Talaria Global Equity Fund Currency Hedged (Managed Fund)

Quarterly Update September 2022

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Signatory of:

Investment Insights

Still time to act

There are many strategic reasons why the overall tone of this quarter's Investment Insights is again cautious. But it would be strange if there was not some good news from the weakness in global equities and we find it in the bottom-up, value driven analysis that is the heart of our investment process.

No-one should be putting out the bunting, but we are beginning to see individual stocks at interesting levels. As we will show, upside is scarce, and risk is abundant, but our opportunity set has grown; there are a few more stars in the dark and cloudy night sky.

Otherwise, writing this quarter's Investment Insights has still felt like hammering nails into the coffin of the post GFC equities' bull market. It is not that we set out to do this and, given the weakness in global shares, it may seem a big nothing. But the bull has been resilient for more than thirteen years, and many investors behave as if the animal is not dead, just resting.

Looking at our three-part risk framework, we find that sentiment (how investors feel about the market) is at odds with positioning (what they own), and valuation (what they pay for earnings). Investors in US equities, the most important global region, are very pessimistic but have done little about it. Shares are at lofty percentages of household and non-profit organisation financial wealth. S&P 500 valuations have rarely been higher in its long and storied history.

For those who had the smarts or the luck to be exposed to the S&P 500 for the period since the March 2009 low to the end of September 2022 the experience was golden. The two main drivers of the 12.9% average annual capital growth were operating margin expansion and valuation. Between them they accounted for more than 50% of returns.

Corporate profitability is now vulnerable. Whether it is signalled by yield curve inversion, falling leading indicators, spiking unit labour costs or rising interest rates and taxation, near record margins are almost certain to come under pressure. At the very least, it is hard to see how margins will make a positive contribution to long run returns.

When considering prospective average annual total returns for the S&P 500 over the next decade, we modelled upside, central and downside scenarios. For upside we arrive at nominal returns of 6.1%, 3.6% central, and -1.4% downside per annum. To give indicative real prospective returns, we subtract the Fed's inflation target of an average 2.0%, arriving at 4.1%, 1.6% and -3.4% per annum.

Speaking of inflation, this is a subject we have been writing about as an under-appreciated problem since the first quarter of 2021. After false starts, the debate has become general and moved on from headline to core, and from 'how transitory' to 'how persistent'.

There are authoritative voices on either side of the argument. If forced to say, we would be with the persistent inflationists mainly because it is wages that drive services, the key constituent of core inflation. But for the purposes of this piece, we focus on the risk to earnings, the other claw of the pincer clamped either side of the equity market.

Neither positioning nor valuation are where you would want them to be if you care about preserving capital - let alone making money. Now is a dangerous time to add risk. Global equities marched up and then back down the hill this quarter, and that is typical of bear markets. We would be surprised if there were not more counter-trend rallies, the secret will be to use them to advantage rather than fall for the trap. The priority should be to rebalance portfolios to protect wealth, instead of positioning for a return of the good times.

Risk framework: sentiment, positioning, valuation

There are countless books on financial theory that explore the idea of risk as volatility. This academic concept has real world implications: it is a common enough experience that nauseating swings in an asset can drive an investor to sell at the worst possible time.

But the trouble with the volatility definition of risk is that its technical sense is not readily understood. Therefore, a more useful way to think about risk is as the chance of permanent loss whereby taking on more risk increases the chance of loss, cutting risk reduces the chance.

There are times when increasing risk makes sense because the potential reward sufficiently outweighs the potential loss. On its own, this is not enough because the balance of probability also counts, something that is known as skew.

Our framework for thinking about the shape of risk, this upside downside relationship, is built on the concepts of sentiment, positioning, and valuation. Sentiment is how investors feel; positioning, what they own; valuation what they pay for a unit of earnings.

The best set-up is when investors are negative on an asset which is under-owned and offers excellent value. This may be stating the obvious, but, as we said, it provides a framework and in the next section we begin to use that framework to think about the S&P 500.

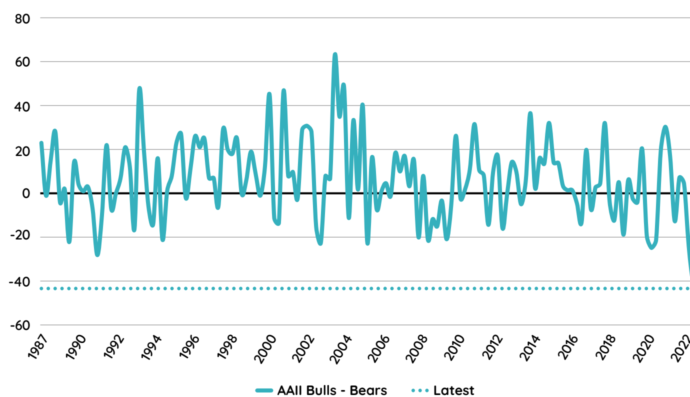
Whilst we are investors in global equities, we often focus on US financial markets, tracking indices such as the S&P500, because they remain the largest, the most influential and the home to vast amounts of the world's savings. When America sneezes the world still catches a cold, even if that metaphor is more questionable after the pandemic.

Sentiment and positioning

Sentiment is currently at odds with positioning. It is as if investors in the US are very pessimistic but doing little about it.

There are many relevant sentiment measures but The American Association of Individual Investors (AAII) supplies two of the most watched with its Bull/Bear Indexes (chart below shows bulls minus bears). The data are volatile and need to be treated with care because they are point in time only, but the stark message is that individual investors are very negative.

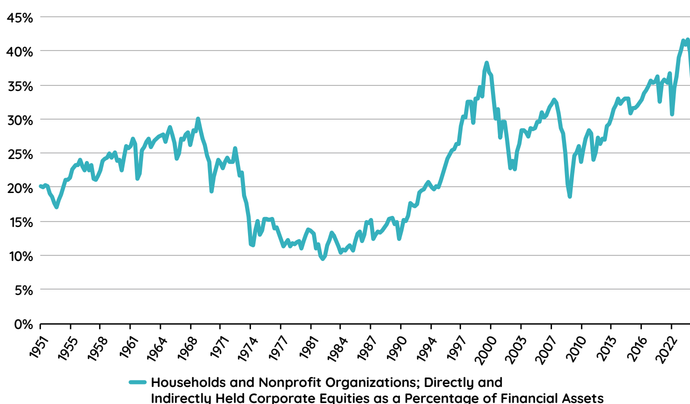
AAII Bull/Bear Indexes



Source: Bloomberg

Nevertheless investors have still rarely been more exposed to shares according to the metrics that we regularly monitor. For example, the percentage of equities to total household and non-profit organisation financial assets is over 35%, not far below multi-decade highs.

Equities feature strongly in investor portfolios



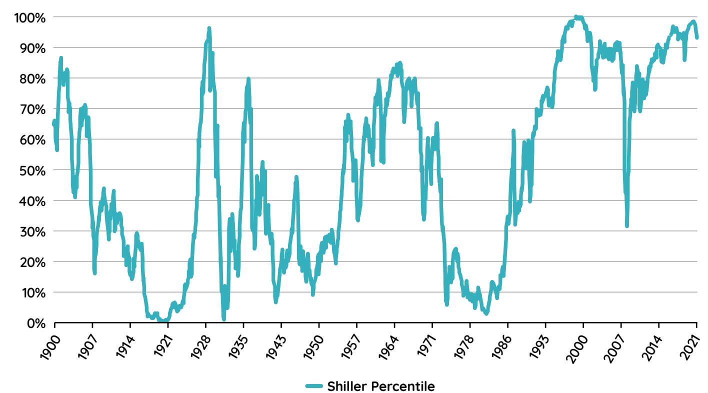
Source: St Louis Federal Reserve

Valuation

1. Valuation using ten-year historic earnings

The net effect of this year's ups and downs is that at the end of the quarter the valuation of the S&P 500 had still only been higher for a total of 9% of the time in more than 140 years of history. This is according to the Shiller Price Earnings Ratio (PE) which measures the price of the index divided by the last 10-years of earnings adjusted for inflation (chart below).

S&P 500 is still expensive



Source: Shiller. Data as of end July 2022

By inflation adjusting, incorporating a full decade of earnings, and smoothing the business cycle, the Shiller PE provides an effective proxy for future cash flows. Another virtue is that it is backward looking, which means that the denominator, the earnings, are objective and set in stone.

2. Valuation using one-year trailing earnings

More commonly used and more readily understandable valuation measures use price divided by one year historic, known as trailing, and one year forecast earnings.

The forecasts shown by data providers such as Bloomberg and FactSet are the consensus estimates from analysts at various investment banks, brokers, and boutiques. Regular readers will know that we side with the great economist J K Galbraith who said, "There are two kinds of forecasters: those who don't know, and those who don't know they don't know." Our curiosity about forward valuations is only passing.

Valuations based on one-year trailing earnings carry a little more weight with us because, as with the ten-year above, they are set in stone. But they still do a bad job of predicting future returns. This is because the numbers are not inflation adjusted and, most importantly, are no more than a snapshot of a certain time within the business cycle rather than representative of earnings through a cycle.

Flawed does not mean uninteresting and as they are popular metrics, they are worth thinking about.

According to Bloomberg, the S&P 500 PE based on last 12-month earnings is 17.6x, superficially a much more comforting position than that suggested by the 27.1x Shiller PE. But the key word in that sentence is superficially. Firstly, the E is based on lower quality earnings that increasingly diverge from Generally Accepted Accounting Principles. Secondly, the E is also based on corporate profitability that is defying gravity.

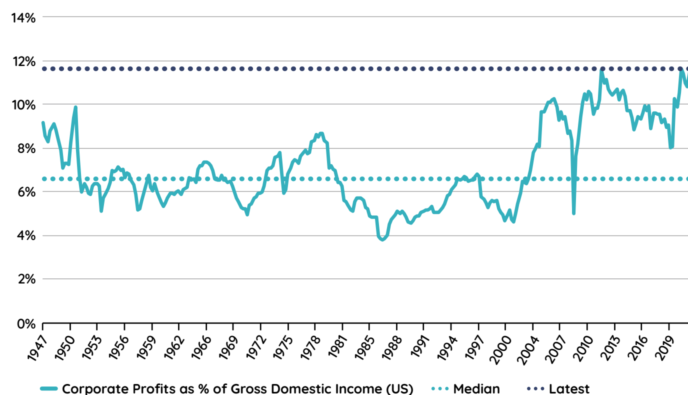
Earnings are vulnerable

In our last Investment Insights, we highlighted that established relationships between interest rates, leading economic indicators, and corporate earnings point towards falling profitability into the second half of 2023. Here we want to highlight three further points:

1. Profitability at record levels

After a pandemic low in early 2020, profitability recovered sharply to reach record levels. Analysts are forecasting further expansion. These analysts are living in a parallel universe because there is a swathe of data highlighting the risk to corporate profitability, not least the starting point: Corporate Profits as a % of Gross Domestic Income are at a 75-year high (chart below).

Profitability at Record Levels

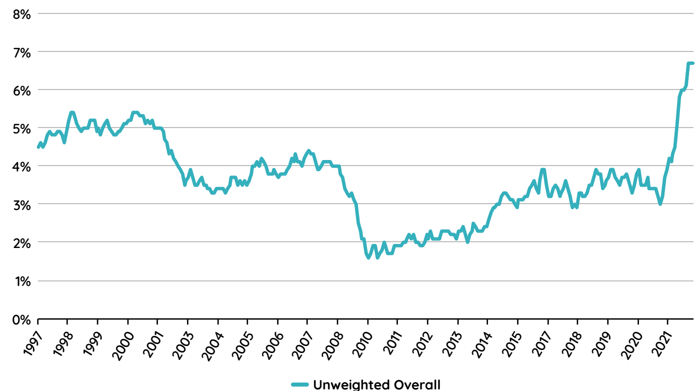


Source: St Louis Federal Reserve

2. Wage growth to pressure margins

These record levels of profitability have coincided with depressed growth in unit labour costs. But with twice as many job openings as unemployed persons, according to the US Bureau of Labour Statistics, wage growth is picking up aggressively. Data from the Federal Reserve Bank of Atlanta illustrate the point.

Three Month Moving Average of Median Wage Growth



Source: Federal Reserve Bank of Atlanta

3. Interest costs and tax

For over ten years central banks have driven down interest costs and lenders have fallen over themselves to provide liquidity at extraordinarily low levels. Additionally, the corporate tax rate was changed in 2018 from a graduated system with a maximum of 35% to a flat rate of 21% today.

It is an understatement to say that it is difficult to see how future profitability is going to have tailwinds from these lines in the P&L. We know that interest rates are up, and even if the recently passed Inflation Reduction Act did no more than try to limit corporate tax avoidance through a 15% minimum, it does suggest the direction of tax travel is no longer south.

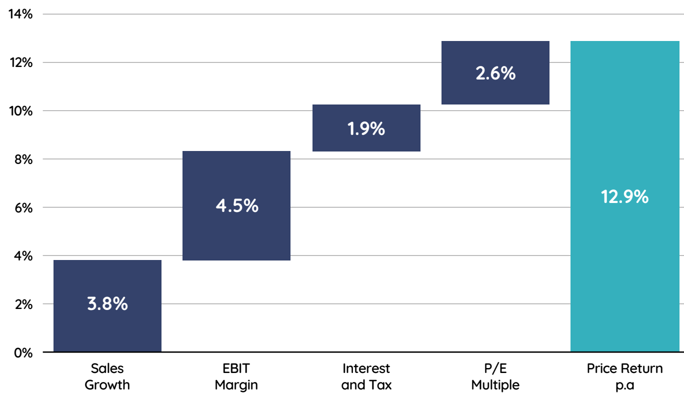
Breaking down the golden period of returns since the GFC

It is important to note that elevated margins and rich valuations have contributed to a golden period for investors. From the GFC March 2009 low to the end of September this year, the S&P 500 generated an outstanding 12.9% p.a. price return.

The chart below breaks this down into changes in sales, EBIT margins, tax, interest, and valuation. Most striking is that operating margin expansion accounted for one third of that return. If nothing else, given the record level, it throws the responsibility on the optimists to explain why the future should be the same. Even perhaps, why there should be a positive contribution at all.

The third most important component was valuation, which accounted for one fifth of the return. Again, we would be interested to hear the case for a similar, or even for a lower but positive contribution over the next decade.

SP500 - Indexed Annualised Return (Mar 2009 to Sep 2022)



Source: Bloomberg

Modelling ten-year prospective returns from the S&P 500 / Upside, downside and central

With all the above in mind, we can quantify a ten-year prospective return for the S&P 500 in terms of upside, central and downside models. Projecting the average long run annual total return from equities comes down to some simple arithmetic.

The prospective return can be broken down into two parts.

- Valuation and growth provide the capital component: (exit valuation / valuation today) x growth. Focusing on PE, growth can be further broken down into sales growth x net margin change.
- Dividend yield plus buybacks, the shareholder yield, gives the income component.

In all cases we assume sales growth of 3.8%, in-line with sales' growth from the GFC low until now because this is not a volatile input. For completeness we assume buybacks at an immaterial positive 0.2% in all cases.

There are very smart people on either side of the inflation debate, so to arrive at an indicative real return we simply use the Fed's target of an average 2%. A table at the end of this section summarises the contribution to average annual return from the different components.

1. Upside case

Our upside model assumes that the exit multiple reverts to the trailing median since the GFC, moving from a current 17.6x to 18.1x. We assume net profits grow with sales. This feels more than generous, because of how high margins are and the many reasons to expect them to fall. We add the dividend yield at the time of writing of 1.8%.

Putting this together we arrive at a prospective long run average annual nominal return of 6.1%. This is 4.1% real after deducting the Fed target assumption of an average 2%.

If someone ran a book on this scenario, we would not put a cent on it.

2. Central case

We assume profitability that reverts to the median since the GFC: 12.3% to 9.8% net margin. We hold the trailing PE at 17.6x. We add a dividend yield of 1.8%.

Putting this together we arrive at a prospective long run average annual nominal return of 3.6%, 1.6% real.

3. Downside case

We assume profitability and valuations revert to long run averages. For net margins we assume 12.3% goes to 7.1%, the mean since 1947. For the trailing PE, we assume a fall from 17.6x to 13.7x, the long run mean. We add the current dividend yield of 1.8% (2.4% after a small uplift for the implicit price decline from the valuation change).

Putting this together we arrive at a prospective long run average annual nominal return of -1.4%. This is -3.4% real on the assumption above.

Summary of contribution by driver (average annual return %, per annum)

		Golden Period GFC - Aug 2022	Upside Case	Central Case	Downside Case
Capital	Sales Growth	3.8%	3.8%	3.8%	3.8%
	Net Margin	6.4%	0.0%	-2.3%	-5.4%
	P/E Multiple	2.6%	0.3%	0.0%	-2.4%
Income	Share Buybacks	0.2%	0.2%	0.2%	0.2%
	Dividend	2.3%	1.8%	1.8%	2.4%
	Nominal Total	**15.3%**	**6.1%**	**3.6%**	**-1.4%**

Source: Talaria

What none of the models show is that the long-run return would almost certainly be bumpy and in the downside case, the market might well rebase first, falling to reflect a combination of earnings' downgrades and valuation contraction. On the plus side, any decline improves the outlook for returns, and should markets rebase this should provide a materially better starting point for investors to add to risk.

Conclusion

At the start of this Investment Insights, we noted that falling share prices have started to manifest in opportunities at the stock level. We would not overstate this; we are hardly tripping over ways to make money.

From the top down, the outlook remains poor and is not helped by geopolitics. This is an area that we tend to avoid discussing because amongst the many things we are not experts in, geopolitics ranks highly. But no-one needs to be an expert to see that the world is an increasingly dangerous place.

We cannot emphasise enough that if the market gives investors another opportunity to rebalance, they should take it. One of the keys to wealth creation is holding on to as much of it as possible in down markets so that capital can then work for you when things improve, as they eventually will.

September 2022 Quarterly Performance

Global equities fell for a third consecutive quarter, the worst streak since the GFC. A bear market rally on the hopes of a Fed pivot that lasted well into August was crushed by higher-than-expected inflation data and a hawkish Jackson Hole Fed speech. Sentiment is now near all-time lows and there is the potential for a short-term bounce. But the medium-term outlook continues to be challenging given still high absolute valuations, sticky inflation and a slowing global economy.

There was no place for investors to hide in the third quarter with all major asset classes in the red. A hawkish Fed statement at Jackson Hole and a hot CPI reading in August crushed hopes for a mooted pivot. The response in the bond markets was an emphatic spike in yields, with the US 10 year closing the quarter 81bps higher at 3.82%, the most in more than a decade. Higher rates led the rest of the market down with equities, corporate debt, commodities and real estate all closing lower. The USD remained very strong against a global basket of currencies, exacerbating problems for emerging and developed economies alike.

China's Shanghai Composite and Hong Kong's Hang Seng were the worst performing major equity indices (down -11% and -21.2%, respectively) as the Chinese economy slowed and investors were jittery ahead of the 20th National Party Congress in October. In the US the S&P 500 and the tech heavy NASDAQ were both down -5.3% and -4.1%, respectively, erasing gains of more than 10% earlier in the quarter. Germany's DAX led the declines in Europe (down -5.2%) as the most exposed to war induced gas shortages. UK's FTSE100 and France's CAC followed closely with -3.8% and -2.7%, respectively. Dovish monetary policy in Japan supported the Nikkei again, down just -1.7%.

Against this backdrop, the Fund was slightly down at –1.27% while maintaining substantially lower market risk. The 12-month performance of +4.69% is strongly up versus the global index benchmark which was down –17.51%.

Absolute performance across global equity sectors was negative. Consumer discretionary stocks were the standout with a flat performance after a very weak Q2. The decline across all other sectors was broad-based with both defensive sectors (healthcare, utilities, staples) and cyclicals (financials, industrials, materials) falling between -6.2% and -9.0%. Energy was down just -2.4% on the back of a weaker oil price partly offset by the turbulent geopolitical environment that has so far been supportive for major energy companies.

Global PMIs dipped below 50 points in the quarter, indicating a contraction in economic activity and pushing the Bloomberg Commodity Index down -4.7%. Oil prices fell below $80 for the first time since Russia's invasion of Ukraine and were down 25% on the quarter. US dollar strength driven by hawkish Fed and bearish sentiment continued against a basket of major currencies, with the AUD/USD cross down -7.3%. The VIX was up slightly again to 31.62 points but still well below the levels reached during previous crisis periods.

Our holding in Sodexo, a French catering company, was the biggest contributor to performance during the quarter. The company exceeded expectations during its latest quarterly result announcement and is well on track to deliver continued organic revenue growth and improved margins in FY22. We continued adding to our exposure throughout the quarter (see Stock in Focus).

Ambev, the largest brewer in Latin America, was another large contributor to performance. A significant decline in commodity prices that eased pressures on input costs combined with stronger than expected demand for beer in Brazil improved the annual outlook. With a strong management team, clear market leadership and recent economic tailwinds we continue to believe there is more upside in the price.

French-based pharmaceutical giant Sanofi was the biggest detractor to performance this month. There were allegations that Zantac, a popular medicine used to reduce stomach acid production, was a carcinogen. The news had a big negative impact on the many owners of the drug since its inception in 1983. The specific impact on Sanofi is uncertain but we estimate that a very bearish outcome would be a still manageable $11bn post-tax settlement. Sanofi generates $5bn of cash flow post dividend so it can absorb a fine of this scale within a couple of years without an impact on its debt position. We still like Sanofi's defensive characteristics and view the $10bn drop on the day of the announcement as more than sufficient.

During the quarter, the Fund initiated a new position in Canadian oil producer CNQ and made no exits.

CNQ is a Canadian oil company that has a proven track record of cost cuts and efficiency gains. Given the strong reserve position the capex requirement is limited, and most of the free cash flow should remain available for shareholder distributions or debt paydown. Recent weakness in oil prices have contributed to a substantial drop in CNQ's share price and we started building a position via puts at a strike price of $40, $7 below the close on the 30th of Sept.

Stock in focus: Sodexo

Sodexo is one of the world's largest global catering providers and a top ten holding for the fund. The shares offer an attractive risk/reward profile driven by ongoing industry tailwinds, consistent top line growth, continued margin recovery, strong cash flows, and an undemanding starting valuation. In this quarter's Investment Insights section, we deconstructed the total return of the S&P500 Index into its fundamental building blocks and highlighted that significant risks to future returns lie ahead. We thought it would be an interesting exercise to use the same framework for Sodexo.

Business overview

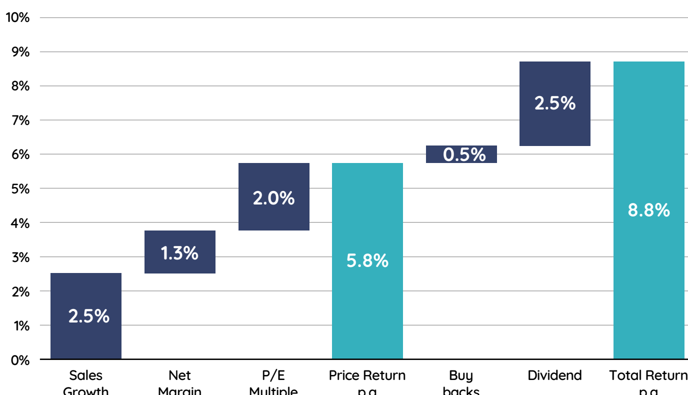
French-based Sodexo is the world's second largest catering and facilities management provider servicing a broad cross-section of industries. In addition to these on-site services, Sodexo also operates one of the most popular global voucher businesses, accounting for ~20% of pre-COVID earnings. Employers can use vouchers as incentives or gifts for their employees. On a group-wide basis, Sodexo employs 412,000 employees across 52 countries, generating annual revenues of more than €20bn. The company was founded in 1966 by Pierre Bellon. The founding family still owns 42.8% of the company with Sophie Bellon (Pierre's daughter) currently holding the CEO and Chairman of the Board roles.

Sodexo has delivered a solid 8.8% compound annual growth for over a decade

A total shareholder return of 8.8% per annum since the GFC is solid but not spectacular when compared to rates several points ahead of this for the S&P500 and other global indices. Dig deeper, however, and the quality of returns starts to stack up more favorably. Roughly a third of total shareholder returns came from income (dividends and share buy-backs) compared with just 15% for the S&P500. Another 30% came from sales growth versus a more modest 25% for the S&P500. P/E expansion and margin improvement, volatile and mean-reverting components, contributed just over a third versus more than 60% for the S&P500.

History does not provide a reliable guide to the future, but it helps frame a starting point for our assessment of what is probable.

Exhibit 1: Sodexo returns since March 2009



Source: Bloomberg, Talaria Estimates

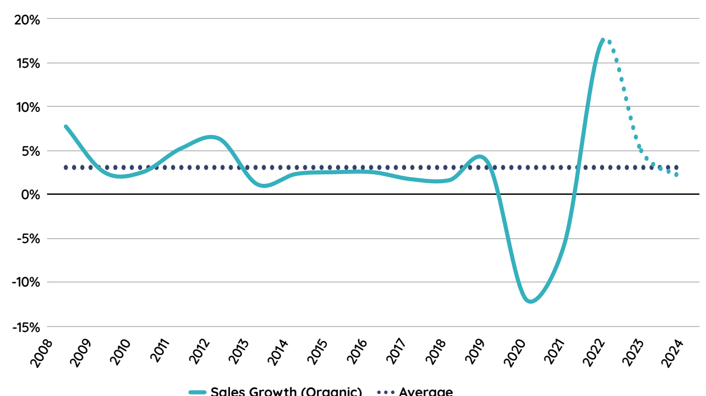
Positive skew

Revenue growth

Sodexo operates in a growing industry with momentum underpinned by the ongoing outsourcing of catering and facilities management services. Sodexo has delivered a very steady organic growth rate that has averaged 3% per annum over the past 15 years. Other than the pandemic years, the company has never had a negative organic growth year. Lockdowns in 2020 and 2021 kept workers at home and severely impacted the business of global catering firms. But with COVID behind us, as of Q3 FY22, revenues for Sodexo are now running at ~97% of FY19 levels. As a side note, Q3 organic revenues were particularly strong, suggesting Sodexo may well exceed FY organic revenue growth guidance.

In a more "normal" recession the business model offers defensive characteristics courtesy of its staple-like product offering and the fact that most customers are secured into long-term contracts (the company kept growth steady during the GFC). On this basis, our forecast revenue growth of ~3% pa over the coming years embedded within our valuation, seems realistic.

Exhibit 2: Sodexo: Organic Revenue Growth (2008–2024)



Source: Talaria estimates, company accounts

Margin

Global catering is a very low margin and high asset turnover business. Despite low single digit margins the industry consistently delivers 20%+ ROIC. Sodexo has delivered an average net margin of 3% since 2006. The company is already on course to report a margin of 3.2% for FY22, a touch above the long-term average. Management has guided in the latest results release that margin expansion will continue trending upwards supported by inflation-linked contracts that provide a benefit to the bottom line with a lagged effect. We expect margins to recover towards 3.8% in our base case. Our stress case assumes the margin reverts to the long-term average of 3%.

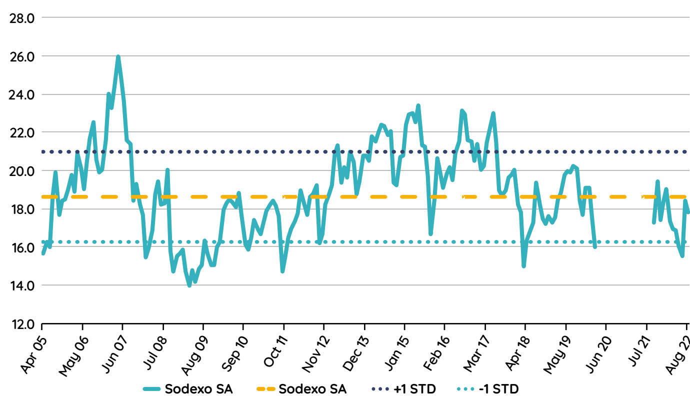
Exhibit 3: Sodexo Net Margin (2006–2024)

Source: Talaria estimates, company accounts

Valuation

Sodexo shares have traded consistently on a mid to high teens P/E ratio since 2005. The average is 18.6x and shares are currently trading on 17.5x. In our base case we assume no change to the P/E ratio, which we consider reasonable as it remains near the historic average. In a stress case we assume the company derates to 14x P/E, consistent with the GFC low.

Exhibit 4: Sodexo: P/E Ratio, current year (2005-present)



Source: Bloomberg, Talaria

Cash Flows and Capital Management

Excluding COVID years, Sodexo has had an excellent track record of generating Free Cash Flow (FCF). Key to this has been good top-line growth in combination with a negative working capital business model, as well as minimal capex requirements (<2% of sales) and limited below-the-line restructuring charges. Additionally, Sodexo management have done well prioritizing shareholder returns over the years. Consider that from 2010 to 2019, Sodexo generated cumulative FCF of €~6.5bn, of which more than 60% was returned to shareholders via buybacks and dividends. Also consider that, unlike other listed-catering peers, Sodexo did not go cup-in-hand to shareholders in the depths of COVID, managing to avoid what would have been a highly dilutive equity raise. Instead, management took the opportunity to restructure borrowings such that Sodexo now has a covenant-free balance sheet. Hence, Sodexo has already resumed paying dividends with the potential for more buybacks in coming years as leverage metrics continue improving.

A bridge to the future

Bringing it all together we present two scenarios for future returns over the next decade (see table).

Under our realistic case, dividend and buybacks will contribute to almost half of the ~8% expected compound annual growth rate (CAGR). Sales growth will contribute another third. Slight improvement in margins will round off the remaining quarter. We forecast no benefit from an improved valuation multiple.

In a pessimistic scenario the shares do not meet our 8% target CAGR but still deliver a positive return supported by Sodexo's strong cash generation profile. Income returned to shareholders of over 4% accounts for the entirety of returns. Sales growth is more than offset by margin contraction towards the long-term mean and valuation falling towards levels last seen during the depths of the GFC.

Exhibit 5: Sodexo expected returns

		GFC - Sept 2022	Realistic Case	Downside Case
Capital	Sales Growth	2.5%	2.5%	2.5%
	Net Margin	1.3%	1.9%	-0.5%
	P/E Multiple	2.0%	0.0%	-2.2%
Income	Share Buybacks	0.5%	0.5%	0.5%
	Dividend	2.5%	2.9%	3.6%
	Nominal Total	**8.8%**	**7.8%**	**3.9%**

Source: Talaria

Put simply, Sodexo can continue delivering solid returns of ~8% to shareholders over the next decade in a consistent manner. Even under a stress scenario total return should remain positive – a gift in the current market environment.

Talaria Global Equity Fund (Managed Fund)

Top 10 Holdings*

Company name	(% weight)
Sanofi	6.2%
Wheaton Precious Metals	6.1%
Everest Re	6.0%
Johnson & Johnson	5.9%
Gilead	5.7%
Novartis	5.6%
Sodexo	5.6%
Femsa	4.9%
Roche	4.7%
Nippon Telegraph & Telephone Corp	4.0%

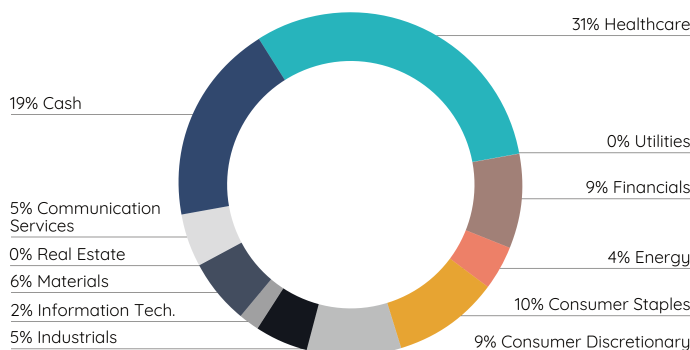
* Weightings include option positions held and cash backing put options. It assumes that put options will be exercised.

Performance at 30 September 2022

Period	Income Return	Growth Return	Total Return	Average Market Exposure
1 month	0.00%	-1.25%	-1.25%	54%
3 months	0.00%	-1.27%	-1.27%	51%
6 months	4.68%	-7.95%	-3.27%	52%
1 year	6.49%	-1.80%	4.69%	56%
3 years p.a.	7.28%	-0.86%	6.42%	55%
5 years p.a.	5.38%	0.37%	5.75%	57%
7 years p.a.	6.27%	0.36%	6.63%	58%
Since Inception p.a.	6.63%	0.38%	7.01%	59%

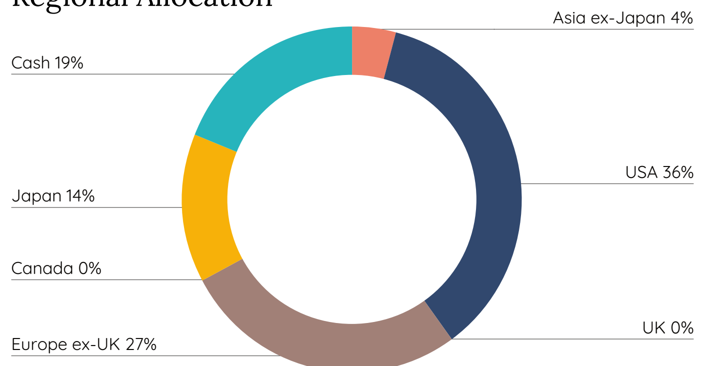
1 Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions
2 Inception date for performance calculations is 18 August 2008
3 Income Return includes realised capital gains
4 Past performance is not a reliable indicator of future performance
5 Average Market Exposure based on delta-adjusted exposure of underlying portfolio

Sector Allocation



* Weightings include option positions held and cash backing put options. It assumes that put options will be exercised.

Regional Allocation



Quarterly distribution

Period	Cents per Units	Reinvestment price
June 2022	26.444	$5.2023
March 2022	8.100	$5.5794
June 2021	33.783	$5.206
March 2021	8.500	$5.336
December 2020	7.000	$5.0885
September 2020	7.000	$4.6795
June 2020	19.834	$4.677
June 2018	0.500	$5.127

Asset allocation

Asset allocation	% weight
Global equity	37.9%
Cash – put option cover	42.8%
Cash	19.3%
Total	**100.0%**

Portfolio contributors	Portfolio detractors
Wheaton Precious Metals	Intel Corporation
Johnson & Johnson	Alibaba
Nippon Telegraph & Telephone Corp	Mitsubishi Electric
Femsa	Semco

1 Portfolio contributors and detractors are based on absolute quarterly contributions to return, including option positions

Talaria Global Equity Fund - Currency Hedged (Managed Fund)

Fund snapshot

APIR Code	WFS0547AU	**Inception Date**	31 December 2012
Management Fee	1.20% p.a. of the net asset value of the Fund plus Recoverable Expenses	**Liquidity**	Daily
Recoverable Expenses	Estimated to be 0.12% of net asset value of the Fund each Financial Year	**Exit Price**	$5.1227 (30 Sep 2022)
		Buy / Sell Spread	0.25% / 0.25%
Platform Availability	Asgard, Ausmaq, BT Wrap, BT Panorama, Hub24, IOOF, Linear, Macquarie, Mason Stevens, Netwealth, Powerwrap, Praemium, Grow Wrap	**Distributions**	Quarterly
		Minimum Investment	$5,000

Important Information

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