



# SYZ Asset Management launch European income strategy

Mittwoch, 04/25/2018

SYZ Asset Management, the asset management arm of SYZ Group, has expanded its range of high-alpha European strategies with the launch of the OYSTER Continental European Income Fund. The new fund, which seeks to generate income from underinvested areas in European markets (ex-UK). The Luxembourg SICAV fund will be managed by SYZ Asset Management's renowned head of European equities, Michael Clements.

The income strategy of the OYSTER Continental European Income fund targets a yield that is at least 10% above that of the Index (MSCI Europe ex-UK). The fund arrives on the back of increased demand from investors who have struggled to find quality yielding solutions. SYZ's London-based European Equities team has successfully managed the OYSTER Continental European Selection Fund since 2014, returning +48.3% over three years compared to the MSCI Europe ex-UK index, which returned respectively +32.0%\*.

## Navigating a stable income course in crowded markets

The new strategy applies a similar investment approach to the OYSTER Continental European Selection Fund: an all-cap, high-conviction and contrarian portfolio that seeks to generate consistent alpha from rigorous bottom-up stock selection and fundamental research. However, as the new fund is aimed at investors seeking an income as well as capital growth, the fund will also apply a further element to the process, identifying companies that deliver a sustainable and growing dividend.

Since the financial crisis, income investors and asset allocators have had to contend with record-low interest rates. This Fund is designed to provide an attractive alternative equity income source in a market where many traditional income sources are widely held and could be considered expensive in terms of valuation.

Michael Clements, Head of European Equities at SYZ Asset Management, explains:

"Across our European high-alpha range, we focus on top-quality companies that have long-term competitive advantages, but where valuation may be reflecting short-term pressures, or negative sentiment for the company or in the sector where the company operates. The new strategy now also allows income investors to harness our time-tested approach and gain access to underinvested areas".

Clements adds: "Most European income funds focus on traditional high-yielding sectors, such as utilities and telecoms. However, we take a different perspective which leads us often to contrarian positions in less obvious areas. This fundamental long-term approach aims to deliver a consistent stream of yield, but also an attractive diversification element compared to existing income funds."

## Portfolio insulation: Dividend cover & downside risk protection

At a time of rising volatility and fears over future dividend cuts, the Fund utilises a disciplined risk management process which aims to offer downside risk protection and dividend cover.

The Fund's investment process includes a strong focus on downside risk and capital preservation in addition to evaluating the upside market price potential of a company.

Ian Penrose, head of Distribution, UK, at SYZ Asset Management believes as volatility increases and the directionality of the market diminishes, the Fund's focus on insulating the portfolio will become increasingly compelling for income investors.

"Michael and his team have grown their reputation as one of the foremost alpha investors in European markets. Their range of strategies is increasingly popular among UK investors and we are excited to offer income investors a vehicle that draws on team's unique contrarian philosophy and disciplined investment approach, while providing a source of non-correlated sustainable income".

\* Source: SYZ Asset Management, performances net of fees as of 28.02.2018 based on R GBP share class launched on 12.12.2013. Past performance is not a guarantee of future returns.

## Disclaimer

Dieses Werbedokument wurde von der Syz-Gruppe (hierin als «Syz» bezeichnet) erstellt. Es ist nicht zur Verteilung an oder Benutzung durch natürliche oder juristische Personen bestimmt, die Staatsbürger oder Einwohner eines Staats, Landes oder Territoriums sind, in dem die geltenden Gesetze und Bestimmungen dessen Verteilung, Veröffentlichung, Herausgabe oder Benutzung verbieten. Die Benutzer allein sind für die Prüfung verantwortlich, dass ihnen der Bezug der hierin enthaltenen Informationen gesetzlich gestattet ist. Dieses Material ist lediglich zu Informationszwecken bestimmt und darf nicht als ein Angebot oder eine Aufforderung zum Kauf oder Verkauf eines Finanzinstruments oder als ein Vertragsdokument aufgefasst werden. Die in diesem Dokument enthaltenen Angaben sind nicht dazu bestimmt, als Beratung zu Rechts-, Steuer- oder Buchhaltungsfragen zu dienen, und sie sind möglicherweise nicht für alle Anleger geeignet. Die in diesem Dokument enthaltenen Marktbewertungen, Bedingungen und Berechnungen sind lediglich Schätzungen und können ohne Ankündigung geändert werden. Die angegebenen Informationen werden als zuverlässig betrachtet, jedoch übernimmt die Syz-Gruppe keine Garantie für ihre Vollständigkeit oder Richtigkeit. Die Wertentwicklung der Vergangenheit ist keine Garantie für zukünftige Ergebnisse.