



INVEST WITH CONFIDENCE

## INVESTMENT MENU

# ACTIVE HIGH CONVICTION AND INCOME

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The included Investment Menu is issued by Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956). Market Matters Pty Ltd (ABN 20 137 462 536, AFSL 488798) acts as the Model Manager of the Market Matters Active High Conviction SMA & the Market Matters Active Income SMA. Praemium Australia Limited is the Responsible Entity and the issuer of the Praemium SMA Product Disclosure Statement (PDS) dated 3rd April 2018.

## INVEST WITH CONFIDENCE

Market Matters is owned and operated by a group of professional money managers that have decades of experience navigating domestic and international stock markets.

For many years we've written daily notes to our subscribers about our unique views and the stocks we're buying/selling in our own portfolio.

We often go against the grain, make bold and at times controversial calls, while investing in a concentrated portfolio of stocks along the way. We have conviction in our views until those views change and we're fluid enough to change our holdings accordingly.

### **Introducing two Market Matters Model Portfolios:**

- Market Matters Active High Conviction SMA
- Market Matters Active Income SMA



## THE PORTFOLIOS

The portfolios will be managed by our internal investment committee along with James Gerrish, our Primary Contributor. Unlike a managed fund, investors can utilise their own tax status and collect franking credits. These are concentrated, high conviction portfolios, holding a targeted selection of stocks, Exchange Traded Funds or listed debt securities that are actively managed, rather than passively monitored.

Investing in the Market Matters Model Portfolios provides investors with the opportunity to easily align with our approach while ensuring that assets are registered in the name of the investor on an individual holder identification number (HIN).

# ACTIVE HIGH CONVICTION

## MARKET MATTERS SMA

MARKET MATTERS MODEL PORTFOLIO PROFILE: MM0001

### INVESTMENT OBJECTIVE:

Market Matters Active High Conviction SMA Portfolio aims to achieve superior “total return”, combining capital growth with income by actively managing a concentrated portfolio of Australian equities listed on the Australian Stock Exchange. The portfolio can at times use ASX listed Exchange Traded Funds.

### MODEL PORTFOLIO MANAGER

Market Matters

### WHO IS THIS OPTION SUITABLE FOR?

Investors who:

- ▶ Are seeking an actively managed Australian equity portfolio.
- ▶ Are looking to move high levels of cash when market risk warrants.
- ▶ Are seeking medium term growth and are prepared to accept some fluctuation in short term returns.

### INVESTMENT STRATEGY AND APPROACH

Market Matters uses an active investment strategy involving a combination of approaches with a heavier weighting towards technical analysis and macro-economic influences.

- ▶ Macro-economic and thematic influences, including the global growth environment, cross asset analysis and the influence this has on potential money flow, industry structure and position in the investment cycle.
- ▶ Technical Analysis, employed by the Portfolio Manager in two ways - The investment Manager uses a technical overlay in two ways – to identify potential investments for further analysis and to assist in the timing of entry and exit levels.
- ▶ Fundamental stock analysis, with particular focus on future earnings growth and relative valuations (PE relative to historical and peer group).

Turnover of the portfolio is expected to be around 200% annually.

## BENCHMARK INDEX

S&P/ASX 200 Accumulation Index

## INDICATIVE NUMBER OF HOLDINGS

Up to 20

## MINIMUM MODEL INVESTMENT

\$5,000

## INVESTMENT FEE

Base	0.70% p.a.
Performance (estimate)*	0.22% p.a.
Total (estimate)^	0.92% p.a.
Indirect Cost Ratio (approx.)	0.00% p.a.
Performance fee	10%

The performance fee is based on the Model's out-performance above the performance benchmark index, the S&P/ASX 200 Accumulation Index. Further details can be found under 'Fees and other costs' in the Praemium SMA PDS.

\* Investment Fee - Performance (estimate) is based on the average fee per investor over the past 5 years p.a., and is a guide only. Performance Fee is only paid when absolute return is positive.

^ Investment fee - Total (estimate) is the sum of the Base and the Performance (estimate) Investment fees.

Asset allocation ranges (%)	Min%	Target%	Max%
Australian equities	50	100	100
Cash	0	0	50

# ACTIVE INCOME

## MARKET MATTERS SMA

### MARKET MATTERS MODEL PORTFOLIO PROFILE: MM0002

#### INVESTMENT OBJECTIVE:

The Market Matters Active Income SMA Portfolio aims to provide a high level of regular tax-effective income with lower volatility than the underlying share market by actively managing a portfolio of high yielding equities combined with ASX listed income securities such as debt and preference securities that offer diversification benefits to both Australian equities and cash or term deposits. The portfolio may also invest in listed funds with a focus on income or capital stability.

#### MODEL PORTFOLIO MANAGER

Market Matters

#### WHO IS THIS OPTION SUITABLE FOR?

Investors who:

- ▶ Are seeking an actively managed Australian income portfolio.
- ▶ Are seeking lower volatility than the underlying equity market.
- ▶ Are seeking a sustainable income stream over a 3 year + time frame through a balance of income (inclusive of franking credits) and capital growth.

#### INVESTMENT STRATEGY AND APPROACH

Market Matters uses an active investment strategy involving a combination of approaches with a heavier weighting towards technical analysis and macro-economic influences.

- ▶ Macro-economic and thematic influences, including the global growth environment, cross asset analysis and the influence this has on potential money flow, industry structure and position in the investment cycle.
- ▶ Technical Analysis, employed by the Portfolio Manager in two ways - to identify potential investments for further analysis and to assist in the timing of entry and exit levels.
- ▶ Fundamental stock analysis, with particular focus on future earnings growth and relative valuations (PE relative to historical and peer group).

## BENCHMARK INDEX

RBA Cash rate + 4% (inclusive of franking credits)

## INDICATIVE NUMBER OF HOLDINGS

Up to 20

## MINIMUM MODEL INVESTMENT

\$5,000

## INVESTMENT FEE

Base	0.70% p.a.
Performance (estimate)*	0.00% p.a.
Total (estimate)^	0.70% p.a.
Indirect Cost Ratio (approx.)	0.00% p.a.
Performance fee	10%

The performance fee is based on the Model's out-performance above the performance benchmark index, the RBA Cash rate + 4% (inclusive of franking credits). Further details can be found under 'Fees and other costs' in the Praemium SMA PDS.

\* Investment Fee - Performance (estimate) is based on the average fee per investor over the past 5 years p.a., and is a guide only. Performance Fee is only paid when absolute return is positive.

^ Investment fee - Total (estimate) is the sum of the Base and the Performance (estimate) Investment fees.

Asset allocation ranges (%)	Min%	Target%	Max%
Australian equities	30	60	80
Australian hybrid securities	20	40	70
Cash	0	0	50

Contact details for Market Matters SMA  
offered by Praemium

**Praemium Australia Limited**

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