

# **PIC Wholesale Inflation Plus – Assertive Portfolio**

## **Key personnel and managers with substantial allocations at September 2017**

### **Key personnel**

The key individuals involved in the investment decisions for the Trust are Dr Susan Gosling and Dr Ben McCaw.

**Dr Susan Gosling BSc, MA,  
PhD, GDip (EnvironMgt)  
Head of Investments, MLC**

Susan joined NSL in October 2002 and has more than 25 years' investment management experience. She is the architect of the market-leading scenarios-based approach to asset allocation, which is the foundation for the Investment Futures Framework.

Susan moved into funds management after starting her career as an economist in London. She first applied scenarios analysis for portfolio management in the late 1980s, as General Manager Risk Management and Head of Asset Allocation with Commonwealth Funds Management.

Susan has held a number of senior positions in the funds management industry, including General Manager of MLC Implemented Consulting, CIO of both Advance Asset Management and United Funds Management, and founder and director of United Funds Management. She has been a director of the Australian Investment Managers Association and was founding director of a boutique private equity fund focused on consistency of economic and environmental sustainability.

**Dr Ben McCaw, MAppFin,  
PhD, BSc (Hons)  
Portfolio Manager, MLC**

Ben joined NSL in 2008 as a Senior Analyst for the MLC Capital Markets Research team. As Portfolio Manager in this team, he plays a significant role in developing the scenarios analysis model and enhancing the modelling process.

Before joining NSL, Ben worked as a sell side Equity Analyst at Emerging Growth Capital, Australia. Prior to that, he worked in Singapore as a Technology Investment Advisor at Asia-Pacific BioVentures.

### **Managers of substantial allocations**

Currently, all specialist investment managers have less than a 35% allocation of the assets of the Trust.

There are three specialist investment managers that have allocations of more than 10% of the assets of the Trust. They are:

- International Value Advisers, LLC (IVA)
- Antares Fixed Income, and
- Ruffer LLP (Ruffer).

#### **IVA**

We appointed IVA in May 2012 as one of the managers in the Trust's defensive global shares strategy (Walter Scott & Partners Limited is the other manager).

The defensive global shares strategy has been an important part of the Trust since 2008. Its role is:

- to increase the diversity of investments, strategies and managers in the Trust
- to improve the Trust's ability to preserve investors' capital in adverse markets, and
- to deliver more resilient returns from global shares in difficult economic conditions.

IVA's strategy aims to deliver returns similar to global share markets over three to five years. However, the strategy also has a strong focus on preserving investors' capital, which means its pattern of returns will be different to share markets. While the strategy may not perform as strongly as global shares markets in highly speculative markets, the quality of its investments means it should be more resilient in adverse economic conditions. IVA isn't limited to investing in global shares, but can also invest in cash, bonds and gold.

IVA was appointed because of its experienced investment team and its proven ability to carry out this strategy, which complements both the approach of Walter Scott & Partners Limited and our other global shares strategies.

## **Antares Fixed Income**

We appointed this in-house specialist investment manager in December 2005 to manage an enhanced cash mandate.

The enhanced cash strategy has flexibility to target a higher level of excess return above the Bloomberg AusBond Bank Bill Index than a standard cash strategy. However, the mandate's investment guidelines for credit and duration exposures ensure capital preservation remains its overriding focus.

The enhanced cash strategy is able to invest in bank deposits, bank issued or endorsed securities, corporate fixed income securities, government guaranteed fixed income securities and residential mortgage backed securities.

We use the Antares Fixed Income team to manage this strategy because its experienced team has successfully managed cash and fixed income strategies for us for more than two decades. Antares Fixed Income also manages small allocations to Australian inflation-linked bonds and Australian non-government bonds in the Trust.

## **Ruffer**

We appointed Ruffer in 2009 as a manager of the multi-asset class real return (MARR) strategy for the Trust.

The MARR strategy is an important part of the Trust. Its role is:

- to increase the diversity of assets, strategies and managers in the Trust
- to improve the Trust's ability to preserve investors' capital in difficult markets, and
- to help deliver a smoother path of returns for investors.

Ruffer has the flexibility to invest across many types of assets without being constrained by a market benchmark. As a result, the managers build portfolios that are well diversified and can cope with a range of risks. This can provide a more reliable path of returns and better preserve investors' capital in difficult markets.

Ruffer focuses on prudently growing wealth over a full market cycle, while limiting the risk of a negative return in any 12 month period. They do this by carefully balancing risk and return opportunities.

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