

Ardevora Global Equities MPS Fund

Manager Profile

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ARDEVORA

Manager Overview

Ardevora Asset Management LLP ('Ardevora') is the investment manager of the Ardevora Global Equities MPS Fund, and is a privately owned partnership based in London. Ardevora was founded in January 2010 by Jeremy Lang and William Patisson, who began working together in 1986. 2010 was spent establishing the Firm and developing the investment philosophy and process. The portfolio management team began managing money in the first quarter of 2011. Ardevora manage global equity strategies for clients around the world.

Investment Philosophy

Ardevora believe results from behavioural psychology, suggesting a tendency for biased judgments, are applicable to financial markets. Ardevora assume:

- Decisions made by smart, well-informed people, in situations where error is surprisingly easy, are susceptible to overconfidence, anchoring, representative, confirmation, loss-aversion, hindsight and probability-neglect biases.
- Financial markets involve smart, well-informed people who make decisions where error is surprisingly easy.
- Error drives stock prices and some error is the result of bottom-up bias. Ardevora believe their philosophy is contrarian. Competitors tend to assume fair-value models which are either purely quant-based, high-conviction single factor-focused, or based on top-down forecasting or top-down thematic investing, as more appropriate strategies to adopt.

Investment Process

Ardevora believe error moves stock prices, and some error comes from bottom-up bias. Their philosophy uses traditional sources of widely available information (financial analysis, management statements and analyst reports) to identify stocks where market participants may be demonstrating biases that can impact relative stock price performance.

Ardevora believe three key market participants (CEOs, Analysts, Investors) can be subject to biased views on the prospects for a stock. Biases can combine to reduce the risk of disappointing corporate news and raise the prospects for higher returns in some stocks.

Ardevora typically begin their analysis with CEOs, with the belief their behaviour exerts the most influence on investment risk. Ardevora then consider how Analyst and Investor behaviour can create the opportunity for unusual return.

Ardevora recognise stocks prices are impacted by unpredictable top-down (macro) forecasting error. Ardevora attempt to minimise the influence of macro forecasting error by building a widely diversified portfolio of many small positions, with constrained regional and currency exposures relative to the benchmark.

The entire investment process is managed in-house by the Ardevora investment team.



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Advance Asset Management Limited ABN 98 002 538 329 AFSL 240902 ('Advance') is the responsible entity for the Ardevora Global Equities MPS Fund ARSN 625 870 439 ('Fund'). A Product Disclosure Statement or other disclosure document ('PDS') is available for the Fund and can be obtained by calling 1800 819 935 or by visiting bt.com.au/MPS. The Financial Services Guide ('FSG') for WFSL and Advance can be obtained via www.bt.com.au or www.advance.com.au (as applicable). Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund. For the Target Market Determination for this product please refer to www.bt.com.au/tmd.

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Advance has appointed Ardevora Asset Management LLP ARBN 164 700 234 as the investment manager ('Manager') for the Fund. The Manager has consented to the statements pertaining to it in this document, in the form and context in which they appear and has not withdrawn its consent as at the date this document was published.

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Information current as of 16 December 2022.