

# Atchison

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## Solutions

Illuminating  
the way forward



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## Who Is Atchison?

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Atchison is an asset consultant and investment management firm.

We provide expertise to financial advisers, superannuation funds, charities and foundations.

This expertise comes in many ways including:

- ▲ Taking part in investment committees.
  - ▲ Researching potential investment solutions.
  - ▲ Assisting to build and stress test client portfolios, including managed accounts.
  - ▲ Ensuring our clients meet growing regulator needs.
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Founded in 2001 by Ken Atchison, we are one of the few truly independent consultants in Australia, undertaking both research and funds management work on a fee-for-service basis.



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# What Does Atchison Do?

**G**eneralisation is the roadblock to success. Rather than seeking to be everything to everyone, we do three things:

- ▲ Solutions
- ▲ Governance
- ▲ Consulting

## Solutions

Atchison builds product solutions for financial advisers and their clients to support the outsourcing of investment execution.

This is via three distinct managed account offerings: off-the-shelf Separately Managed Accounts (SMA's), individual asset classes and tailored SMA's - all of which can be white labelled, meaning your branding and your logo.

## Governance

With a grounding in regulatory reporting, Atchison acts as a buffer against the many risks of investing, providing approved product list (APL) monitoring to advice firms and APRA-regulated super funds, along with portfolio stress testing and analysis.

## Consulting

Our consulting work includes chairing and supporting investment committees, managed fund research, investment policy reviews and construction along with manager searches and performance reviews.

**Our goal is to assist financial advisers to build better portfolios and stronger businesses.**

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# Our Core Solutions

**W**orking with several financial advisory firms has guided the services we are able to offer. Having seen first-hand the challenges of shifting clients into a separately managed account, we offer both risk profile and asset class level solutions to assist in minimising friction.

## Only looking for alternative capabilities?

You can invest directly via your platform.

## Prefer a whole portfolio solution?

We can build both a passive and blended portfolio for you to choose from.

## Have additional unique requirements?

Let's build it together.

The foundation of our philosophy is the knowledge that asset class decisions drive the majority of returns; Consequently our managed accounts are split into:

- ▲ Fixed income – floating
- ▲ Fixed income – duration
- ▲ Australian shares
- ▲ International shares
- ▲ Real assets – property & infrastructure
- ▲ Alternatives

Across each of these we prioritise and begin with passive investment strategies to achieve long-term results, reducing costs and minimising tax implications.

We then utilise active management when the opportunities for excess returns are clear.

# How We Invest

**W**ith a history grounded in managing risk for sophisticated investors, institutions and financial advisers, our investment philosophy is shaped by consistency and deep analysis.

We follow a data-driven approach, that seeks to remove emotional and inherent biases from decision making and ensures sound, informed decisions are made with the benefit of back-testing and automation.

Our core investment beliefs or Guiding Lights are:

- ▲ Always be compensated for taking risk
- ▲ Market returns (beta) is for free
- ▲ Asset allocation drives long-term returns
- ▲ Active management can smooth the journey
- ▲ Rebalance regular, but remove emotion
- ▲ Liquidity is your friend
- ▲ Trust in mean reversion
- ▲ Costs matter
- ▲ Always have an exit strategy

Our guiding lights reflect a nuanced approach to asset management that balances steady income generation with strategic growth, while safeguarding against significant losses during market downturns.

# How We Think Differently

**W**e don't shirk responsibility or outsource our roles to external providers, we manage our own datasets, allowing for complete customisation and transparency.

Distinct to the growing cohort of consultants with a grounding in funds management, our history is centred on supporting our clients and their clients, i.e., the end investor.

At the core of our investment process is ensuring we minimise the level of uncompensated risks in portfolios, warranting every risk is being rewarded.

Atchison achieves this by segmenting the broad asset classes into 44 individual sectors, allowing a deeper analysis of the underlying drivers of returns and sources of risk.

This affords a detailed and granular understanding of portfolios, the ability to test and re-test the achievability of investment objectives, and understand the real level of diversification from a top-down and bottom-up perspective.

Our investment approach is:

## **Building market return assumptions**

44 asset class returns and 72 quarterly signals are modelled, monitoring 3,750 products per month.

## **Setting portfolio risk limits**

Risk limits are determined based on the investment objective, looking beyond volatility.

## **Optimising asset allocation**

Stress test the asset allocation models to ensure portfolios are optimised for multiple outcomes.

## **Building asset class sleeves**

Sleeves are constructed using best of breed managers, managing style, sector, country exposures.

## **Applying Atchison's risk filter**

Bottom-up stress testing of portfolios using Atchison's in-house proprietary data and modelling.

## **Stress testing the portfolio**

Stress test the portfolio, holdings and objectives against multiple economic outcomes.

## **Monitoring and rebalancing**

Institutional grade portfolio optimisation to guide rebalancing, identify red flags.

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## Helping Grow Your Business

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**A**t the foundation of our business is a commitment to support financial advisers to growing and run more profitable and efficient businesses.

Large levels of the investment industries attention is naturally drawn to exciting topics such as stock selection, returns and finding the next best ideas.

We are focused on getting the basics right, and avoiding the biggest mistakes that asset managers and consultants alike continue to make.

We understand the regulatory expectations on advisers continues to grow, just as they have on industry super funds, with more pressure will come.

With the Royal Commission as a backdrop, it is more important than ever to have rigour and depth surrounding every part of your business, investments included.

Atchison is here to build and provide frameworks within a partnership with you, to reduce friction and lags within your business, to support better client communication and ultimately to grow your businesses.

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## Atchisons Relationship With Financial Advisers

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**A**tchison's experience spans the financial advice, asset consulting and asset management sectors, we know the biggest pain points for advisers comes down to clients. Whether it is dealing with queries, questions or administration, this is the source of most friction.

We know the level of support for client-appropriate communications can be poor.

Our value proposition to financial advisers is driven by a deep understanding of content and removing friction from client conversations.

Our aim is firstly to keep you informed, but importantly, to keep your clients informed; while affording you control over the content.

As the client, you should never be surprised when something happens in your portfolio, nor should you expect to be justifying investment returns from your consultant.

Your content can be scaled up and down, and includes: daily market updates, monthly portfolio and asset class reviews, investment committee notes and reporting, approved product list and managed fund reviews, strategic asset allocation, tactical asset allocation, rebalances, any quarterly changes, all of which can be branded as your own.



# Introducing SMAs

**S**eparately Managed Accounts (SMAs) are one of the most popular tools used by financial advisers and for good reason.

At Atchison, we prefer SMAs which are a financial product, administered by any major platform and can be purchased off the investment menu.

They provide discretion to you, the adviser, to execute investment changes for every client all at once, and all but removes the need for costly paperwork and ROAs.

Managed accounts enable the ability to outsource investment execution, reduce administration and spend more time with your clients.

The firms adopting managed accounts are selling at higher multiples than those who don't.

If you're worried about a growing administration burden, client portfolios that are straying from your model or still using ROA's, managed accounts need to be on your radar.

# A Bespoke Solution For You

**E**very relationship begins with getting to know one another, in which case you receive the benefit of our most valuable tools.

Rather than seeking to fit you into something off-the-shelf, we want to understand your business, the challenges you are facing, and what your clients expect from you.

We then work together to build an investment philosophy and strategic asset allocation framework, which forms a key piece of marketing for your clients.

With this we can craft an option for you, with our key service offerings as follows:

## Inclusions

	Silver	Gold	Platinum
Advice			
IC meetings	4	6	10
IC membership	< 50 per cent	< 50 per cent	TBC
APL review – annual	X	X	X
APL review – quarterly	-	X	X
Atchison research reports	X	X	X

## Costs

	Silver	Gold	Platinum
Customisation	None	Asset class	Fully customised
Branding	Atchison	Atchison	White label
Upfront cost	\$20k	\$50k	\$120k
Ongoing cost option A – fixed to adviser	\$20k	\$60k	\$100k
Ongoing cost option B – per cent to adviser only	0.25 per cent	0.19 per cent	0.13 per cent
Ongoing cost option C – per cent to client	0.29 per cent	0.24 per cent	0.16 per cent

# Atchion's (SMAs)

Investment Product	Strategy	Benchmark	Objective	Time Frame	Investable Universe	Target Asset Allocation	Managed Account Fee	Minimum Investment
<b>Atchison Active 55 Portfolio</b>	55% growth assets (Australian Shares, International Shares, Real Assets, Alternatives), 45% defensive assets (Fixed Income, Cash).	FE AMI Mixed Asset – Balanced peer index	CPI + 2%	7 years	Managed Funds, ETFs, managed account portfolios and cash	Australian shares 10–40% Global shares 10–40% Alternatives 0–30% Australian fixed interest 0–65% Global fixed interest 0–65% Cash 3–20%	0.401% p.a	\$25,000
<b>Atchison Active 70 Portfolio</b>	70% growth assets (Australian Shares, International Shares, Real Assets, Alternatives), 30% defensive assets (Fixed Income, Cash).	FE AMI Mixed Asset – Growth peer index	CPI + 3%	8 years	Managed Funds, ETFs, managed account portfolios and cash	Australian shares 20–45% Global shares 14–45% Alternatives 0–35% Australian fixed interest 0–50% Global fixed interest 0–50% Cash 1–12%	0.401% p.a	\$25,000
<b>Atchison Dynamic ETF 55 Portfolio</b>	55% growth assets (Australian Shares, International Shares, Real Assets, Alternatives), 45% defensive assets (Fixed Income, Cash).	FE AMI Mixed Asset – Balanced peer index	CPI + 2%	7 years	Managed Funds, ETFs, managed account portfolios and cash	Australian shares 14–45% Global shares 10–38% Alternatives 0–20% Australian fixed interest 0–65% Global fixed interest 0–65% Cash 3–18%	0.351% p.a	\$25,000
<b>Atchison Dynamic ETF 70 Portfolio</b>	70% growth assets (Australian Shares, International Shares, Real Assets, Alternatives), 30% defensive assets (Fixed Income, Cash).	FE AMI Mixed Asset – Growth peer index	CPI + 3%	8 years	Managed Funds, ETFs, managed account portfolios and cash	Australian shares 20–55% Global shares 14–45% Alternatives 0–25% Australian fixed interest 0–50% Global fixed interest 0–50% Cash 1–15%	0.351% p.a	\$25,000

# Atchion's Individual Asset Class Sleeves

Investment Product	Strategy	Benchmark	Objective	Time Frame	Investable Universe	Target Asset Allocation	Managed Account Fee	Minimum Investment
<b>Atchison Active – Australian Shares Portfolio</b>	Generate competitive income and capital returns while minimising risk, via a portfolio of Australian Share fund managers and ETFs.	FE AMI Equity – Australia peer index	Outperform Australian share market over rolling 5-year periods.	10 Years	Managed funds, ETFs and cash	Australian shares 85–99% Cash 1–15%	0.401% p.a	\$25,000
<b>Atchison Active – International Shares Portfolio</b>	Generate competitive income and capital returns while minimising risk, via a portfolio of International Share fund managers and ETFs.	FE AMI Equity – Global peer index	Outperform International share market over rolling 5- year periods.	10 Years	Managed funds, ETFs and cash	International shares 85–99% Cash 1–15%	0.401% p.a	\$25,000
<b>Atchison Active – Real Asset Portfolio</b>	Generate competitive income and capital returns while minimising risk through property, infrastructure and commodity based fund managers and ETF strategies.	FE AMI Property – Australia Listed peer index	Outperform Listed Property markets over rolling 5-year periods.	10 Years	Managed funds, ETFs and cash	Australian shares 0–99% Global shares 0–99% Alternatives 0–99% Cash 1–15%	0.401% p.a	\$25,000
<b>Atchison Active – Alternatives Portfolio</b>	Generate competitive income and capital returns while minimising risk via alternative asset fund managers and ETFs.	RBA Cash Rate	Provide returns above bank bill rates over rolling 5-year periods.	10 Years	Managed funds, ETFs and cash	Alternatives 85–99% Cash 1–15%	0.401% p.a	\$25,000
<b>Atchison Active – Long Duration Portfolio</b>	Generate competitive income and capital returns while minimising risk via fixed interest fund managers and ETFs.	FE AMI Fixed Int – Global Bond peer index	Provide returns above fixed in-terest markets over rolling 5-year periods.	5 Years	Managed funds, ETFs and cash	Alternatives 0–99% Global fixed interest 0–99% Cash 1–15%	0.401% p.a	\$25,000
<b>Atchison Active – Floating Rate Portfolio</b>	Generate competitive income and capital returns while minimising risk via fixed interest assets that are predominately floating rate or short duration in nature.	RBA Cash Rate	Provide returns above bank bill rates over rolling 3-year periods.	3 Years	Managed funds, ETFs and cash	Alternatives 0–99% Global fixed interest 0–99% Cash 1–15%	0.401% p.a	\$25,000



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# The Atchison Team

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## **Jamie Nemtsas, Director**

Jamie is an experienced business owner and entrepreneur with more than 20 years involvement in financial marketplaces. He was responsible for the development of Investone Wealth Management in 1999 (now Wattle), Australia's first fee-for-service financial advice firm.

Jamie was owner and Managing Director of the Centre for Investment Education (CIE) before its sale to Euromoney. His track record in building communities for investment success has led to him partnering with Drew Meredith and Sheridan Lee as co-directors of The Inside Network (IN) and Shed Connect in 2019 respectively.



## **Drew Meredith, Director**

Drew is a co-founder of wealth advisory business Wattle. He is an experienced investment adviser with expertise in self-managed superannuation funds, superannuation strategies, investment analysis and portfolio construction. Drew has an envied reputation for providing well-informed, value-adding advice to his clients.

Beyond Wattle, Drew is a Facilitator of the Kew Discussion Group of the Australian Investors Association and provides editorial content to a number of publications as a sought-after investment sector thought leader.



## **Kev Toohey, Principle**

Kev joined Atchison in 2005 and has significant experience in providing advice regarding the management of investment portfolios with a range of financial institutions including wealth management groups, APRA regulated superannuation funds, non-for-profit groups, family offices, local government, and insurance companies.

Kev leads development of our in-house analytical applications. He holds a Bachelor of Computer Science and a Master of Applied Finance.



## **Jake Jodlowski, Principle**

Jake joined Atchison Consultants in 2011 and has been directly involved with the investment management and superannuation industry for over 28 years in the UK and Australia.

Jake joined Select Managed Funds Limited (SMF) in Australia in 1993 which ultimately became IOOF Holdings Ltd (IOOF). Jake was part of the Senior Executive Team at IOOF and head of funds management responsible for funds under management, across all asset classes, in excess of \$13 billion. He holds a Bachelor of Business Degree, Diploma and Graduate Diploma in Applied Finance and Investments, Master of Applied Finance and Investments and is a qualified accountant (FCCA) and a Fellow of Finsia.

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## The Atchison Team



### **Mishan Dahia, Research and Investment Analyst**

Mishan works as an investment analyst, collating/interpreting and analysing data, along with manager selection, management of model portfolios and managed accounts.

Mishan sits on client's investment committees, along with prepares asset class analysis and recommendations for committee and large institutional clients. Previously, Mishan worked at Australian Unity as an investment analyst and holds a Bachelor of Commerce, Bachelor of Engineering.



### **Ye Peng, Developer and Data Analyst**

Ye is a data scientist, with extensive experience gained within a CFD trading business, conducting both economic analysis and technical analysis. She has been involved in several research projects, performing statistical machine learning methods on multivariate models.

Ye is focused on the continued development of Atchison's in-house financial models. She holds a Bachelor of Financial engineering and a Masters of Biostatistics.

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## Consultants



### **Peter Williamson, Principal Perth**

Peter is an actuary with over 25 years' experience in the superannuation and asset consulting industries. Peter established the asset consulting firm of Counterpoint in 2002 and joined Atchison Consultants in 2010. A former principal of Wm M Mercer, and head of asset consulting at PricewaterhouseCoopers, Peter also served as chairman of the Government Employees' Superannuation Board from 1990 to 1999.



### **Terry Toohey, Senior Consultant**

Terry's extensive quantitative and data management skills brings efficiencies to our team in the management of data and reporting in addition to working with clients on unique projects that require a higher level of sophistication in data retrieval, management and analysis.

Terry has extensive experience in both the investment and capital markets over the past 40 years, holding senior positions with National Mutual, Citibank, National Discount and Westpac. Over the past 10 years he has been Managing Director of Australian Indices Pty Ltd.



### **Rohan Shan, Senior Consultant**

Rohan's a C-suite strategic adviser, real estate and financial services leader with over 25 years of experience spanning institutional/wholesale fund management, private wealth management, commercial real estate, equities and corporate banking, across Australia, Europe, Asia and North America.

Proven expertise in developing and executing investment strategy, providing expert analysis (including investment, industry, and financial research), managing investment risk, designing innovative fund products, fundraising, and managing external managers, consultants and research providers.

# Atchison

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## **Atchison Consultants**

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