

## Portfolio Update - 16 February 2024

### ADDITION OF GOLD INVESTMENT - iShares Gold ETF (ASX Code: GLDN)

Within the Alternatives sleeve portfolio, we have introduced a 15% allocation to the iShares Gold ETF (GLDN). This allocation has been funded by a reduction in the allocation to Franklin K2 Athena Fund, CT Pyrford Global Absolute Return Fund and Ruffer Total Return International Fund.

Why hold GLDN now? Firstly, being a precious metal, the future supply of gold is severely limited, ensuring that gold will remain in demand and well supported for its multiple uses both in jewellery but also as an investment.

Secondly, gold has historically performed well during periods of transition in the global economy, acting as a hedge against volatility and unexpected events.

Thirdly, owning gold in Australian dollars provides a hedge against movements in our currency. While much of the movement in gold is driven by the value of gold bullion in USD, it's value will also increase when the value of the USD falls. We believe gold bullion should be a stalwart of all portfolios, remaining at a material level in all market conditions due to its hedging characteristics.

Fourthly, GLDN charges a fee of just 0.18 per cent for the exposure it provides, the lowest available for those backed by real gold bullion holdings. This will materially lower the underlying aggregate fees of the Alternatives sleeve.



### LOWER PLATFORM OPERATING CASH TARGETS

The CFS / EDGE platform requires an absolute minimum of 1% of each model portfolio to be allocated to platform operating cash. When the model operating cash weight falls below 1% CFS / Edge require immediate rebalancing.

Given the Atchison Active 55 and 70 portfolios invest primarily via investing into Active sector sleeve SMA portfolios, two layers of platform operating cash are required. A reduction in the target platform operating cash amount to 1.2% (individually at sector sleeve and at the multi-asset level) has been implemented - as we seek to optimise the level of cash within portfolios.

### REBALANCE OF PORTFOLIO TARGETS

More generally, we have taken this opportunity to implement a periodic rebalance of portfolio allocations.

We employ a discipline regarding periodic portfolio rebalances for a combination of reasons, including:

1. Reduce weightings to recent winners and buy-up recent losers (i.e attempt to buy low / sell high)
2. Update portfolios to tactically align with our market view
3. Spend cash that builds up after dividends/distributions are received from underlying investments

In determining the frequency and timing of rebalancing, we balance the above benefits against the trading costs involved for clients.

## MONTHLY REPORTS

Please find links to most recent Monthly Reports here:

- [Atchison 55 Active \[Kev to create link\]](#)
- [Atchison 70 Active \[Kev to create link\]](#)
- [Atchison 55 ETF \[Kev to create link\]](#)
- [Atchison 70 ETF \[Kev to create link\]](#)
- [Atchison Australian Shares Sleeve \[Kev to create link\]](#)
- [Atchison International Shares Sleeve \[Kev to create link\]](#)
- [Atchison Real Assets Sleeve \[Kev to create link\]](#)
- [Atchison Alternatives Sleeve \[Kev to create link\]](#)
- [Atchison Long Duration Sleeve \[Kev to create link\]](#)
- [Atchison Floating Rate Sleeve \[Kev to create link\]](#)

## HOW TO INVEST?

Our SMA strategies are currently available on the following platforms:



## DOWNLOAD .PDF VERSION



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