



Carnbrea ETF Model Portfolio



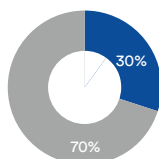
Portfolio Objective

Carnbrea's ETF Model Portfolio suite aims to provide a broad, diversified and cost-effective investment solution.

We apply a Core-Satellite approach when building this ETF Model Portfolio. The 'core' of the portfolio consists of selected ETFs that track major market indices, combined with a 'satellite' element in the Alternatives asset class through Managed Funds.

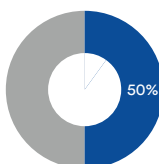
Carnbrea ETF Model Portfolio Profiles

Conservative



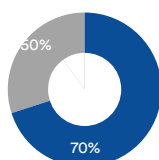
Management Fee	0.21%
Return Objective	CPI + 2%
Investment Timeframe	3 years +

Balanced



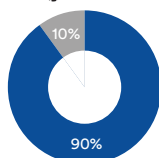
Management Fee	0.25%
Return Objective	CPI + 2.8%
Investment Timeframe	5 years +

Growth



Management Fee	0.27%
Return Objective	CPI + 3.6%
Investment Timeframe	7 years +

High Growth



Management Fee	0.30%
Return Objective	CPI + 4.5%
Investment Timeframe	10 years +



Note: Refer to Page 7 for more detailed explanation on investment risk profiles.

Our Philosophy

Our core beliefs are:

1. Asset Allocation is the most important decision in portfolio construction, followed by manager selection.

2. Diversification – across and within asset classes – is one of the keys to investment success
 - We believe diversity across asset classes is important. Searching for the best investment opportunities should not be limited by borders, therefore we encourage investors to consciously manage the ‘unconscious’ home country bias and consider the benefits of global diversification.

3. Both Active Management and Passive Management add value
 - Our Core-Satellite approach provides that.

4. Markets revert to their long-term mean

5. Costs matter - both direct and indirect costs
 - We pay particular attention on the Manager’s fee structures to ensure our clients are not hurt by excessive fees.

6. Take a long-term view

7. Managing downside risk is paramount

We also believe that:

1. Hedging for currency movements is suitable in certain circumstances
 - We only hedge defensive asset classes to protect the asset’s ‘defensive’ and ‘stable’ nature and leave growth assets unhedged.

2. Investing in alternative assets can improve risk adjusted returns
 - Alternative assets offer investors a source of return that has low correlation to traditional investments such as equities and bonds. Adding Alternatives to a portfolio further enhances diversification and risk-adjusted returns.

Carnbrea ETF Model Portfolio						
		Conservative	Balanced	Growth	High Growth	
Growth	AU Equity		8.5%	14%	19%	24%
	BetaShares Australia 200 ETF	A200	8.5%	14%	19%	24%
	Int Equity - Developed		10.5%	17%	24%	31%
	Vanguard MSCI Index International Shares ETF	VGS	10.5%	17%	24%	31%
	Int Equity - Emerging		2%	3%	4%	5%
	iShares MSCI Emerging Markets ETF	IEM	2%	3%	4%	5%
	Property Securities		4%	6%	8%	10%
	Vanguard Australian Property Securities Index ETF	VAP	2%	3%	4%	5%
	SPDR Dow Jones Global Real Estate ETF	DJRE	2%	3%	4%	5%
	Alternatives		5%	10%	15%	20%
	ETFS Physical Gold	GOLD	3%	4%	6%	8%
	RARE Infrastructure Income Fund	TGP0016AU	2%	3.5%	4.5%	7%
	JPMorgan Global Macro Opportunities Fund	PER0758AU		2.5%	4.5%	5%
	Defensive	AU Fixed Interest		30%	25%	15%
iShares Composite Bond ETF		IAF	22%	18%	11%	4%
BetaShares Australian Bank Senior Floating Rate Bond ETF		QPON	8%	7%	4%	1%
Int Fixed Interest			30%	25%	15%	5%
Vanguard International Fixed Interest Index ETF (Hedged)		VIF	30%	25%	15%	5%
Cash			10%	0%	0%	0%
iShares Enhanced Cash ETF		ISEC	5%	-	-	-
BetaShares Australian High Interest Cash ETF		AAA	5%	-	-	-
Weighted Annual Management Fee			0.21%	0.25%	0.27%	0.30%
Past 3-month Return (as at 31/12/2020)			2.44%	4.09%	5.57%	7.07%
Past 12-month Return (as at 31/12/2020)			2.99%	3.06%	2.36%	1.19%

The 'Core' component – ETFs:

ETF Name	Code	Underlying Index	Fee	What's this Fund?
BetaShares Australia 200 ETF	A200	Solactive Australia 200 Index	0.07%	A200 provides exposure to the largest 200 companies listed on the ASX, with the lowest management fee in the market. The methodology to construct the underlying index is similar to that of the widely-used S&P ASX200 Index. A200 provides a very cost-effective means to gain access to a core Australian equities portfolio.
Vanguard MSCI Index International Shares ETF	VGS	MSCI ex-Australia AUD Index	0.18%	VGS offers low-cost access to 1500+ broadly diversified securities globally and allows investors to participate in the long-term growth of global economies. The index consists of the large and mid cap sectors of 22 of the 23 developed markets (ex-Australia). VGS is managed by Vanguard and enjoys the benefits of the firm's scale, experience and resources.
iShares MSCI Emerging Markets ETF	IEM	MSCI Emerging Markets Index	0.67%	IEM seeks to track the investment result of its underlying index, which composed of large- and mid-cap emerging market equities. It provides an access to 800+ emerging market stocks. BlackRock has a long track record in managing IEM (since 2007).
Vanguard Australian Property Securities Index ETF	VAP	S&P/ASX 300 A-REIT Index	0.23%	VAP invests in 29 ASX listed property securities, with the lowest cost structure in the market. It offers potential long-term capital growth and tax-effective income (i.e. a potentially tax-deferred component). The real estate segments in VAP range across retail, office, industrial and diversified.
SPDR Dow Jones Global Real Estate ETF	DJRE	Dow Jones Global Select Real Estate Securities Index	0.50%	The underlying index represents equity real estate investment trusts (REITs) and real estate operating companies traded globally. The main property sectors in which DJRE invests include industrial, office, retail and residential.
iShares Composite Bond ETF	IAF	Bloomberg AusBond Composite 0+Yr Index	0.15%	IAF offers broad Australian bond market diversification by indexing the most widely used market index. The index is composed of investment grade fixed income securities and forms at the core component in domestic fixed income sector in the model portfolio.
BetaShares Australian Bank Senior Floating Rate Bond ETF	QPON	Solactive Australian Bank Senior Floating Rate Bond Index	0.22%	QPON invests in senior floating rate notes issued by Australian banks and takes advantage of an increasing interest rate environment. Monthly distributions provide investors with a regular income stream.
Vanguard International Fixed Interest Index ETF (Hedged)	VIF	Bloomberg Barclays Global Treasury TR Index (AUD Hedged)	0.20%	VIF provides a low-cost exposure to high-quality, income-generating securities used by governments around the world. The underlying index is of sufficient scale to offer broad international treasuries market diversification.
iShares Enhanced Cash ETF	ISEC	n/a	0.12%	ISEC aims to achieve enhanced regular income with a portfolio of higher-yielding high quality short-term money market instruments. Fees are considered very low for a diversified, actively managed and liquid cash fund.
BetaShares Australian High Interest Cash ETF	AAA	n/a	0.18%	AAA invests in a portfolio of deposit accounts from selected banks in Australia. It aims to achieve interest rates that are competitive with at call bank deposits and term deposits without the need for investors to lock up capital for extended periods.

The ‘Satellite’ component – Alternatives Managed Funds:

ETFS Physical Gold

ETFS Physical Gold (GOLD) gives investors exposure to gold spot price in \$A terms through a listed, liquid and convenient security traded on the ASX.

Investors are provided with a ‘pure’ exposure with physical gold (vaulted with JPMorgan London), not via a derivative or synthetic structure.

ASX Code	GOLD
Sector	Gold
Return Objective	Provide investors with a beneficial interest in physical gold bullion without the necessity of holding, trading and storing physical gold bullion.
Management fee	0.40%
Performance fee	Nil
Inception	March 2003
FUM	\$2.04B

RARE Infrastructure Income Fund

The fund invests in listed companies whose business is the operation and maintenance of infrastructure assets, with a strong focus on income and yield quality. The fund’s recent performance has been strong relative to sector benchmarks and its peer group median.

The total RARE investment team is well resourced being the largest in the peer group. Alignment with investors is achieved through mandatory co-investments by key investment and operations staff, where 20% of their bonuses are required to be invested into RARE funds.

APIR Code	TGP0016AU
Sector	Global Listed Infrastructure
Return Objective	OECD G7 Inflation Index +5.5%
Management fee	1.025%%
Performance fee	Nil
Inception	Sept 2008
FUM	\$339.7M

The 'Satellite' component – Alternatives Managed Funds:





JPMorgan Global Macro Opportunities Fund

This multi-asset macro thematic fund targets positive returns in various market conditions by capitalising on the return opportunities created by economic trends. This allows investors to participate in market rallies, while limiting risk exposures in periods of market correction.

To convert global macroeconomic trends into returns, the fund capitalises on the expertise of an experienced team of macro strategists and specialist total return investors by investing flexibly across asset classes using a selection of traditional (long-only equity and fixed income) and sophisticated (including relative value and dynamic hedging) investment strategies.

APIR Code	PER0758AU
Sector	Global Macro
Return Objective	Bloomberg AusBond Bank Bill Index plus 7% over medium term
Management fee	0.80%
Performance fee	Nil
Inception	May 2016
FUM	\$128.93M

Risk Profile Definitions

Risk Profile	Description	Portfolio Allocation	Investment Timeframe	Investment Objective
Conservative	You are seeking reasonably stable growth and are willing to accept a moderate level of risk. When thinking of the term 'risk', you consider it as 'uncertainty'. Conservative investors are likely to experience negative returns approximately one year in every 10. Conservative portfolios are moderately diversified with a focus on income yield.	 30 Growth 70 Defensive	3 years +	CPI + 2%
Balanced	You are seeking total return both from income and capital appreciation and are willing to take short-term risks to gain long-term growth. When thinking of the term 'risk', you consider it as 'possibilities'. Balanced investors should be prepared to accept negative returns about one year in every 6. Balanced portfolios are broadly diversified across asset classes and segments.	 50 Growth 50 Defensive	5 years +	CPI + 2.8%
Growth	You are seeking a greater growth component in your investment portfolio, with some income to smooth volatility in your returns. When thinking of the term 'risk', you consider it as 'opportunity'. Growth investors should be prepared to accept negative returns approximately one year in every 5.	 70 Growth 30 Defensive	7 years +	CPI + 3.6%
High Growth	Long-term capital growth is your main focus. You can accept high levels of variability in investment returns and understand that higher returns typically come with higher level of risks. When thinking of the term 'risk', you consider it as 'thrill'. High Growth investors may experience one negative annual return every 4 years. Liquidity is not of primary concern.	 90 Growth 10 Defensive	10 years +	CPI + 4.5%

Investment Committee



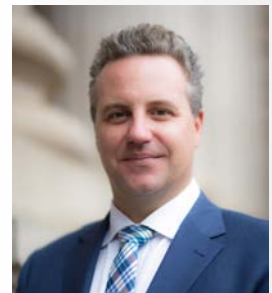
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Committee



Rob Fabbro
Head of Private Wealth



Paul Chin
Independent Investment
Committee Member



Ben Meikle
Executive Director of
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