




Atchison Active Real Assets Portfolio

Illuminating
the way forward






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This document provides details about the portfolio including, fund facts, portfolio objectives and the investment philosophy employed by Atchison Consultants.



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Atchison Active Real Assets Portfolio

The Atchison Active Real Assets Portfolio (the “portfolio”) offers an all-in-one solution for your real asset and property exposure, investing across a broad spectrum of asset types and structures to deliver a diversified solution.

What is the Atchison Active Real Assets Portfolio?

The Portfolio is a diversified separately managed account (SMA) that invests into a curated selection of actively managed funds and index-tracking exchange traded funds (ETFs).

The Portfolio has been constructed to provide an exposure to the most attractive parts of the real asset market globally and domestically, including listed and unlisted infrastructure, the full range of commercial property along with agricultural and similar assets. The decision-making framework is guided by Atchison’s firm philosophy and investment approach.

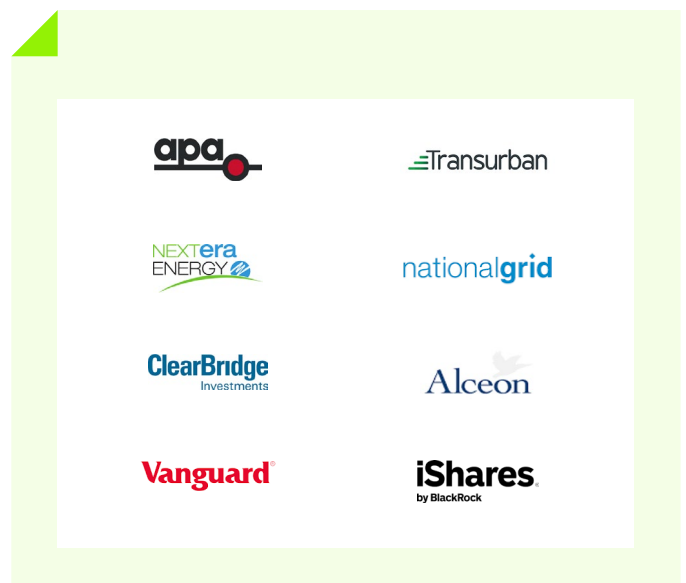
What is in the Atchison Active Real Assets Portfolio?

The Portfolio is actively managed, from an asset allocation and investment selection perspective. It carries the ‘Active’ name due to the use of both actively managed funds that seek to outperform their benchmark and index-tracking investments.

The Portfolio aims to generate returns from active asset allocation and investment selection decisions. The Portfolio is diversified across countries, infrastructure asset types, fund managers, companies, sectors, listed and unlisted markets and is continuously reviewed and adjusted to ensure it remains appropriately positioned to deal with evolving investment and economic conditions. Given the nature of investments in real assets, many of which are traded on global share markets, the minimum suggested timeframe for investors in this portfolio is 10 years.

The Portfolio can hold up to 15 investments, with a minimum of two, with the average being four to five underlying funds.

Example of underlying holdings and funds within the portfolio



What is the asset allocation?

The Portfolio must invest according to the asset allocation range in the table below. The Portfolio is intended to be fully invested at all times, with the exposure range for cash included to allow for portfolio changes to be implemented over a reasonable period of time. We will not use the cash weighting to express views on macroeconomic or valuation conditions.

| | Range |
|-------------------|---------|
| Australian Shares | 0 – 99% |
| Global Shares | 0 – 99% |
| Alternatives | 0 – 99% |
| Cash | 1 – 15% |

What is the objective of the portfolio?

The Portfolio is suited for investors seeking to generate income and capital returns but is subject to the risks of listed and unlisted real assets such as property, infrastructure, agriculture, or commodity markets. It will combine, at times, listed and unlisted real assets, meaning it may have a small level of illiquidity.

Generally, a Portfolio solely invested in real assets is deemed risky, however when combined with the other Atchison asset class portfolios, will allow the financial adviser and investor to create a tailored and customised diversified multi asset class portfolio investing through some of the best investment managers.

Fund facts

- ▲ **Minimum Suggested Investment Timeframe:** 10 Years
- ▲ **Investment Objective:** Outperform the Listed Property markets over rolling 5-year periods whilst providing a lower volatility profile through use of a diversified basket of both listed and unlisted real asset exposures
- ▲ **Benchmark:** AMI Property – Australian Listed peer index
- ▲ **Investment Universe:** Managed Funds, ETFs, cash
- ▲ **Number of Holdings:** 2 - 15
- ▲ **Standard Risk Measure:** 6
- ▲ **Managed Account Fee:** 0.401% p.a.
- ▲ **Minimum Investment Amount:** \$25,000

How does Atchison invest?

The Portfolio is managed in line with Atchison's investment philosophy, a summary of which is as follows

- ▲ **It starts and ends with risk:** The basis of all investment decisions is a focus on identifying and managing risk and nowhere is this more important than in alternative asset classes. Atchison's are advocates of the diversification and return benefits of material allocation to the asset class.
- ▲ **Asset allocation is the primary driver of returns:** Research consistently shows that asset allocation decisions drive as much as 90 per cent of returns. Atchison believes in the value of a more granular approach to asset allocation and the role of alternatives in offering non-correlated returns.
- ▲ **Liquidity is your friend:** Illiquidity is too commonly seen as resulting in less risk associated with an investor, but requires investors to give up on flexibility and optionality. We believe liquidity is paramount within the core of portfolios and thus is the focus of this sleeve.
- ▲ **Costs matter:** While we believe that investment fees should be kept to a minimum, our own research has shown that certain asset classes offer the potential for significant outperformance. Our focus remains on paying higher fees only where the investment offers something truly different.
- ▲ **Always have an exit strategy:** Too often investment markets and decision makers extrapolate short-term events into long-term trends. We understand that the inputs to every asset class are different and thus we must plan ahead for when circumstances eventually change.

More information on our investment approach and investment philosophy is available in our 'guiding lights' document.

Why trust Atchison?

- ▲ **Active management:** Atchison are proponents of active management, at both the asset allocation and investment selection level. Atchison blends both low cost, index-tracking investments with actively managed funds and ETFs to seek the best outcome for investors.
- ▲ **Investment expertise:** You can be at peace knowing this portfolio is being constantly monitored and managed by our team, with over 20 years of history supporting institutional investors and financial advisers.
- ▲ **Institutional history:** With our groundings in risk analysis, approved product list (APL) and independent research projects, we bring a truly institutional mindset to the management of all portfolios.
- ▲ **Communication:** We believe in absolute transparency, highlighting what worked, what didn't work, and how we are fixing it. We provide monthly market updates reviewing the Portfolio including attributions and contributions / graphs and charts / detractors and contributors.
- ▲ **True diversification:** We view diversification through multiple lenses, not only the selection of fund managers. This extends into company, sector, style, currency and revenue factors among others, with the aim being to reduce the exposure to any single source of risk.

Key Risks

Investing in a SMA can offer diversification and a well-rounded approach to managing your investments. However, like all investment opportunities it carries certain risks, including, market risk, asset allocation risk, manager risk, liquidity risk, interest rate risk, credit risk, inflation risk, tax implications, diversification risk, and compliance risk.

Ensure before proceeding, you are receiving professional advice from a qualified and registered financial planner before considering this product, or any investment product.

Important Note: This publication is issued by TAG Asset Consulting Group Pty Ltd (ABN 58 097 703 047; Australian Financial Services License no 230846, ACN 097 703 047). Prior to making any investment decision concerning any financial product referenced within this document, we kindly request your careful consideration of the following information:

- ▲ When investing in Real Assets, it is essential to be aware that exposure to foreign currency fluctuations naturally occurs. In cases where this exposure is not hedged, it is important to recognise that changes in foreign exchange markets can significantly affect the overall return on an investment. These effects can be both positive and negative and are independent of the performance of the underlying assets.
- ▲ While diversification is a valuable strategy, it's important to acknowledge that it may not fully mitigate systematic risk, such as the risk associated with a global economic crisis, which could impact all real asset holdings.
- ▲ Over the long term, fund managers invested in growth assets like shares and real estate have historically outperformed other investment options. However, in the short term, these markets can exhibit substantial volatility, meaning that the value of your investment will fluctuate. Consequently, investing in growth assets should be approached as a long-term strategy.

Warnings: Past performance should not be relied upon as a dependable indicator of future performance. Before making any investment decisions, it is essential for the reader to consider whether it aligns with their personal financial circumstances or seek independent financial advice regarding its suitability. If the financial advice pertains to acquiring or potentially acquiring a particular financial product, it is advisable for the reader to obtain and review the Investment Statement or Product Disclosure Statement for each financial product before making any decisions regarding its acquisition.

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