

# Altius Sustainable Bond Fund















## A fixed interest bond fund with a focus on sustainability

A fixed interest fund investing in companies that operate responsibly and sustainably. The fund is designed to align with investors' specific personal and social values without compromising on returns over the long-term.

### Why invest in the Altius Sustainable Bond Fund?

 <p><b>Growing demand</b></p> <p>Support the needs of a growing market of sustainable investors. A key component of an ethical portfolio.</p>	 <p><b>Sustainable</b></p> <p>A three-stage sustainability overlay prioritises responsible investments.</p>	 <p><b>Flexible</b></p> <p>Active management allows flexible risk budgeting and a positive response to market movements.</p>	 <p><b>Top-down</b></p> <p>A comprehensive investment approach with an independent Investment Committee.</p>	 <p><b>Fixed interest for all cycles</b></p> <p>A model that remains flexible and adapts to all market conditions.</p>
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### A three-stage sustainability overlay prioritises responsible investments

<h4>1. Negative screen</h4>						
 <p>Armaments</p>	 <p>Gambling</p>	 <p>Tobacco production</p>	 <p>Fossil Fuel production, distribution, exploration and services</p>	 <p>Uranium</p>	 <p>Alcohol production</p>	 <p>Pornography</p>
<h4>2. Positive sustainability ranking</h4>						
<p>✓ Environmental effects</p>		<p>✓ Social consequences</p>		<p>✓ Quality of governance</p>		
<h4>3. Sustainability committee</h4>						
<p>Considers engagement and/or divestment where ranking does not trigger exclusion (generally due to materiality) but breach of the sustainability principle(s) is considered to be of a flagrant nature.</p>						
						

**A comprehensive investment process with embedded risk management**

Process	Identify the major structural themes and scenarios	Scenario analysis forecasting	Comparing forecast with history	Optimisation	Portfolio construction	Risk management and attribution
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Insights are independent and unbiased.</li> <li>Avoids group think.</li> </ul>	<ul style="list-style-type: none"> <li>Absolute return</li> <li>Avoids anchoring effect of benchmarks.</li> <li>Flexible risk budgeting.</li> <li>Allows consistent translation of forecasts into risk.</li> </ul>		<ul style="list-style-type: none"> <li>Efficient allocation of risk.</li> </ul>	<ul style="list-style-type: none"> <li>Independent credit assessment.</li> </ul>	<ul style="list-style-type: none"> <li>Where value is being added.</li> <li>Transparent view of how value has been generated.</li> </ul>

**Fund facts**

<b>Investment return objective</b>	To outperform the benchmark (50% Reserve Bank of Australia Cash Rate and 50% Bloomberg AusBond Composite 0+Yr Index1) after fees over rolling three year periods.  The Fund's investment objective may vary from time to time. Investors will be advised in writing of a change to the investment objective of the Fund.
<b>Inception date</b>	November 2014
<b>Minimum initial investment</b>	AU\$5,000.00
<b>APIR</b>	AUS0071AU
<b>Management cost</b>	Management fee: 0.37% p.a. of the gross asset value of the fund. 0.12% estimated recoverable expenses. Consult PDS for full information.
<b>Buy/Sell spread</b>	0.00% / 0.15%
<b>Distributions</b>	Quarterly

**Philosophy**

Altius' investment philosophy is founded on these core beliefs:

- We believe the key to capturing market inefficiencies is through a top down analysis of the domestic and global economies and financial markets.
- It is important to know what is happening across the world in addition to the Australian market in order to understand the pressures on interest rates and yield curves, and the interest rate differentials between bond issuers within and across different sectors of the bond market.
- Once these pressures are understood, relative value analysis can be used to exploit outright rate movements as well as changes in the shape of the yield curve and movements in the relativities of yields available across and within different sectors of the bond market after adjusting for credit risk.
- We believe through our specialist skills, we can extract value for clients through macro research, sector rotation, interest rate and credit management and technical investing.



The Altius Sustainable Bond Fund has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org) for details.\*

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