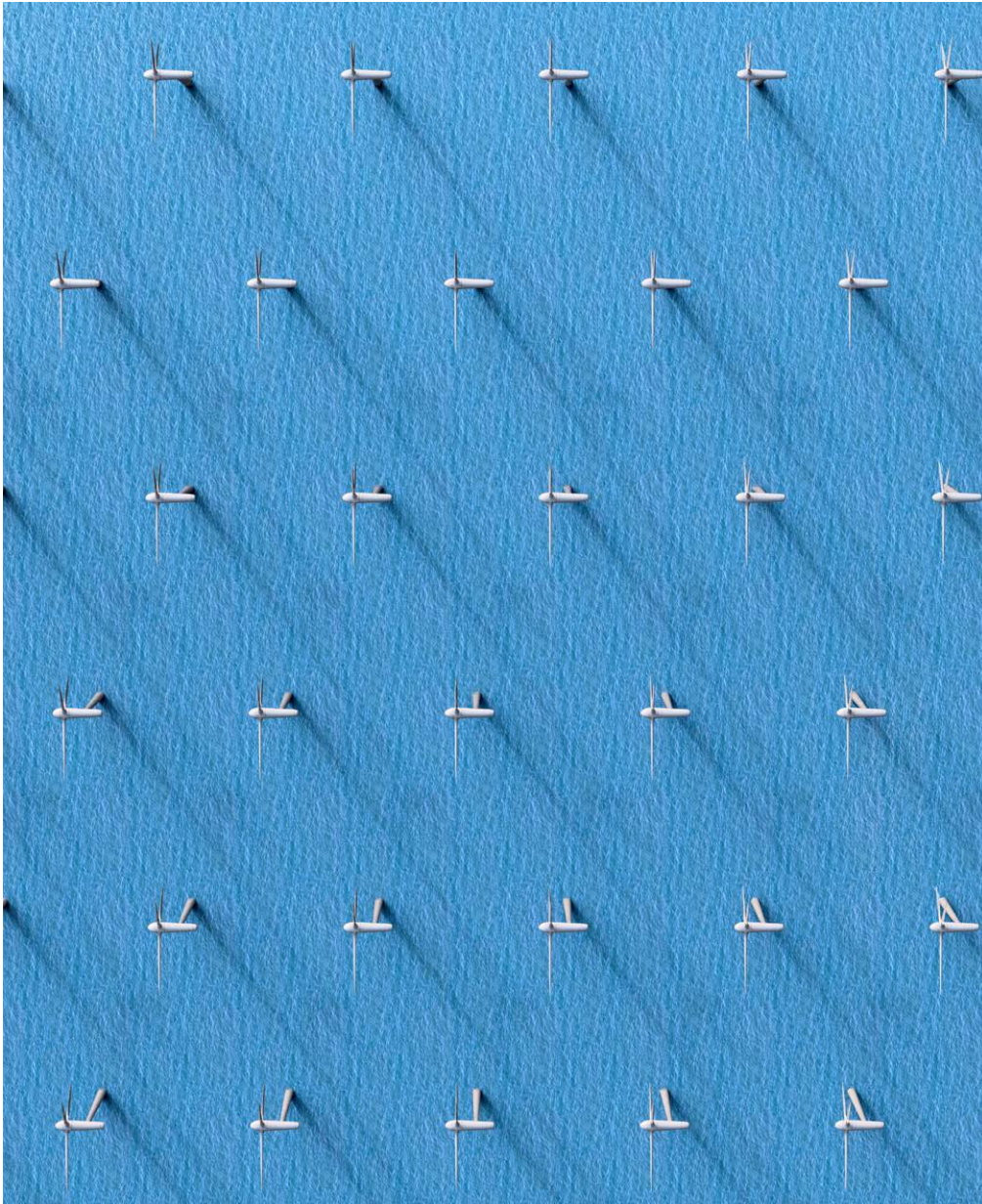


**JBWere**

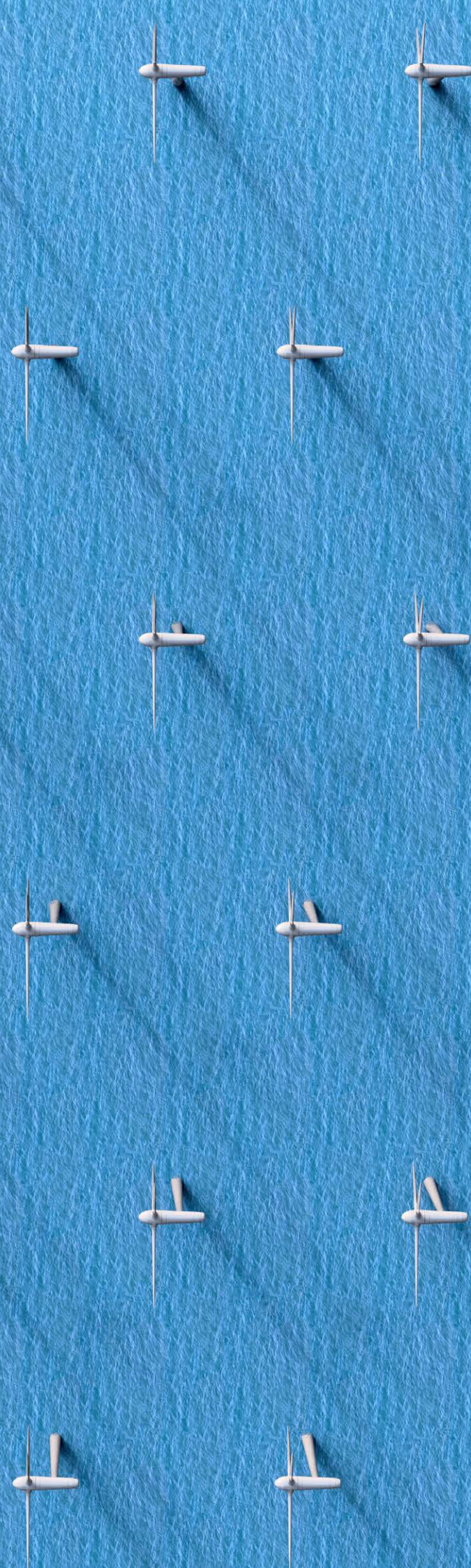
# JBWere Multi Asset Portfolio Solutions (JMAPS)

July 2024



Prepared by the Investment Strategy Group Team

**PUTTING WEALTH TO WORK FOR GENERATIONS**



# | Contents

<b>1. What are 'JMAPS'?</b>	<b>3</b>
<b>2. Portfolio management</b>	<b>4</b>
<b>3. Investment process</b>	<b>5</b>
<b>4. Liquidity, external managers, and other call-outs</b>	<b>7</b>
<b>5. ESG reporting and considerations</b>	<b>7</b>
<b>6. Key information</b>	<b>8</b>
<b>7. About JBWere Investment Strategy Group</b>	<b>9</b>

# | What are ‘JMAPS’?

JBWere’s Multi Asset Portfolio Solutions (JMAPS) are a series of risk-targeted multi asset portfolios aligned to our leading global asset allocation and investment strategy.

The portfolios are implemented in a direct, low cost and efficient manner. The objective of each portfolio is to outperform an aligned passive equity-bond benchmark, offering similar volatility over recommended rolling five-year investment horizons. The portfolios are highly liquid and invest across major asset classes, predominantly in developed markets.

JMAPS benefit from a leading asset allocation capability, as well as dedicated bottom-up research covering major global asset classes. They are cost-efficient, with indirect expenses to third-party investment managers targeted at <0.1% per annum per portfolio. They are designed to provide a cost-competitive compelling multi asset portfolio solution and come with best-in-class reporting and risk analytics utilising in-house proprietary capabilities, alongside Bloomberg and other enterprise risk and portfolio services.

JMAPS are built on the following foundational beliefs:

1. Asset Allocation is the fundamental driver of investment returns and risk over the long-term, and is best implemented through a consistent and disciplined process.
2. Active security and asset selection can drive excess returns.
3. Risk can only be professionally managed when it is defined, measured and reported transparently.
4. Capital preservation is a key outcome flowing from successful risk management, as is the delivery of an overall client investment solution in line with a well-defined mandate.



# Portfolio management

JBWere has dedicated and experienced resources responsible for portfolio management and investment research.

## JMAPS Portfolio Management Team

Name	Role	Responsibilities	Years related experience
Glen Bertram	Head of Asset Allocation	Portfolio Manager	21
Alexander Oh	Senior Quantitative Analyst	Quantitative research	6
Yingyang Liu	Quantitative Analyst	Quantitative research	7
Mia Wang	Performance Reporting Analyst	Reporting and analytics	2

## Specialist Equities Resources

Name	Role	Responsibilities	Years related experience
Andrew Hudson	Head of International Equities	Portfolio Manager	25
Aidan Kerr	Head of Domestic Equities	Portfolio Manager	17
Lincoln Valentine	Senior Analyst, Equities	Equities research	15
Chris Town	Senior Analyst, Equities	Equities research	22
Harsh Bardia	Senior Analyst, Equities	Equities research	15
Virad Mathur	Senior Analyst, Equities	Equities research	12
Andrea Chu	Senior Analyst, Equities	Equities research	13
Sinan Dilber	Senior Analyst, Equities	Equities research	6

## Specialist Investment Funds Research Resources

Name	Role	Responsibilities	Years related experience
Chris Karapalidis	Head of Investment Funds Research	Funds research	18
Seb Waters	Senior Analyst	Funds research	3

# Investment process

JMAPS combine both asset allocation and security selection into multi-asset risk-targeted portfolios.

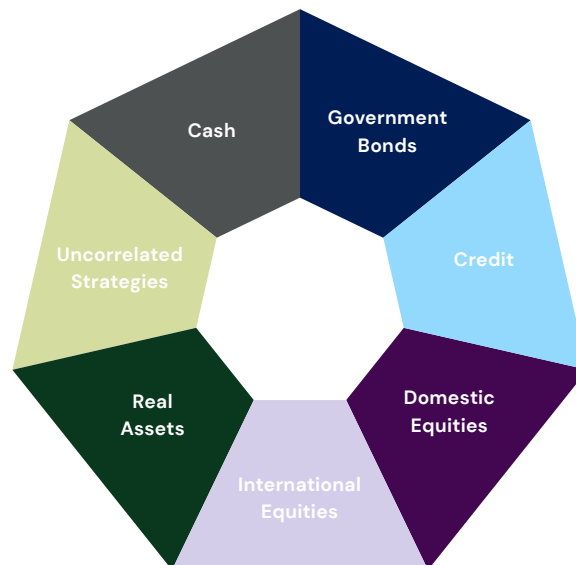
Each portfolio has a different asset allocation designed for investors with different risk appetites. Each portfolio provides an otherwise consistent exposure to individual asset class exposures in their construction.

## Asset allocation

The process continuously trades-off the relative risk-return characteristics on offer across major asset classes, seeking to provide efficient investment outcomes for a given risk budget. More detail regarding the asset allocation process can be found in the **Asset Allocation Blueprint**. If you cannot access this document, please reach out to your JBWere adviser.

Major top-down asset classes are highlighted below, where instruments are categorised by reference to their dominant source of economic risk.

## Asset classes



The allocation to each asset class depends on the investor’s risk tolerance, and as such, JMAPS are offered across multiple risk profiles:

## Portfolios

Risk profile	Risk tolerance	Target volatility over full investment cycle	Benchmark
Capital Defensive	Lowest ↓ Highest	4-5% p.a.	30/70 Equities/Bonds
Conservative		5-6% p.a.	40/60 Equities/Bonds
Balanced Income		6-7% p.a.	50/50 Equities/Bonds
Balanced Growth		7-8% p.a.	60/40 Equities/Bonds
Growth		8-9% p.a.	70/30 Equities/Bonds
High Growth		9-10% p.a.	80/20 Equities/Bonds

Benchmarks are Equity/Bond blends of MSCI All Country World Index (ACWI) Gross Total Return Index in AUD, Bloomberg Global Aggregate Treasuries Total Return Index Value Hedged AUD.

## Instrument selection

Instruments are selected using a range of top-down and bottom-up tools and models specific to each asset class, and by leveraging the expertise of a deep team of investment specialists. This includes comprehensive upfront screening to narrow the relevant investment universe.

Within each asset class, securities are selected and blended to satisfy specific characteristics and portfolio outcomes relevant to both the asset class, and the portfolio as a whole. At an overall portfolio level, the main risk metrics targeted are measures of tracking error, projected and trailing volatility, and value-at-risk.

A key differentiator of the security selection process is the combination of scalable quantitative screening and modelling alongside discretionary decisions made based on the experience of the investment team.

## Tax aware

While strategic asset allocation is undertaken with a five+ year horizon in mind, tactical tilts are made regularly as opportunities arise, driven both at an asset class and instrument level. The majority of the portfolio is core in nature, with relatively little turnover anticipated. However, a more flexible satellite is provisioned within each portfolio to take advantage of tactical opportunities as and when they arise, having regard to the likely tax impost for most tax-paying investors. For example, the manager is reluctant to turnover securities ex-dividend within the 45 day rule applicable for eligibility for franking credits, while a similar consideration arises for any asset held for near 12 months with an embedded material capital gain (and therefore shortly eligible for the capital gains tax (CGT) discount accruing to most non-corporate taxpaying domestic investors). Overall whilst the strategy is not run to minimise tax, but it is 'tax aware'.

For further detail on our individual asset class investment processes outlined above, please visit: <https://www.jbwere.com.au/resources/resources-home>.



# | Liquidity, external managers, and other call-outs

JMAPS focus on investments in instruments that provide daily liquidity for investors.

Where it is deemed cost-effective and convenient to utilise indirect investment vehicles, such as, but not limited to, Exchange Traded Funds (ETFs) and Exchange Traded Products (ETPs) the manager may utilise those vehicles. ETFs and ETPs can provide exposure to specific themes, asset classes, sectors and/or countries, while providing an otherwise convenient diversification tool. These products can also facilitate exposures to asset classes that investors would otherwise struggle to gain exposure to, such as crude oil futures and physical gold. ETFs and ETPs are utilised only when they can provide sufficient liquidity, and the underlying costs, sometimes referred to as Manager Expense Ratios (MERs) lie within the scope of the mandate. JMAPS expects to deliver underlying blended third-party manager fees of less than 10 basis points per annum to investors.

JMAPS currently only invest in listed direct investments. It is expected that many investors will hold private or public unlisted market exposures outside the JMAPS program.

# | ESG reporting and considerations

JMAPS approach Responsible Investing (RI) and Environmental, Social, and Governance (ESG) matters in line with JBWere's RI framework.

The investment team acknowledges that regardless of individual investors' beliefs on such matters, it is important to monitor and report on consistent ESG data.

JMAPS provide investors with reporting on ESG ratings data from leading vendors, Carbon Emissions Intensity, as well as company specific ESG monitoring. This is integrated within the normal monthly cadence as part of the portfolios' performance and risk analytics reports.

Additionally, the Portfolio Manager monitors ESG metrics for the portfolio through core portfolio management systems, seeking where possible and practical to improve ESG-related outcomes. ESG metrics are also directly incorporated within the underlying investment process through use of screens that incorporate ESG-related data as an input factor to valuation and screening.

For further detail on our Responsible Investment policy please visit: <https://www.jbwere.com.au/content/dam/jbwere/documents/Resources/JBWere-Responsible-Investment-Policy.pdf>

# Key information

## Investment objectives

The objective of each portfolio is to outperform an aligned passive equity–bond benchmark, offering similar volatility over recommended rolling five–year investment horizons. The portfolios are highly liquid and invest across major asset classes, predominantly in developed markets.

JMAPS are offered across six risk profiles, targeting volatilities ranging from ~5–10% p.a.

Risk profile	Risk target (p.a.)
Capital Defensive	4–5%
Conservative	5–6%
Balanced	6–7%
Balanced Growth	7–8%
Growth	8–9%
High Growth	9–10%

All portfolios invest in the same underlying asset classes, with different risk profiles achieved through varying the asset allocation.

## Portfolio seeding and performance calculations

The inception date for the JMAPS portfolios was 3 August 2020. As of 1 July 2024, the JMAPS portfolios are ‘seeded’ with capital funded by JBWere Limited. The purpose of seeding the portfolios is to reflect the outcome more accurately for a client who follows the portfolios.

## Fees and expenses, taxation and franking credits

The portfolios reflect fees and expenses in relation to operating the portfolios, such as custody and platform fees. Expenses do not include ongoing Advice fees. Franking credits are fully valued and reported in both portfolios and the associated benchmarks, where applicable. Performance is reported pre investor taxes, except in the case of foreign withholding taxes that are withheld at source.



# About JBWere Investment Strategy Group

Our Investment Strategy Group (ISG) is a team of highly experienced investment strategists and analysts; the driving-force behind our investment recommendations and asset allocation strategies. The ISG group undertakes in-house research across a diversified suite of asset classes, including international and domestic equities, international and domestic fixed income, and alternative investments. Supporting the team's research is a wide range of views including those from our domestic and global research partners and other well-respected external industry research bodies.

Drawing on these insights, the ISG provides the intellectual property, insights and tools for JBWere's Advisory Team to manage clients' portfolios including:

- The economic outlook;
- Analysis of global investment trends, opportunities, challenges and investment markets;
- Strategic asset allocation and the identification of tactical portfolio tilts;
- Direct model portfolio and advice; and
- In-depth managed strategies research.

## JBWere Offices

### Melbourne

Telephone: (03) 9906 5000

### Sydney

Telephone: (02) 9325 2600

### Brisbane

Telephone: (07) 3258 1111

### Adelaide

Telephone: (08) 8407 1111

### Perth

Telephone: (08) 9212 7900

### Canberra

Telephone: (02) 6218 2000

## Important notice

This document has been prepared by JBWere Limited (JBWere) and comprises general advice only. In preparing it, JBWere did not take into account your investment objectives, financial situation or particular needs ('financial circumstances'). Accordingly, before acting on any advice contained in this document, you should consider whether the advice is appropriate in light of your financial circumstances or contact your adviser. JBWere recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, where relevant, before deciding whether to acquire or to continue to hold any particular product mentioned in this report.

### Ownership and Material Conflicts of Interest

In the last twelve months, JBWere has played a role in transactions for certain entities which may be referred to in this report. For details, refer to JBWere's Deal Flow Participation.

Further information about the Conflicts of Interest related to research reports, and how JBWere maintains integrity of research, please refer to the **Managing Conflicts of Interest and Maintaining the Integrity of Research Policy**.

### General Disclosures

This document is not an offer to sell or the solicitation of an offer to buy any financial product or service in any jurisdiction where such an offer or solicitation would be illegal. The information contained in this report is subject to change without notice.

### General Disclaimer

So far as laws and regulatory requirements permit, JBWere, its related companies, associated entities and any officer, employee, agent, adviser or contractor thereof (the "JBWere Group") does not warrant or represent that the information, recommendations, opinions or conclusions contained in this report ("Information") is accurate, reliable, complete or current and it should not be relied on as such. The Information is indicative and prepared for information purposes only and does not purport to contain all matters relevant to any particular investment or financial instrument. Subject to any terms implied by law and which cannot be excluded, the JBWere Group shall not be liable for any errors, omissions, defects or misrepresentations in this report (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the Information. If any law prohibits the exclusion of such liability, the JBWere Group limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

Please refer to the full details of the important disclosures, available in the Disclosures section of the JBWere Limited website.

Issued by JBWere Ltd ABN 68 137 978 360 AFSL 341162