

ALPHINITY INVESTMENT MANAGEMENT

# Alphinity Concentrated Australian Share Fund

FUND OVERVIEW



The Alphinity Concentrated Australian Share Fund (the Fund) is a well-diversified, high conviction concentrated 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.



**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.



**Concentrated:** An actively managed long only portfolio of 20-35 high conviction quality large-cap Australian listed stocks.



**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:** A disciplined and repeatable process that have been used by the team since 2004, combining fundamental and quantitative research that 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.

## 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 200 Accumulation Index
Minimum initial investment	\$10,000, or \$1,000 with a Regular Savings Plan
Management fee	0.80% p.a
Performance fee	15% of the Fund's return above the S&P/ASX 200 Accumulation Index
Distribution frequency	Quarterly
Asset allocation ranges	Securities 85-100% Cash 0-15%
APIR code	HOW0026AU
ASX mFund code	ALH02

## Why choose this fund?

The Fund is suitable for investors aiming for a higher return compared to the market and 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.

## How to invest

- 1 **Invest via the ASX mFund ALH02:** Please contact your broker
- 2 **Invest online directly:** [www.alphinity.com.au/invest-online](http://www.alphinity.com.au/invest-online)
- 3 **Invest via platforms:** [www.alphinity.com.au/our-funds/platforms/](http://www.alphinity.com.au/our-funds/platforms/)

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

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## Investment approach

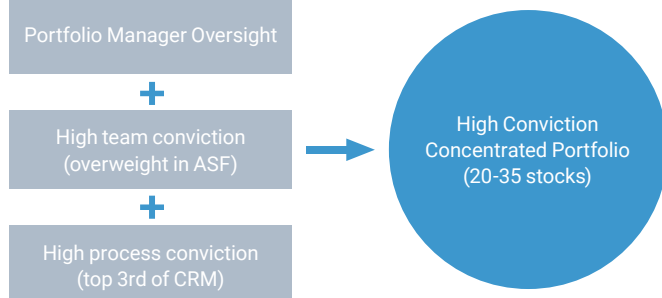
The team conducts detailed fundamental and quantitative research on a large selection of Australian listed companies. The goal is to identify quality, undervalued companies in – or about to enter – an earnings upgrade cycle.

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.

## 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



## Step 1: High team conviction

The universe of eligible companies starts with the extensive work already undertaken on the Alphinity Australian Share Fund (ASF). Has the stock passed all the hurdles to make it into the broader ASF first as an overweight position? 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 process conviction

For a stock to be included in the concentrated portfolio it must be the team's highest conviction ideas and have a top third ranking in the CRM, as a minimum.

## Step 3: Model portfolio construction

A concentrated portfolio of eligible stocks is then 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.

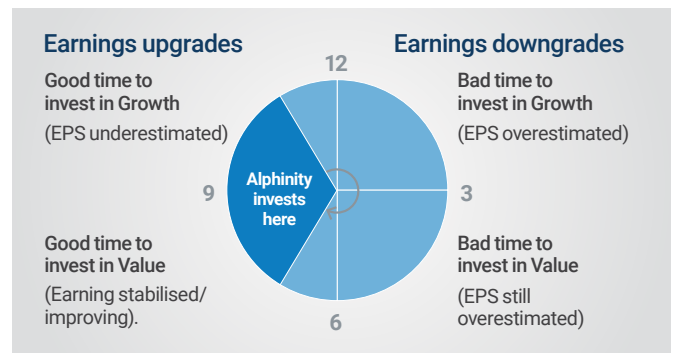
## Step 4: Risk oversight

Fundamental risk oversight is managed in the portfolio to check and adjust for any unintended sector or factor biases, that can result in a concentrated fund.

## The outcome

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

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](http://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 Concentrated 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](http://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.