

Model Investment Guidelines - Version 1 - 20th May 2017

Name:	Nucleus Tactical Income 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 conservative asset allocation strategy aiming to generate returns 2.5% above Australia inflation over rolling 3 year periods. It is designed for conservative investors looking to maintain a higher level of income and takes minor tactical tilts to different asset classes based on valuation.
Investment Timeframe	Three years
Benchmark:	(ACPI.KR) ABS – Australian Consumer Price Index plus 2.5%
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 Income Fund		
Asset Allocation Ranges:	Asset Class	Range (%)	Target Set (%)
	Cash & TD's	10 – 55	30
	Bonds	15 – 75	50
	Total Cash & Bonds	70 – 90	80
	Australian Equities	0 – 25	14
	International Equities	0 – 15	6
	Total Equities	10 – 30	20
Investment Restrictions:	Number of securities: 60 - 120		
Derivatives:	No		
Customisations Permitted?	Yes		
Performance Fee %pa (inclusive of GST)	N/A		
Minimum initial investment:	\$200,000 (Total, Spread over Growth, Accumulation and Income Models)		
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.		