

# BALANCED GROWTH

## Empire Financial Group Managed Account Models

### Features

- Diversified
- Professionally Managed
- Value for Money
- Designed with our clients in mind
- Customised
- Exclusively available for clients of Empire Financial Group

### Model at a Glance

The model strategy is to achieve the investment objective by investing in a diverse mix of asset classes covering Australian/international equities, Australian/international property, alternatives, Australian/international fixed interest and cash. In general, the model's long-term average exposure will be around 29% to defensive assets and 71% to growth assets; however, the allocations will be managed within the allowable ranges depending on market conditions. The model is designed to minimise the incidence of negative returns greater than 15% over any 12-month period.

#### Objective

The Balanced Growth model aims to achieve returns in excess of Australian CPI by investing in a diverse range of asset classes across global and domestic markets

#### Benchmark

Australian CPI + 3%

#### Allowable Investments

Managed funds, ASX listed exchange traded funds and Cash

#### Model Manager

Context Capital

#### Fund Inception Date

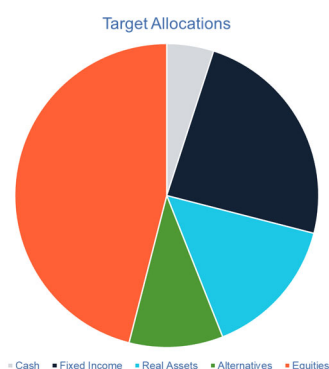
March 19<sup>th</sup>, 2021

#### Minimum Investment

\$50,000

*"We are proud to offer our clients the opportunity to invest in managed account models designed specifically with our clients needs in mind. We have deeply considered what is important to our clients and expressed our investment approach through a clear set of investment beliefs. These managed account portfolios have been constructed specifically for you, our clients."*

*-Raymond Pecotic*



#### Asset class

Asset class	Min(%)	Neutral (%)	Max (%)
Australian equities	5	23	40
International equities	10	30.5	50
Australian property	0	0	10
International property	0	7.5	20
Alternatives	0	10	20
Australian fixed interest	0	8	20
International fixed interest	5	16	30
Cash	0	5	20

### About the Model Manager

Context Capital is a Perth-based investment consultant offering tailored investment solutions to financial advisers, wealth managers and institutional style investors.

Context Capital's holistic investment approach aims to deliver solutions for their clients that are objective, cost-effective, and designed specifically to meet their clients' unique investment needs.



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## Model Details

Manager Line Up	Approach	Target Weight
<b>Australian Equities</b>		<b>23.0%</b>
iShares Australian Equity Index Fund	Passive	15.0%
Alphinity Concentrated Australian Share Fund	Active	4.0%
Ausbil Australian Active Equity Fund	Active	4.0%
<b>International Equities</b>		<b>30.5%</b>
iShares International Equity Index Fund	Passive	7.0%
iShares Hedged International Equity Index Fund	Passive	8.0%
T. Rowe Price Global Equity Fund (Hedged)	Active	4.0%
Aoris International Fund (Hedged)	Active	4.0%
Vanguard Global Infrastructure Hedged Index Fund (Hedged)	Passive	4.5%
Ausbil Global Essential Infrastructure Fund (Hedged)	Active	3.0%
<b>Australian Property</b>		<b>0.0%</b>
<b>International Property</b>		<b>7.5%</b>
Quay Global Real Estate Fund	Active	3.0%
Vanguard International Property Securities Index Fund Hedged	Passive	4.5%
<b>Alternatives</b>		<b>10.0%</b>
Schroder Real Return CPI + 5% Fund	Active	6.0%
Man AHL Alpha Fund	Active	3.0%
Perth Mint Gold ETF	Passive	1.0%
<b>Australian Fixed Interest</b>		<b>8.0%</b>
JCB Active Bond Fund	Active	8.0%
<b>International Fixed Interest</b>		<b>16.0%</b>
JCB Global Bond Fund (Hedged)	Active	4.0%
Ardea Real Outcome Fund	Active	6.0%
Daintree Core Income Trust	Active	4.0%
Payden Global Income Opportunities Fund	Active	2.0%
<b>Cash</b>		<b>5.0%</b>
iShares Core Cash ETF	Passive	5.0%



Fee or Cost	% p.a. incl GST	Top 10 Australian Shares	Weight (%)
Responsible Entity	0.055%	CBA	xx
Model Manager	0.11%	BHP	xx
Indirect Costs	0.60%	Westpac	0
Benefit of Alternative Share Classes	(0.10%)	CSL	7.5
PDS Fees and Costs	0.60%	Wesfarmers	10
Average Rebate Benefit	(0.07%)	Afterpay	8
<b>Net Fees and Costs</b>	<b>0.60%</b>	Fortescue	16
		Woodside	5
		Woolworths	2
		IGO	3



# BALANCED GROWTH


## Investment Beliefs

### OUR APPROACH

Our investment approach aims to deliver strong long-term investment returns, over and above inflation, to help you build your wealth.

We carefully consider investments and expose our clients to risk only when we believe will be adequately rewarded.

We take an objective approach to investment selection and have no bias towards any type of investment.

	Belief	Principle
	<b>1. Economic or Exceptional</b>  Above market returns can be achieved by active managers who possess skill and experience. It is challenging however to reliably identify skillful managers in advance.	A high bar will be set for the inclusion of active management and we will seek to access the best ideas from external fund managers. The default allocation will be through an index and fees paid where there is high conviction of excess return potential or diversification benefits.
	<b>2. Diversify where it counts</b>  Genuine portfolio diversification is the primary tool available to manage risk.	Diversification should be achieved by investing across different asset classes, and within asset classes by accessing a range of managers and strategies.
	<b>3. Client Centric Risk Setting</b>  Risk for Empire's clients is primarily the risk of permanent capital loss.	Risk will be defined and measured as the magnitude of a severe loss in portfolio construction.
	<b>4. A competitive offering</b>  Our clients expect to achieve strong investment results from investing with us compared to other options.	Portfolios will be benchmarked against publicly available surveys of competing offerings.
	<b>5. Partner with Professionals</b>  Listening to external expertise will lead to stronger investment outcomes for our clients.	We will engage professional portfolio construction and asset management expertise to both select agents and invest in securities for our clients.
	<b>6. Keep it Simple</b>  Good ideas get lost in complexity. Our clients deserve to understand where their savings are invested.	Portfolios will be only as complicated as required to achieve risk and return objectives.
	<b>7. Be Patient</b>  Markets are not always efficiently priced, but it is challenging to identify opportunities to take advantage of mispricing.	We will set diversified strategic asset allocations that reflect the risk appetites and time horizons of our clients. Active decisions will be focused on managing risk to our clients.

