

# DIRECT INVESTING MANAGED ACCOUNT MODEL PORTFOLIO GUIDE

23 March 2023

This Managed Account Model Portfolio Guide must not be distributed without a corresponding copy of the Direct Investing Service Guide of which this document forms a part.

Direct Investing is promoted by Pearl Funds Management Pty Ltd ABN 26 425 355 210 (Pearl), an authorised representative AFS Rep No 001254808 of Banyan Securities Pty Ltd AFSL 484139. Pearl is promoting Direct Investing using the 'brightday' brand.

OneVue Wealth Services Limited ABN 70 120 380 627, AFSL No. 308868 provides the financial services described in the Direct Investing Service Guide and is the Responsible Entity and issuer of the OneVue Managed Account described in the Product Disclosure Statement.

## Important information

This document is part of the Direct Investing Service Guide for the brightday Direct Investing Service. This document must be read together with the Direct Investing Guide, which contains essential information about the brightday Direct Investing Service.

None of the Investment Managers named herein or any of their associates and subsidiaries has prepared this document, or is responsible for its contents.

No one described in this document assures or guarantees the success of your investment, any particular Model Portfolio, the repayment of capital or a particular rate of return.

Nothing in this document should be taken as the provision of personal financial advice by either the Responsible Entity, any Investment Manager named herein, or any of their representatives, associates or subsidiaries, because none of these parties are aware of your investment objectives, financial position or particular needs. No action should be taken without your consideration of your particular financial circumstances and investment objectives.

The performance of each Model Portfolio is dependent on the performance of the underlying investments in the selected Model Portfolios which can fall as well as rise in value, resulting in capital losses or capital profits. Investors should not take past performance as an indication of future performance. The general market and economic conditions that existed in the past could be different in the future and these differences could have significant impact on investment returns.

All of the Investment Managers have given and have not withdrawn their written consent to being named in this document as the Portfolio Manager in respect of the Model Portfolios included in this Model Portfolio Guide in the form and context in which they are included. Investment Managers do not make any other statements in this document.

The Investment Managers are responsible for managing the Model Portfolios in accordance with the key investment parameters set out in this Model Portfolio Guide. They do not hold any assets on your behalf nor are they responsible for executing trading in the underlying investments.

The Investment Managers are the owners of all intellectual property in the selection process used to determine each Model Portfolio and that intellectual property must not be disclosed or used other than for the purpose of obtaining advice on, or for the administration, monitoring, management, and the satisfaction of legal obligations in respect of the investor's account.

From time to time new Model Portfolios and Investment Managers will be added. You can find this information on '[brightday transact](#)'.

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## Investment choices

Name	Model Portfolio type	Benchmark
ATI Balanced Growth	Australian shares	S&P/ASX 300 Accumulation Index
ATI Income Plus	Australian shares Income securities	S&P/ASX 200 Accumulation Index
ATI ShareInvest Imputation	Australian shares	S&P/ASX 300 Accumulation Index
Ausbil Emerging Leaders	Australian shares	70% S&P/ASX Mid Cap 50 Accumulation Index 30% S&P/ASX Small Ordinaries Accumulation Index
DNR Capital Australian Equities High Conviction	Australian shares	S&P/ASX 200 Accumulation Index
DNR Capital Australian Equities Income	Australian shares	S&P/ASX 200 Industrials Accumulation Index
DNR Capital Australian Equities Socially Responsible	Australian shares	S&P/ASX 200 Accumulation Index
JBWere Intermediary Income	Australian shares	S&P/ASX 200 Accumulation Index
Pearl Australian Share	Australian shares	ASX 200 Accumulation Index
Pearl Emerging Leaders	Australian shares	ASX Small Ordinaries Accumulation Index
Pearl Income	Cash ASX-listed Bonds, Fixed Interest ETFs, Hybrid and Debt Securities	UBS Bank Bill Index
Pearl International Share	International shares	MSCI World Index (excluding Australia)
Perpetual Direct Equity Alpha	Australian shares	S&P/ASX 300 Industrial Accumulation Index
Ralton Leaders	Australian shares	S&P/ASX 100 Accumulation Index
Ralton Smaller Companies	Australian shares	S&P/ASX Small Ordinaries Accumulation Index

## Investment Managers



**Above The Index Asset Management ('ATI')** is a boutique Australian equity manager, specialising in the manufacture of low-cost, value-adding Australian share portfolios. Established in September 2004, ATI's investment style is premised on a 'relative value' methodology, meaning that investments are generally purchased and held as long as they represent relatively good value. ATI focuses on selecting those companies whose share prices appear cheap relative to the universe of shares and the GICS industry sector that they are in. The process is designed to outperform the relevant benchmark index in both rising and falling markets. The process also enables the replication and enhancement of passive benchmark index Model Portfolios.



**Ausbil Investment Management (Ausbil)** is a leading Australian based investment manager. Established in April 1997, Ausbil's core business is the management of Australian and global equities for major superannuation funds, institutional investors, master trust and retail clients. Ausbil manage over \$11.6\* billion in active Australian and global equity investments. Ausbil is owned by its employees and New York Life Investments (NYLIM), a wholly-owned subsidiary of New York Life Insurance Company. NYLIM has more than US\$561\* billion in assets under management. NYLIM has a number of boutique affiliates including MacKay Shields, Candriam Investors Group, Private Advisors and GoldPoint Partners.

\* As at 28 February 2019.



**DNR Capital** is an Australian investment management company that delivers client-focused, quality, investment solutions to institutions, advisers and individual investors.

Founded in 2001, DNR Capital specialises in the delivery of individually and separately managed accounts in the Australian market and aims to deliver investment out-performance to investors.

DNR Capital is a signatory to the Principles for Responsible Investment ('PRI').



**JBWere** provides a wide range of, advisory and wealth management services to a substantial and diversified client base. It seeks to be the adviser of choice for clients throughout Australasia and, through its financial networks, provide leading capabilities that extend to financial markets globally.

JBWere provides extensive services, across every major asset class, to many private clients throughout Australia and New Zealand.

The principles of integrity and dedicated client service, astute market knowledge and a commitment to excellence are ingrained in the firm's culture. These values, combined with quality research and investment products, make JBWere a trusted partner for many investors.



**Pearl Funds Management (PFM)** is a specialist Separately Managed Account (SMA) Provider. PFM leverages the expertise of a highly-credentialed investment team to form a global thematic view that determines asset class and sector allocations. Our investment committee structure differs for each SMA and is chaired by an individual with niche expertise and a proven track record for managing portfolios within that asset class. With a research process that is both rigorous and thorough we have been able to deliver strong historical returns across our full suite of SMA's. An investment in a Pearl SMA provides professional and active investment management with full transparency of holdings, transactions and structure. Pearl seeks to form a collaborative relationship with advisers, actively communicating portfolio strategy in the current market environment so that advisers are better equipped to communicate with their clients.



**Perpetual Trustee Company Limited (PTCo)** (ABN 42 000 001 007, AFSL 236643) is the investment manager in relation to the establishment and implementation of the Perpetual Direct Equity Alpha Portfolio.

Perpetual Investments, with PTCo delivers model portfolio services. Perpetual Investments and PTCo are part of the Perpetual Group, which has been in operation for over 130 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, the Perpetual Group has been able to help generations of Australians manage their wealth.



**Ralton Asset Management Limited** is a boutique investment manager owned and operated by experienced investment professionals. It is a highly focused value manager with an investment philosophy and research-driven investment approach that has been developed over many years. And as one of Australia's only managers specialising in separately managed accounts, Ralton is able to combine active portfolio management with the best features of direct share ownership. The end result is a highly transparent and tax efficient investment portfolio professionally managed by Ralton.

## Model Portfolios

### ATI 20 Balanced Growth

Benchmark	ASX 300 Accumulation Index
Investment universe	<ul style="list-style-type: none"> <li>• Cash</li> <li>• ASX Listed Securities, with a focus on the S&amp;P/ASX 300</li> <li>• Initial Public Offerings (IPOs)</li> </ul>
Investment objectives	The Model Portfolio aims to outperform the S&P/ASX300 Accumulation Index over periods of 5 or more years. The Model Portfolio seeks to provide investors with consistent, tax effective capital growth and income over the investment horizon.
Investment strategy	<p>Stocks are selected primarily on their relative valuation and growth profile in conjunction with a risk control overlay taking into account sector diversification. The portfolio is adjusted as the relative valuation rankings change.</p> <p>The Model Portfolio invests in a range of companies listed on the Australian Stock Exchange. These investments may include shares and units in property securities. The Model Portfolio is managed on a long only basis and the use of leverage is not permitted. Taxation effects are generally considered before switching between holdings. The “tax aware” nature allows the portfolio to realise capital losses while allowing, where feasible, unrealised gains to remain unrealised each year. Tax parcels are optimised to take advantage of any capital gains discounts (e.g. the 12 month holding rule), and also the 45 day rules for dividend franking credits.</p>
Designed for investors who	<ul style="list-style-type: none"> <li>• Seek a diversified, balanced portfolio that utilises a risk controlled, disciplined active management style.</li> <li>• Seek long-term capital growth with some income by investing in tax aware, low turnover portfolio of ASX Listed Securities.</li> </ul>
Number of shares	20 - 40
Asset allocation ranges	<p>ASX Listed Securities: 90 – 98%</p> <p>Cash: 2* – 10%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	Index weight: +3%
Minimum investment horizon	At least 5 years
Investment management fee	0.55% p.a.
Minimum investment	\$25,000

## ATI Income Plus

Benchmark	RBA Cash Rate
Investment universe	S&P/ASX 200 Accumulation Index
Investment objectives	The Income Plus Model Portfolio seeks to provide relatively stable positive returns with a low risk of loss in any 12 month period through investing in a combination of dividend paying shares and income securities issued by companies in the S&P/ASX 200 Accumulation Index.
Investment strategy	The Model Portfolio holds up to 20 stocks with the majority in imputation style stocks and the balance in hybrids and other high income style securities.
Designed for investors who	<ul style="list-style-type: none"> <li>• Are seeking relatively stable income returns and a more certain, but a lower expected return than the broader equity market as a consequence.</li> <li>• Have an investment time frame of at least 3 years.</li> </ul>
Number of shares	12 to 20
Asset allocation ranges	ASX Listed Securities: 95 – 98% Cash: 2* – 5% * Cash may fall below this level but will be restored on rebalancing
Single share limits	Maximum of 15% of portfolio value.
Minimum investment horizon	3 years
Investment management fee	0.33% p.a.
Minimum investment	\$25,000



## ATI ShareInvest Imputation

Benchmark	S&P/ASX 300 Accumulation Index
Investment universe	<ul style="list-style-type: none"> <li>• Australian shares</li> <li>• Exchange Traded Options</li> <li>• Cash</li> </ul>
Investment objectives	The Model Portfolio seeks to provide returns primarily from dividends (including imputation credits) and some capital growth from companies predominantly within the S&P/ASX 300 Accumulation Index. A high percentage of shares are held in banks and other domestic businesses such as retailing. Turnover is low.
Investment strategy	Stock selections and trading activity assume investors can utilise imputation credits wherever possible. The Model Portfolio holds a minimum of 25 shares with an emphasis on banks and other high yielding shares.
Designed for investors who	<ul style="list-style-type: none"> <li>• Have a minimum investment horizon of five years.</li> <li>• Are seeking regular tax effective income and modest capital growth.</li> </ul>
Number of shares	25 – 40
Asset allocation ranges	ASX Listed Securities: 95 – 98% Cash: 2* – 5% * Cash may fall below this level but will be restored on rebalancing
Single share limits	Maximum of 15% of portfolio value.
Minimum investment horizon	5 years
Investment management fee	0.44% p.a.
Minimum investment	\$25,000

## Ausbil Emerging Leaders

Benchmark	Composite benchmark <ul style="list-style-type: none"> <li>70% S&amp;P/ASX Midcap 50 Accumulation Index</li> <li>30% S&amp;P/ASX Small Ordinaries Accumulation Index</li> </ul>
Investment universe	<ul style="list-style-type: none"> <li>Australian equities</li> <li>Cash</li> </ul>
Investment objectives	To provide long-term capital growth with income from a portfolio of listed Australian equities that are primarily chosen from the S&P/ASX 300 Index, but generally exclude securities from the S&P/ASX 50 Index.
Investment strategy	<p>The basic premise of our philosophy is that stock prices ultimately follow earnings and earnings revisions. We believe that the Australian equity market is relatively efficient, but not perfect. Rather than focusing only on growth or value investing, our investment processes allow us to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.</p> <p>Our process seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. We seek to position our portfolios towards those sectors and stocks which we believe will experience positive earnings revisions and away from those we believe will suffer negative revisions. At any time, our portfolio will be tilted toward stocks which afford the most compelling opportunities for appreciation over the coming twelve months.</p>
Designed for investors who	Seek medium to long term capital growth with exposure to mid to small cap securities.
Number of shares	30 to 40
Asset allocation ranges	ASX Listed Securities:           90 – 98% Cash:                                   2* – 10% * Cash may fall below this level but will be restored on rebalancing
Single share limits	N/A
Minimum investment horizon	At least 5 years
Investment management fee	0.825% p.a.
Minimum investment	\$25,000

## DNR Capital Australian Equities High Conviction

Benchmark	S&P/ASX 200 Accumulation Index
Investment universe	<ul style="list-style-type: none"> <li>ASX Listed Securities with a focus on the S&amp;P/ASX 200 Accumulation Index.</li> <li>Cash and short term money market securities.</li> </ul>
Investment objective	To outperform the S&P/ASX 200 Accumulation Index by 4% p.a. over a rolling 3 year period.
Investment strategy	<p>The Model Portfolio has an investment style best described as style neutral. The security selection process has a strong bottom-up discipline and focuses on buying quality companies at reasonable prices.</p> <p>Company research focuses on quality and valuation. DNR Capital uses a five point 'quality web' in which five quality factors are reviewed. The key criteria are as follows:</p> <ul style="list-style-type: none"> <li>Industry positioning to identify superior positioning, competitive advantage and ability to sustain returns,</li> <li>Earnings strength as determined by quantitative data scores based on factors such as a security's return on equity (ROE),</li> <li>Balance sheet strength as determined by quantitative data scores based on factors such as a security's net debt to equity ratio,</li> <li>A management score which is a subjective measure based on experience and extensive company meetings with weight given to those management teams with a history of good allocation of capital, or</li> <li>An ESG score derived from the DNR Capital socially responsible assessment which utilises data from an external service provider as well as its own assessment. Key regard is made to tail risks that could impact valuation.</li> </ul> <p>Where the security passes this quality assessment then a range of valuation methodologies are used to identify value having regard for the industry and circumstances of the business.</p> <p>Having identified securities with attractive quality and value characteristics, consideration is given to risk characteristics such as the security and sector correlations of investments.</p> <p>The portfolio construction process is also influenced by a top-down economic appraisal. A range of economic indicators are reviewed regularly and these measures are used to formulate an economic overview which provides a backdrop to investment decision making and influences portfolio construction.</p>
Designed for investors who	Have a long-term investment objective focused on achieving growth, with less focus on generating excess income. The investor is prepared to accept higher volatility in pursuit of higher growth.
Number of shares	15 to 30
Asset allocation ranges	<p>ASX Listed Securities: 80 – 98%</p> <p>Cash: 2* – 20%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	15%
Minimum investment horizon	5 years
Investment Management fee	0.80% p.a.
Minimum investment	\$25,000

## DNR Capital Australian Equities Income

Benchmark	S&P/ASX 200 Industrials Accumulation Index
Investment universe	<ul style="list-style-type: none"> <li>ASX Listed Securities with a focus on the S&amp;P/ASX 200 Industrials Index.</li> <li>ASX listed convertible securities.</li> <li>Cash and short term money market securities.</li> </ul>
Investment objective	The investment objective is to outperform the S&P/ASX 200 Industrials Accumulation Index and deliver higher levels of income than the S&P/ASX 200 Industrials Accumulation Index over a rolling three-year period.
Investment strategy	<p>The Model Portfolio also has a preference for companies that have high and sustainable dividend capability, strong profit to cash conversion, and relatively assured earnings growth. Companies that generate franking credits predominate.</p> <p>The Model Portfolio's style is best described as style neutral. The security selection process has a strong bottom-up discipline and focuses on buying quality companies at reasonable prices.</p> <p>Company research focuses on quality and valuation. DNR Capital uses a five point 'quality web' in which five quality factors are reviewed. The key criteria are as follows:</p> <ul style="list-style-type: none"> <li>Industry positioning to identify superior positioning, competitive advantage and ability to sustain returns,</li> <li>Earnings strength as determined by quantitative data scores based on factors such as a security's return on equity (ROE),</li> <li>Balance sheet strength as determined by quantitative data scores based on factors such as a security's net debt to equity ratio,</li> <li>A management score which is a subjective measure based on experience and extensive company meetings with weight given to those management teams with a history of good allocation of capital, or</li> <li>An ESG score derived from the DNR Capital socially responsible assessment which utilises data from an external service provider as well as its own assessment. Key regard is made to tail risks that could impact valuation.</li> </ul> <p>The focus on yield is on the portfolio as a whole. DNR Capital focuses on a growing, sustainable dividend yield above the market.</p> <p>Where the security passes this quality assessment then a range of valuation methodologies are used to identify value having regard for the industry and circumstances of the business.</p> <p>Having identified securities with attractive quality and value characteristics, consideration is given to risk characteristics such as the security and sector correlations of investments.</p> <p>The portfolio construction process is also influenced by a top-down economic appraisal. A range of economic indicators are reviewed regularly and these measures are used to formulate an economic overview which provides a backdrop to investment decision making and influences portfolio construction.</p>
Designed for investors who	Seek a greater level of income than the S&P/ASX 200 Industrials Accumulation Index and who can make use of franking credits.
Number of shares	15 – 30
Asset allocation ranges	<p>ASX Listed Securities: 80 – 98%</p> <p>Cash: 2* – 20%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	15%
Minimum investment horizon	At least 3 years

Investment Management fee	0.80% p.a.
Minimum investment	\$25,000

## DNR Capital Australian Equities Socially Responsible

Benchmark	S&P/ASX 200 Accumulation Index
Investment universe	<ul style="list-style-type: none"> <li>ASX Listed Securities with a focus on the S&amp;P/ASX 200 Accumulation Index.</li> <li>Cash and short term money market securities.</li> </ul> <p>The portfolio does not invest in those companies that are judged to have direct involvement in pornography, gaming, armaments or tobacco.</p>
Investment objective	The investment objective is to outperform the S&P/ASX 200 Accumulation Index by 4% p.a. over a rolling 3 year period.
Investment strategy	<p>The Model Portfolio has an investment style best described as style neutral, focusing on environmental, social and corporate governance issues. The security selection process has a strong bottom-up discipline and focuses on buying quality companies at reasonable prices.</p> <p>Company research focuses on quality and valuation. DNR Capital uses a five point 'quality web' in which five quality factors are reviewed. The key criteria are as follows:</p> <ul style="list-style-type: none"> <li>Industry positioning to identify superior positioning, competitive advantage and ability to sustain returns,</li> <li>Warnings strength as determined by quantitative data scores based on factors such as a security's return on equity (ROE),</li> <li>Balance sheet strength as determined by quantitative data scores based on factors such as a security's net debt to equity ratio,</li> <li>A management score which is a subjective measure based on experience and extensive company meetings with weight given to those management teams with a history of good allocation of capital, or</li> <li>An ESG score derived from the DNR Capital socially responsible assessment which utilises data from an external service provider as well as its own assessment.</li> </ul> <p>The portfolio is an actively managed portfolio that adopts a negative screening strategy, combined with an ESG ratings assessment. ESG integration and company engagement, to deliver responsible investment. The portfolio's negative screen precludes the portfolio from owning stocks with exposure to:</p> <ul style="list-style-type: none"> <li>Pornography – core business of production, distribution and sale of pornography.</li> <li>Gaming – core business of owning or operating a gaming related business or manufacture and supply of gaming equipment and systems.</li> <li>Armaments – involved in the development and production of biological and chemical weapons, depleted uranium ammunition/armour, anti-personnel mines or cluster munitions/sub-munitions and their key components.</li> <li>Tobacco – involved in the production of tobacco, manufacture of nicotine alternatives and tobacco-based products.</li> </ul> <p>Where the security passes this assessment then a range of valuation methodologies are used to identify value having regard for the industry and circumstances of the business. Having identified securities with attractive quality and value characteristics, consideration is given to risk characteristics such as the security and sector correlations of investments.</p> <p>The portfolio construction process is also influenced by a top-down economic appraisal. A range of economic indicators are reviewed regularly and these measures are used to formulate an economic overview which provides a backdrop to investment decision making and influences portfolio construction.</p>
Designed for investors who	Want a competitive return but do not want their portfolio invested in companies that are judged to have a direct involvement in pornography, gaming, armaments and tobacco, or who want to ensure that their money is invested in companies that try to make a positive difference.
Number of shares	15 to 30

Asset allocation ranges	ASX Listed Securities: 80 – 98% Cash: 2* – 20% * Cash may fall below this level but will be restored on rebalancing
Single share limits	15%
Minimum investment horizon	At least 3 years
Investment Management fee	0.80% p.a.
Minimum investment	\$25,000

## JBWere Intermediary Income

Benchmark	S&P/ASX 200 Accumulation Index
Investment universe	Selected shares researched by JBWere listed in the S&P/ASX 200 Accumulation Index.
Investment objectives	<ul style="list-style-type: none"> <li>To enhance the value of investment capital by generating combined capital and income returns that exceed the rate of inflation over the longer term (5 years plus).</li> <li>To produce a consistent income stream, with a dividend yield greater than that of the S&amp;P/ASX 200 Accumulation Index.</li> <li>To deliver enhanced after-tax returns relative to the benchmark by maintaining a franking level higher than the S&amp;P/ASX 200 Accumulation Index and implementing a low turnover of portfolio shares.</li> </ul>
Investment strategy	<p>Share selection and portfolio construction aims to be defensive in nature, aiming to deliver a low-beta exposure (Beta &lt; 1) to the Australian market (that is a portfolio which is less volatile than the benchmark).</p> <p>Reflecting the defensive nature and focus on delivering a consistent income stream, the portfolio is likely to have a greater component of income relative to capital gain in comparison to the S&amp;P/ASX 200 Accumulation Index.</p>
Designed for investors who	Want access to consistent income streams with a portfolio yield greater than the benchmark.
Number of shares	15 to 25
Asset allocation ranges	<p>ASX Listed Securities: 90 – 98%</p> <p>Cash: 2* – 10%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	Individual share holdings limited to 10% of company's issued capital.
Minimum investment horizon	At least 5 years
Investment management fee	0.55% p.a.
Minimum investment	\$25,000



## Pearl Australian Share

Benchmark	ASX 200 Accumulation Index				
Investment universe	<ul style="list-style-type: none"> <li>• Cash</li> <li>• S&amp;P/ASX 200</li> <li>• ASX-listed Exchange Traded Funds (ETFs)</li> </ul>				
Investment objectives	The main objective of the Australian Share Portfolio is to provide market-leading returns over the medium to long term from a concentrated portfolio of Australian “blue chip” shares, aiming to deliver an investment return (after fees) that outperforms the S&P/ASX200 Accumulation Index over a rolling three-year period.				
Investment strategy	<p>The manager believes that macro-economic cycles drive the majority of share price performance, both short and long term. Recognising that economic cycles have major implications on the volatility of corporate earnings across industries, it seeks to exploit these cycles to achieve higher than index returns over time.</p> <p>Rigorous fundamental analysis is undertaken on businesses to ensure that the portfolio holds high quality investments and companies, shifting the allocation between asset classes and sectors (early, mid or late cycle cyclicals and defensive sectors) given the current and expected economic environment.</p> <p>Pearl also believe that short term market sentiment often creates divergence between valuations and market pricing and looks to exploit this by actively managing overall market exposure and cash weight.</p>				
Designed for investors who	Seek a concentrated portfolio of Australian shares offering medium to long term capital growth and some tax-effective income from their investments.				
Number of shares	15 - 25				
Asset allocation ranges	<table> <tr> <td>ASX-listed securities</td> <td>80 – 98%</td> </tr> <tr> <td>Cash</td> <td>2* – 30%</td> </tr> </table> <p>* Cash may fall below this level but will be restored on rebalancing</p>	ASX-listed securities	80 – 98%	Cash	2* – 30%
ASX-listed securities	80 – 98%				
Cash	2* – 30%				
Single share limits	Index weight +6%				
Minimum investment horizon	At least 5 years				
Investment management fee	0.77% pa				
Minimum investment	\$25,000				

## Pearl Emerging Leaders

Benchmark	ASX Small Ordinaries Accumulation Index																		
Investment universe	<ul style="list-style-type: none"> <li>ASX ex-100 but greater than 100M in Market Capitalisation</li> </ul>																		
Investment objectives	To outperform the Small Ordinaries Accumulation Index over the medium to longer term (three to five years) by 2-3%																		
Investment strategy	<p>The SMA strategy is to identify, and invest in, mispriced listed companies using a fundamental "bottom-up" stock picking approach.</p> <p>Pearl recognises that investment markets are regularly inefficient with regard to the appropriate market pricing of securities, particularly within the market for smaller to mid-cap listed companies. Generally, companies outside the S&amp;P/ASX 100 are not as comprehensively researched as the larger companies. Further, given that many of these smaller companies are typically at the earlier stages of their growth cycle (i.e. emerging growth companies), they are often not fully understood nor appropriately priced by the market relative to their true growth prospects.</p> <p>Pearl's investment philosophy recognises the existence of pricing inefficiencies, and is focused on conducting in-depth research to identify, appropriately value, and invest in undervalued companies. All investments must offer a clear path (i.e. catalyst) for a positive re-rating to occur, and thereby support favourable investment outcomes.</p>																		
Designed for investors who	Are seeking capital growth with a medium to longer term investment horizon (3-5 years).																		
Number of shares	15-30																		
Asset allocation ranges	<table border="1"> <tr> <td>Biotechnology stocks</td> <td>Not included</td> </tr> <tr> <td>Financials</td> <td>0% - 30%</td> </tr> <tr> <td>Retail</td> <td>0% - 25%</td> </tr> <tr> <td>Telecommunications</td> <td>0% - 20%</td> </tr> <tr> <td>Information Technology</td> <td>0% - 20%</td> </tr> <tr> <td>Healthcare</td> <td>0% - 15%</td> </tr> <tr> <td>Media</td> <td>0% - 15%</td> </tr> <tr> <td>Materials</td> <td>0% - 15%</td> </tr> <tr> <td>Resources</td> <td>0% - 10%</td> </tr> </table>	Biotechnology stocks	Not included	Financials	0% - 30%	Retail	0% - 25%	Telecommunications	0% - 20%	Information Technology	0% - 20%	Healthcare	0% - 15%	Media	0% - 15%	Materials	0% - 15%	Resources	0% - 10%
Biotechnology stocks	Not included																		
Financials	0% - 30%																		
Retail	0% - 25%																		
Telecommunications	0% - 20%																		
Information Technology	0% - 20%																		
Healthcare	0% - 15%																		
Media	0% - 15%																		
Materials	0% - 15%																		
Resources	0% - 10%																		
Single share limits	8%																		
Minimum investment horizon	3-5 years																		
Investment management fee	0.77% pa																		
Minimum investment	\$25,000																		

## Pearl Income

Benchmark	UBS Bank Bill Index
Investment universe	<ul style="list-style-type: none"> <li>• Cash</li> <li>• ASX-listed Corporate Bonds Exchange Traded Funds (ETF's)</li> <li>• ASX-listed Fixed Interest ETF's</li> <li>• ASX Hybrid and Debt Securities</li> </ul>
Investment objectives	To generate an income return of 2% above the official cash rate (after fees) from a concentrated portfolio of listed bond, hybrid and debt securities. The portfolio should be viewed as defensive with some capital volatility and is not expected to generate any long term capital growth.
Investment strategy	<p>Hybrid securities are higher-yielding investments, generally paying regular income to investors via a defined margin above the prevailing bank bill rate. They are particularly attractive to investors seeking superior yields than available from a cash account or term deposit in a low interest rate environment.</p> <p>The portfolio has a bias towards listed bond exposure and highly rated floating or variable rate securities to minimise interest rate risk, and investment grade issuers.</p> <p>The Investment Committee undertakes the following steps when constructing the portfolio:</p> <ul style="list-style-type: none"> <li>• Review the current macro environment looking at where positioning in the interest rate cycle and other factors such as global credit spreads.</li> <li>• Evaluate key details of the issue to ensure it meets the investment criteria evaluating factors such as yield, credit quality of issuer, conversion details, franking, maturity date.</li> <li>• Undertake thorough analysis to isolate the securities that offer the best risk/return profiles.</li> <li>• Construct the portfolio then constantly monitor and formally review on a weekly and monthly basis.</li> </ul>
Designed for investors who	Seek higher yields than cash and term deposits and are comfortable with some capital volatility.
Number of shares	Typically between 15-30
Asset allocation ranges	No restrictions within investment universe
Single share limits	Maximum of 15% of portfolio value
Minimum investment horizon	3-5 years
Investment management fee	0.77% pa
Minimum investment	\$25,000

## Pearl International Share

Benchmark	MSCI World Index (excluding Australia)
Investment universe	Medium to Large Cap Listed International Shares and securities included in the MSCI World Index (excluding Australia) and listed on major International stock exchanges. The international stock exchanges currently offered for investment are listed in the 'Global Market Fees' schedule available on the Secure Portal.
Investment objectives	The objective of the Pearl International Share Portfolio is to provide attractive investment returns over the medium to long-term while reducing the risk of permanent capital loss. The Portfolio aims to outperform the MSCI World Index (excluding Australia) over a rolling three-year period by 2 - 3% per annum.
Investment strategy	<p>The Portfolio consists of investments in high-quality global securities and businesses whose shares are listed on major global stock exchanges.</p> <p>The Pearl philosophy for international equity investing is to invest only in businesses with a competitive advantage that operate in industries with high barriers to entry and that are managed by highly regarded managers. Furthermore, these businesses must deliver high returns on shareholders' equity with low gearing, and have a long track record of growth in sales, earnings and dividends.</p> <p>Pearl may also invest in high growth, non-dividend paying businesses if these businesses are dominant players and disrupters in their industries. However, investment in these type of businesses is the exception rather than the rule and exposure to these businesses is limited to no more than 15% of the portfolio.</p>
Designed for investors who	<ul style="list-style-type: none"> <li>• Seek long term capital growth &amp; portfolio diversification</li> <li>• Have a longer-term investment horizon of at least five years and accept the risk of price fluctuations</li> </ul>
Number of shares	15 - 25
Asset allocation ranges	International Shares: 80-100% Cash: 0-20%
Single share limits	No individual stock is to exceed 15% of the portfolio
Minimum investment horizon	At least 5 years
Investment management fee	0.77% pa
Minimum investment	\$25,000

## Perpetual Direct Equity Alpha

Benchmark	S&P/ASX 300 Accumulation Index
Investment universe	Securities listed on the Australian Securities Exchange or due to be listed in the next six months.
Investment objectives	To provide investors with long-term capital growth and income through investment in quality Australian shares.
Investment strategy	<p>Perpetual's investment style is first and foremost based on bottom-up fundamental analysis. This approach firstly selects stocks based on company specific fundamentals, and then by the relative attractiveness of their value. The outcome of our investment process is that our share portfolios demonstrate 'value' characteristics. We buy stocks only if they have passed our rigid stock selection criteria and are deemed to be quality companies, and then only if we find them attractive on a valuation basis. In determining investment quality, investments are carefully selected on the four criteria:</p> <ul style="list-style-type: none"> <li>• Conservative debt levels</li> <li>• Sound management</li> <li>• Quality business</li> <li>• In the case of industrial shares, recurring earnings.</li> </ul>
Designed for investors who want	Both long term capital growth and income from a concentrated portfolio of Australian shares with an investment horizon of five or more years.
Number of shares	10 – 25
Asset allocation ranges	<p>ASX Listed Securities: 80 – 98%</p> <p>Cash: 2* – 20%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	Maximum 12% exposure to a single company. Where price changes occur, this limit can be extended to 15%.
Minimum investment horizon	5 years+
Investment management fee	0.80% p.a.
Minimum investment	\$25,000

## Ralton Leaders

Benchmark	S&P/ ASX 100 Accumulation Index
Investment universe	<p>ASX listed companies that are either:</p> <ul style="list-style-type: none"> <li>• Included in the S&amp;P/ASX 100 Index, or</li> <li>• In the top 100 by market capitalisation</li> <li>• Hybrid debt, convertible securities and other types of securities are allowable if listed on the ASX and issued by a qualifying company.</li> </ul> <p>Note: Excluded investments include: derivatives, unlisted securities and foreign listed securities.</p>
Investment objectives	<p>To provide investors with long-term capital growth and tax-effective income from a portfolio of blue-chip ASX Listed Securities.</p> <p>The portfolio aims to deliver returns that are consistently above the S&amp;P/ASX 100 Accumulation Index over a three to five year period.</p>
Investment strategy	To invest in quality larger capitalisation companies that are assessed as likely to provide investors with attractive long-term returns relative to the Index, and at the time of purchase are either included in the S&P/ASX 100 Index or are one of Australia's largest 100 companies based on market capitalisation.
Designed for investors who	<ul style="list-style-type: none"> <li>• Seek long-term capital growth and tax-effective income from a portfolio of larger and more liquid ASX Listed Securities.</li> <li>• Seek longer-term above market returns.</li> <li>• Have a long-term investment horizon of at least three to five years and accept the risk of significant price fluctuations.</li> </ul>
Number of shares	Generally 25 - 40
Asset allocation ranges	<p>ASX Listed Securities: 90 – 98%</p> <p>Cash: 2* – 10%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	Limited to 10% of a company's issued capital.
Minimum investment horizon	3 – 5 years
Investment management fee	0.65% p.a.
Minimum investment	\$25,000

## Ralton Smaller Companies

Benchmark	S&P/ ASX Small Ordinaries Accumulation Index
Investment universe	<ul style="list-style-type: none"> <li>Companies that are listed or are about to be listed on the ASX, and are not included in the S&amp;P/ASX 100 Index at the time of purchase.</li> <li>Hybrid debt, convertible securities and other types of securities are allowable if listed on the ASX and issued by a qualifying company.</li> </ul> <p>Note: Excluded investments include: derivatives, unlisted securities and foreign listed securities.</p>
Investment objectives	<p>To provide investors with long-term capital growth from a concentrated portfolio of smaller capitalisation ASX Listed Securities and some tax-effective income.</p> <p>To maximise total investment returns from its universe of shares over periods of 5 years or longer regardless of the overall level and direction of the market, while at the same time seeking to minimise the risk of investment capital loss.</p>
Investment strategy	To invest in quality smaller capitalisation companies that are assessed as likely to provide investors with attractive long-term returns, and at the time of purchase are listed, or about to be listed, on the ASX and not included in the S&P/ASX 100 Index.
Designed for investors who	<ul style="list-style-type: none"> <li>Seek long-term capital growth from a concentrated portfolio of ASX Listed Securities chosen from smaller ASX capitalisation shares, with some tax-effective income.</li> <li>Seek total returns, independent of the overall level and direction of the market.</li> <li>Have a long-term investment horizon of at least five years and accept the risk of significant price fluctuations.</li> </ul>
Number of shares	Generally 25 – 40
Asset allocation ranges	<p>ASX Listed Securities: 85 – 98%</p> <p>Cash: 2* – 15%</p> <p>* Cash may fall below this level but will be restored on rebalancing</p>
Single share limits	Limited to 10% of a company's issued capital.
Minimum investment horizon	At least 5 years
Investment management fee	0.95% p.a.
Minimum investment	\$25,000