



IMPORTANT INFORMATION

ASR WEALTH ADVISERS – ASSET

ASR Wealth Advisers (ASRW) is an Australian provider of investment advice (on a general advice basis) and dealing services to wholesale and retail clients. We provide timely guidance for investments across the corporate, wholesale and retail financial markets on a general advice basis. At ASRW, we place our clients' best interests and needs at heart and our team strives to provide you with unrivalled support throughout your entire investment journey. We strive to constantly be a cut above the rest through our service; we strive to offer our clients opportunities for growth and profitability at all times. Our success depends on our client's success - thus helping our clients with their investment decisions is essential to our reputation as a successful firm.

ASRW is committed to identifying unique and superior investment and research options for our clients.

ASRW provides brokerage services in respect of margin foreign exchange products ('forex') issued by United Standard International Group Pty Ltd ('USG') and Contracts-For -Difference (CFDs) issued by CIMB Securities Pte Limited. ASRW is a Corporate Authorised Representative (CAR No 339 207) of Amalgamated Australian Investment Solutions Pty Limited (ABN 61 123 680 106, AFSL 314 614) (AAIS). ASRW and AAIS are part of the Amalgamated Australian Investment Group Limited.

What is ASSET?

Algorithmic Sector Selection & Execution Technology platform (ASSET) provides clients access to trade Contracts For Difference (CFDs) over international securities via thematic model portfolios at the press of a button.

ASSET model portfolios are constructed as a basket of CFDs issued by Union Standard International Group Pty Ltd (ABN 117 658 349, AFSL 302 792) (USG). Any financial product advice provided within the ASSET platform is provided on a general advice basis by ASR Wealth Advisers

What is a CFD?

A CFD is a derivative instrument that is tradeable and is designed to mirror the movement of the underlying asset. CFDs can be traded over many asset classes such as single stocks, indices, commodities and FX. A CFD allows for profits or losses to be realised when the underlying asset moves in relation to the position taken. Essentially it is an agreement between the client and the broker to settle, in cash, the difference between where the client opens the position and subsequently closes the position. CFD trades are conducted on a margined basis. Initial margin requirement is typically 10%-50% for equity CFDs and 5%-20% for Index CFDs. The client never actually owns the underlying asset but is entitled to the full economic benefit (positive or negative) of the performance of that asset simply by depositing a margin with the broker and trading the CFD.

Benefits of CFDs

CIMB Securities DMA ASRW DMA CFDs give you the ability to participate in the order book of the underlying exchange. DMA also allows client to enter the pre and post market auctions, as well as to see the exact market execution.

Global Market Access

With a focus on the ASEAN region we have one of the most diverse market offerings:

- Singapore
- Hong Kong
- Australia
- USA
- UK

Short Sell

Global markets can be uncertain at the best of times. CFDs allow you to Short Sell, giving you the ability to make money even when market falls.

Counterparty Risk

USG is an Australian based international forex and CFD broker, regulated by the Australian Securities and Investments Commission (ASIC).

With a steadily growing market share around the world, USG operates with the ethos that they are more a trading partner to their clients rather than just their broker. USG offer secure trading conditions, premium education, trading programs, powerful trading tools through Trading Central and round-the-clock client support.

USG keeps client funds segregated in a trust account with the Commonwealth Bank of Australia to ensure the stability and compliance of the broker and gives clients the peace of mind of Negative Balance Protection.

Even with the protection of market regulations, dealing with the correct counterparty is essential for the protection of your money.

ASSET - Invest using ready-made Thematic Investment Portfolios

Algorithmic Sector Selection & Execution Technology (ASSET) gives you the opportunity to invest in ready-to-trade model portfolios of CFDs on stocks or exchange traded funds (ETFs). ASSET offers investors a selection of model portfolios which have been compiled over a particular sector, theme or asset class (such as Telecommunications, Social media etc) by experienced quantitative analysts and portfolio experts. Saving you time and enabling you to leverage off their expertise.

Markets are driven by trends, themes and macro events. We recognize that picking individual stocks based on their fundamentals or technicals without considering the bigger picture can be challenging. So now you can invest in entire portfolios at the click of a button thereby allowing you to capture these broader market drivers easily and quickly.

Browse through the ASSET, explore the thematic portfolios that you are interested in and you can have exposure up to 30 related securities with a single transaction in a single portfolio.

The benefits of diversification

Investing in a portfolio of securities or CFDs rather than a single security or CFD, provides you with diversification. It can reduce the impact of events such as profit warnings and bankruptcies affecting a single company. But broader events or themes that impact groups of stocks, sectors or even entire markets will drive the performance of your investment.

The concept of a Managed Fund is to provide diversification for investors. Buying a thematic portfolio via ASSET helps you to achieve the diversification that you need for balanced exposure to risk across the market / industries. You have the same diversification benefits where market risk is spread across multiple securities via a CFD. When you buy a model portfolio via ASSET you have transparency, you know all of the underlying securities for which the CFDs are being priced against. Also, ASSET give you access to ideas that you may not traditionally have access to. When you buy a thematic portfolio via ASSET you buy into an account in your own name and you have direct ownership of the CFDs in ASSET. It is important to note that given you are purchasing CFDs (which are cash settled derivatives) you do not have direct ownership of the underlying stocks.

Institutional-grade portfolios

Perhaps through trading directly in stocks or CFDs you already invest in topical ideas and themes. However, are you suitably diversified across multiple companies? Have you captured most of the names relevant to an idea - or are you missing any? How are you allocating across these stocks or CFDs? Do you have the expertise to address these issues? We do.

Our investment analysts build thematic portfolios within ASSET to give you access to investment ideas in Australia, Hong Kong, Singapore and the US. We develop our thematic portfolio in ASSETs by researching investment ideas to find the stocks

or ETFs that suit the selection criteria, and then we give you the benefit of leverage through CFDs. We review the portfolios within ASSET regularly to make sure that the underlying securities and CFDs remain relevant to the relevant investment idea - and if they don't we will make adjustments.

Objective and transparent rules

We are constantly scouring the markets for investment ideas that we can turn into a model portfolio within ASSET. With an ever-changing environment there is never a shortage of ideas. Our goal is to turn these ideas into portfolios that investors can buy and sell through the ASSET platform.

How do we create a portfolio that captures the performance of a given idea, theme or strategy? We research the idea to create a set of transparent and objective rules that define the construction of a portfolio.

We start off with a broad universe of securities and use our rules to select the securities that best represent the investment idea we want to capture. We want these securities to be readily traded so investors can easily invest in them. So our rules also filter out any illiquid securities. When you invest in this idea, you will be entering into a CFD for each of the underlying securities selected to represent the theme.

Weight allocation

The rules of each thematic portfolio in ASSET determine how the securities are weighted in the portfolio. Market capitalization weights are one alternative but we often use other weighting methods - such as equal weighting or weighting by the underlying security's fundamental ratios. We may also optimize the weights to improve the portfolio's liquidity and to better represent its underlying investment idea, whether that is to increase its yield or reduce its risk.

Execution

The portfolio is then executed as a CFD, where each constituent of the portfolio will represent a CFD position in your account.

Regular rebalances

We rebalance our portfolios within ASSET at regular intervals, according to the rebalancing schedule defined in the rules for the specific portfolio, to ensure they remain up-to-date and continue to reflect the underlying idea as closely as possible. We may make changes to the security selection or weights depending on the rules that govern the relevant portfolio within ASSET. For example, we may include a stock in a company that had an IPO or remove a stock that is no longer liquid enough. ASSET will be updated with the rebalanced portfolio composition outside of the trading hours of the corresponding markets. For multi-market ASSET portfolios, the update will be scheduled with respect to the underlying markets to minimize impact on the market. The system will send notifications to you about rebalancing updates if you have invested in the portfolio that has been rebalanced within the ASSET platform, so you can consider rebalancing your position to match the updated portfolio composition.

ASSETs are like market indices

Our approach to building portfolios within ASSET is similar to the construction of conventional benchmark indices, such as the S&P500 or Dow Jones indices, that measure the performance of different market segments. We do not pick stocks based on their expected performance and do not use any discretion or subjective information.

Exploring and researching

The Browse page

Visit the Browse page to explore our list of thematic portfolios within ASSET. The filters at the top will help you to narrow the list of portfolio options depending on criteria such as market, investment horizon or strategy type. You can also sort the table by the different columns.

Style

Portfolios in ASSET can have a trading, i.e. short term, or investing, i.e. long term, style.

- Trading portfolios take advantage of short-term market opportunities. Market timing is an important consideration when making an investment decision. Taking a short-term view on the broader equity market may also help in making the right decision in relation to investing in a trading portfolio
- Investing portfolios are longer-term investments that may take several months or years to fully play out. Timing the market is less important for investing portfolios. Equity market performance may have less of an impact on an investing ASSET.

Strategy type

We classify portfolios within ASSET by their investment objective. An ASSET portfolio can fall into one or more of the following five strategy types.

- Asset Allocation: Portfolios made up of underlying securities such as ETFs that invest in a range of global asset classes, such as equities, bonds and commodities, to provide a diversified investment.
- Event: Portfolios consisting of underlying securities such as stocks that are likely to benefit from a corporate, geopolitical, natural or other type of event.
- Income: Portfolios made up of underlying securities such as securities that deliver high income, e.g. dividend yield, to investors.
- Macro: Portfolios consisting of underlying securities such as securities that are likely to benefit from changes in economic climate, flow of funds, government policies and other broad macroeconomic factors.
- Model: Portfolios that use model-based stock selection strategies typically favoured by institutional investors, these are also available to be traded as a CFDs.
- Thematic: Portfolios made up of underlying securities such as stocks that are related to a particular investment theme that may span multiple sectors.

The Watchlist

You can add a range of ASSET portfolios to your personal Watchlist by pressing the Watch button in the Browse page. The Watchlist will allow you to keep track of your favourite ASSET portfolio quickly and easily. You can use it to monitor an ASSET portfolio performance ahead of making an investment decision. Press the Remove button if you'd like to remove an ASSET from your Watchlist.

The Research page

You can research an ASSET portfolio historical performance relative to a suitable benchmark and analyse its returns and dividend yield. Find out about the ASSET portfolio's investment idea and construction rules. Use the data and tools on the Research page to form a view on whether, when and how to invest in a portfolio via ASSET.

- Underlying Performance: We chart and tabulate the percentage returns of a specific ASSET portfolio versus a benchmark for a range of time periods. Returns for both an ASSET portfolio and its benchmark include cash dividends and are measured in the currency of the ASSET portfolio. Returns exclude commission and financing charges. As such the charts and table reflect the returns of a long position in the relevant ASSET portfolio. The dividend yield is based on the dividend yield of the securities in the relevant ASSET portfolio or benchmark for the last 12 months.
- Underlying Securities: The table at the bottom of the research page shows you the underlying securities in the relevant ASSET portfolio. We also provide a range of different fields that you can use to better understand what makes up an ASSET portfolio. For example, you can look at the P/E (Price-to-Earnings) ratio of each security in a specific ASSET portfolio to understand whether it may be over - or under-valued.

Risk and valuation scores

We score ASSET portfolios by their risk and valuation.

We measure the risk score of an ASSET portfolio by calculating the volatility of its daily returns over the last three months. We use the ASSET portfolio's volatility to give it a score from 1 (low risk) to 5 (high risk). We assign a score of 1, 2, 3 and 4 to an ASSET portfolio with volatilities in the range of 0% to 5%, 5% to 10%, 10% to 20% and 20% to 40% respectively. ASSET portfolios with a volatility in excess of 40% are assigned a score of 5. Bear in mind that this risk measure is based on historical data and may not be an accurate predictor of the actual risk of an ASSET portfolio or its suitability to your risk profile.

We calculate the valuation score of an ASSET portfolio by calculating its P/E (price-to-earnings) ratio based on the earnings reported by its components (to be traded as CFDs), excluding stocks with negative or no earnings. We use the ASSET portfolio's P/E ratio to give it a score from 1 (attractive valuation) to 5 (expensive valuation). We assign a score of 1, 2, 3 and 4 to an ASSET portfolio with P/Es in the range of 0 to 5, 5 to 10, 10 to 20 and 20 to 40 respectively. ASSET portfolios with a P/E in excess of 40 are assigned a score of 5. We do not provide a valuation score for an ASSET portfolio whose components are ETFs as they may include asset classes without earnings. Note that our valuation score may not be an accurate predictor of future performance.

Fact Sheet

The Fact Sheet tab shows important information specific to each ASSET portfolio. You can read about a specific ASSET portfolio's underlying investment theme, strategy or idea. We include a summary of the rules governing the ASSET portfolio and provide other vital information such as its rebalancing frequency, number of securities and launch date.

Allocation

This tab shows a pie chart of the ASSET portfolio's sector breakdown, or asset class breakdown in the case of ASSET portfolio where the underlying are ETFs. Bear in mind that some ASSET portfolios may only cover one or two sectors.

Corporate events

We adjust our ASSET portfolios to reflect corporate events related to the underlying stocks, such as stock splits. In the case of more complex corporate events, such as spin-offs, mergers or acquisitions, we adjust according to a pre-defined set of rules consistent with major index providers.

ASSET Implementation

Placing an order

Placing an order to buy or sell is easy. You can buy an ASSET portfolio by pressing the Buy button. You can find this next to each ASSET portfolio in the Browse or Watchlist pages, on each ASSET portfolio's Research page and, if you already own a ASSET portfolio, on the Portfolio page. You can sell an ASSET portfolio by pressing the Sell button on the Portfolio page.

Your trading orders are executed immediately if you submit them between market hours. All orders submitted outside market hours are queued for execution on the next market open. Occasionally we may temporarily disable submission of new orders for maintenance of our ASSET portfolios (see Regular rebalances). In these situations, you can submit your order(s) after the maintenance has been completed.

We generate market orders for the securities in the ASSET portfolio when you submit an order to trade, when executed these trades will be booked to your account as a CFD. So when you place an order, these are orders to trade the positions of the underlying security on which a CFD will be provided. We calculate the number of CFDs based on the notional or margin amounts that you type in as well as the underlying security's latest closing price and weight in the ASSET portfolio. Because your market order is executed at a price that may be different to the previous close, the actual notional and margin may not be the same as the estimated notional that was calculated based on the latest closing prices of the underlying securities in the portfolio.

Buying power and free equity

Your buying power is your free equity, i.e. the surplus funds in your account that can be used as margin when placing orders. The free equity is posted at regular intervals so it may not reflect recent trades that you have submitted immediately. Your buying power is shown in the Trading Limits section of the Buy page.

Entering amount to trade

You have the option to specify your buying amount in terms of the initial margin in your home currency as well as the notional value in your home currency or the ASSET portfolio currency.

You can sell all or part of your positions in an ASSET portfolio. You can specify the notional amount you want to sell in your home currency or the ASSET portfolio currency.

Use the Trading Limits section to understand the minimum and maximum margin and notional amounts you can trade.

Trading limits

Initial portfolio margin for ASSET is \$AUD10,000.

In relation to buying, the minimum notional and minimum margin limits are the smallest amounts of notional or initial margin that you can buy in an ASSET portfolio. These amounts depend on internal limits as well as the ASSET portfolio's minimum order size, which in turn depends on the board lots of its underlying securities (which are imposed by the underlying Stock Exchanges). The maximum notional and maximum margin are the largest amounts of notional or initial margin that you can buy and depend on your buying power (i.e free equity).

The minimum sell order is the board lot with the lowest notional value amongst the underlying securities that make up your ASSET portfolio position.

Calculating the securities to trade

The theoretical amount to buy (sell) in each security is calculated based on your type-in amount and the weight of the underlying securities in the ASSET portfolio (your position). We calculate the position of CFDs to trade by rounding the theoretical amount divided by the latest closing price to the nearest board lot. Rounding may create a shortfall vs. the amount you typed in. In such cases, we use our optimization engine to calculate additional board lots to trade.

Full vs. partial portfolios

When you select a portfolio via ASSET, depending on your cash position you may receive a full or a partial fill on a portfolio that you select to trade.

A full portfolio will include all the underlying securities in the ASSET portfolio you have selected and matches the weights to the original ASSET portfolio as closely as possible. The minimum order amount for a full portfolio can be high due to large board lots for some securities in different markets.

A partial portfolio may not include all of the underlying securities in the ASSET portfolio you have selected and its weights may differ from those of the full ASSET portfolio. ASSET creates partial portfolios using an optimization engine which allows clients to trade in small sizes.

There are a number of reasons why a client may not receive a full portfolio including insufficient margin (smaller cash balance than required for the specific portfolio to be filled in full) market conditions and / or board lots in specific markets.

ASSET will use an optimization engine to enable the client to trade in smaller sizes and it may not include all of the underlying securities in the selected ASSET portfolio.

The optimization engine will re-calculate a target portfolio by removing securities that the client cannot afford to buy. Once eliminated, the optimization engine ensures that the weighting is applied to the new portfolio for the client.

The performance of a partial portfolio may be different to that of the full portfolio

Board lot and minimum order size

For ease of trading many exchanges around the world define a standardized number of shares greater than 1, e.g. 100, as the minimum trading unit. The board lot and price of a security determines its minimum order size. The security's minimum order size will impact the CFD positions within the ASSET portfolio and the ASSET portfolio's minimum order size.

Securities breakdown

You can see the breakdown of the underlying securities by pressing the View Order Breakdown button. This shows you the number of each underlying security and estimated notional amount for each security order you are about to submit. The number of each underlying security is calculated based on the latest closing price.

Submitting an order

Press on Review Order button to see the estimated notional and margin amount as well as important messages related to your order. To confirm and place the order, press the Place Order button.

Incomplete ASSET portfolio positions

In the unlikely event that your order to trade an ASSET portfolio results in expired or partially filled underlying security orders, the CFDs that you hold in your account may be different to those in the ASSET portfolio. In these cases, the performance of the ASSET portfolio you hold will likely not match that of the ASSET portfolio research page. In practice, it is unlikely that the differences will be large enough to be noticeable. You can check for incomplete orders by expanding ASSET portfolio orders to see whether individual securities fills match the orders submitted.

Cancelling an order

You can cancel an order that is pending as long as it is still queued, i.e. an order you submitted outside the trading session of the ASSET platform (i.e. from one hour after market open to one hour before market close). You can cancel an order by navigating to the 'Orders' page and pressing the 'Cancel' button next to the order you wish to cancel under 'Pending'. If the button is disabled, then you can no longer cancel the order. If the cancellation is successful your order status will change to 'Cancelled'.

Rebalancing

You can rebalance an ASSET portfolio position at any time by selecting Rebalance from the Manage pull-down menu on the Portfolio page or from the action bar of the Position page. The Rebalance page shows you the difference between your position and the ASSET portfolio. This is the notional of all buy orders required to rebalance your position to the current ASSET portfolio as a percentage of the market value of your position. It ranges from 0%, when no rebalance is necessary, to 100%, when your entire position would have to change to match the ASSET portfolio.

Selling Short

You can short-sell an ASSET portfolio by selecting Sell from the Trade pull-down menu. Short-selling may not be available for a particular ASSET portfolio. In those case, the Sell option will be disabled unless you have an existing long position on the ASSET portfolio.

When you are reviewing the historic returns on the Research page, you should keep in mind that these reflect the returns of a long position in the ASSET portfolio. By undertaking a short position in the ASSET portfolio, your returns will differ from the returns calculated for the ASSET.

If short-selling is available, then the Sell (Short) option on the Sell page will be available. Like with normal buy and sell orders, you can enter your order to sell short in terms of your home currency or the currency of the ASSET portfolio.

If you already have an existing long position on the ASSET portfolio, the Sell page will give you the option to close your long position and create a short position in a single order. In terms of execution and reporting, such orders are split into the sell orders related to the closing the long positions and the short-sell orders related to creating the short positions.

Reporting

The Portfolio page

You can see the performance of your ASSET portfolio(s) on the Portfolio page.

- **Total Equity (GLV):** Total Equity or Gross Liquidation Value (GLV) is the value of your account if all the positions are closed at the current market price (excluding any commission and charges).
- **Initial Margin:** Initial margin is the margin that you must furnish in order to create a position. Initial margin varies with different ASSET portfolios so you would have to check on the Buy page for the initial margin of the ASSET portfolio that you intend to place an order on.
- **Free Equity:** Free Equity is the surplus funds in your account available for creating new positions. You will be unable to initiate new positions if your Free Equity is negative. Free Equity is calculated as your Total Equity (GLV) less your Initial Margin.
- **Realized P&L:** Realized P&L is the profit or loss of your account based on closed ASSET portfolio positions.
- **Unrealized P&L:** Unrealized P&L is the profit or loss of your account based on the current market value of your open ASSET portfolio positions.

Your ASSET portfolio positions are shown on the Positions tab on the Portfolio page. Each position is tagged with a 'long', 'short' or 'long/short' to indicate the position of the ASSET portfolio components.

The Orders page

You can check the status of all orders you have submitted on the Orders page. You can expand any ASSET portfolio order to see the each of the underlying security orders of the individual CFDs that make up the ASSET portfolio. This will show you the number of CFDs you bought or sold in each constituent in the ASSET portfolio as well as the price at which this order was executed.

The Trades page

The Trades page shows you trades that arise from completed orders.

Stock prices and other market data

Security prices and other market data are sourced from FactSet. Closing or intra-day delayed prices are labelled accordingly on each page.

FAQs

What should I do if I get an SSL certificate warning on my browser?

1. Do not key in any confidential information from this point until the problem is resolved.
2. Check if your device (e.g. PC, notebook, tablet, etc.) is displaying the correct date and time. Incorrect date/time settings can cause SSL certificate issues.
3. Restart the browser and check again to see if the warning still exists. If the warning is no longer there, it may mean there were temporary browser issues.
4. If the warning still exists after browser restart, please restart the device and try again.



5. If restarting the device does not resolve the issue, please contact AssetHelp@asrw.com.au or 1300 720 292.