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## Introducing Blue Sky Asset Management

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[www.bluesky-am.com](http://www.bluesky-am.com)

## Optimal Investment Solutions



“ In our experience, the fundamental concern for many, if not most, investors is the basic risk of losing money. Structured investments are not alchemy - they do not make investment risk disappear - but they can re-balance and re-position risk and return to deliver innovative and compelling investment propositions for investors.

The popularity of structured investments has increased significantly in recent years, worldwide - and this growth looks set to continue as investors universally seek alternatives to traditional investment funds. In particular, and not least when stockmarket volatility is prevailing, many investors are now specifically looking for investment solutions that present enhanced investment scope with increased risk control. This is precisely what Blue Sky Asset Management aims to provide.

Whether an investor's objective is reducing risk based on full capital protection or enhancing returns based on contingent protection, Blue Sky Asset Management aims to offer genuine wealth management solutions, based upon research backed investment thinking, that we believe will deliver the best opportunities for growth or income, to meet specific client needs.

Blue Sky Asset Management has had an immediate impact within the UK structured investment industry since the firm was established. Industry awards within 12 months have included 'Best in the UK'\* and 'Best Research Process'\*\*. Notably, the firm is recognised for its client-centric and investment-led ethos and business approach. ”

**Christopher Taylor**  
Chief Executive



Source: \*Structured Products Europe, 2008; \*\*Professional Adviser, Protected Product Review, 2008.

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DEFINE  
**PROTECTION**  
LIMIT POTENTIAL  
CAPITAL RISK

ENHANCE  
**PERFORMANCE**  
IMPROVE POTENTIAL  
INVESTMENT RETURNS

INCREASE  
**DIVERSIFICATION**  
EXTEND ASSET  
ALLOCATION SCOPE

ACCESS  
**ALTERNATIVES**  
HIGH RETURN ASSET CLASSES  
WITH DEFINED RISK

CAPITALISE ON  
**MARKET VIEWS**  
TARGET OR PROTECT AGAINST  
SPECIFIC INVESTMENT VIEWS

MAXIMISE  
**FLEXIBILITY**  
OPTIMISE IDENTIFIED  
INVESTMENT STRATEGIES

PROVIDE  
**INCOME**  
TO MEET INVESTOR  
REQUIREMENTS

DELIVER  
**GROWTH**  
TO MEET INVESTOR  
REQUIREMENTS

OFFER  
**SOLUTIONS**  
WITH GENUINE  
INVESTOR APPEAL

## Introducing Blue Sky Asset Management



### FOCUS

Blue Sky Asset Management is an award winning boutique investment firm specialising in structured investments for retail and institutional investors. When it comes to degrees of specialisation, ours is absolute... structured investments are all that we do: our sole focus and commitment. This pamphlet introduces you to Blue Sky Asset Management and highlights what makes us a 'different type of investment company'.

### BALANCE

At Blue Sky Asset Management we believe risk and return are two halves of the same investment coin: and that striking an optimal balance between the two is the key to successful investing. Structured investments provide investors with the opportunity to invest in stockmarkets and other asset classes with the benefit of pre-defined and optimal levels of risk and return.

### KNOWLEDGE

Structured investments have evolved rapidly since their arrival in the UK in the mid 1990's. In fact, in 2008, retail structured investments experienced record sales of nearly £10billion\*. Blue Sky Asset Management was established in 2007 by a team of directors who have been at the forefront of the UK structured products industry since its early days, giving the company exceptional experience, knowledge and expertise in this specialist investment sector.

### SOLUTIONS

Blue Sky Asset Management works in collaboration with leading global investment banks and institutions to design and develop innovative, value-adding, investment solutions for institutions, intermediaries and investors. We are committed to operating at the forefront of this rapidly evolving market, offering compelling, research backed investments for discerning investors.

- Chief Executive, Christopher Taylor, was previously Director of UK Structured Products Distribution at HSBC Asset Management and subsequently Managing Director of the Structured Investment Division of Dawnay Day Quantum.
- Managing Director and Chief Investment Officer, James Chu, was previously Director Head of Product and Business Development, Investment and Financial Products, at American Express Bank, and prior to that Investment Director at HSBC Asset Management.
- Product Development and Operations Director, Mark Dickson, was previously Global Head of Product Development at HSBC Asset Management and was then responsible for Retail and Institutional Product Development at Invesco Perpetual.
- Over 60 years combined asset management experience, including more than 30 years direct involvement with structured products, to a value exceeding £2bn, underpins BlueSky Asset Management.

\* Source: StructuredRetailProducts.com

## Our Investment Philosophy



### Blue Sky World

Imagine for a minute 'a blue sky world' .... one where all investors design their own, utopian, investments. From the most inexperienced or cautious, to the most sophisticated or adventurous, we believe the common interests and objectives of most investors are remarkably consistent ...

- Invariably, the primary interest of most is minimising or removing investment risk.
- However, understandably, most investors also want to maximise their returns - in line with individual risk profiles.
- Whilst thirdly, low - or even no - charges are an obvious feature of the 'utopian' investment solution.

### Investor Requirements

However, we think that traditional investments fall a long way short of the typical investor's utopian investment world. In fact, in our view, there is a distinct 'empathy gap' between traditional investment funds and the thinking, interests and needs of many, if not most, investors. In particular, no investor chooses investment risk for the sake of it .... yet nearly all traditional investment funds carry implicit investment risk for investors. We believe the main investment concern for most investors is the basic risk of losing capital.

### Investor Empathy

Blue Sky Asset Management's investment philosophy is therefore based upon the clear and fundamental view that there are two sides to the investment coin .... Risk and Return. We believe investments need to empathise with investors - and we think that many investors want to define, reduce or remove investment risk. But, we also know that optimal investment solutions need to deliver the potential for superior investment returns. We aim to solve the empathy gap that traditional investment funds create for many investors.

## Research Backed Investment Thinking



### Research Led

Optimal investment solutions require research backed investment thinking - high calibre, robust and disciplined investment research that can identify the markets and asset classes that present the investment opportunities most likely to deliver superior investment returns for investors.

### Independent

Blue Sky Asset Management combines independent, proprietary research with high level external inputs. Our internal research capability is provided through an exclusive relationship with investment specialist Redtower Research. We align this with the views of our investment banking counterparties and economic information sourced from central banks, international governmental organisations, investment think-tanks and academic institutions.

### Strategic and Tactical

Specifically, Blue Sky Asset Management aims to develop structured investments that present institutions, intermediaries and investors with investment propositions that maximise strategic (long term) and tactical (short term) investment objectives. The key to these opportunities is our investment research ethos and approach.

### Advanced

Blue Sky Asset Management is an advocate of modern portfolio theory and multi-asset-class investing. Research highlights that portfolios with different asset classes derive benefit from non-correlation of assets - and the lower the correlation the greater the benefit. Structured investments provide exceptional scope to broaden investor access to stock markets, sectors, stocks and asset classes. Blue Sky Asset Management's research backed investment solutions are designed and developed to optimise the balance of risk and return potential of specific asset classes and multi-asset-class investing.

- Redtower Research is an independent firm, founded and run by a team who have provided research and traded for some of the biggest analytical firms and banks in the world.
- Redtower's expertise is in combining fundamental, quantitative and technical analysis to provide economic and investment research and analysis to back investment decisions.

## Informed Investors ... make better investment decisions



### Investor Dilemma

Focusing on financial and investment goals can be challenging for many investors. All investors need to make sensible investment decisions, based upon objective consideration of facts - but this is not always easy, and not least during periods of uncertainty in stockmarkets. Structured investments, however, can 'reconcile hearts and minds', allowing investors to make objective and timely investment decisions, with the benefit of the peace of mind provided by defined capital protection.

### Specialist Solutions

Blue Sky Asset Management believes informed investors make better investment decisions. For this reason we do not shy away from specialist investments, just because they may be relatively new or emerging investment areas. We embrace the scope to be innovative and break new ground, potentially offering investors access to advanced investment solutions that may hitherto have been considered 'out of the reach' of retail investors, and the domain of institutional, or professional or elite investors.

### Investment Performance

In particular, we feel retail investors need to be - and deserve to be - offered investments that present the best scope for investment performance. The financial services sector is awash with institutions that 'just can't help' having more than one eye on what products customers might be most likely to buy, as opposed to having both eyes firmly focused on what investments might be most likely to deliver the best returns to investors.

### Objective and Informed

Blue Sky Asset Management provides discerning investors with the opportunity to make informed investment decisions. We encourage investors to differentiate between 'easy products' and possibly more difficult but potentially more rewarding, 'intelligent investments'. We recommend investors discuss their investment circumstances and needs with independent Professional Advisers.

- Of the £6-7bn believed to have been invested in UK retail structured products in 2007 over 80% is estimated to have been issued by 'big brand' high street institutions.
- One factor that distinguishes these institutions from independent asset management and investment firms is their ownership of 'customer bases'.
- Blue Sky Asset Management has no proprietary customer channels. We are dependent upon independent wealth managers identifying the merit in our investment solutions.



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