

# Altius Sustainable Bond Fund

## Fund Profile

A diversified Australian fixed interest fund designed to align with specific personal and social values, without compromising on long-term returns.

Investment objective	The Fund aims to outperform the benchmark (50% Reserve Bank of Australia Cash Rate and 50% Bloomberg AusBond Composite 0+Yr Index <sup>1</sup> ) before fees by 1% per annum over rolling three year periods.
Investment style	Altius employs an active and diversified strategy that aims to capture the upside of the bond market, while avoiding returns less than cash in a rising rate or deteriorating credit environment. High conviction and high quality trades are used to exploit the mispricing of bonds at all stages of the economic cycle. An ethical overlay is used to ensure security issuers involved in certain activities identified by the Fund's Sustainability Policy* are not considered for inclusion in the Fund investment universe.
Investment process	<p style="text-align: center;"><b>Altius Fixed Interest Investment Process</b></p>  <p><b>2-stage ethical overlay</b></p> <p><b>1. Negative screen</b> Excludes issuers whose primary business activities involve armaments, uranium, gambling, tobacco production, pornography, alcohol production and production or sale of thermal coal. Companies may also be excluded from the investment universe if, in the opinion of the Sustainability Advisory Committee, they are materially involved in certain practices, such as causing or perpetuating injustice and suffering, infringing human rights and supporting oppressive regimes.</p> <p><b>2. Sustainability ranking</b> Considers factors such as the environmental effects of the issuer, social consequences of their business and quality of Governance.</p>
Risk management	Risk management is embedded in strategy formulation and is a central driver of the Altius investment process. Investment risk is managed using various forms of analysis, third-party systems and a proprietary portfolio optimiser. Risk management is further enhanced by independent risk monitoring performed by Australian Unity.
APIR code	AUS0071AU
Fund inception	November 2014
Minimum initial investment	\$5,000
Management costs	0.57% p.a. of the gross asset value of the Fund*
Buy/Sell spread	Nil
Distributions	Quarterly
Advice fee	Available
Performance	Refer to the Fund Update for the most recent performance.

\* Refer to the Fund's Product Disclosure Statement (PDS) for more details on the Fund's recoverable expenses and indirect costs.

\* Refer to the Fund's Product Disclosure Statement (PDS) for more information regarding its Sustainability Policy.

<sup>1</sup> Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") do not approve or endorse this material and disclaim a liability for any loss or damage of any kind arising out of the use of all or any part of this material.

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## Differentiators

Altius Asset Management:

- apply a sustainability overlay to offer a diversified fixed interest portfolio that aligns with certain investors' personal and social values
- have appointed CAER (Corporate Analysis. Enhanced Responsibility.) as an advisor to the Sustainability Advisory Committee, and to provide sustainability rankings
- provide a total return approach, offering duration exposure at appropriate points in the cycle, as well as positioning the portfolio defensively in a rising rate environment
- manage liquidity as a key risk, unlike many cash plus/credit funds which often have impaired liquidity when credit cycles turn
- invest only in domestic assets, thus avoiding importation of global risks (e.g. currency) and offering a different risk profile, and
- provide access to the skills of an experienced team of fixed interest investment professionals.

## Philosophy

Altius seeks to optimise returns for investors in all market conditions by taking a diversified approach to fixed interest funds management, combining both credit and duration strategies.

Altius' investment strategy applies a high conviction approach and seeks opportunities to take advantage of the mispricing of bonds at all stages of the economic cycle. It has tight controls around risk outcomes with a philosophy that credit and rates duration must earn their way into the portfolio. Bonds are only held when excess returns above cash are compelling. Credit is only held when excess returns above government bond yields are compelling.

## Protected by experience

The Fund is managed by Australian Unity's Cash and Fixed Interest team (Altius). Australian Unity is a health, wealth and living organisation providing products and services designed to help people thrive. Over one million Australians have created a bright future with us.

## RIAA-certified responsible investment product provider



CERTIFIED BY RIAA

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.\*

## How the Fund fits in a portfolio

- The Fund may suit investors who seek a diversified fixed interest investment that aligns with specific personal and social values.
- The Fund may be used within the defensive component of a well-diversified portfolio.
- The Fund may be suitable as a core holding of a domestic bond exposure.
- The Fund may be blended with international fixed interest securities to achieve further diversification.
- The Fund has the potential to generate regular quarterly income from its diversified portfolio of government and credit securities.
- Due to anticipated moderate levels of volatility, the Fund is not appropriate as a cash substitute.



**BILL BOVINGTON**

Chief Investment Officer, Cash and Fixed Interest

**Bill has an enviable 33 year track record in fixed interest asset management.**

Prior to co-founding Altius, Bill was the head of Australian fixed income and chief executive officer at Aberdeen Asset Management. He has also been head of fixed income for Schroder Investment Management and Deutsche Asset Management.

His achievements include building market leading fixed income businesses by overhauling investment processes and systems and developing investment staff.

Bill has a long working relationship with Senior Portfolio Managers Chris Dickman and Gavin Goodhand, formed over many years.

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