



Private Wealth Investment Services



Objectives



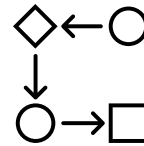
01 IMPROVED
PORTFOLIO
OUTCOMES



02 PORTFOLIO
ACCESSIBILITY &
TRANSPARENCY



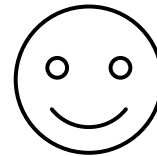
03 STRONG RISK
MANAGEMENT &
GOVERNANCE



04 EFFICIENT &
EQUITABLE TRADE
EXECUTION



05 INSTITUTIONAL
GRADE INVESTMENT
MANAGEMENT



06 REGULAR
REPORTING & MARKET
INSIGHTS

Philosophy



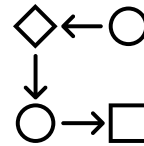
01 ASSET ALLOCATION
DETERMINES 90% OF
LONG-TERM RETURNS



02 ASSET MARKETS ARE
NOT FULLY EFFICIENT



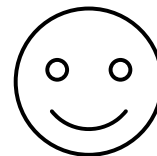
03 BUILD RISK AWARE
PORTFOLIOS



04 DIVERSIFY ACROSS
ASSET CLASS, GEOGRAPHY
AND MANAGERS



05 SEEK OUT PERSISTENT
OPPORTUNITIES FOR
OUTPERFORMANCE



06 INVEST IN HIGH
QUALITY INVESTMENTS

Process

Foresight

- We believe in the power of asset allocation to best achieve the investor's objectives over the longer term. We use a tactically managed asset allocation process, which aims to increase returns while reducing the risk of drawdown through the cycle.

Insight

- We construct portfolios by identifying the investment options within each asset class and applying a selection matrix to identify those active approaches that provide a compelling case for persistent outperformance.

Oversight

- The portfolio is subject to ongoing review and management. Reporting includes market insights, portfolio performance and tactical positioning.



Asset Allocation

Strategic Asset Allocation (SAA)

- Academic research shows that between 80 and 100% of long-term performance is driven by SAA. Focusing on SAA maximises the chances of achieving long-term goals and objectives.

Tactical Asset Allocation (TAA)

- Over the short term, markets are often driven by sentiment creating opportunities for active asset allocation. This process is designed to minimise the downside during negative periods and participate in the upside during positive periods.

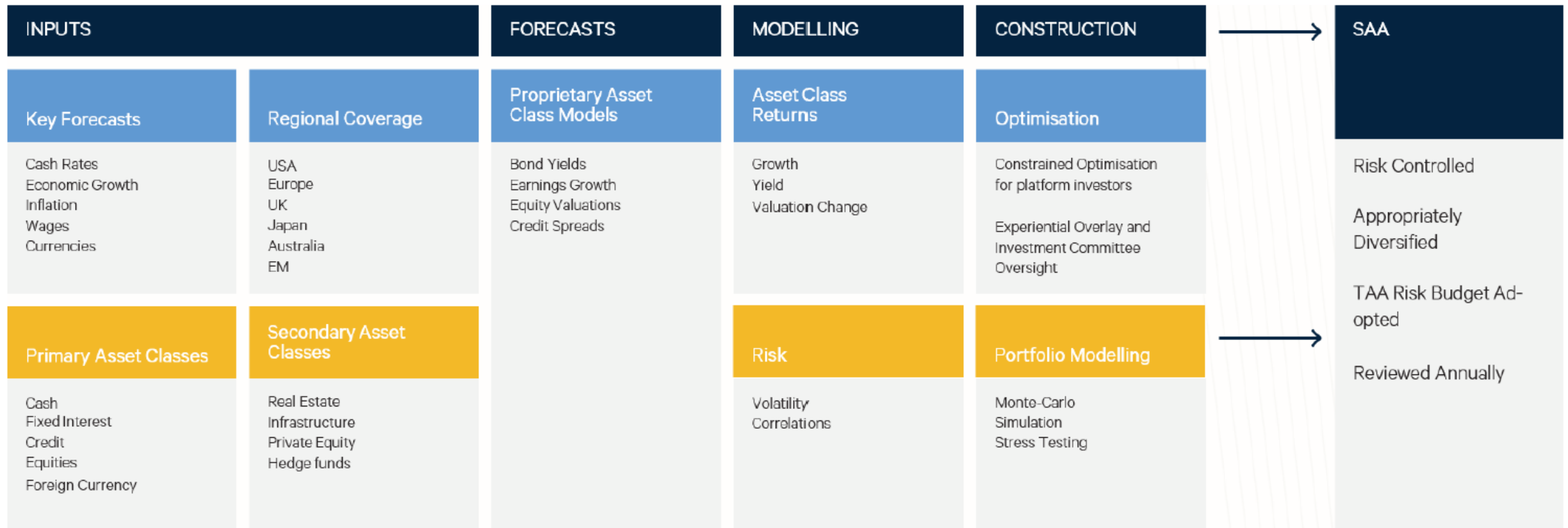
Investment Selection

- Opportunities exist within the asset classes/sectors to find investments/managers which can deliver above market returns.



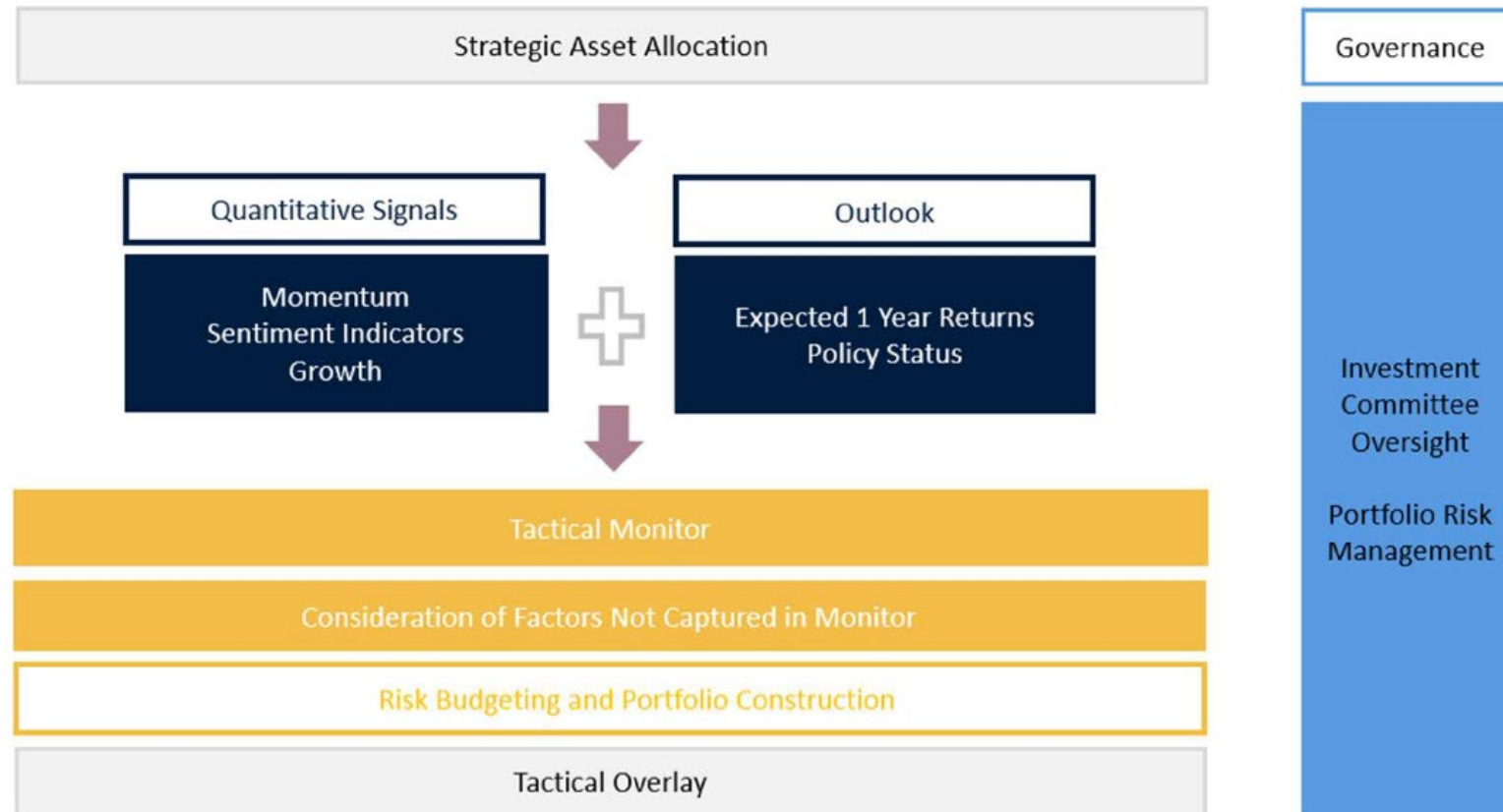
Asset Allocation - Strategic

Strategic Asset Allocation involves rigorous research and mathematical analysis to forecast expected 10-year returns for asset classes, combined with portfolio optimisation to determine the long term portfolio construction.



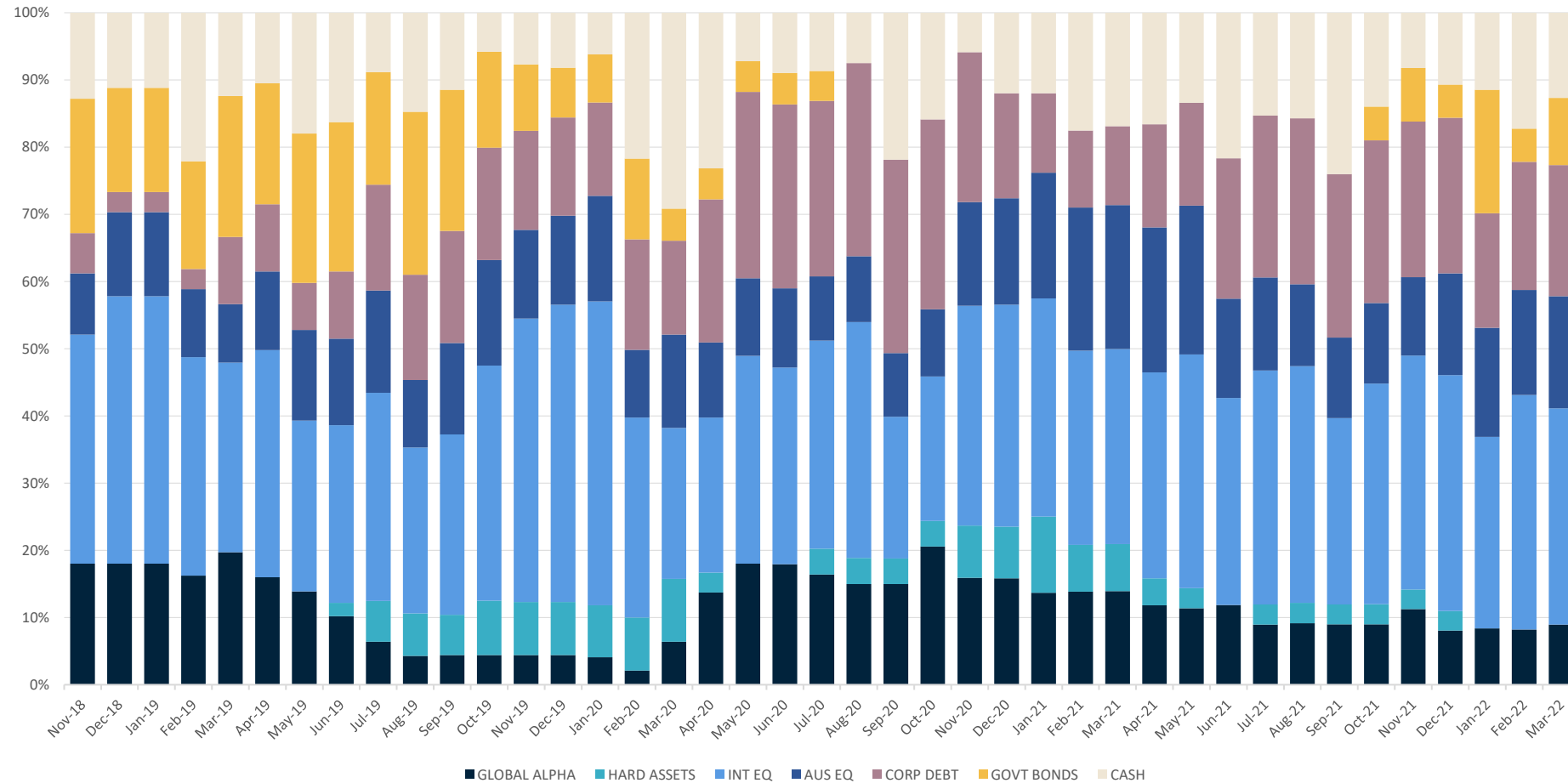
Asset Allocation - Tactical

Tactical Asset Allocation involves assessing current market signals to understand if the current asset allocation should be positioned differently from the SAA to capture additional return opportunities and/or to reduce excessive risk.

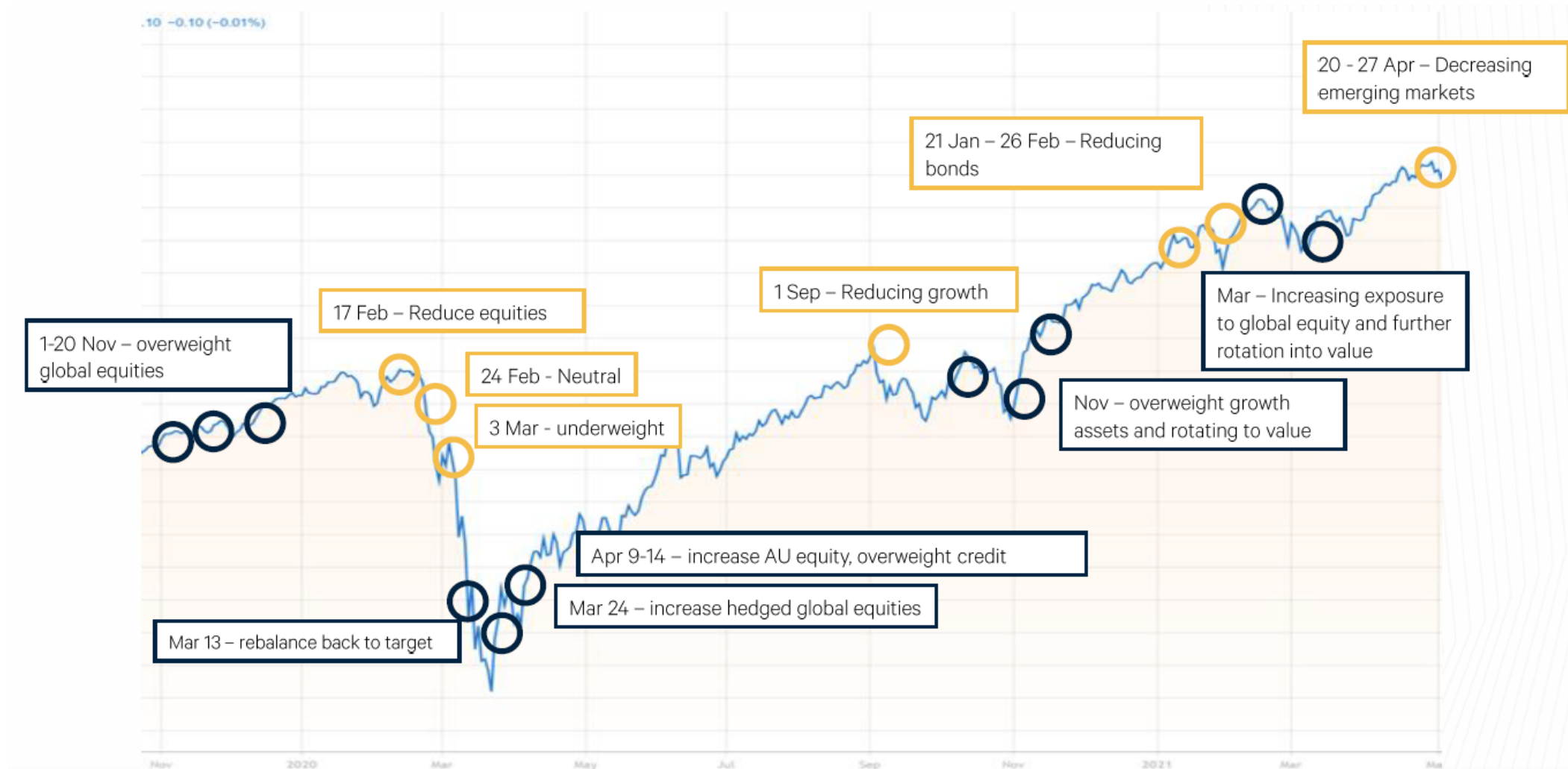


Asset Allocation - Tactical

This chart shows the Tactical Asset Allocation at work.



Asset Allocation - Adding Value



Investment Ecosystem

The investment ecosystem consists of both internal and external subject matter experts. It is designed to provide the Investment Committee with the necessary resources to offer an exemplary investment service for clients.

Philosophy

Is developed by Pitcher Partners Private Wealth.

The Investment Committee is responsible for the implementation of the philosophy.

Research

Market research is used to inform strategic and tactical asset allocation.

Specific investment research informs portfolio construction.

Portfolio

Diversification, blending, stress testing and optimisation are essential to ensure robust inputs and outcomes.

Execution

Technology allows the effective and efficient execution of trades and tactical changes, which are critical to long term outperformance.

Reporting

Consistent, insightful market and portfolio commentary ensure investors are well informed.

Investment Ecosystem



Investment Committee

Philosophy

- Asset allocation
- Market inefficiency
- Diversification
- Opportunities
- Risk aware
- Invest in quality

Research



Execution

Investment Platform



Portfolio

Reporting



Reporting



Clients

Investment Committee

Our Investment Committee plays a central role in developing our investment and advice methodology which informs the decisions about our investment offering and strategies.

Members of the Committee collaborate with external subject matter experts to analyse the macro and microeconomic dynamics playing out across the global landscape, including perspectives on monetary and fiscal policy, market conditions, and their impact on investments.

Having an Investment Committee ensures all clients receive consistent advice for portfolios, including and risk management, governance and security measures.

Investment Committee Responsibilities

Assessing external research

Strategic asset allocation positioning

Tactical asset allocation positioning

Investment selection

Portfolio optimisation

Portfolio implementation

Portfolio reporting

Compliance and risk review

Investment Committee

Calendar of activities

Daily	Analyst Portfolio & Market Update
Weekly	Tactical Monitor Review
Monthly	Market Update & Mandate Check
	Portfolio Manager & Analyst Review
Quarterly	Portfolio Review – Risk & Attribution
Annually	Strategic Asset Allocation Review
	Due diligence with asset managers
As Required	Tactical Asset Allocation Review
	Portfolio changes

Internal Expertise

Joshua Drake

Josh has over 25 years of experience in the wealth profession, leading the Investment Committee and providing strategic direction for our client investments. He holds a Bachelor of Commerce through the University of Newcastle, is a Certified Financial Planner and holds the Certified Practicing Accountant certification.

Matthew Kerr

Matt has over 25 years of experience in the wealth profession, including serving on the Board the Nationwide Superannuation Fund (NSF) and being involved in the Audit, Risk and Compliance committee. He holds a Bachelor of Commerce through the University of Newcastle, is a Certified Financial Planner and holds the Chartered Accountant certification.

External Expertise

Brad Matthews

Brad has over 30 years of experience in the finance industry and is the former Head of Investment Strategy at a listed asset manager. He holds a Graduate Diploma in Applied Finance and Investment through the Securities Institute as well as a Bachelor of Commerce, Economics & Finance through the University of NSW

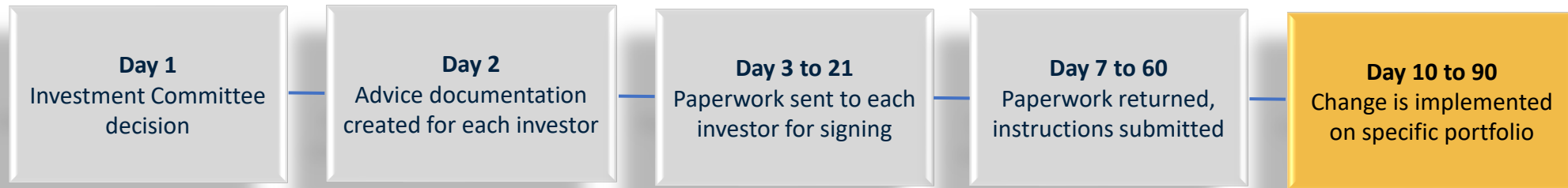
Investment Execution

Managed Account Portfolio

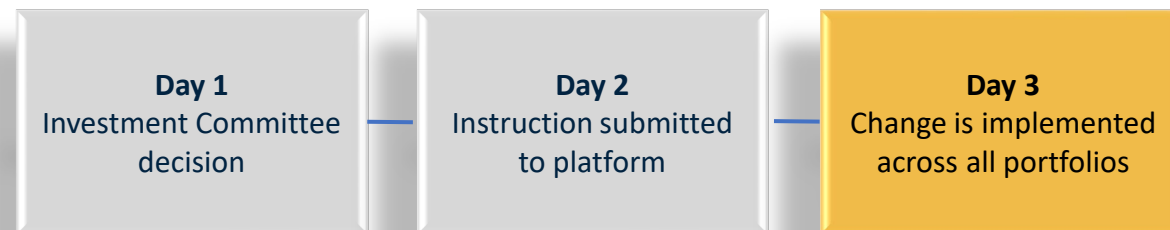
- The demand for a better, faster service with real time engagement and seamless digital connectivity is no longer considered a service, it's a given. The lessons from the past are that technology has enabled advisers to deliver better client outcomes. The role of financial advisers demands a robust suite of digital tools - with Managed Account Portfolios an increasingly important part of the toolkit.
- The evolution of managed accounts was driven by the desire to provide investors with access to professional investment management with the benefits of the beneficial ownership of the underlying assets. Over time, the big platform providers embraced managed accounts in their platform upgrades and new business development.
- Managed accounts have become the fourth generation of platforms - a sophisticated and feature-packed structure with enhanced transparency, functionality and tax optimization features.
- As a streamlined investment implementation tool, managed accounts allow us to effectively automate a significant part of the technical aspects of portfolio management – a perfect complement to our high-touch, high-engagement personalised process.
- Where possible, we look to implement Managed Account Portfolio solutions for clients to help improve investment outcomes.

Investment Execution

Traditional process for portfolio updates



Managed Account Portfolio process



The Managed Account Portfolio structure enables investment decisions to be implemented much sooner, and across all portfolios at the same time.

- Online access 24/7
- Quarterly market insights
- Quarterly portfolio performance
- Investment changes as they occur

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A quarter of gains to end 2022, enjoyed most by value managers.

Overall, for 2022 emerging markets equities underperformed broader global equities, benefiting our portfolios as we continue to favour developed markets at this stage.

Bar chart showing the percentage change in the number of international students from 2018 to 2012 for five countries: Germany, France, the UK, Japan, and the US. The Y-axis ranges from -30% to 50%.

Country	2018	2019	2020	2021	2022
Germany (dark blue)	~5%	~30%	~5%	~45%	~-10%
France (light blue)	~-5%	~25%	~-5%	~20%	~-15%
UK (grey)	~-10%	~15%	~-10%	~10%	~-10%
Japan (yellow)	~-15%	~25%	~10%	~20%	~-10%
US (orange)	~-10%	~25%	~10%	~20%	~-10%

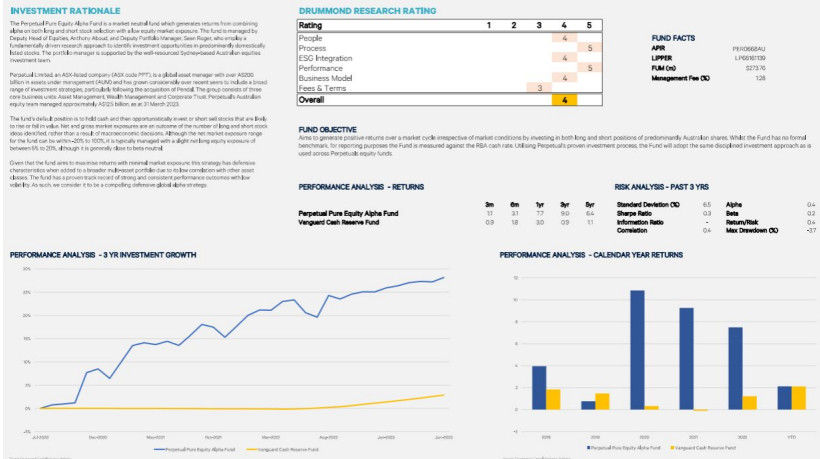
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Early Review – June 2023

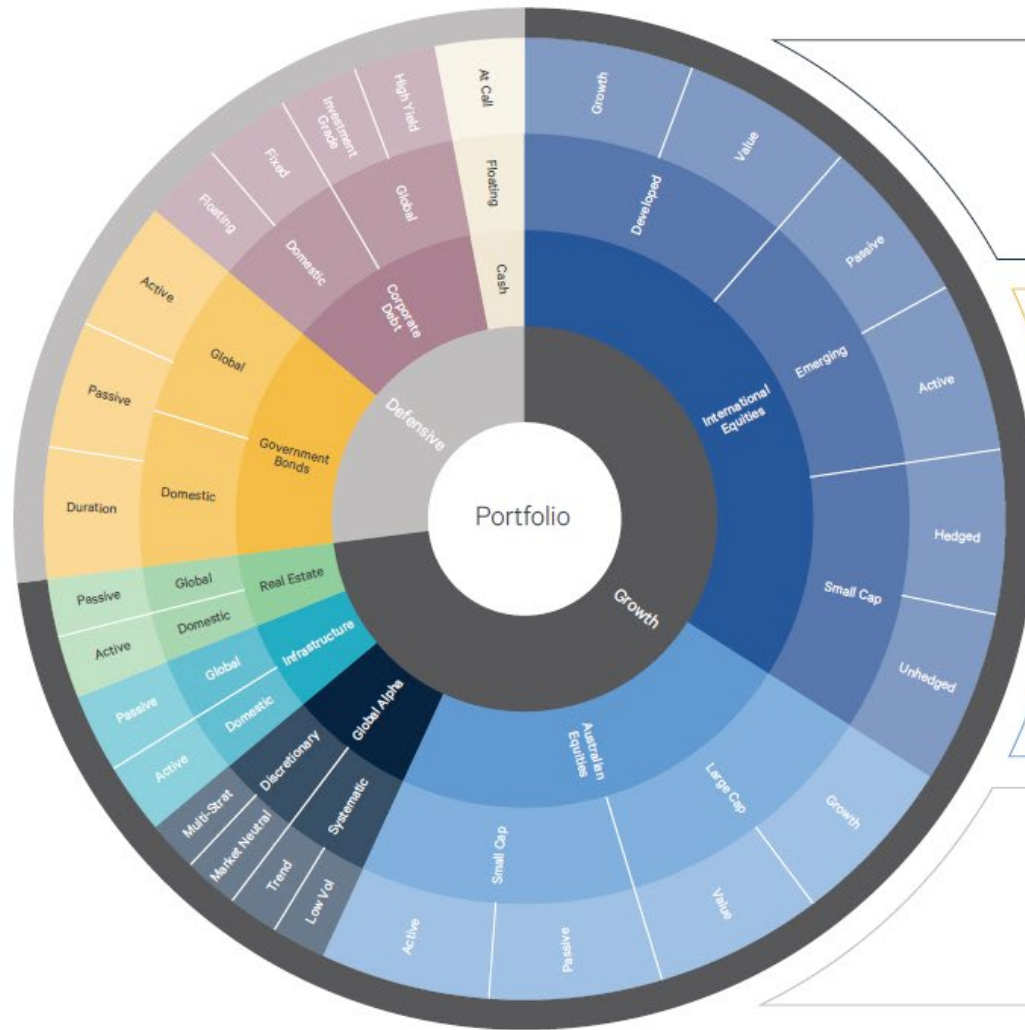
The portfolio performed on par with peers over the second quarter. Carrying less risk overall in the portfolio as we await the impact of interest rate increases to finally hit home was the main detractor in a relative sense versus the FE institutional peer group. At the manager level, returns were broadly inline with benchmarks over the quarter which was an improvement from the first quarter. We continue to maintain a predominantly core, style neutral portfolio given the high valuations amongst growth stocks and the negative effects of tighter monetary policy on economic growth and value styles. The portfolio however continues to be well diversified by asset class and manager.

Month	Percentage Change
Nov-19	0.0%
Dec-19	3.0%
Jan-20	0.0%
Feb-20	-5.0%
Mar-20	-1.0%
Apr-20	-4.0%
May-20	-10.0%
Jun-20	-12.5%
Jul-20	-7.0%
Aug-20	-6.0%
Sep-20	-12.0%
Oct-20	-2.0%
Nov-20	-6.0%
Dec-20	-1.0%
Jan-21	-4.0%
Feb-21	-1.0%
Mar-21	-4.0%
Apr-21	-1.0%
May-21	-4.0%
Jun-21	-1.0%

ustralian
the biggest
exposures



Investment Services - Summary



Strategic Asset Allocation

- 15 asset class returns forecasted
- 10,000 portfolio simulations

Tactical Asset Allocation

- 375 data inputs
- 3.6 million data points
- 68 macroeconomic variables forecasted

Proprietary Manager Research

- 780+ managed fund database
- 200+ fund manager meetings a year

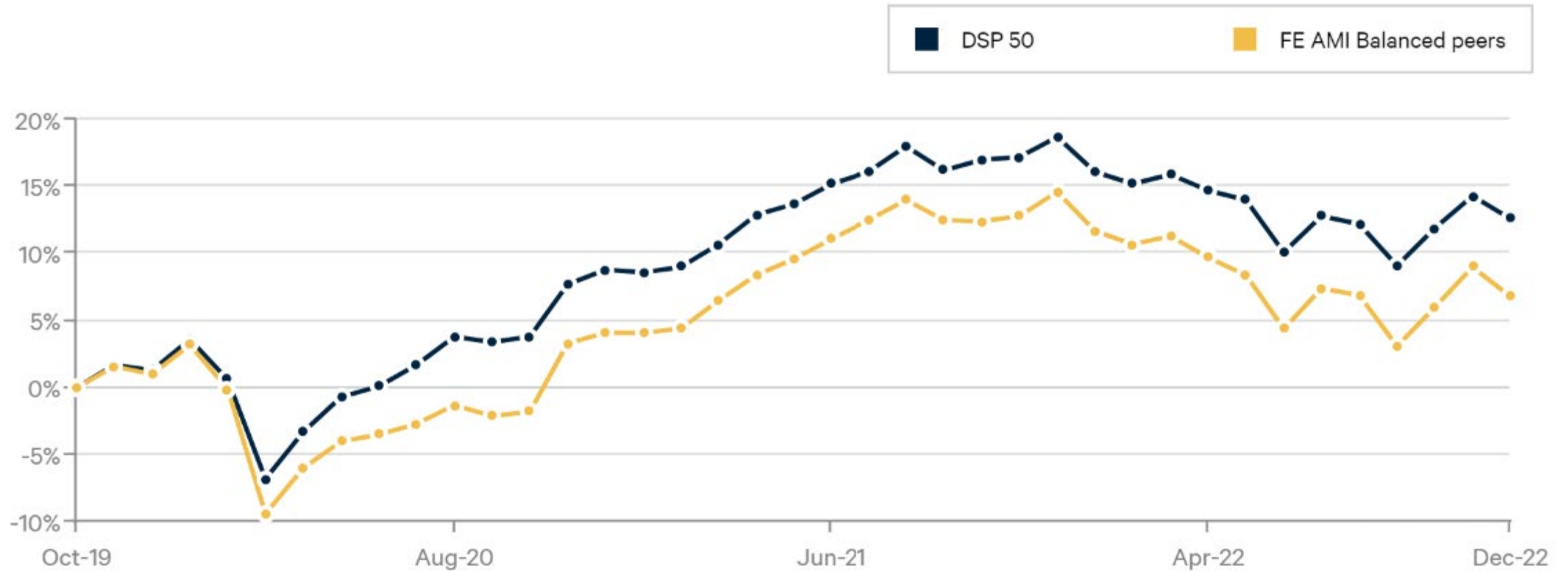
Portfolio Management

- 100+ years of experience & insight
- 365 days a year observing

Investment Process - Summary



Investment Process - Improved Outcomes



Drummond Capital Partners



- We continually review opportunities to enhance our investment solutions to deliver robust portfolios to our clients. Following an extensive search and due diligence process, we have partnered with Drummond Capital Partners, an independently owned, multi-faceted financial service business. Drummond has its origins in institutional and family office environments, has a highly experienced and well-resourced team, and most importantly has a strong alignment with our values and philosophy.
- We have engaged Drummond to provide to provide research, execution and reporting services to our Investment Committee, including:
- **Research** - Drummond provides in-depth research and analysis of our investment universe, market dynamics and wider macroeconomic environment. These insights are used to formulate capital market assumptions which determine the asset allocation designed to best achieve an investor's objectives over the longer term. Drummond's process contains over 200 different observable inputs which combine to generate quantitative signals which have historically improved investment outcomes. It provides us with a robust and repeatable process to input into our IC discussions.
- **Portfolio Construction** - We use the proprietary mathematical optimisation, stress testing and simulation modelling systems from Drummond as inputs into our IC discussions. Portfolios are structured to achieve an optimal level of diversification across managers, asset classes, styles, regions, and liquidity with the aim of generating the best risk-adjusted returns within the portfolio risk limits. Portfolios are built to a strict fee budget and Drummond's relationship with managers provides rebates that we could not otherwise achieve.
- **Trade Execution** - Effective and efficient execution of trades are critical to long term outperformance. Drummond hold a unique position in-between investment platforms and financial advisers, providing niche execution services for the implementation of investment trades. The benefit is a robust process that ensures immediacy, accuracy and transparency of portfolio transactions. Where Drummond's execution services are used, the account is designated with a 'DS'.
- **Reporting** - Consistent, insightful market and portfolio commentary ensure investors are well informed. Given their close proximity to the relevant data, we have engaged Drummond to provide reporting on your specific portfolio. The enhanced reporting will allow insights to be published on a more regular basis, as well as important updates outlining any key portfolio changes as they occur.



IMAP
MANAGED ACCOUNT
AWARD FINALIST
MULTI ASSET



**Multi Asset
Class**
Finalist
2020 IMAP MANAGED
ACCOUNT AWARDS

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