

Rivkin's product offering includes nine strategies, one of which is the ASX Event strategy. This is Rivkin's oldest strategy and seeks to profits from corporate actions, particularly takeovers. The return profile suits relatively conservative investors who are looking for a modest return with minimal volatility.

## ABOUT THE STRATEGY

The strategy invests in listed ASX equities that are undergoing some type of corporate action. There are three main types of event that we seek to profit from, these are:

1. Takeovers
2. Share buybacks
3. Company wind-ups

While takeovers make up the majority of the trades, we are always on the lookout for profitable corporate action opportunities. The number of trades is dependant on the activity in the market but typically we expect an average of 10 trades per year with a holding period per trade of three to four months.

## HOW TO FOLLOW THIS STRATEGY

Rivkin members who purchase the ASX Event strategy will be provided with recommendations to purchase specific stocks at specific prices. These recommendations come as and when a new opportunity emerges so there is no specific action date as there is with many of the other Rivkin strategies.

Members trade themselves, using their own brokerage account, which ensures that all stocks are held in the members' name. Rivkin can offer a low brokerage account for those who don't have one already. We advise members to act on our advice within 2-3 days of the recommendation but with event trades there is often a window of at least a few weeks during which a trade can be entered. Having said this, we cannot predict the market movements and it might not be possible to enter at the recommended price if the trade is delayed too far beyond when the recommendation is made.

## INVESTMENT CHARACTERISTICS

The ASX Event strategy has been developed and tested by simulating the investment performance over historical stock price data. This allows us to gather performance data based on how this strategy would have performed if we had run them during these prior time periods. The statistics in the table below summarise the results of this testing and compare them to the ASX 200.

	ASX EVENT STRATEGY	S&P/ASX 200 ACCUM INDEX
Construction	ASX Corporate actions, usually takeovers and share buybacks	Free-float-adjusted market cap weighted, comprising 50 of the largest ASX stocks
Management	Trades come on an 'ad hoc' basis as and when opportunities appear in the market	Rebalanced four times per year according to market cap and liquidity
Annual Avg. Return*	6.0% per annum, before fees	8.4% per annum, before fees

\*Based on return profile of a typical event trade

## MINIMUM INVESTMENT AMOUNT AND PERIOD

There is no specific minimum investment amount although the minimum brokerage charged by your broker can put a practical limit on the minimum investment size. For example, if your broker charges a minimum of \$10 per trade, this would represent a 0.5% charge on a trade size of \$2,000 (portfolio size of \$20,000 for 10 stocks). Given that the profit per trade can be in the range of 1-5%, this level of brokerage charge would be considered the maximum acceptable. Members should therefore aim to put at least \$2,000 into each event trade.

Rivkin generally recommends members invest with a long-term time horizon however the conservative nature and short duration of a typical event trade means that a relatively short time horizon (e.g. one year) can still produce an acceptable result.

## FEES AND CHARGES

Rivkin's advice product attracts a fixed annual subscription fee that does not depend on the amount invested. Other than this, the only fees and charges relate to those charged by your broker for trading. Under this model, the more funds you invest in our strategies, the lower the annual cost on a percentage basis. This strategy is also offered in a Separately Managed Account version for which you pay a small management fee for us to follow the strategy on your behalf.

## HOW TO GET STARTED

Speak to a Rivkin Consultant to get signed up



Deposit funds for initial investment



Start using our detailed advice