

17 July 2017

Optimal Australia attracts new strategic partnership, adopts new name

MELBOURNE: Optimal Fund Management Australia Pty Ltd has forged a strategic partnership with the Burnham Group that will support its growing absolute return investment business.

The company has also announced a name change to ARCO Investment Management Pty Ltd (ARCO), with immediate effect.

ARCO will continue to be controlled by its co-founders and co-portfolio managers George Colman and Peter Whiting. The firm's long-established investment process and management team will continue unchanged as will its focus on delivering strong risk-adjusted returns for investors.

Burnham Group's CEO Chris Cunningham and Burnham Capital's chairman Bruce Loveday will join an expanded ARCO Board, with Mr Loveday appointed as chairman.

Burnham Group, a long-standing family office and private investment company, will earn a 30% interest in ARCO (via its investment arm, Burnham Capital) in consideration for providing additional capital to accelerate ARCO's growth. Burnham has also committed to a significant investment in ARCO's equity long-short strategy.

ARCO, derived from the Latin word for 'arch', was chosen as the new identity for the business to reflect the group's commitment to delivering absolute return investment strategies to investors with an overarching focus on capital preservation. The ARCO identity will roll out over the next few weeks.

ARCO's principals George Colman and Peter Whiting have welcomed the Burnham alliance which takes effect immediately: "Our partnership with Burnham further strengthens the quality of our existing investment offering to our clients and, over time, will facilitate our delivery of a broader range of absolute return-oriented investment products to investors," they said.

"We look forward to working with Chris and Bruce, who bring many years of valuable experience in investment management to our business. Above all, our shared commitment is to maximise the resources of this partnership to drive better outcomes for our investors."

Mr Cunningham said that the Burnham Group was a strong supporter of absolute return investing: "We understand the tangible benefits of an investment approach that recognises that sound fundamental analysis and a focus on capital preservation are the key elements to generating superior returns across any market cycle," he said.

"We identified some time ago that the philosophy and practice of ARCO is wholly aligned with our views, so we are delighted to be partnering with George, Peter and their team to expand ARCO's business and delivery for its clients."

ARCO's aim is to provide investors with consistently positive risk-adjusted returns across all market conditions— that is, harvesting alpha on the upside but also limiting losses on the downside. Since its inception in September 2008, the firm's flagship Absolute Trust has achieved an average return (net of all fees) of 8.2% per annum, with significantly lower volatility than the broader equity market, and has achieved 80% positive performance months over this same time frame.

About ARCO Investment Management

ARCO commenced business in September 2008 as Optimal Australia with the launch of the Optimal Australia Absolute Trust, which has consistently pursued an absolute return, equity long/short strategy. It subsequently launched a benchmark-independent long-only strategy in July 2016, primarily designed for institutional investors.

George Colman and Peter Whiting have been the co-owners and portfolio managers of ARCO since its inception, having previously worked together for many years at Citigroup. Adding to the senior ranks of the group, Stephen Nicholls joined the team from Citigroup as senior investment analyst in 2010, and Jason Huddy joined in 2016 as an executive director, having previously spent several years with Macquarie Group and NAB.

[www.arcoim.com]

About the Burnham Group

Burnham Group is a Melbourne-based single family office and private investment group whose origins date to 1926 when Alfred Nicholas, one of the co-founders of the ASPRO business set up his private family office. The Group's name is derived from 'Burnham Beeches' the name of Alfred's family home at Sassafras. The Burnham Group's principal activities include wealth generation, philanthropy and family office services.

Chris Cunningham has been the CEO of Burnham Group for two years, having previously served as CEO and CFO of the Bennelong Group for 11 years, and as non-executive director of Bennelong Funds Management. He has also been executive director of Bennelong Wealth Partners.

Bruce Loveday, Chairman of Burnham Capital, has significant local and international financial services experience, having previously been director of Hopkins Partners Funds Management, director of marketing at Colonial Investment Management and, more recently, the chairman of Bennelong Funds Management and non-executive director and chairman of ASX-listed Praemium Ltd.

[www.burnhamgroup.com.au]

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