

# Alphinity Concentrated Australian Share Fund

The Alphinity Concentrated Australian Share Fund (the Fund) is a well-diversified, high conviction concentrated portfolio of Australian stocks listed on ASX.

## Why choose this fund?

The Fund is suitable for investors aiming for a higher return compared to the market, but prepared to take on additional volatility. The Fund is a diversified portfolio of 20-35 best ideas derived from the broader Alphinity Investment Management (Alphinity) investment process. It has a suggested time horizon of at least five years and aims to meet the Fund's investment objectives in a risk-controlled manner.

## Key features of the Fund:

- Focused portfolio of quality large cap companies at the right point in their growth cycle.
- Alpha will be delivered predominantly from high conviction stock selection.
- Active Share typically around 60%.
- Managed by a cohesive and experienced team that have used the proven process since 2004.

## How does the Fund work?

### Investment philosophy

We believe that a company's current and expected earnings growth ultimately drives its share price performance. Research has shown there is a systematic mispricing of individual equities over the short to medium term – due to under, or over, estimation of a company's earnings ability. This provides an opportunity for increased investment returns once the true earnings path of a company becomes apparent to the market.

### Investment approach

The team conducts detailed fundamental and quantitative research on a large selection of Australian listed companies. The goal is to identify companies in — or about to enter — an earnings upgrade cycle. This research is brought together by a proprietary in-house investment tool, the Composite Research Model (CRM). The CRM allows the team to objectively compare companies across, and within sectors, helping to construct efficient portfolios with the information available. Importantly, it provides the team with strong 'buy' and 'sell' signals.

## Fund characteristics

**Inception date:** 1 September 2010

**Objective:** The Fund aims to outperform its benchmark after costs and over rolling five-year periods.

**Benchmark:** S&P/ASX 200 Accumulation Index

**Minimum initial investment:** \$10,000, or \$1,000 with Regular Savings Plan.

**Management fee:** 0.90% p.a.

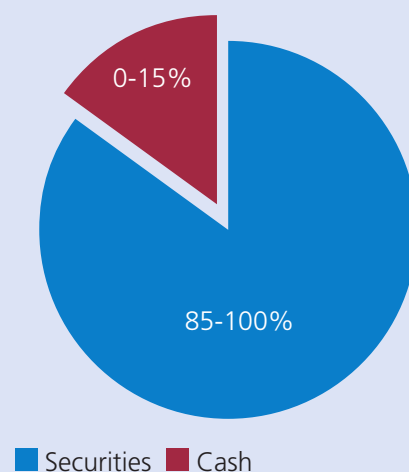
**Performance fee:** 15% of the Fund's return above the S&P/ASX 200 Accumulation Index

**Distribution frequency:** Quarterly

**APIR code:** HOW0026AU

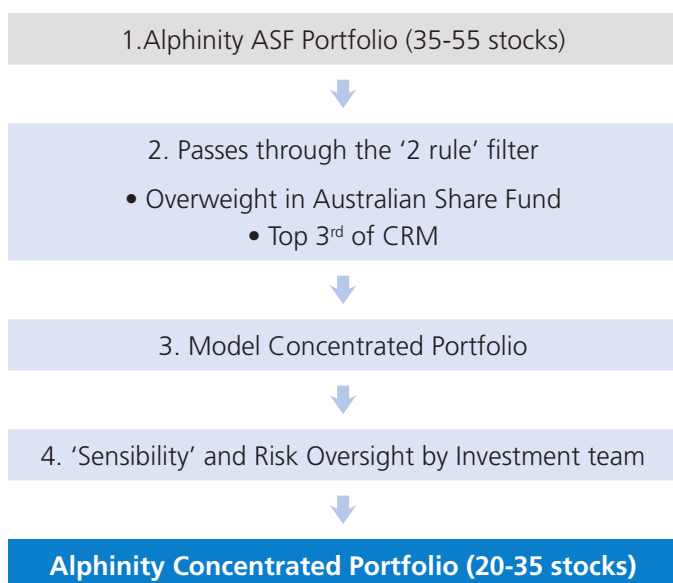
**ASX mFund code:** ALH02

## Asset allocation ranges:



## Portfolio construction

We apply a number of rules to ensure that the Fund is a collection of Alphinity's highest conviction calls.



### Step 1: Alphinity Australian Share Fund

The universe of eligible companies starts with the Alphinity Australian Share Fund. This ensures the disciplined rigorous process used to select stocks in the broader fund is replicated in the Alphinity Concentrated Share Fund.

### Step 2: High conviction test

For a stock to be included in the concentrated portfolio it must satisfy the following two rules.

1. Held overweight in the Alphinity Australian Share Fund.
2. Top third ranking in the CRM.

### Step 3: Model portfolio construction

A concentrated portfolio of eligible stocks is constructed by the portfolio manager. The manager takes an intentional large cap bias and aligns with the same risk/reward benchmark aware philosophy as the Alphinity Australian Share Fund.

### Step 4: Risk oversight

Fundamental risk oversight is managed in the portfolio to check and adjust for any unintended sector or factor biases.

## About Alphinity

Alphinity is an equity investment manager with around A\$8 billion (as at 30 September 2016) in funds under management. The team invests in companies with underestimated forward earnings expectations which it identifies using a combination of fundamental analysis and quantitative inputs.

Alphinity's relationship with Fidante Partners ensures a clear alignment to deliver consistent outperformance over time.

- Clear and proven investment philosophy.
- Unique, disciplined and rigorous investment process.
- A highly experienced, accomplished and cohesive investment team.
- A contemporary model with powerful alignment.

## Contact us

### Individual Investors

To find out more, please contact your financial adviser or call the Fidante Partners' Investor Services Team on 13 51 53.

### Financial Advisers

To find out more, please contact your local Fidante Partners Business Development Manager or call the Fidante Partners' Adviser Services Team on 1800 195 853.

#### Important Information

Unless otherwise specified, any information contained in this publication is current as at the date of this publication and is provided by Fidante Partners Limited ABN 94 002 835 592, AFSL 234668 (Fidante Partners), the responsible entity and issuer of interests in the Alphinity Australian Share Fund (ARSN 092 999 301), Alphinity Australian Equity Fund (ARSN 107 016 517), Alphinity Concentrated Australian Share Fund (ARSN 089 715 659) and Alphinity Socially Responsible Share Fund (ARSN 093 245 124) (Funds). Alphinity Investment Management ABN 12 140 833 709 AFSL 356 895 (Alphinity) is the investment manager of the Fund. It is intended to be general information only and not financial product advice and has been prepared without taking into account any person's objectives, financial situation or needs. Each person should, therefore, consider its appropriateness having regard to these matters and the information in the product disclosure statement (PDS) and any additional information brochure (AIB) for the Fund before deciding whether to acquire or continue to hold an interest in the Fund. The PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or on our website [www.fidante.com.au](http://www.fidante.com.au). Please also refer to the Financial Services Guide on the Fidante Partners website.