

# Masterclass 2025

The Intelligent Investment Solution

**iQ** Managed Portfolios



# Disclaimer

## General Advice Warning

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For more information, refer to the Financial Services Guide (FSG) for Ventura Investment Management Limited (available at <https://venturafm.com.au/media/1729/ventura-fsg-update-nov.pdf>).

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# AGENDA

## 1. Introduction of the Panel

- I. Ventura FM - Daniel Stojanovski – Chief Investment Officer and Asset Consultant to Centrepont Alliance – **Panel Host**
- II. Western Asset Management – Anthony Kirkham – Head of Asia Pacific Investment Management
- III. Ares – Teiki Benveniste - Managing Director and Head of AWMS Australia, New Zealand
- IV. PM Capital - Kevin Bertoli – Co-Portfolio Manager, Global and Australian Equities
- V. Loftus Peak – Alex Pollak – CIO and Founder

## 2. Panel discussion

# Ventura investment team



## Chief Investment Officer Ventura

**Daniel Stojanovski**

**Over 12 Years Industry experience**

Master of Finance

Bachelor of Commerce (Majoring in Economics and Business Law)



## Investment Analyst

**Thomas McLeod**

First Class Honors in Economics BSc (Bachelor of Science)



## Investment Analyst

**Callum Daly**

Bachelor of Economics (Majoring in Economics and Econometrics)

MORNINGSTAR®



## Asset Consultant

- Supply challenge to decisions
- Sit on the investment committee
- Stress test the portfolio
- Support the investment team
- Assist with additional fund reviews
- Provide any dynamic or tactical asset allocation data
- Business continuity

## Utilising best of breed technology

MORNINGSTAR®

**Lonsec**

REFINITIV



**iQ Managed Portfolios**

# Our beliefs

01



## Markets are not fully efficient

We believe in active management both at a portfolio level (Active Asset Allocation) and within the asset classes, seeking to identify which sub-sectors have persistent opportunities via their risk premia for outperformance and seeking to find those managers best positioned to capture this

02



## Investment risk is more than volatility

Often the biggest risks are not easily observed, these not only include investment risks but liquidity, counterparty and operational risks – we undertake significant proprietary research into economies, asset classes and underlying investments to build robust risk aware portfolios

03



## Portfolio diversity and quality

Given markets are not efficient in the short-term – we believe portfolios should be constructed to reflect this uncertainty, by being built with high quality investments that provide diversity across asset classes, geography, and underlying managers

04



## Access to your Investment team and enhanced reporting

Our business is structured with the strongest alignment of interests, advisers have access to the investment team – we make sure that our report assists both advisers and clients providing the up most transparency and alignment



# Portfolio construction

Equities	Property and Infrastructure	Fixed Income	Alternatives	Cash	Hedging
Provide blended exposure whilst considering factors including investment style, ability to outperform the benchmark, and a variety of risk metrics. Balancing investment style	Global listed property is the favoured asset class within the REIT complex on account of a more diversified and deeper opportunity set as compared to Australian listed property	Flexible investment guidelines to invest broadly within fixed income markets	This category will include strategies such as managed futures, multi strategy hedge funds and global macro funds that provide idiosyncratic returns compared to the rest of the portfolio	Portfolios include a varying allocation to cash depending on the growth/ defensive split of the portfolio	Maintaining a neutral hedging ratio based on recommendation by the asset consultant

# Asset allocation is the primary driver of returns?

## Strategic Asset Allocation (SAA)

Academic research shows that between 80% and 100% of long-term performance is driven by SAA, the original paper, *Determinants of Portfolio Performance*, Brinson, Hood and Beebouwer 1986 has been following many studies supporting the findings **Focusing on SAA maximises the chances of meeting long-term goals and objectives**

## Active Asset Allocation (AAA)

Over the short term, markets are not fully efficient and are often driven by sentiment creating opportunity for active asset allocation, this process is designed to minimise downside during bad periods and participate in the upside during good periods

## Manager selection

Opportunity exists within the asset classes to find managers which can deliver above market returns

## iQ portfolios

The iQ portfolios are diversified portfolios constructed with managed funds and ETFs that utilise SAA, AAA and the best of breed manager selection



**Active management involves navigating the changing opportunities and risks of the market and expert blending of diversified portfolios**

# Philosophy

The investment philosophy is based on the notion that active returns can be enhanced through prudent selection of underlying managers – the team believes that by selecting high quality managers or ETFs that have a research rating where applicable, they can achieve higher returns than the market level risk, they also use alternatives to diversify the portfolio and reduce volatility

The **iQ Accumulation Portfolios** have been constructed to deliver long term capital growth

The **iQ Income Portfolios** have been constructed with a focus on capital preservation and income – by limiting drawdowns by having a lower risk than that of the market

## Accumulation Portfolios

**iQ Accumulation  
Conservative  
Portfolio/  
Growth 30**

**iQ Accumulation  
Balanced Portfolio/  
Growth 50**

**iQ Accumulation  
Growth Portfolio/  
Growth 70**

**iQ Accumulation  
High Growth  
Portfolio/Growth 85**

## Income Portfolios

**iQ Income  
Conservative  
Portfolio/  
Defensive 70**

**iQ Income  
Balanced Portfolio/  
Defensive 50**

**iQ Income Growth  
Portfolio/  
Defensive 30**

Low

Volatility/return

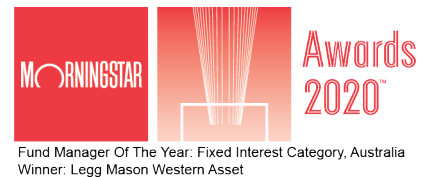
High



# **iQ Managed Portfolios**

# Western Asset Australian Bond Fund

As at December 31, 2024



# Western Asset Australian Bond Fund

## Guidelines

### Target Return:

- 75 bps p.a. in excess of the benchmark over the course of a market cycle

### Expected Tracking Error:

- 100 bps p.a. in excess of the benchmark over the course of a market cycle

### Benchmark:

- Bloomberg Ausbond Composite 0+ Index

### Duration Range:

- $\pm$  1 year relative to benchmark

### Eligible Securities:

- All securities in the Australian Investment grade fixed income universe.
- Securities may be issued or guaranteed by Australian or foreign entities.
- Securities downgraded below investment grade may be held.
- Sub-Investment Grade securities may be purchased opportunistically.

### Sector Limits:

- Min 30% Government and Semi government
- Max 80% Supranational and sovereign bonds
- Max 60% Corporate bonds
- Max 20% Mortgage and Asset backed Securities
- Max 10% Inflation linked
- Max 5% Sub-Investment Grade

### Issuer Limits:

- Max 5% per issuer except Australian government and agencies

### Leverage:

- No leverage

### Derivatives:

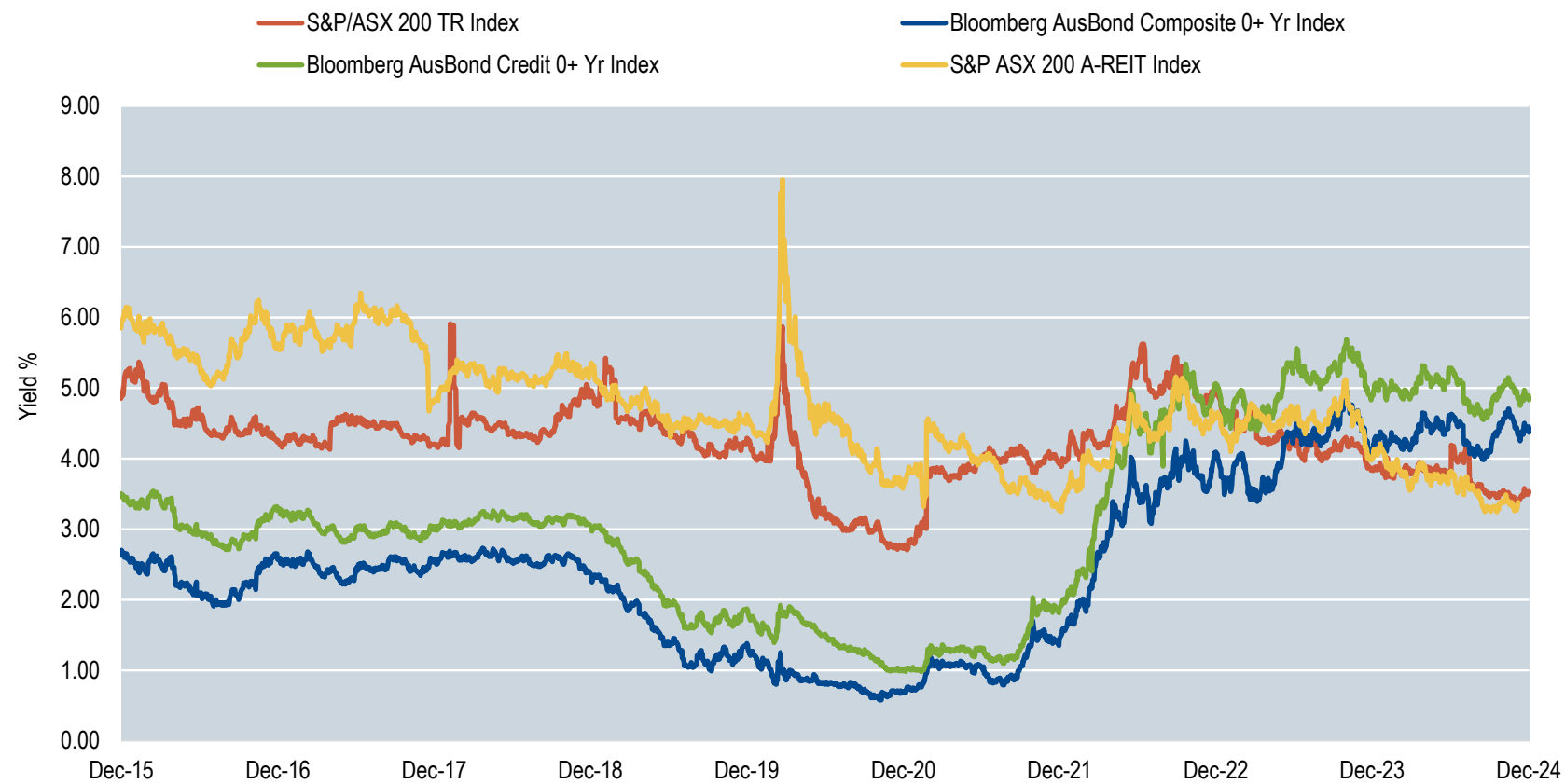
- Futures, Swaps and Options permitted

### SRI Negative Screen:

- The production of controversial weapons
- Manufacture of tobacco products
- Mining or extraction of thermal coal, or extraction of oil from tar sands (subject to a 10% revenue threshold).

# Attractive Yields

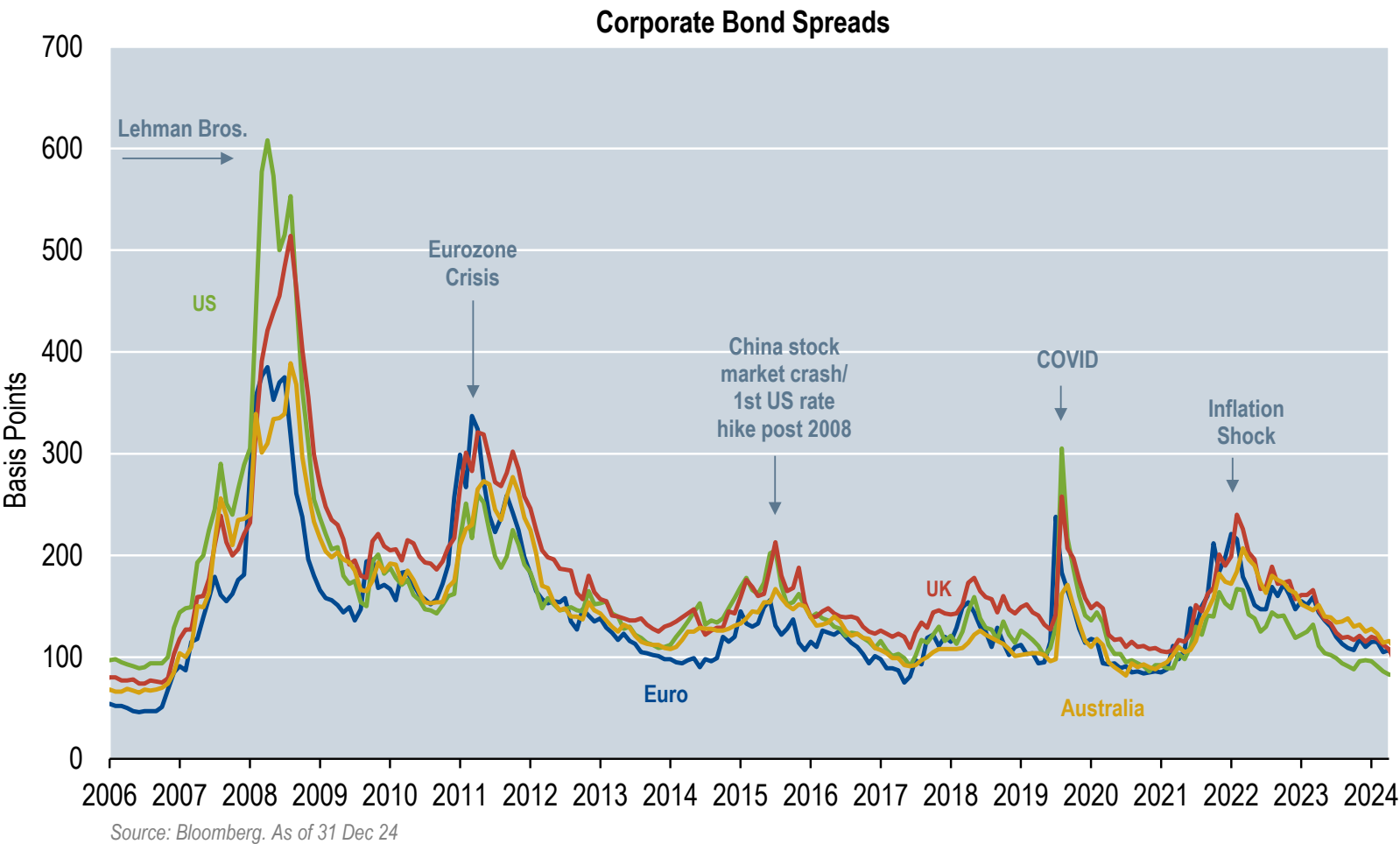
## Fixed Income and Credit Yields on Par with Growth Assets



Source: Bloomberg, As at 31 Dec 24

# Global Corporate Bond Spreads

Australian Corporate Spreads continue to trade wider than the US





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## Ares Global Credit Income Fund

February 2025



# Disclaimer

This material has been prepared by Ares Australia Management Pty Ltd ABN 51 636 490 732, AFSL 537 666 (AAM), the investment manager of the Ares Global Credit Income Fund (ARSN 639 123 112) (the Fund) and is current as at the date of publication. Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and is the issuer and responsible entity of the Fund. Other than information which is sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this publication, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at [www.fidante.com](http://www.fidante.com) should be considered before making a decision about whether to buy or hold units in the Fund(s). To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance. Any projections are based on assumptions which we believe are reasonable but are subject to change and should not be relied upon. Fidante has entered into arrangements with Ares and AAM in connection with the distribution and administration of financial products managed by Ares or AAM. In connection with those arrangements, Fidante or AAM may receive remuneration or other benefits. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. The performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group nor AAM or its related bodies corporate.

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# Summary of Risk Factors

An investment in Ares Global Credit Income Fund ("AGCIF" or the "Fund") entails a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating the risks of the Fund and bearing the risks it represents. Below is a non-exhaustive list of risk factors and conflicts of interest that should be considered before making an investment in the Fund. **Prospective investors should carefully consider the following and make reference to the detailed risk factors and all other information contained in the Fund's Constitution, Product Disclosure Statement ("PDS") and Target Market Determination ("TMD"). Prospective investors should consider obtaining independent financial advice to determine if an investment in the Fund is appropriate in light of their financial situation, objectives and needs.**

**No Assurance of Portfolio Investment Return.** There can be no assurance that the Fund will be able to generate returns for its investors in a timely manner or at all, that the Fund's investment objective will be achieved, or that such returns will be comparable to the Fund's benchmark. Portfolio investments which may not achieve their expected operational objectives and may experience substantial fluctuations in their operating results. A prospective investor could lose the entire amount of its contributed capital.

**Past Performance Not Indicative of Future Results.** Past performance of the investment manager, sub-adviser, and their respective investment professionals with respect to any fund, strategy or other portfolios, investment vehicles or accounts may be not indicative of the future results that the Fund will achieve.

**Any Use or Indication of Target Returns are not Guarantees of Performance.** Target returns are not a reliable indicator of future performance, and no guarantee or assurance is given that such performance objectives will be achieved. Actual results may differ materially from the target returns. Any investment involves significant risk, including the loss of principal. The target returns are provided solely to evaluate the return potential and risk profile of an investment in the Fund. Target returns are not based on modeled expectations or specific criteria and assumptions, but rather what we believe we may achieve given current market conditions, which may differ from actual events or conditions.

**Asset backed securities risk.** The value of asset backed securities are affected by the value and cashflow of the underlying collateral. Asset backed securities are subject to more structural and legal complexities than other fixed income securities. Credit risk, liquidity risk and interest rate risk could impact the timing and size of the cashflows paid by the securities and could negatively impact the returns of the securities.

**Collateralised loan obligation (CLO) risk.** CLOs issue securities in tranches with different payment characteristics and different credit ratings, and different risk of loss or deferral or non-payment of interest. CLO tranches may have higher ratings and lower yields than the underlying securities. CLO tranches can experience substantial losses. The Fund may not receive back the full amount of its investment in a CLO.

**Fixed income security risk.** Investments in fixed income securities may experience a decline in income where market interest rates are falling and securities are reinvested at a lower yield. Investors are also exposed additional risks which can result in significant variability in investment returns and a loss of income or capital value, and risks associated with the terms and conditions of the individual financial security.

**Credit risk.** Issuer of fixed income securities may be unable or unwilling to make interest and/or capital repayments in full and/or on time or may not meet other financial obligations. Fixed income securities are subject to legal, political, macro-economic, industry and business risks leading to a loss of capital or interest payments. Changes in credit ratings may lead to volatility in the security's secondary market price.

**High yield bond risk.** High yield bonds rated may be more volatile than higher-rated bonds of similar maturity. High yield bonds may be subject to greater levels of credit default. High yield bonds may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated bonds.

**Market risk.** The Fund may experience losses due to factors that result in market volatility and disruption and affect the overall performance of the financial markets, such as changes in spreads, macro-economic, regulatory, social and political conditions, weather events, terrorism, changes in technology, the environment and market sentiment, and pandemics and other widespread public health emergencies.

**Derivative risk.** The use of derivatives may magnify losses to the Fund. The Fund may not be able to meet payment obligations as they arise, or the counterparty may fail to perform its contractual obligations.

**Collateral risk.** The Fund may be required to deliver collateral to a derivative counterparty or clearer, hence exposed to risks in respect of that collateral including the credit risk of the counterparty or clearer.

**Counterparty risk.** The Fund is, to a certain extent, reliant on external counterparties in connection with its operation and investment activities. The counterparty may fail to perform its contractual obligations, and any collateral lodged with counterparties related to these derivatives may also be at risk. This may result in the investment activities of the Fund being adversely affected.

**Interest rate risk.** The market price of fixed income securities (such as bonds) can be affected by movements in interest rates.

**Currency risk.** The value of investments denominated in foreign currencies may fluctuate in Australian dollar terms because of fluctuations in currency exchange rates. Hedging strategies could reduce the potential for increased gains.

**Fund risk.** Investors are exposed to risks associated with the Fund, such as termination or changes to fees. The value or tax treatment of an investment, or the effectiveness of the Fund's strategy may be adversely affected by changes in government policies, regulations, laws, generally accepted accounting policies or valuation methods. Investing in the Fund may give different results from holding the underlying assets directly.

**Liquidity risk.** The Fund may not have adequate cash resources to meet its short-term financial commitments as they fall due (including redemption payments). Liquidity risk may occur due to the absence of an established market or a shortage of buyers for an investment, or events causing volatility and declines in markets. Certain investments may become illiquid during times of market stress. Large withdrawals may have a detrimental impact on asset selling price. Withdrawals may be suspended suspend or otherwise restricted.

**Withdrawal risk.** If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, withdrawals from the Fund may take significantly longer than the generally applicable timeframe and may need to be suspended.

**Operational risk.** The day-to-day operations of the Fund may be adversely affected by circumstances beyond its reasonable control, such as a failure of technology or infrastructure, pandemics and other widespread public health emergencies or natural disasters. A breakdown of administrative procedures and risk control measures may also adversely affect the operation and performance of the Fund.

**Service provider risk.** The Fund is subject to risks in using external service providers such as fund administrator, custodian, registry provider and any sub-advisory managers, and the risk that they default in the performance of their obligations or seek to terminate the services, which may adversely affect the investment activities and other functions of the Fund.

**Conflicts of Interests.** Ares manages various funds and strategies and the management of these funds and strategies can give rise to conflicts of interest. There can be no assurance that Ares and the Investment Manager will identify or resolve all conflicts of interest in a manner that is favourable to the Fund. Please refer to the PDS for additional important information related to these conflicts, and see Ares' Form ADV Part 2A, which is available at: [https://files.adviserinfo.sec.gov/APD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=903637](https://files.adviserinfo.sec.gov/APD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=903637).

# Ares Management

» With approximately \$464 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

## Profile

Founded	1997
AUM	\$464bn
Employees	3,140+
Investment Professionals	1,095+
Global Offices	35+
Direct Institutional Relationships	2,660+
Listing: NYSE – Market Capitalization	\$53.0bn <sup>1</sup>

## The Ares Differentiators

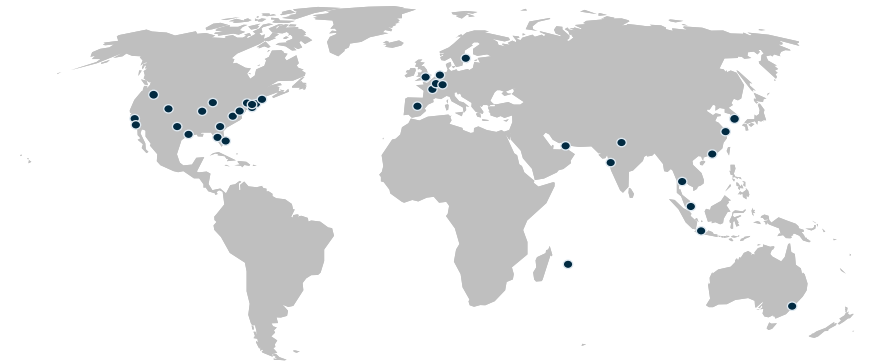
**Power of a broad and scaled platform enhancing investment capabilities**

**Deep management team with integrated and collaborative approach**

**20+ year track record of attractive risk adjusted returns through market cycles**

**A pioneer and leader in leveraged finance, private credit and secondaries**

## Global Footprint<sup>2</sup>



	Credit	Real Assets	Private Equity	Secondaries	Other Businesses
AUM	<b>\$335.3bn</b>	<b>\$70.3bn</b>	<b>\$24.5bn</b>	<b>\$27.3bn</b>	<b>\$6.4bn</b>
Strategies	Direct Lending	Real Estate Equity	Corporate Private Equity	Private Equity Secondaries	Ares Insurance Solutions <sup>4</sup>
	Liquid Credit	Real Estate Debt	APAC Private Equity	Real Estate Secondaries	Ares Acquisition Corporation <sup>5</sup>
	Alternative Credit	Infrastructure Opportunities		Infrastructure Secondaries	
	Opportunistic Credit <sup>3</sup>	Infrastructure Debt		Credit Secondaries	
	APAC Credit				

Note: As of September 30, 2024. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser.

Past performance is not indicative of future results.

1. As of December 18, 2024.

2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

3. In Q1 2024, we moved our Special Opportunities strategy from our Private Equity Group into our Credit Group as Opportunistic Credit. The fund name remains Special Opportunities. Opportunistic Credit has been reclassified and presented within the Credit Group and reflected on a historical basis.

4. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.

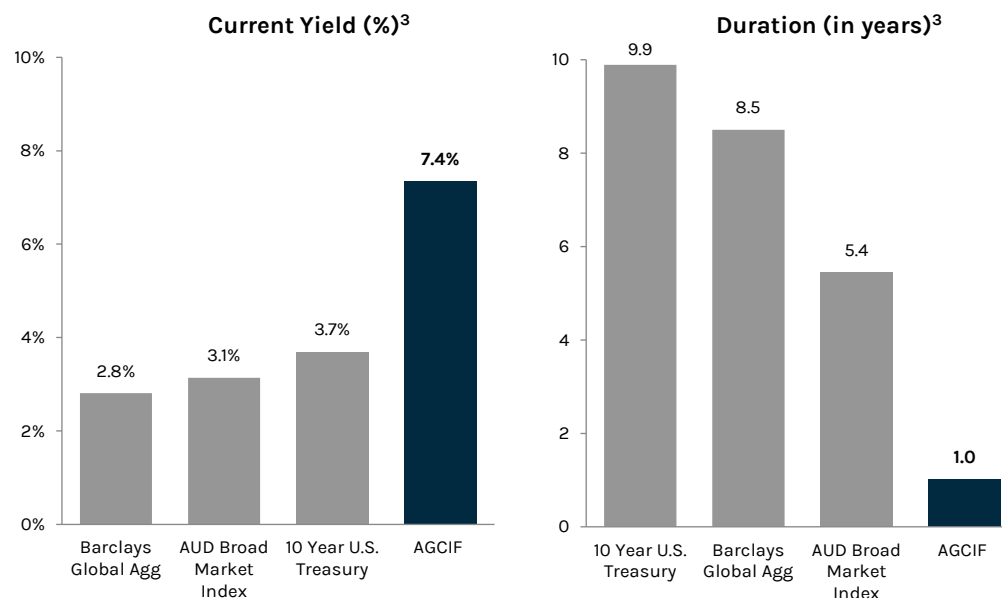
5. AUM includes Ares Acquisition Corporation II ("AACT").

# Designed to Deliver Yield Enhancement & Diversification

➤ Targeting distributions of BBSW +2.5-3.5% p.a. paid monthly with low correlation to traditional asset classes<sup>1</sup>

- The Fund aims to generate attractive risk-adjusted returns through **both tactical asset allocation and disciplined credit selection**
  - \$6.3 trillion opportunity set across the U.S. and European leveraged loan, high yield, and alternative credit markets<sup>2</sup>
- Ares' tailored approach in AGCIF aims to function as both a **yield enhancer** and **diversifier** to a broad portfolio of equities and traditional fixed income

Attractive Current Income with Lower Duration...<sup>3, A</sup>



...and Low Correlation to Traditional Asset Classes<sup>4, B</sup>

	US Loans <sup>(i)</sup>	EU Loans <sup>(ii)</sup>	US HY <sup>(iii)</sup>	EU HY <sup>(iv)</sup>	CLO DEBT <sup>(v)</sup>	US CMBS <sup>(vi)</sup>
US IG <sup>(vii)</sup>	0.58	0.61	0.81	0.76	0.57	0.90
US Treasury <sup>(viii)</sup>	-0.11	-0.06	0.30	0.16	-0.06	0.67
US Equities <sup>(ix)</sup>	0.61	0.62	0.83	0.79	0.54	0.53
EU Equities <sup>(x)</sup>	0.61	0.62	0.74	0.77	0.56	0.47
AU Equities <sup>(xi)</sup>	0.77	0.79	0.83	0.86	0.72	0.57
Global Agg <sup>(xii)</sup>	0.32	0.35	0.66	0.57	0.32	0.86
AU Agg <sup>(xiii)</sup>	0.11	0.14	0.43	0.33	0.11	0.65

Indices above used for illustrative purposes only.

1. There is no assurance that target distributions will be achieved at these levels or at all. BBSW reflects the Bank Bill Swap Rate.

2. Source: S&P UBS Global Leveraged Loan Index, ICE BofA Global High Yield Index, J.P. Morgan CMBS Research, J.P. Morgan ABS Research: ABS Volume Datasheet Report, Ares INsight database, Intex. As of September 30, 2024. Assumes a 1.09 EUR/USD exchange rate where applicable.

3. As of December 31, 2024. Source: BofA, Bloomberg.

4. As of September 30, 2024, and based on Monthly returns over 5-year time period. Please see the endnotes section for performance notes (A) and (B).

Please see endnotes for Index Definitions and an important index disclosure.

# Why Invest in AGCIF Now?

» We believe AGCIF is well-positioned to capitalize on the current market opportunity



Note: As of December 31, 2024. Note, AGCIF yield is an attribute of underlying investments and does not represent a return to investors.

1. Data starts January 1, 2010. Sources: BofA and UBS. U.S. Bank Loans represented by the CSLLI, European bank loans represented by the CSWELLI.

2. US. high yield represented by the HUC0 and European high yield represented by the HPC0. **Please see endnotes for index definitions.**

**Diversification does not assure profit or protect against market loss.**

# Index Definitions

- The S&P UBS Western European Leveraged Loan Index ("CSWELLI")** is designed to mirror the investable universe of the leveraged loan market of issues which are denominated in US\$ or Western European currencies. The issuer has assets located in or revenues derived from Western Europe, or the loan represents assets in Western Europe, such as a loan denominated in a Western European currency. Loan facilities must be rated "5B" or lower. That is, the highest Moody's/S&P ratings are Baa1/BB+ or Ba1/BBB+. Only fully funded term loan facilities are included and the tenor must be at least one year. Minimum outstanding balance is \$100 million and new loans must be priced by a third-party vendor at month-end. The index inception is January 1998.
- The S&P UBS Institutional Leveraged Loan Index ("CSLLI")** is designed to mirror the investable universe of the \$US-denominated leveraged loan market. The index inception is January 1992. The index frequency is daily, weekly and monthly. New loans are added to the index on their effective date if they qualify according to the following criteria: 1) Loan facilities must be rated "5B" or lower. That is, the highest Moody's/S&P ratings are Baa1/BB+ or Ba1/BBB+. If unrated, the initial spread level must be SOFR plus 125 basis points or higher. 2) Only fully-funded term loan facilities are included. 3) The tenor must be at least one year. 4) Issuers must be domiciled in developed countries; issuers from developing countries are excluded.
- ICE BofA European Currency High Yield Index ("HPOO")** tracks the performance of EUR and GBP denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). In addition, qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 100 million or GBP 50 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and domestic markets), 144a securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Defaulted, warrant-bearing and euro legacy currency securities are excluded from the index. Inception date: December 31, 1997 The above rules take into account all revisions up to and including December 31, 2010.
- The BofA US High Yield Master II Constrained Index ("HUCO")** tracks the performance of US Dollar denominated below investment grade corporate debt publicly issued in the US domestic market with a maximum issuer exposure of 2%. The returns of the benchmark are provided to represent the investment environment existing during the time period shown. For comparison purposes the index includes the reinvestment of income and other earnings but does not include any transaction costs, management fees or other costs. BANK OF AMERICA IS LICENSING THE ICE BOFA INDICES AND RELATED DATA "AS IS," MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE ICE BOFA INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THEIR USE, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ARES MANAGEMENT, OR ANY OF ITS PRODUCTS OR SERVICES.
- ICE BofA US Corporate Index ("COAO")** tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. Original issue zero coupon bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Inception date: December 31, 1972.
- ICE BofA Euro High Yield Index** value, which tracks the performance of Euro denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch). Returns hedged to USD.
- The S&P 500** is an American stock market index based on the market capitalisations of 500 large companies having common stock listed on the NYSE or NASDAQ. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices.
- The ICE BofA US High Yield Index ("HOAO")** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. Index constituents are capitalisation-weighted based on their current amount outstanding times the market price plus accrued interest. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception date: August 31, 1986.
- The Bloomberg Barclays Capital Global Aggregate Bond Index ("Barclays Global Agg")** measures the performance of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers. To be included in the index, bonds must be investment grade using the index credit quality classification methodology (middle rating of Moody's, Fitch and S&P). The currency must be freely tradeable and convertible and not exposed to exchange controls that are designed to encumber its buying and selling by foreign investors. There must be an established and developed forward market or non-deliverable forward (NDF) market for the local currency such that foreign market participants can hedge their exposures into core currencies. Inception date: January 1, 1990.
- ICE BofA US Insured Bond Municipal Securities Index ("UODO")** is a subset of ICE BofA US Municipal Securities Index including all insured securities. ICE BofA US Municipal Securities Index tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories, and their political subdivisions, in the US domestic market. Qualifying securities must have at least one year remaining term to final maturity, at least 18 months to final maturity at the time of issuance, a fixed coupon schedule and an investment grade rating (based on an average of Moody's, S&P and Fitch). Minimum size requirements vary based on the initial term to final maturity at time of issuance. Securities with an initial term to final maturity greater than or equal to one year and less than five years must have a current amount outstanding of at least \$10 million. Securities with an initial term to final maturity greater than or equal to five years and less than ten years must have a current amount outstanding of at least \$15 million. Securities with an initial term to final maturity of ten years or more must have a current amount outstanding of at least \$25 million.
- The S&P/ASX 200** is recognized as the institutional investable benchmark in Australia. Index constituents are drawn from eligible companies listed on the Australian Securities Exchange. The S&P/ASX 200 is designed to measure the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative, liquid, and tradable, it is widely considered Australia's preeminent benchmark index.
- The Russell 2000 Index** is a small-cap stock market index of the smallest 2,000 stocks in the Russell 3000 Index. It was started by the Frank Russell Company in 1984. The index is maintained by FTSE Russell, a subsidiary of the London Stock Exchange Group.
- ICE BofA Australian Broad Market Index (AUDO)** tracks the performance of AUD denominated investment grade debt publicly issued in the Australian domestic market, including sovereign, quasi-government, corporate, securitized and collateralized securities. With the exception of local currency sovereign debt, qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).



# Index Definitions (continued) and Important Index Disclosure

14. **EURO STOXX 50 Index** comprises the 50 leading blue chip stocks in the Eurozone countries. The index weighting is based on a free-float market capitalization, with a maximum weighting of ten percent for each constituent. The free-float market capitalization of the EURO STOXX 50® Index accounts for approximately 60 percent of the capitalization of the entire Eurozone.
15. **JPM U.S. CLOIE BBB Post-Global Financial Crisis Index** tracks floating-rate CLO securities in 2004-present vintages, rated BBB. Additional sub-indices are divided by ratings AAA through BB, and further divided between pre- and post-crisis vintages. CLO 2.0, or post-crisis vintages, include deals issued in 2010 and later. CLOIE utilizes a market-value weighted methodology. Inception date: July 15, 2014.
16. **JPM U.S. CLOIE A Post-Global Financial Crisis Index** tracks floating-rate CLO securities in 2004-present vintages, rated A. Additional sub-indices are divided by ratings AAA through BB, and further divided between pre- and post-crisis vintages. CLO 2.0, or post-crisis vintages, include deals issued in 2010 and later. CLOIE utilizes a market-value weighted methodology. Inception date: July 15, 2014.
17. **JPM U.S. CLOIE AA Post-Global Financial Crisis Index** tracks floating-rate CLO securities in 2004-present vintages, rated AA. Additional sub-indices are divided by ratings AAA through BB, and further divided between pre- and post-crisis vintages. CLO 2.0, or post-crisis vintages, include deals issued in 2010 and later. CLOIE utilizes a market-value weighted methodology. Inception date: July 15, 2014.
18. **The JPM JULI High Grade Index** measures the performance of the investment grade dollar denominated corporate bond market. The JULI focuses on the most liquid instruments with the objective of making the index a fair and true representation of the investable market. To be included, instruments must be liquid, USD denominated investment grade corporate debt and a bullet security paying a non-zero coupon semi-annually. Excludes convertibles, refundables, extendables and perpetuals. Aggregate level total return is calculated as a market-weighted average of individual bond level returns. Previous day weights are used to aggregate current day returns. Performance and statistics are available by individual issuers, for sectors and sub-sectors, and maturity buckets. Inception dating back to 31-Dec-1999).
19. **The Dow Jones Emerging Markets Index** is designed to measure 95% of the market capitalization coverage of stocks traded in emerging markets. Included in the Dow Jones Global Indices family are a wide range of regional, country, size-segment, and sector indices. The indices are float-adjusted market capitalization (FMC) weighted, with caps applied to certain indices within the family to ensure diversification among companies within those indices.
20. **The Bloomberg AusBond Bank Bill Index** is engineered to measure the Australian money market by representing a passively managed short term money market portfolio. This index is comprised of 13 synthetic instruments defined by rates interpolated from the RBA 24-hour cash rate, 1M BBSW, and 3M BBSW.
21. **Dow Jones Emerging Markets Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market. It invests primarily in a diversified portfolio of intermediate term below investment-grade debt securities. Total return figures assume payment of fees and reinvestment of dividends (after the highest applicable foreign withholding tax) and distributions. Inception date: November 13, 1998.
22. **IAU ETF** reflects the iShares Gold Trust (the "Trust"), which seeks to reflect generally the performance of the price of gold. The Fund seeks to reflect the price of gold owned by the trust less the trust's expenses and liabilities. The Fund intends to constitute a simple and cost-effective means of making an investment similar to an investment in gold. Inception date: January 21, 2005.
23. **ICE BofA U.S. Mortgage Backed Securities Index** tracks the performance of US dollar denominated 30-year, 20-year and 15-year fixed rate residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. Fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon. Balloon, mobile home, graduated payment and quarter coupon fixed rate mortgages are excluded from the index, as are all collateralized mortgage obligations.
24. **ICE BofA Current 10-Year US Treasury Index** is a one-security index comprised of the most recently issued 10-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 10-year note must be auctioned on or before the third business day before the last business day of the month.
25. **ICE BofA Euro Corporate Index** tracks the performance of EUR denominated investment grade corporate debt publicly issued in the eurobond or Euro member domestic markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and at least 18 months to final maturity at the time of issuance. In addition, qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million. Original issue zero coupon securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index.
26. **ICE BofA Emerging Markets Diversified Corporate Index ("EMSD")** tracks the performance of US dollar denominated emerging markets corporate senior and secured debt publicly issued in the US domestic and eurobond markets. In order to qualify for inclusion in the Index an issuer must have primary risk exposure to a country other than a member of the FX G10, a Western European country, or a territory of the US or a Western European country. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Individual securities of qualifying issuers must be denominated in US dollars, must be senior or secured debt, must have at least one year remaining term to final maturity a fixed coupon and at least \$500 million in outstanding face value. Qualifying securities must have at least 18 months to final maturity at the time of issuance. The index includes corporate debt of qualifying countries, but excludes sovereign, quasi-government, securitized and collateralized debt. Original issue zero coupon bonds 144a securities, both with and without registration rights, and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index.
27. **EUR Inflation Swap Zero Coupon 5-Year Index ("EUSWI05")** is a derivative used to transfer inflation risk from one party to another through the exchange of cash flows.
28. **The S&P UBS U.S. High Yield Index** is designed to mirror the investable universe of the USD denominated high yield debt traded in the US credit market. It invests in securities that are straight corporate debt, including cash-pay and zero-coupon bonds. PIK, FRN, convertibles, perpetuals and preferred stock are ineligible. Issues are rated below investment grade bonds rated by Moody's, S&P, or Fitch. If a bond is rated by all three agencies, the median rating is used; if a bond is rated by two agencies, the lower rating is used; unrated new bonds are excluded. Inception date: January 1, 1986.
29. **The S&P UBS Western European High Yield Index** is designed to mirror the investable universe of the Western European USD, EUR and GBP denominated high yield debt markets. It invests in securities that are straight corporate debt, including cash-pay, zero-coupon and stepped-rate bonds. PIK, FRN, convertibles, perpetuals and preferred stock are ineligible. Issues are rated below investment grade bonds rated by Moody's, S&P, or Fitch. If a bond is rated by all three agencies, the median rating is used; if a bond is rated by two agencies, the lower rating is used; unrated new bonds are excluded. Inception date: January 1, 1995.

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# Performance Notes

## **Designed to Deliver Yield Enhancement & Diversification**

(A) Sources: (i) 10 Year U.S. Treasury represented by ICE BofA Current 10-Year U.S. Treasury Index (GA10), (ii) Barclays Agg represented by the Barclays Global Aggregate Index (USD Hedged), (iii) Australian Broad Market Index. Indices are unmanaged and have no fees. It is not possible to invest directly in an index. (iv) Ares Global Credit Income Fund Model Portfolio's current yield represents the gross portfolio yield before leverage, fees, and expenses. The effective duration measures a bond's sensitivity to interest rates. Past performance is not indicative of future results.

(B) Sources: (i) Credit Suisse Leveraged Loan Index, (ii) Credit Suisse Western European Leveraged Loan Index, (iii) ICE BofA US High Yield Master II Index, (iv) ICE BofA European Currency High Yield Index, (v) JPM U.S. CLOIE BBB Index Post-Crisis, (vi) ) Bloomberg Non-Agency (Private Label CMBS) Index, (vii) ICE BofA US Corporate Index, (viii) ICE BofA Current 10-Year US Treasury Index, (ix) S&P 500 Index, (x) The Euro STOXX 50 Index, (xi) S&P/ASX 200 Index, (xii) The Bloomberg Barclays Capital Global Aggregate Bond Index ("Barclays Global Agg"), (xiii) Australian Broad Market Index.

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# Centrepont Masterclass

February 2025

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# Why PM Capital



## **Alignment.**

We are the first and largest investors in the Funds.

Our strategies were set up to manage our own pool of capital.



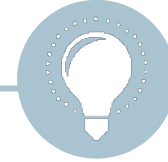
## **Objective — to build long-term wealth.**

Our willingness to think long-term (decades) is one of our biggest competitive advantages.



## **Focused on genuine market anomalies.**

A recognition that to be a successful investor, we must do something that others are not.



## **Valuation and in-depth research.**

The foundation of our process. It means we are not afraid to go against the herd.



## **Opportunity set.**

Most investors aren't prepared to deal with stress or business risk of short-term price action.

A consistent and disciplined framework. The same process and philosophy implemented for 25+ years

# Investment landscape

## Today

- Market concentration, the big get bigger
- Record valuation dispersion, US v. RoW
- Normalised interest rates
- Growth first mentality, enlarged fiscal deficits
- Full employment, tight labour markets

## Where to

- Global decoupling & reconfiguration of global supply chains
- Increased geopolitical conflict – economic arms race
- Reconfiguration of energy markets & war on carbon
- Healthcare economy

## Stock Examples



It's time for investors to think differently.

# Where we fit



## **Absolute return**

- Concentrated Portfolio
- Absolute Return Focus
- Capital Growth & Income



## **Portfolio satellite**

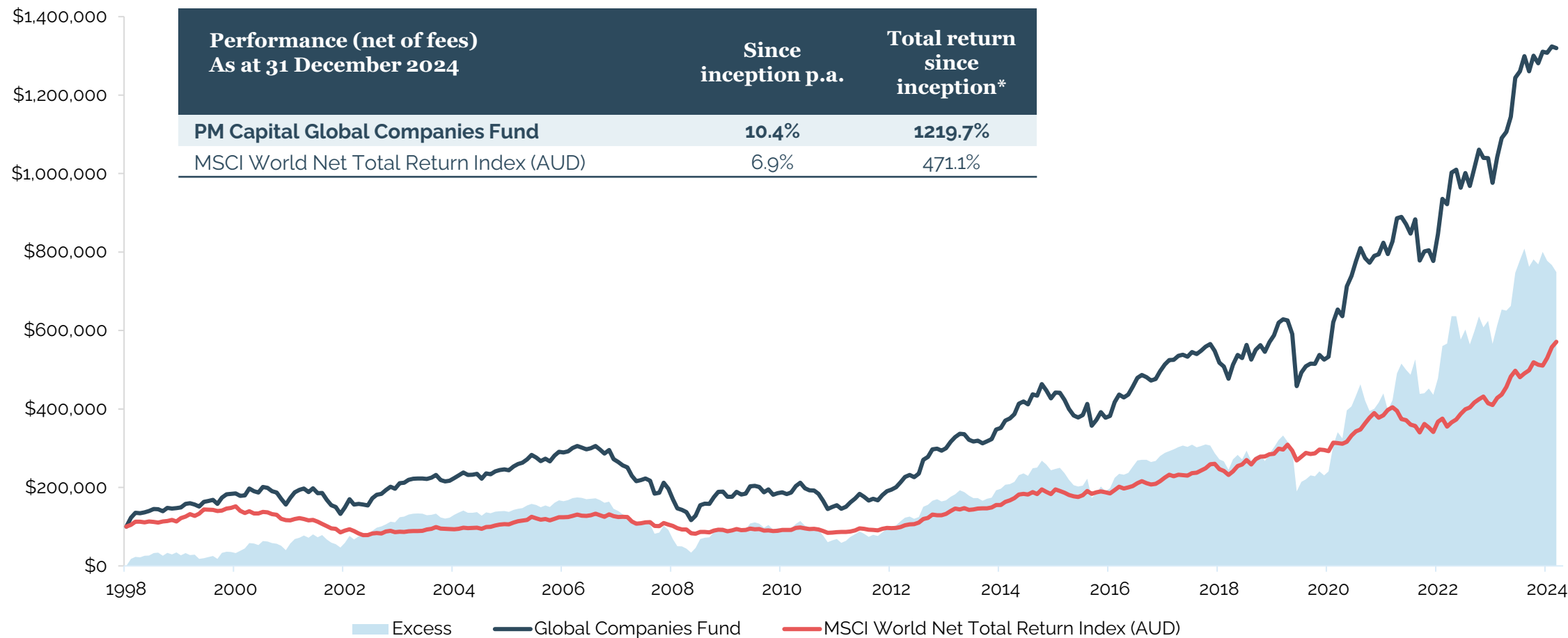
- Contrarian Investment Style
- Long Term Approach
- Low Portfolio Turnover



## **Complimenting other global equity funds**

- Different Portfolio Composition
- Strong Blending Characteristics
- Diversification Benefits

# Building long-term wealth



The power of different thinking.

\*Since inception in 28 October 1998 to 31 December 2024. Past performance is not indicative of future performance.



Loftus Peak

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**Change.** The way you  
**should** invest.

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**2025 Centrepont Alliance Masterclass**

Alex Pollak | Chief Investment Officer, Founder



**ASX: LPGD**

# Target Market Summary

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## **Loftus Peak Global Disruption Fund**

This product is intended for use as a satellite to core component allocation for a consumer who is seeking capital growth and has a high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a minimum 3 year investment timeframe and who is unlikely to need to withdraw their money on less than one week's notice.

## **Loftus Peak Global Disruption Fund (Hedged)**

This product is intended for use as a satellite to core component allocation for a consumer who is seeking capital growth and has a high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a minimum 3 year investment timeframe and who is unlikely to need to withdraw their money on less than two weeks' notice.

## **Orca Global Disruption Fund**

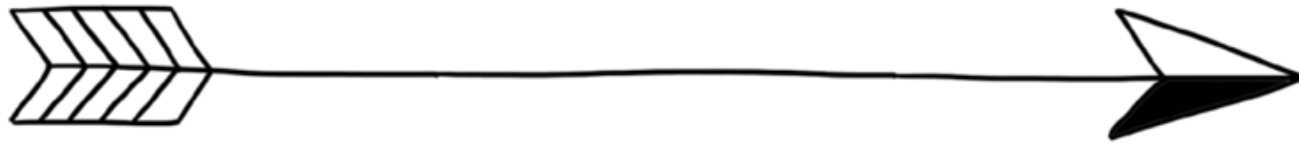
This product is intended for use as a satellite to minor component allocation for a consumer who is seeking capital growth and has a high or very high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a minimum 5 year investment timeframe and who is unlikely to need to withdraw their money on less than one week's notice.

# Loftus Peak exists to provide exposure to the disruption that is rolling through business globally

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INNOVATION

DISRUPTION



DOING THE SAME  
THINGS A BIT  
BETTER

DOING NEW  
THINGS

MAKING THINGS THAT  
MAKE THE OLD THINGS  
OBSOLETE



# What a difference a decade makes!

MSCI ACWI 2014	
Top 10	Weights
Apple	1.6%
Exxon	1.2%
Microsoft	0.9%
Johnson & Johnson	0.7%
Wells Fargo & Co	0.7%
Nestle	0.7%
General Electric	0.7%
Chevron	0.7%
JPMorgan Chase & Co	0.6%
Roche	0.6%
<b>Total</b>	<b>8.2%</b>

MSCI ACWI 2024	
Top 10	Weights
Microsoft	4.2%
Nvidia	4.2%
Apple	4.2%
Amazon	2.4%
Alphabet	2.7%
Meta	1.5%
TSMC	1.0%
Eli Lilly	1.0%
Broadcom	0.9%
JPMorgan Chase & Co	0.8%
<b>Total</b>	<b>22.9%</b>

Source: Bloomberg

# The reason Loftus Peak is relevant

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1. Disruption is rolling through all industries at an accelerating pace
2. The markets keep mispricing disruption
3. Loftus Peak has a ten-year track record, with a process that unearths, values and risk-adjusts portfolio positions

# Disclaimers

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The PDS and TMD for the Funds can be obtained by calling +61 2 9163 3333 or visiting our websites [loftuspeak.com.au](http://loftuspeak.com.au) and [orcafunds.com.au](http://orcafunds.com.au).

A TMD describes who this financial product is likely to be appropriate for (i.e., the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the TMD for this financial product may need to be reviewed.

Mason Stevens Limited (“Mason Stevens”) (ABN 91 141 447 207, AFSL 351 578) is the Managed Discretionary Account (“MDA”) Provider of the MDA Service and has appointed Loftus Peak as Investment Sub-Adviser on the Loftus Peak Global Change Portfolio (“the Portfolio”). You should consider the Investment Mandate for the Portfolio in deciding whether to acquire, or continue to hold, the product. The Investment Mandate and application form may be requested by emailing [enquiry@loftuspeak.com.au](mailto:enquiry@loftuspeak.com.au).