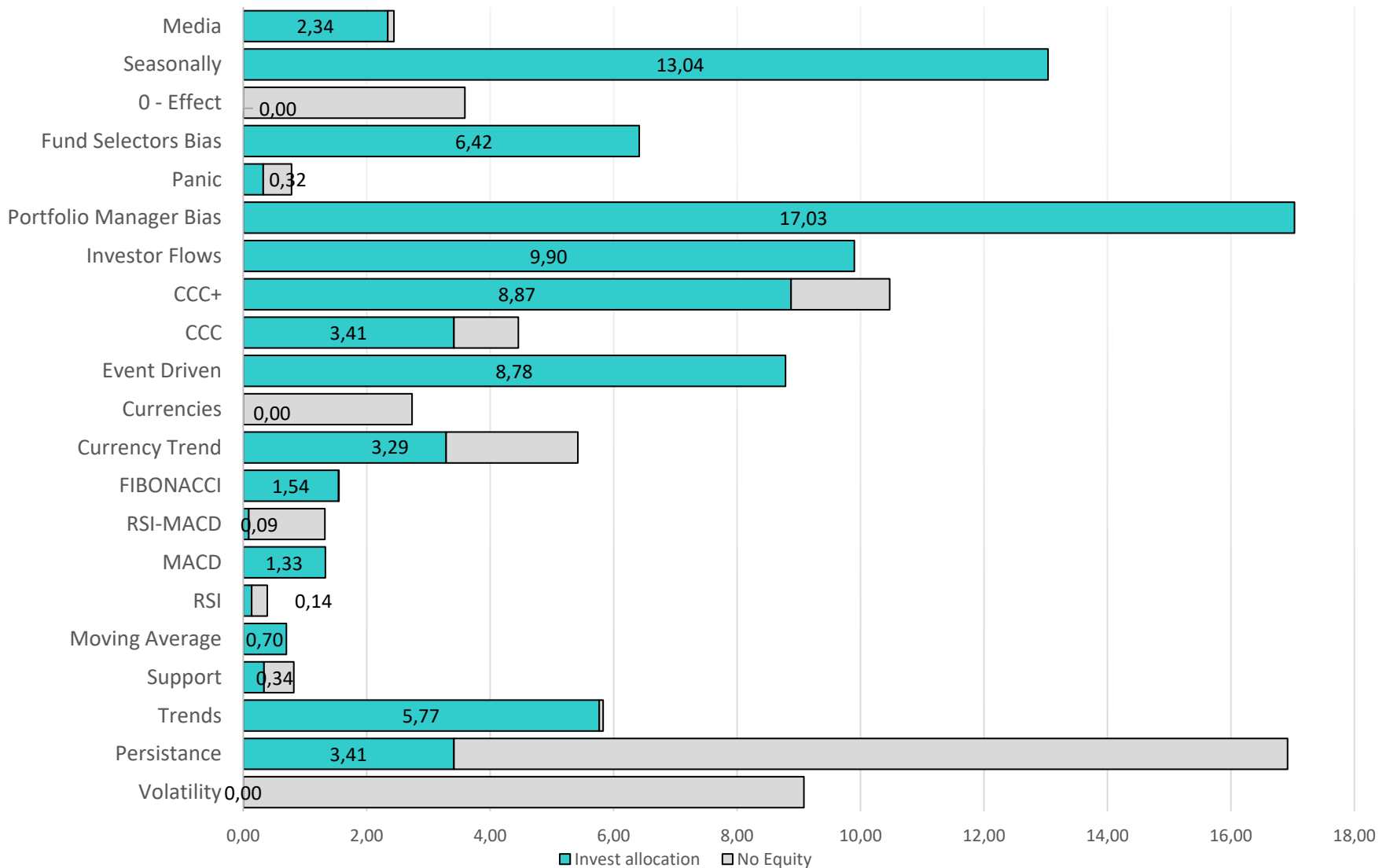
**Description:** Performances through the implementation period (green) and the ones obtained in the last 4 years (red). Below, the performance distribution

# Pareturn GVC Gaesco Absolute Return Fund

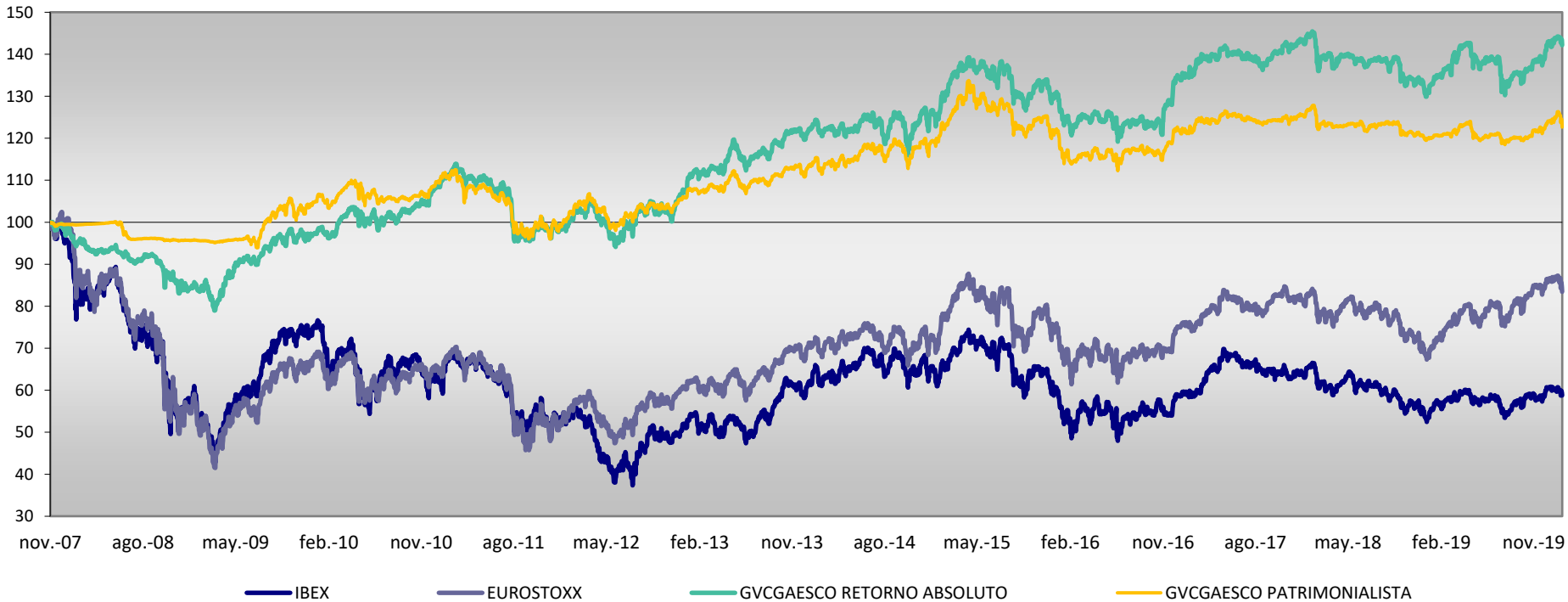
## Utilization rate of the Fund and VAR constrictions



## GVC Gaesco Retorno Absoluto, FI. Utilization grade per Strategies 31.3.21



## Absolute Return is not a myth – Jan 2020



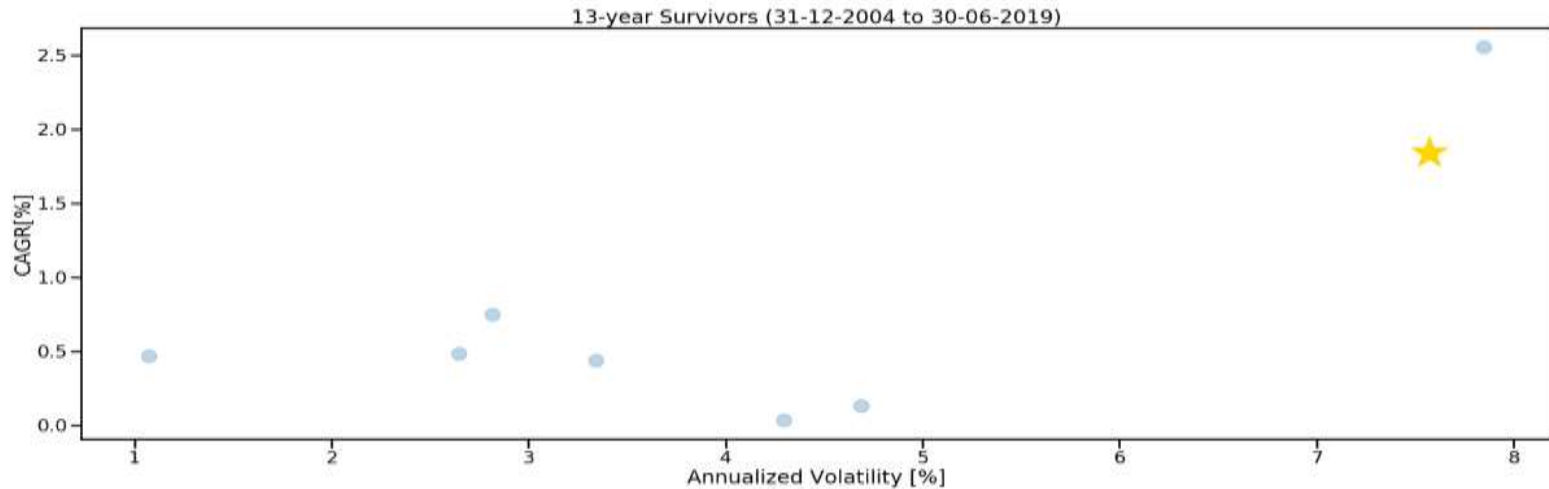
| Acumulative Return (March 2009 - Jan 2019) |        |           |        |
|--|--------|-----------|--------|
| Fund                                       | Fund   | Benchmark | Dif.   |
| GVC Gaesco Retorno Absoluto, FI            | 71.66% | 25.42%    | 46.24% |
| GVC Gaesco Patrimonialista, FI             | 28.62% | 25.42%    | 3.20%  |

## Absolute Return Performance & Ratios – Jan 2020



|               | Pareturn GVCGaesco Absolute Return Fund | MSCI World | HFRX Absolute Return | eb.rexx German Gvt. Bonds |
|---------------|---|------------|----------------------|---------------------------|
| CAGR          | 1.88                                    | 4.11       | 1.24                 | 0.29                      |
| Max. Drawdown | -24.58                                  | -54.99     | -25.96               | -9.49                     |
| Sharpe Ratio  | 0.24                                    | 0.33       | 0.10                 | -0.16                     |
| Total Return  | 41.04                                   | 89.72      | 27.11                | 6.23                      |
| Volatility    | 7.58                                    | 14.94      | 9.05                 | 2.81                      |

## Peer Comparison. 2004-2019: 15 years Track Record Survivors

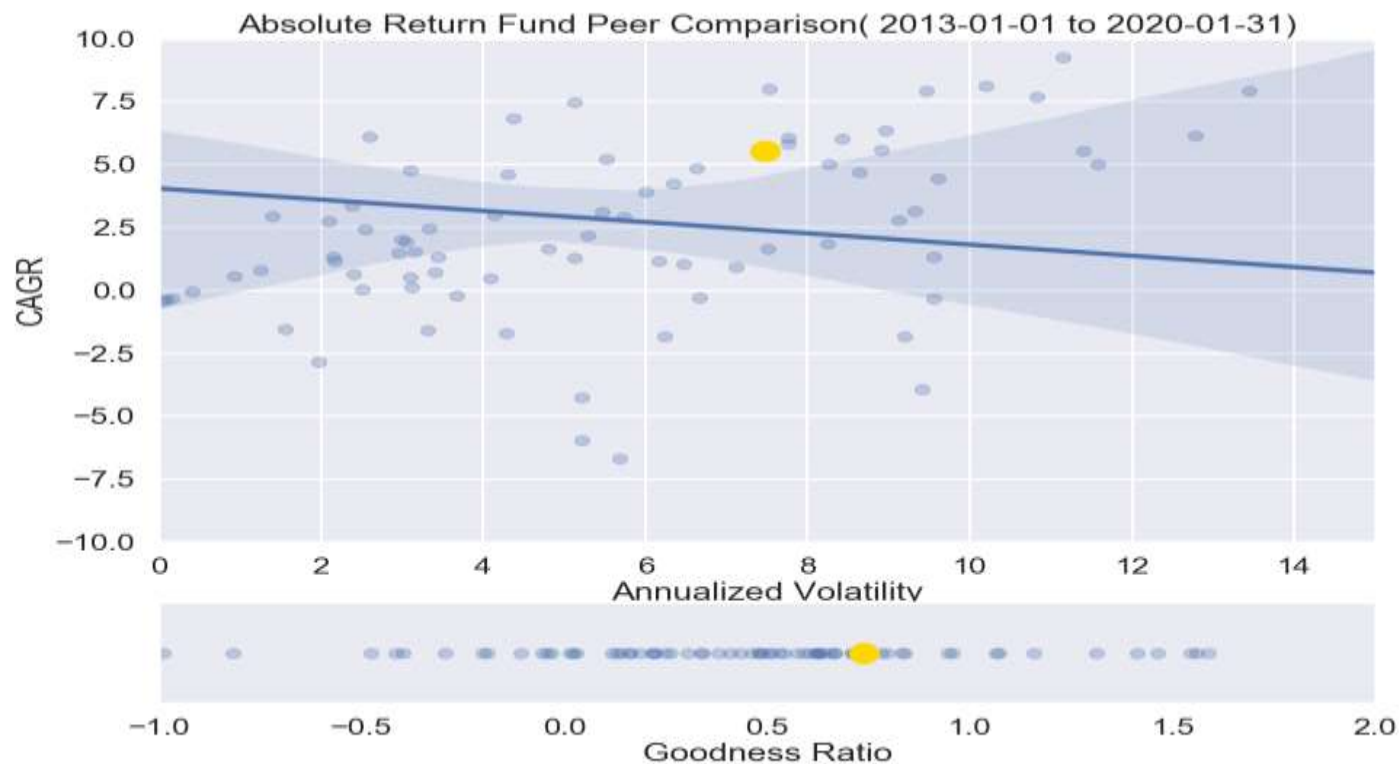


Out of **799 UCITS Absolute Return Funds** existing at 31-12-2018, only **8** were inceptioned more than 15 years ago.

Criteria Morningstar Database:

- UCITS
- Institutional
- Alternative Multi-strategy
- European Domiciled Funds
- Distribution status: Accumulation only

| Name                | Total Return | CAGR  | Annualized Volatility |
|---------------------|--------------|-------|-----------------------|
| <b>Peer 1</b>       | 53.64%       | 2.55% | 7.85%                 |
| <b>GVCGaesco AR</b> | 38.67%       | 1.84% | 7.57%                 |
| <b>Peer 2</b>       | 15.76%       | 0.75% | 2.81%                 |
| <b>Peer 3</b>       | 10.23%       | 0.49% | 2.65%                 |
| <b>Peer 4</b>       | 9.90%        | 0.47% | 1.07%                 |
| <b>Peer 5</b>       | 9.24%        | 0.44% | 3.34%                 |
| <b>Peer 6</b>       | 2.76%        | 0.13% | 4.49%                 |
| <b>Peer 7</b>       | 0.76%        | 0.04% | 4.30%                 |

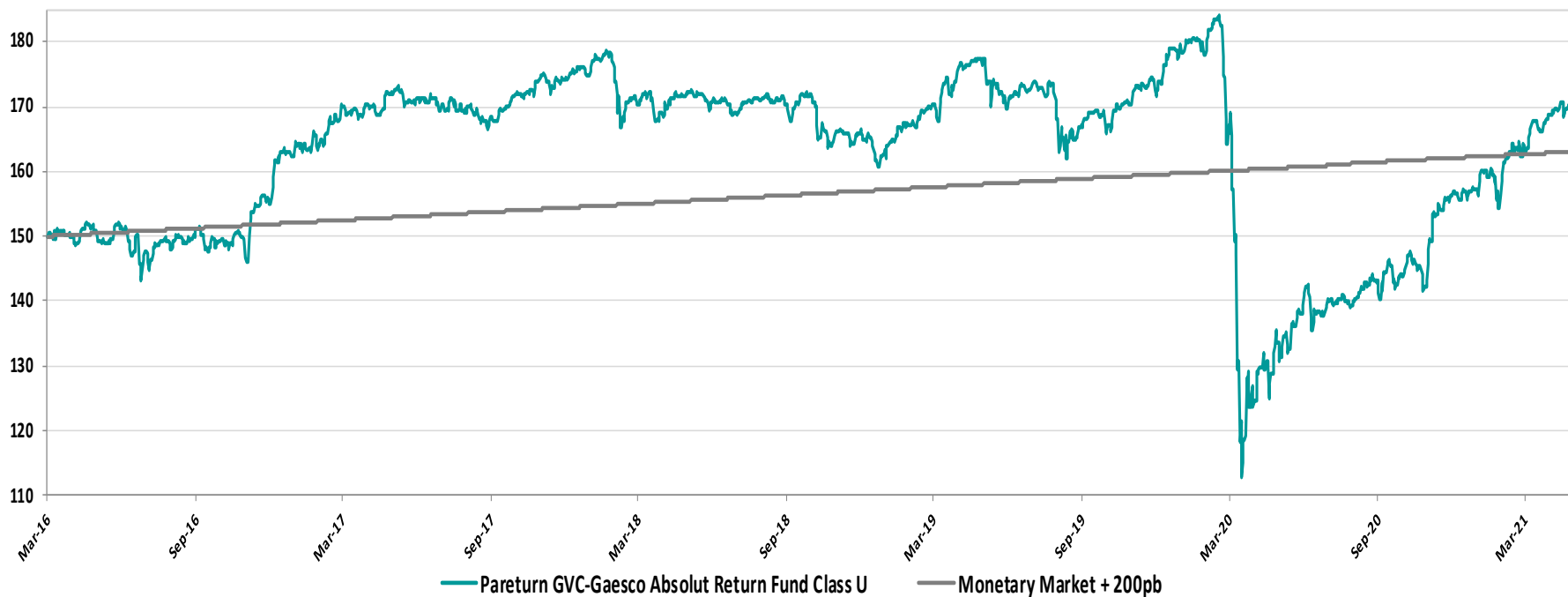


Source: GVC Gaesco Gestión

Peer Group Criteria: Morningstar Category: Alternative Multistrategy Funds. Universe: 109 Funds UCITS. Only European domiciled Funds. At least 3 years since inception. Institutional only. Only accumulative distribution Funds

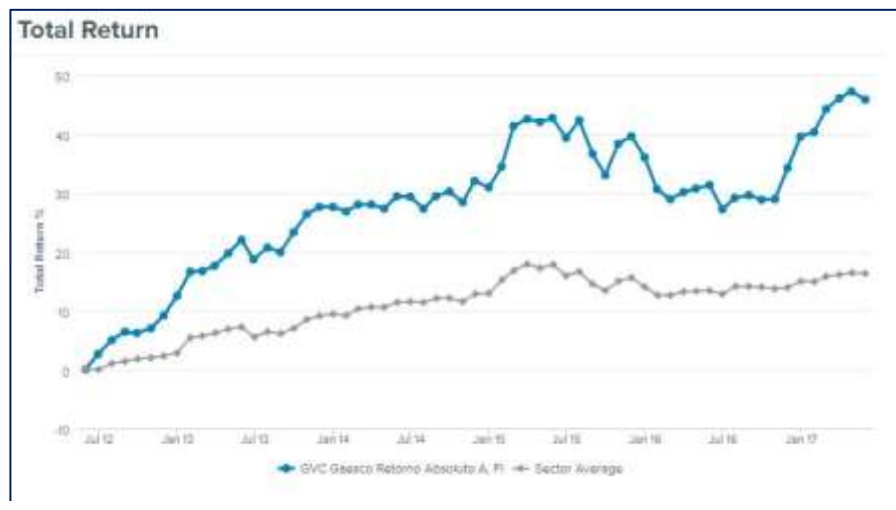


## Pareturn GVC Gaesco Absolut Return Fund U Class (April 30<sup>th</sup> 2021)



| Year | YTD     | Jan    | Feb    | Mar     | Apr   | May    | Jun    | Jul    | Aug    | Set    | Oct    | Nov   | Dec    |
|------|---------|--------|--------|---------|-------|--------|--------|--------|--------|--------|--------|-------|--------|
| 2016 | 8,17%   |        |        | 0,02%   | 0,61% | 0,59%  | -3,18% | 1,60%  | 0,54%  | -0,52% | 0,13%  | 4,26% | 4,05%  |
| 2017 | 7,71%   | 0,69%  | 2,86%  | 1,38%   | 0,98% | -0,92% | -0,63% | -0,13% | -0,83% | 2,25%  | 1,53%  | 0,08% | 0,28%  |
| 2018 | -6,87%  | 1,03%  | -2,99% | -1,25%  | 1,48% | -1,15% | -0,32% | 1,12%  | -0,48% | 0,86%  | -3,52% | 0,07% | -1,81% |
| 2019 | 9,09%   | 2,71%  | 1,54%  | 2,38%   | 2,15% | -4,33% | 1,54%  | -0,47% | -2,73% | 1,36%  | 0,66%  | 2,27% | 1,92%  |
| 2020 | -11,51% | 0,29%  | -7,74% | -22,72% | 5,30% | 3,20%  | 0,67%  | 0,38%  | 2,77%  | 0,65%  | -1,48% | 9,34% | 1,15%  |
| 2021 | 8,41%   | -1,79% | 5,27%  | 3,49%   | 1,33% |        |        |        |        |        |        |       |        |

## Citywire. Multistrategy Alternative Category 5 Years



|   |   | Currency | Total Return | Standard Deviation | Max Drawdown |
|---|---|----------|--------------|--------------------|--------------|
| 1 | <b>Okavango Delta A, FI</b><br>Jose Ramon Sarraga   | EUR      | 180.1%       | 32.3               | -28.1%       |
| 2 | <b>Kalahari, FI</b><br>Jose Ramon Sarraga   | EUR      | 66.0%        | 11.1               | -15.2%       |
| 3 | <b>Nordea 1 - Alpha 15 BI EUR</b><br>Achilles Triola Hansen<br><b>CITYWIRE</b> <b>4.3</b> | EUR      | 48.1%        | 10.0               | -13.1%       |
| 4 | <b>GVC Gaesco Retorno Absoluto A, FI</b><br>Jacobo Pogg                                   | EUR      | 45.8%        | 6.9                | -10.8%       |
| 5 | <b>Veritas Global Real Return EUR A</b><br>Charles Richardson<br>Andy Headley             | EUR      | 44.2%        | 55.5               | -56.3%       |

## Useful Data. GVC Gaesco Retorno Absoluto

### ► GVC Gaesco Retorno Absoluto, FI

|                 |                              |                        |  |  |
|-----------------|------------------------------|------------------------|--|--|
| Category        | Retorno Absoluto             |                        | A Class  | I Class  |
| Risk Profile    | Medio - 4 / 7                | ISIN                   | ES0138233038   | ES0138233004   |
| Launching date  | 1/1/2004                     | Management Fee         | 1.00% + (0.35% + 7,00% <i>success fee</i> / <i>Master fund</i> ) | 0.40% + (0,35% + 7,00% <i>success fee</i> / <i>Master Fund</i> ) |
| Benchmark       | Euribor a 1 semana + 200 bps | Minimum investment Eur | 1  | 1,000,000  |
| NAV Calculation | Daily                        | Bloomberg Ticker       | FONGAES SM   | FONGAES SM   |
| Currency        | Eur                          |                        |  |  |
| Asset Manager   | GVC Gaesco Gestión, SGIC     |                        |  |  |
| Depository Bank | BNP Paribas                  |                        |  |  |

### ► Paretun GVC Gaesco Absolute Return Fund

|                     |                                    |                        |                                  |                                  |                                  |
|---------------------|------------------------------------|------------------------|----------------------------------|----------------------------------|----------------------------------|
| Category            | Absolute Return                    |                        | G Class                          | I Class                          | U Class                          |
| Launching Date      | 03/04/2016                         | ISIN                   | LU1144806905                     | LU1144807119                     | LU1144806814                     |
| Benchmark           | Euribor 1 week + 200 bp            | Management Fee         | 1.35% + 7.00% <i>success fee</i> | 0,75% + 7,00% <i>success fee</i> | 0,35% + 7,00% <i>success fee</i> |
| NAV calculation     | Daily                              | Minimum investment Eur | 300,000                          | 10€                              | 10,000,000                       |
| Management Company  | MDO                                | Bloomberg Ticker       | PAGARTG LX                       | PAGARTI LX                       | PAGARTU LX                       |
| Investment Manager  | GVC Gaesco Gestión, SGIC           |                        |                                  |                                  |                                  |
| Transfer Agent      | BNP Securities Services Luxembourg |                        |                                  |                                  |                                  |
| Depository          | BNP Securities Services Luxembourg |                        |                                  |                                  |                                  |
| Auditor             | Deloitte                           |                        |                                  |                                  |                                  |
| Fund Administration | BNP Securities Services Luxembourg |                        |                                  |                                  |                                  |

## ▶ Asset Management

- Mutual Funds: ES & LU
- SICAVs: ES & LU
- Portfolio Management: ES & LU
- Pension Funds: ES
- Venture Capital: ES

|    |                             |
|----|-----------------------------|
| 31 | ES Mutual Funds             |
| 3  | LU Mutual Funds             |
| 44 | ES SICAV                    |
| 1  | LU SICAV                    |
| 8  | Pension Funds               |
| 2  | Venture Capital Companies   |
| 19 | Awards in the last 10 years |

## Performance Awards



- 2017
- 2015
- 2013
- 2011
- 2009
- 2008
- 2007
- 2006



Awards 2013™

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### Pareturn GVC Gaesco Absolute Return Fund

Funds People stamp in 2018



### GVC Gaesco Gestión, SGIIC

Awarded by European Funds Trophy in Paris as the best Spanish asset manager in the category



### GVC Gaesco TFT, FI

Top performer of the Spanish sectorial funds in 2017



### Bona-Renda, FI

Top 10 performer of the Spanish balanced funds in 2017



### GVC Gaesco Small Caps, FI

Top 10 performer of all the Spanish funds in 2017

# More than 20 awards in the last 10 years: A recognition of the Company's strategy and investment philosophy

## 2018

### GVC Gaesco Gestión, SGIIC

Ranked Best Spanish Asset Management in its category by the European Funds Trophy

Fund: Paretun GVC Gaesco Absolute Return Fund

In 2018 received Funds People's stamp of approval as a featured product

## 2017

Fund: GVC Gaesco Small Caps, FI,  
Category: Among the Top 10 of the most profitable Spanish Mutual Funds 2017

Fund: Bona-Renda, FI  
Category: Among the Top 10 of the most profitable Spanish Mixed Mutual

Fund: GVC Gaesco TFT, FI  
Category: The most profitable Sectoral Spanish Mutual Fund 2017

## 2015

Funds:  
GVC Gaesco Small Caps, FI,  
GVC Gaesco Op. Empresas Inmobiliarias, FI  
GVC Gaesco Japón, FI,  
GVC Gaesco 300 Places Worldwide, FI

Category: Top 20 Best Performing Spanish Investment Funds in 2015

## 2013

Fund: IM 93 Renta, FI  
Award: Morningstar – El Economista  
Category: Mixed Flexible Euro

## 2011

Manager: Jaume Puig – Mejor Gestor de RV última década  
Award: Interactive Data – Expansión XXV Aniversario Expansión  
GVC Gaesco Small Caps, FI  
Category: Equity

## 2009

Fund: Bona Renda, FI  
Award: Eurofonds Fundclass (Le Monde)  
Category: Mixed Equity

## 2008

Fund: Gaesco Fondo de Fondos, FI  
Award: Eurofonds Fundclass (Le Monde)  
Category: Equity

## 2007

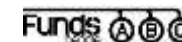
### GVC Gaesco Gestión, SGIIC

Award: Eurofonds Fundclass (Le Monde)  
Category: All Funds

Fund: Gaesco Fondo de Fondos, FI  
Award: Eurofonds Fundclass (Le Monde)  
Category: Equity

Fund: Catalunya Fons, FI  
Award: Eurofonds Fundclass (Le Monde)  
Category: Mixed Equity Spain

Fund: Catalunya Fons, FI  
Award: Eurofonds Fundclass (Le Monde)  
Category: Mixed Equity Europe



## More than 20 awards in the last 10 years: A recognition of the Company's strategy and investment philosophy

### 2006

GVC Gaesco Gestión, SGIC

Award: Lipper – Cinco Días

Category: All Funds

Fund: Gaesco TFT, FI

Award: Standard&Poor's – Expansión

Category: Equity

Fund: Gaesco Fondo de Fondos, FI

Award: Morningstar – Intereconomía

Category: Equity

Fund: Cahispa Emergentes, FI

Award: Morningstar – Intereconomía

Category: Renta Variable

Fund: Bona Renda, FI

Award: Standard&Poor's – Expansión

Category: Mixed Equity

### 2004

GVC Gaesco Gestión, SGIC

Award: Eurofonds Fund Class (Le Monde)

Category: All Funds

GVC Gaesco Gestión, SGIC

Award: Standard&Poor's – Expansión

Category: Best Spanish Equity Asset Management

Funds:

Gaesco Small Caps, FI,

GaescoQuant, FI,

Gaesco Emergentfond, FI,

Gaesco Fondo de Fondos, FI,

Eurofondo, FI,

Bolsalider, FI,

Fondguissona, FI,

Gaesco TFT, FI,

Gaesco Multinacional, FI,

Cahispa Small Caps, FI,

Cahispa Eurovariable, FI,

Cahispa Emergentes, FI,

Cahispa Multifondo, FI

Fund: Fonsglobal Renta, FI

Award: Standard&Poor's – Expansión

Category: Mixed Equity

Fund: FonsManlleu Borsa, FI

Award: Standard&Poor's – Expansión

Category: Mixed Equity

### 2002

Fund: Cahispa Renta, FI

Award: Lipper – Cinco Días

Category: Mixed Fixed Income

### 2001

Fund: Gaesco Fondo de Fondos, FI

Award: Standard&Poor's – Expansión

Category: Equity

Fund: Cahispa Renta, FI

Award: Standard&Poor's – Expansión

Category: Mixed Fixed Income

STANDARD  
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Interactive Data

Expansión

MORNINGSTAR

LIPPER

intereconomía

EUROFONDS

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GVC Gaesco Beka is a brokerage firm legally authorized to render investment services as referred in the article 63 of la Ley del Mercado de Valores and its ordinance, particularly the Real Decreto 217/2008, on the 15th February, on the law for investment services companies, the Ministerial Order on 7th October 1999 of developing the general code of conduct on portfolio managing and the Comisión Nacional del Mercado de Valores (CNMV) 2/2001, 30th May circular

The competent authorities that regulate GVC Gaesco activities are Comisión Nacional del Mercado de Valores, Paseo de la Castellana, 19, 28046 Madrid; Banco de España, Alcalá, 48, 28014 Madrid

GVC Gaesco Beka is subjected to Fondo de Garantía de Inversiones (FOGAIN) in accordance with the current law, FOGAIN, Paseo de la Habana, 82, 28036 Madrid

GVC Gaesco Beka renders the client the following contract services:

- Postal mail to GVC Gaesco Valores S.V. S.A., Calle Fortuny, 17, 28001 Madrid / Dr. Ferran, 3 - 5, 08034 Barcelona
- Telephone service 914 315 606 / 933 662 727 / 955 328 500 / 961 394 965
- Switchboard telephone / fax 902 237 237 / 915 762 937 / 93 550 47 75
- Corporate e-mail [info@gvcgaesco.es](mailto:info@gvcgaesco.es)

General information on GVC Gaesco Beka, as well as information related to agents are available on the website [www.valores.gvcgaesco.com](http://www.valores.gvcgaesco.com). Client's can communicate with GVC Gaesco Beka in Spanish and Catalan.