

## Model Portfolio Investment Philosophy.

Leveraging our investment team's extensive experience in markets, research capabilities and significant corporate network, our model portfolio investment philosophy is simple;

- Invest in high quality companies with a competitive advantage at a reasonable price.
- Seek medium term capital generation and capital preservation
- By using a rigorous rules-based framework for portfolio construction, we seek to maximise long term investment performance while managing risk.
- Diversity of investment selection across sectors, asset classes and borders is determined by our proprietary macro-economic research.

Rules include:

- Portfolio must have exposure to a minimum number of GICs sectors.
- Maximum and minimum security weights within a portfolio.
- Maximum cash weight
- International exposure
- Small cap exposure
- Set tolerance levels at asset class and individual security level:
  - Asset class (+/- 5%)
  - Individual security (+/- 2.5%) For example if CSL is 5% of an Australian Shares allocation of a portfolio, reweighting would occur if CSL equals or exceeds 7.5% or falls below 2.5%.