

# Fact Sheet

## OUR COMPANY

### Establishment

Aoris Investment Management was founded in 2017 by Stephen Arnold and Daniel Micallef.

### Stephen Arnold

Stephen created and led the international equity funds management business at Evans & Partners where he was managing client assets of over \$1bn.

Over the six years to June 2017 the portfolios he was responsible for performed in the top decile of a broad peer group of international equity funds.

### Independent

Aoris is wholly owned by its staff and directors.

### Specialists

- We are global equity specialists.
- We are focused – we have a single portfolio.
- We have multiple implementation options.

### Our Portfolio

- Our portfolio is long-only.
- We are concentrated – we own no less than 10 and no more than 15 stocks.
- Our maximum stock weight is 10%.
- Our maximum cash weight is 10%.
- We do not actively manage foreign currency.

## OUR INVESTMENT APPROACH

Our approach is first and foremost a conservative one. It starts with the recognition that, over time, avoiding the bottom 20% of the equity market has a powerful positive impact on investment returns. It is also, in our view, a lower risk and more repeatable approach than the conventional approach of seeking out the “big winners”.

What does the worst 20% of the market look like? It skews heavily to businesses with poor returns on capital; those trading on high earnings multiples; those with onerous debt levels; and companies run by expansionist, aggressive and acquisitive management. Our approach is to avoid such companies and instead invest in businesses with high returns on capital; with conservative balance sheets; and run by judicious management, where we can own them at undemanding multiples of earnings. This approach is common sense, but it is not commonly applied.

We place great emphasis on diversification. However, there is more than one way to achieve it. The conventional route is to own scores of companies, many of which are inherently “narrow” – with a few key products or customers, or a single geography from which they derive most of their revenue. Our approach is to own a small number of businesses, each of which is highly diversified in its own right, serving many different end markets and many different geographies.

Owning a concentrated portfolio of such diversified businesses allows us to apply very demanding criteria in terms of both the business quality and the valuation we own them at.

## OUR FEES

Our fees are simple, transparent, unusually inclusive – and, we believe, fair.

We charge investors a management fee of 1.10% of the value of their portfolio each year, and a performance fee equal to 15% of the degree to which we outperform our benchmark. Any prior underperformance must be reduced to zero before a performance fee can be charged. This is known as a 'high watermark'.

We also offer investors the option of a higher fixed management fee of 1.50% with no performance fee. Both options include GST. In the case of our individually managed accounts and unit trusts it also includes all equity brokerage costs. We know of no other manager where equity brokerage costs are not borne by the investor.

## OUR PEOPLE



**Stephen Arnold**  
Managing Director and CIO

Stephen has been investing internationally for 25 years. He began his investment career in domestic equities at BT Funds Management in 1991 and moved to Platinum Asset Management in 1994. He spent ten years in London, with senior roles at Colonial First State, Sarasin Asset Management and Goldman Sachs Asset Management. Stephen was Head of International Equities at Evans & Partners from February 2011 to August 2017 before founding Aoris Investment Management.



**Daniel Micallef**  
Operations Manager

Daniel has over seven years' experience in financial markets and at Aoris he is responsible for Operations, including trading and service provider relationships. Prior to co-founding Aoris with Stephen, Daniel was an Associate Advisor at Evans & Partners. Prior to this Daniel was a Relationship Manager at UBS Wealth Management where he developed an understanding of both domestic and international markets.



**Alexander Ordon**  
Head of Distribution

Alexander has over 20 years of wealth management and sales experience. Before joining Aoris Investment Management in 2018, Alexander was Regional Sales Manager at JPMorgan Asset Management. Prior to joining JPMorgan in 2015 Alexander was Regional Manager and National Strategic Accounts Manager Netwealth. Before his time at Netwealth, Alexander was National High Net Worth Manager at Credit Suisse Asset Management.



**James Carnegie**  
Non-executive Director

James is currently a Senior Managing Director at Blackstone Group. He is also on the board of Antares Restaurant Group and ixom. James has been working in financial markets since joining Platinum Asset Management in 1995 to cover Latin American equities. Before Blackstone he held senior roles in private equity at Macquarie Bank and Archer Capital. James holds a MBA (Distinction) from Harvard University.



**Swati Reddy**  
Senior Analyst

Swati has 8 years of experience in capital markets analysing equities and fixed income securities, during which time she has worked in North America, Australia, and Asia. Prior to joining Aoris Investment Management in 2018, Swati was an equities analyst at CLSA in Sydney covering financials, healthcare, and technology industries. Prior to that she worked at Ocwen Asset Management in Bangalore, India, and Towers Willis Watson in Dallas, United States.