

Model Investment Guidelines - Version 1 - 20th May 2017

Name:	Nucleus Tactical Foundation Fund
Portfolio Code	
Investment Manager:	Nucleus Wealth
Inception:	TBC
Investment strategy:	<p>This strategy uses a top-down global macro strategy that seeks to identify and exploit inefficiencies between markets, regions, countries, and sectors for an Australian investor. It uses a mix of tactical asset allocation, mid and large cap stock selection (within the authorised investments below) in a transparent low cost structure. This gives investors a core investment that can be efficiently mixed with other assets or strategies to deliver optimum returns for the risk taken.</p> <p>All positions are currently implemented through physical investments. Rebalancing is considered at least monthly by the asset allocation committee. The committee often takes a longer term view on assets and will choose to gradually build positions with dividends/excess capital rather than actively trading where ever possible.</p>
Investment objective:	This is a balanced asset allocation strategy aiming to generate returns 3.5% above Australia inflation over rolling 5 year periods. It is designed for investors with smaller balances as it uses ETFs for international exposures rather than direct shares, and primarily invests in the ASX20.
Investment Timeframe	Five years
Benchmark:	(ACPI.KR) ABS – Australian Consumer Price Index plus 3.5%
Performance Benchmark (if different):	N/A
Authorised Investments:	<ul style="list-style-type: none"> • MSCI Australia Index • MSCI AC World ex Aust Index • Exchange – traded Government Bonds • ETF's conforming to: <ul style="list-style-type: none"> ○ The majority (70%) of the ETF assets fall into one of the above categories ○ Hold physical (i.e. not synthetic) ○ Track a major market index

Name:	Nucleus Tactical Foundation Fund		
Asset Allocation Ranges:	Asset Class	Range (%)	Target Set (%)
	Cash & TD's	4 – 36	13
	Bonds	5 – 50	22
	Total Cash & Bonds	25 - 80	35
	Australian Equities	10 – 70	35
	International Equities	10 – 70	30
	Total Equities	20 - 75	65
Investment Restrictions:	Number of securities: 20 - 50		
Derivatives:	No		
Customisations Permitted?	Yes		
Performance Fee %pa (inclusive of GST)	N/A		
Minimum initial investment:	\$35,000		
Key risks	This Model Portfolio invests in international securities and you should consider the specific risks that may affect these types of investments. For example, the performance of international securities may be impacted by movements in foreign currency exchange rates, and political, economic and social events in the country in which the investments are located.		