

ALPHINITY INVESTMENT MANAGEMENT

Alphinity Australian Share Fund

FUND OVERVIEW

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

Key features of the fund



Consistent relative returns: Aims to deliver consistent incremental outperformance at comfortable levels of volatility.



Quality: A long only portfolio of 35-55 high quality large-cap Australian listed stocks.



Style agnostic: Invest in a wide variety of stocks through different market cycles as we aim to own companies at the right time in their earnings cycle.



Experienced team: A collaborative approach with co-portfolio managers, each with more than 20 years industry experience in financial markets, a quant and trading unit and a dedicated ESG & Sustainability team.



Robust process: The combination of fundamental and quantitative research results in a strong buy and sell discipline.



ESG integration: We seek to consider all material ESG risks and opportunities for each company included in the Fund, to maximise returns and minimise ESG risks.



Actively managed: Aim to deliver outperformance from stock selection over time with minimal sector biases.

Fund facts

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 300 Accumulation Index
Minimum initial investment	\$10,000, or \$1,000 with a Regular Savings Plan
Management fee	0.90% p.a.
Performance fee	N/A
Distribution frequency	Quarterly
Asset allocation ranges	Securities 90-100% Cash 0-10%
APIR code	PAM0001AU
ASX mFund code	ALH01

Why choose this fund?

The Fund primarily invests in a diversified portfolio of Australian shares. This product is likely to be appropriate for a consumer seeking capital growth and to be used as a small to core component of their portfolio where the consumer has a medium investment timeframe and a high risk/return profile.

How to invest

- 1 **Invest via the ASX mFund ALH01:** Please contact your broker
- 2 **Invest online directly:** www.alphinity.com.au/invest-online
- 3 **Invest via platforms:** www.alphinity.com.au/our-funds/platforms/

Inception date 1 September 2010. Past performance is not a reliable indicator of future performance.



Investment approach

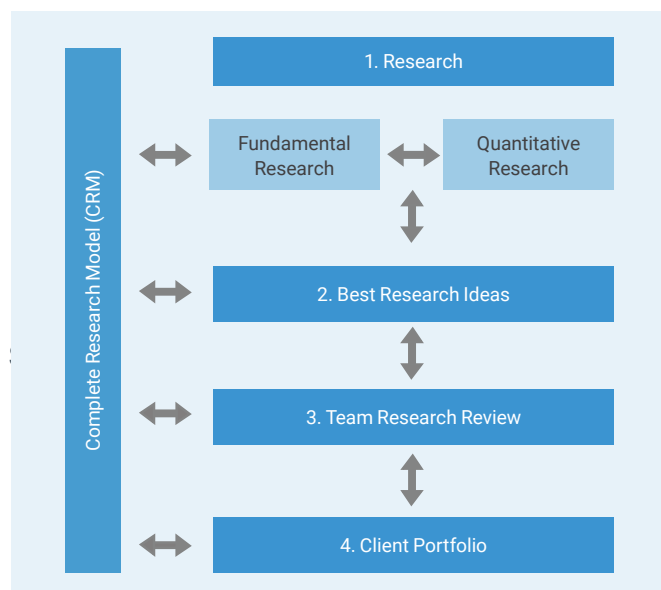
The Alphinity Investment Management (Alphinity) investment approach is based on a combination of strong fundamental bottom-up research and targeted quantitative inputs. The goal is to identify companies that are likely to deliver earnings in excess of that expected by the market. We look for quality, undervalued companies in – or about to enter – an earnings upgrade cycle, as research has proven these companies will outperform over time.

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.

ESG integration

Alphinity believes that the integration of ESG considerations into investment management processes and ownership practices is essential, as these factors can have a significant impact on financial performance and valuation. The investment team, with support from internal ESG specialists, identifies and assesses material ESG issues for any stock actively being considered for investment, as well as on an ongoing basis for all stocks in the Fund. The outcome of this assessment is an overall ESG risk level. Any stock that is assessed at the highest risk level of ‘avoid’ has not met Alphinity’s minimum ESG criteria and consequently is not considered for inclusion into the Fund. Refer to our [ESG Integration Factsheet](#) for more detail.

Portfolio construction



The fundamental research (in the form of total expected return) and quantitative indicators are combined into a Composite Research Model (CRM) that scores the relative merits of stocks.

In addition, a company’s ESG criteria is assessed using an in-house methodology and scoring process.

Step 2: Best research Ideas

The best research ideas are those which have a high relative CRM score (or low score for sell ideas) are backed by the analyst’s strong fundamental conviction and meet the minimum ESG criteria.

Step 3: Rigorous team review

The best ideas (buy and sell) are rigorously reviewed by the team on a formal and continual basis, drawing on the fundamental and quantitative insights, and vetting those inputs.

Step 4: Portfolio construction

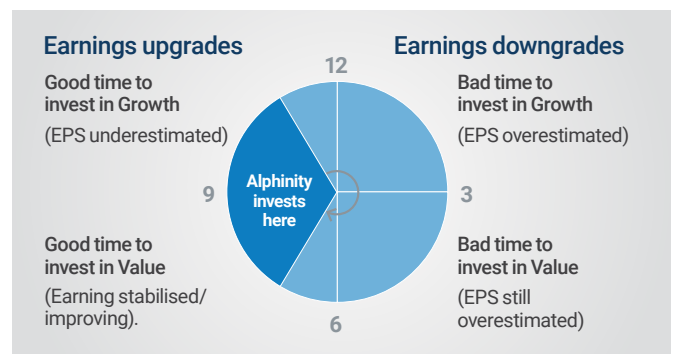
Stocks with the highest CRM score and highest team advocacy post review, make up the largest positions in the portfolio.

The outcome

The result is a portfolio of 35-55 undervalued quality companies, with positive earnings upgrade momentum, constructed in a disciplined risk aware framework.

By consistently investing in stocks with strong relative earnings upgrades the portfolio aims to provide consistent strong risk-adjusted returns across different market cycles.

The following chart indicates our preferred time to invest in a company’s earnings life cycle (regardless of earnings growth rate).



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About Alphinity

Alphinity is an equity investment manager with over \$35.5bn funds under management as at 30 June 2024. We invest in companies with underestimated forward earnings expectations which we identify using a combination of fundamental analysis and select quantitative inputs.

Alphinity's structure ensures a clear alignment of interests with our clients to deliver consistent outperformance over time. It has:

- A clear and proven investment philosophy.
- A unique, disciplined and rigorous investment process.
- A highly experienced, cohesive and accomplished investment team.

Alphinity utilises the expertise of Fidante's administration and distribution services. Fidante was responsible for more than A\$90.9bn funds under management as at 29 December 2023.

Portfolio Managers



Stephane Andre
Resources, Energy,
Utilities



Bruce Smith
Consumer, REITs
and Telecoms



Andrew Martin
Banks, Insurance,
Diversified Financials
& Technology



Stuart Welch
Healthcare, Transport,
Infrastructure and
Building Materials

Find out more

To find out more, please call the Fidante team on **1300 721 637** (Within Australia) **+612 8023 5428** (Outside of Australia) or visit us at: www.alphinity.com.au



Unless otherwise specified, any information contained in this material is current as at date of publication. This material has been prepared by Alphinity Investment Management Pty Limited ABN 12 140 833 709 AFSL 356 895 (Alphinity), the investment manager of Alphinity Australian Share Fund (the Fund). 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 responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, 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 should be considered before making a decision about whether to buy or hold units in the Fund. 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 a reliable indicator of future performance. Alphinity and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, Alphinity and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, 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.