

August 2024 – Special

# Portfolio Changes Update

## Implemented Portfolio Changes

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### Partners Medium Term & Long Term Portfolios

Earlier this year, the investment team at Royal London Asset Management (RLAM) responsible for managing the **Ironbark Royal London Core Global Share Fund** – led by Head of Equities Peter Rutter and Portfolio Managers James Clarke and Will Kenney – announced their resignation to establish a new boutique investment firm with the backing of Pinnacle Investment Management. As the responsible entity for the Fund, Ironbark Asset Management (Ironbark) confirmed plans to appoint this new boutique firm (to be named 'Life Cycle Investment Partners' or 'Life Cycle') as the new manager. The transition of the management from RLAM to Life Cycle was expected to be completed by the end of August 2024.

Since the announcement, the Investment Committee has engaged extensively with all involved parties to better understand the timing, interim management of the strategy, and legal implications of the planned transition. Following this thorough due diligence process, the Investment Committee concluded that remaining invested in the Fund during the transition from RLAM to Life Cycle would be the least disruptive course of action for our clients. Over the subsequent three months, the Fund has continued to deliver strong absolute and relative performance. Moreover, the decision to remain invested has deferred the realisation of embedded capital gains and any associated tax consequences until the 2024/25 financial year.

However, RLAM has subsequently raised legal objections to the proposed transition timeline, necessitating a reassessment of the legal risks to all parties. Given this development, it now appears highly unlikely the transition of the Fund to Life Cycle will proceed as initially planned, prompting a re-evaluation of the Fund's position within our portfolios.

As a result, we exited **Ironbark Royal London Core Global Share** and used the proceeds to introduce a new position in systematic global strategy **Vinva Global Systematic Equities**.

### Partners Short Term & Multi-Asset Income Portfolios

No changes.

## New Funds

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### Vinva Global Systematic Equities Fund



The Vinva Global Systematic Equities Fund is a global equity strategy that invests predominantly in a long portfolio of shares in listed global companies. The Fund seeks to deliver consistent outperformance (alpha) through different market conditions by applying its differentiated systematic approach to investing. The Fund leverages Vinva's experienced

investment team to identify opportunities and uses technology to implement those opportunities into the Fund's portfolio in a highly disciplined and efficient manner (often referred to as *systematic investing*).

Vinva Investment Management Limited (Vinva) is an Australian-based equities manager specialising in running active Australian and global equity strategies with a heavy focus on using technology in its investment process. Although Vinva was established in 2010, the team has a history of working together dating back to 1997 at Barclays Global Investors (BGI), one of the largest investment managers in the world. The investment team at Vinva is led by Managing Director and Head of Equities Morry Waked, who has 30 years of industry experience, including the roles of Head of Equity Investments and Chief Investment Officer for BGI's Australian business and Global CIO for BGI's US\$250 billion Global Active Equity business. Morry is supported by Head of Research Andrew Jackson and Portfolio Manager Nick Burt – each with almost three decades of investment management experience – and a strong and stable investor-aligned team of portfolio managers, research analysts, and investment technology specialists.

Vinva believes markets are not perfectly efficient, creating mispriced opportunities and the scope for skilled active managers to earn excess returns over and above the returns achievable via a simple indexing strategy. Vinva's investment process is based on the 'Fundamental Law of Active Management' – a theory that says a portfolio manager's ability to outperform the market is a function of maximising skill, breadth and efficiency. In simple terms, Vinva's objective is to find an investment edge (skill), use it often (breadth) and use it wisely (efficiency).

Vinva applies a systematic approach to investing that combines the skill and expertise of its investment team to identify opportunities, with the use of proprietary state-of-the-art technology (essentially very powerful computer programs) to take advantage of these opportunities in a highly disciplined and efficient way, processing vast amounts of real-time information quickly and systematically. The Fund's portfolio is designed to deliver outperformance through different market conditions and is structured to reduce sector or style (e.g. value/growth) bias. Whilst the Fund is relatively new, the strategy has a proven long and dependable track record of delivering outperformance for investors. The Fund is highly differentiated from other strategies used in the portfolio, further enhancing diversification and the consistency of returns across the portfolio.

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