



FREQUENTLY ASKED QUESTIONS

THE GALAXY MULTI-ASSET CONSERVATIVE & BALANCED FUND STRATEGIES

JTC CAYMAN LIMITED

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FREQUENTLY ASKED QUESTIONS

GALAXY MULTI ASSET PORTFOLIO - CONSERVATIVE & BALANCED FUND STRATEGIES

> Why shouldn't I continue to hold cash as a long term investment, it's safe?

Over the long-term, investors have typically been rewarded for taking risk by investing in markets.

In contrast, cash has underperformed inflation, thereby eroding the asset base of investors. This demonstrates that cash is not truly riskless and has the potential to lock-in a negative real return for long periods.

History demonstrates that it is not 'when' you invest in equities but 'whether' you invest that is most important for investor returns. There is a potential opportunity cost associated with focusing too narrowly on timing markets and exiting the market too early.

There are environments when dynamically underweighting equities are beneficial for returns for investors who time this correctly, but the reasons to do so presented by the macroeconomic environment must be compelling.

A **Conservative** Portfolio strategy (30% Equity / 70% Bond) has delivered 4.5% per year over the past 5 years, whilst a **Balanced** Portfolio strategy (50% Equity / 50% Bond) has delivered 6.4% per year over the same period. In contrast, **Cash** has delivered an annualised return of just 1.2% over the last 5 years.

Despite the recent acceleration in the rate of inflation to a 40 year high at 8.6%, the long-term average rate in the U.S. is in the region of 3.2%. Holding cash deposits over the last 5 years would have produced a negative annualised real return of -2.0% per annum, compared to positive annualised real returns for both the Conservative and Balanced Portfolio strategies.

As with all investments, there is of course always a risk that the initial capital invested may fall and that the actual return may be above or below the suggested target annual return.

> What is a multi-Asset Fund?

A multi-asset fund is a single fund that can invest across a range of different asset classes, such as equities, bonds, property, commodities and more. Multi-asset funds are designed to spread savers' risk across different types of investments, so that they are prepared for a wide range of market outcomes and events.



FREQUENTLY ASKED QUESTIONS

> What are the two Galaxy Multi-Asset Portfolio Fund strategies expected to deliver?

The investment objective of the two fund strategies is to provide long-term investment growth through exposure to a diverse range of asset classes.

The Galaxy Multi-Asset Conservative Portfolio Fund has a lower risk profile than the Galaxy Multi-Asset Balanced Portfolio Fund, which means that it will have a lower global equity weighting and a higher fixed income weighting. Both fund strategies will have similar weightings to alternative asset classes, to both moderate risk and to increase diversification.

This means savers are likely to enjoy a smoother ride because the funds will be less volatile and will focus on mitigating risk in a range of negative market environments.

Both fund strategies will be managed by Goldman Sachs, a renowned global investment management group, with an impressive depth of resources and research.

Both fund strategies will also have access to other 'top tier' third party investment managers that we would be unable to access directly, which will further increase both the diversification and management styles within each.

> Why is the fund an appropriate option for switching from cash deposits?

In a rising inflationary environment, returns from holding cash deposits will erode (in real terms) the asset base of investors, most notably when interest rates are lower than prevailing inflation rates, as they are now.

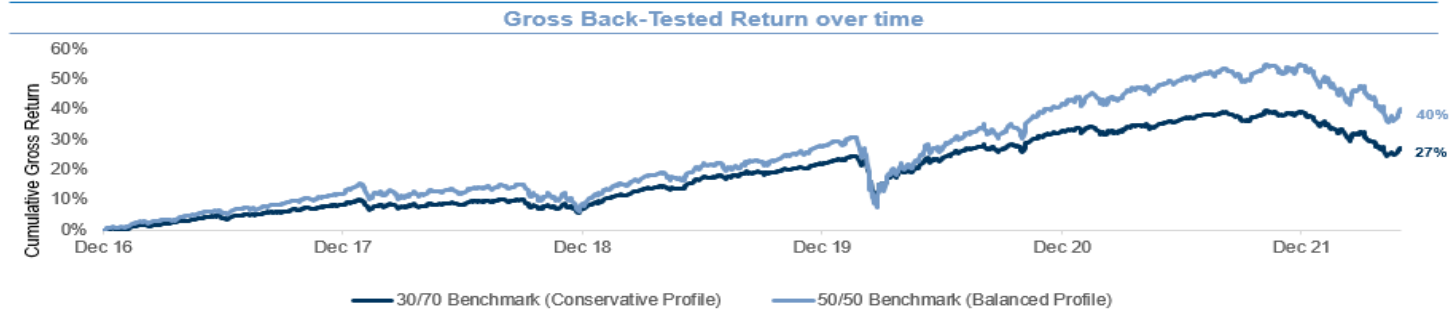
The appropriate fund strategy will be the one that most closely aligns the risk tolerance of the investor. Those with a lower risk threshold will be put into the Conservative Portfolio Fund strategy, whilst those with a slightly higher tolerance will have the Balanced Fund strategy selected. This will primarily depend on your age (where that information is held by the trustee). The default where your age is not known to the trustee will be the conservative strategy because as trustee it would be prudent to select the lower risk (Conservative) fund option.



FREQUENTLY ASKED QUESTIONS

> How have the fund strategies performed?

Updated Illustrative Sub-Advised Portfolios With Passive Implementation



Top Level Back-Tested Statistics (December 2016 – May 2022)										
Back-Test	Return (%)			Volatility (%) (Daily data)			Sharpe			Max Drawdown (%)
	1Y	3Y	5Y	1Y	3Y	5Y	1Y	3Y	5Y	5Y (and since inception)
Name										
30/70 Benchmark*	-6.32%	3.69%	4.02%	4.65%	5.64%	4.76%	-1.41	0.53	0.6	-11.54%
JTC Conservative	-6.27%	4.38%	4.50%	4.72%	5.95%	5.00%	-1.38	0.62	0.66	-13.47%
50/50 Benchmark**	-5.78%	6.23%	5.71%	7.15%	9.09%	7.69%	-0.84	0.61	0.59	-17.94%
JTC Balanced	-5.53%	7.09%	6.36%	7.33%	9.56%	8.06%	-0.79	0.67	0.64	-19.25%

For Illustrative Purposes Only. Source: GSAM as of 31-May-2022. These figures are based on the assumption that portfolios are denominated in USD. Daily data is used. Performance shown is not actual performance and in no way should be construed as indicative of future results. These results are based on simulated or hypothetical performance results that have certain inherent limitations. Unlike the results shown in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown. Please see additional disclosures. Please be advised that since this example is calculated gross of fees and expenses the compounding effect of an investment manager's fees are not taken into consideration and the deduction of such fees would have a significant impact on the returns the greater the time period and as such the value of the \$100 if calculated on a net basis, would be significantly lower than shown in this example. *Benchmark is 15% MSCI ACWI (0% Hedged), 13.2% MSCI World Index (100% Hedged), 1.8% MSCI World Index (100% Hedged), 70% Bloomberg Global Aggregate Bond (100% Hedged) due to the data availability of time series. ** Benchmark is 25% MSCI ACWI (0% Hedged), 22.5% MSCI World Index (100% Hedged), 2.5% MSCI World Index (100% Hedged), 50% Bloomberg Global Aggregate Bond (100% Hedged) due to the data availability of time series



FREQUENTLY ASKED QUESTIONS

> How does it help members to save for retirement?

Both fund strategies are designed to help members save for retirement by providing exposure to a wide range of asset classes, which could generate positive returns over the long term. The diversified asset allocation should limit the negative impact of any one asset class performing poorly as markets change.

> What is the current asset allocation?

	Conservative Strategy	Balanced Strategy
Equity	28.10%	48.64%
Fixed Income	62.38%	43.00%
Tactical	7.50%	10.00%
Alternatives	8.05%	7.15%
Cash	0.50%	0.50%
Total*	106.53%	109.29%

*totals over 100% represent a small amount of leverage

> What are the fund charges?

The Total Expense Ratio (TER) for both Fund strategies, are as follows:

Galaxy Multi-Asset Conservative Portfolio Fund <i>* Full breakdown of charges in Appendices</i>	1.15%
Galaxy Multi-Asset Balanced Portfolio Fund <i>* Full breakdown of charges in Appendices</i>	1.20%



F R E Q U E N T L Y A S K E D Q U E S T I O N S

> **How often will the funds deal/price?**

Dealing will take place on a weekly basis. Subscriptions will be placed on the business day following each 'valuation day'. The valuation day is Wednesday of each week and December 31st of each year. The fund will be priced weekly.

> **What about redemptions?**

Redemptions will take place on the 'Redemption day', which is the business day following each valuation day.

> **Does the fund take environmental, social and governance (ESG) factors in to account?**

Yes, ESG factors are taken into consideration in every underlying investment decision taken by the fund managers of each fund strategy, using their own filtering process.

> **Are there any tax considerations?**

We recommend that you take your own advice if you have any questions or concerns in relation to your personal circumstances.



F R E Q U E N T L Y A S K E D Q U E S T I O N S

> Will the fund be benchmarked?

Yes, the performance of both strategies will be compared against their respective market benchmarks. These are:

- > **Conservative sub fund:** 30% MSCI ACWI Index (Net) (USD, 50% Hedged) / 70% Barclays Capital Global Aggregate Bond Index (100% USD Hedged)
- > **Balanced sub fund:** 50% MSCI ACWI Index (Net) (USD, 50% Hedged) / 50% Barclays Capital Global Aggregate Bond Index (100% USD-Hedged)

In addition to these, performance of both the balanced and conservative funds will be measured on a 'peer group' basis via the respective MPI Low Risk and Medium Risk peer indices.

APPENDICES





TRUSTEE FREQUENTLY ASKED QUESTIONS

> **What currencies are available? What if I hold cash in other currencies?**

The Fund is available in US Dollars, GBP Sterling and Euro. Cash held in other currencies within your accumulated account will not be invested at this time. If you would like to invest cash that is currently held in another currency, please confirm by email and the trustee will contact you to discuss further.

> **What amount will be invested? Can I decide how much to invest?**

The trustee will look to invest up to 90% of 'available' cash in your accumulated account, where that cash is held in US Dollars, GBP Sterling or Euro. If you would like to request that a different amount to be invested, please confirm by email and the trustee will contact you to discuss further.

> **If I don't opt out what will happen?**

On or around the week commencing 19 September the trustee will start the process of investing cash held in your accumulated account into the Galaxy Fund. You will see the transfer as a "transaction in progress" on our website until contract notes for the purchase have been received and posted to our systems. Thereafter you will be able to see details of the purchase and performance of the fund online.

To opt out please email the trustee before Sunday 11 September 2022, or you can write to them at PO Box 1075, JTC House, 28 Esplanade, St Helier, Jersey, Channel Islands, JE4 2QP.

> **Can I choose to opt in at a later point?**

Yes; you can 'opt in' at any time by submitting a switch via our website, ES Online. Please note however that there is a £5,000 / \$5,000 / €5,000 minimum for any investment in the fund after the initial investment.



A BREAKDOWN OF EACH FUND STRATEGY

Description	Conservative	Balanced
Equity	28.10%	48.64%
Global Large Cap Equity	17.96%	34.18%
GS Global Equity Multi-Manager Fund (Unhedged)	12.98%	9.90%
SGA Global Equity (Unhedged)	5.15%	3.03%
Baillie Gifford Global Alpha (Unhedged)	3.24%	2.48%
Sanders Global Value (Unhedged)	4.57%	3.40%
BlackRock Advantage US Equity Fund (Hedged)	0.00%	8.37%
Eleva Europe Equity (Hedged)	0.00%	4.51%
World Equity Futures (Hedged)	0.00%	11.40%
iShares MSCI World ESG Screened UCITS ETF (Unhedged)	5.00%	0.00%
Non - Core Equity	10.14%	14.46%
GS Emerging Markets Multi-Manager Fund (Unhedged)	3.29%	5.70%
Vanguard Global Small Cap Index Fund (Unhedged)	2.85%	4.94%
Principal GIF Global Property Securities (Unhedged)	2.00%	1.91%
DWS Global Infrastructure Securities (Unhedged)	2.00%	1.91%
Fixed Income	62.38%	43.00%
Global IG Fixed Income	42.38%	23.00%
PIMCO Global Agg (Hedged)	8.07%	4.00%
Schroder Global Agg (Hedged)	8.07%	4.00%
US Treasuries (Hedged)	8.40%	2.84%
iShares Global Government Bond UCITS ETF	11.80%	12.18%
iShares Global Aggregate Bond ESG ETF (Hedged)	8.24%	
Corporate IG Fixed Income	15.00%	15.00%
PGIM Global Corp (Hedged)	7.50%	7.33%
iShare \$ Corp Bond ESG UCITS ETF (Hedged)		7.67%
Robeco Global Credit (Hedged)	7.50%	
Non-Core Fixed Income	5.00%	5.00%
PGIM US Broad Market High Yield (Hedged)	4.00%	3.75%
Vanguard EMD Fund (Hedged)	1.00%	1.25%
Tactical Tilts	7.50%	10.00%
Tactical Tilts (Hedged)	7.50%	10.00%
Alternatives	8.05%	7.15%
Man AHL (Hedged)	2.00%	1.70%
Schroder GAIA Bluetrend (Hedged)	2.00%	1.70%
GS Global Multi-Manager Alternatives (Hedged)	3.30%	3.00%
Macroeconomic Hedge Strategy (Unhedged)	0.75%	0.75%
Cash	0.50%	0.50%
Cash	0.50%	0.50%
Total	106.53%	109.29%
Description	Conservative (USD)	Balanced (USD)
Total Expected Return (%)	~5.0% - 5.4%	~6.2% - 6.6%
Total Expected Risk (%)	5-7%	7-10%
Total Expected Sharpe Ratio	0.67	0.6
Beta to Global Equity	0.31	0.53
Duration (years)	5.3	4.1
Non-Base CCY Exposure (%)	4-7%	8-12%



BREAKDOWN OF FUND CHARGES

Fund Charges	Conservative Strategy Fund	Balanced Strategy Fund
Goldman Sachs (GSAM)	0.325%	0.325%
Third Party Fund Managers	0.275%	0.350%
FM Operating Expenses	0.080%	0.070%
JTCCL Investment Manager	0.200%	0.200%
JTCCL Custody	0.050%	0.050%
JTCFS Fund Administration	0.150%	0.150%
Miscellaneous expenses: Audit, Legal, etc.	0.070%	0.055%
Total	1.15%	1.20%

TER may change based on AUM and underlying third party fund manager charges

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