



Tailor-made solutions for the discerning investor

GFG Group serves a global high-net-worth clientele by offering cutting-edge insight into the fast changing world of investment

GFG Group is an international finance company founded in 2010, with headquarters in Monaco and subsidiary offices in Lausanne and Milan. GFG Group began its life as an asset management company – GFG Monaco SAM – and has grown in size and

broadened its business activities to wealth management and advisory. GFG provides services to both private individuals as well as institutional clients. In terms of assets under management (AuM), the company has grown rapidly from its initial starting capital of 50m euros to approximately 1bn euros today managed by a team of around 30 people.

The asset management division invests across a broad and diverse range of asset classes including fixed income, equities, commodities and alternatives. Within those assets classes, investments are tailored to each investor's needs utilising a range of products including certificates, public funds, private funds and managed accounts.

In 2015, following a period of swift and successful growth, GFG expanded its activities into private banking. The wealth management division at GFG currently has AuM of approximately 200m euros. GFG's managers offer insightful, bespoke investment recommendations to high-net-worth individuals, ranging from families to entrepreneurs and business executives. Thus, GFG provides tailor-made investment solutions to clients on both a discretionary and non-discretionary basis.

Supporting all of these activities is a team of financial professionals with extensive, multi-asset experience at major international financial institutions supported by analysts with quantitative and

research-focused backgrounds.

The founder and CEO of GFG, Stefano Zavaglia, previously of CM Capital Markets and Deutsche Bank, comments: “We have been through years of intense work in a very competitive market during which we have used all of our past experience. We are really proud of the results we have achieved so far.”

The EGB fund

Key to the growth of GFG has been the success of its Euro Global Bond (EGB) fund; a UCITS V investment-grade bond fund, which invests predominantly in government debt and marginally in corporate credit.

The EGB fund was launched on 14 July 2011, soon after the company was founded, and was designed to adapt to changing and challenging markets. “Market conditions were really unstable and investors were looking for a safe haven. We provided them with the perfect product at the right time”, says Zavaglia.

A combination of strong management and exemplary timing has enabled the fund to grow rapidly from an initial AuM of 50m euros to the current 400m euros. In addition, the EGB fund has received much recognition, as well a number of awards. In 2014, it received an AAA rating from Citywire and was awarded a 5-star rating from Morningstar. In 2016, it was ranked in the top five by Citywire and also received two Lipper Fund Awards from Thomson Reuters for being the Best European Bond fund on a three-year performance basis.

The EGB fund recently celebrated its fifth anniversary and its managers continue to pursue the same investment goals with a relentless focus on delivery.

In addition, GFG has recently established a quantitative division to support both the asset management and wealth management divisions. This team brings together a range of technical skills – drawn from the disciplines of financial engineering, mathematics and quantitative finance – in order to develop financial models and products which are invaluable to the company’s portfolio managers. These services are also available to external parties by separate arrangement.

Initially, the quantitative division developed two proprietary indices: the GFG Momentum Index and the GFG VOLBIC Index.



“Keeping pace with new investment trends”

The GFG Momentum Index is a cross-asset product denominated in euros composed of underlying instruments across a diverse range of asset classes and currencies. The GFG Best in Class parameter for each asset class and specific market is calculated and then utilised to determine the appropriate asset exposure and market allocation. Effective diversification is achieved as capital is allocated only to those asset classes and markets that provide the desired exposure at the relevant stage of the economic cycle.

The GFG VOLBIC Index is a smart-beta strategy focused on the STOXX Europe 600 index. The strategy combines low volatility with GFG Best in Class parameter. The main objective of the index is to outperform the benchmark, both in absolute terms and on a risk-adjusted basis, offering dynamic

protection that minimises downside risks whilst maintaining upside potential.

Amongst the various products developed by the quantitative division, one of the most insightful is the Active Asset Allocation (AAA) model, which combines both quantitative and qualitative elements to provide a disciplined, multi-step, asset-allocation methodology. In 2016, the model has proved to be a reliable asset-allocation tool and is being used extensively internally as well as selectively by clients externally.

Looking to the future of the company, Zavaglia says: “We will continue doing what we are really good at: keeping pace with new investment trends, including developing new algorithmic strategies.” ■

Further information

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