

# Rask Owner's Manual

Volume 1

**December 2024**

Prepared by

**Owen  
Raszkievicz**

Prepared for

**Long-term  
investors**



# Legal warnings

Since its inception in 2017, Rask has been licensed, regulated and authorised to operate in Australia.

## **General Advice Warning:**

*The information in this guide contains general financial advice only.*

*That means, the advice does not take into account your objectives, financial situation or needs. You should consider if the advice is appropriate to you and your needs, before acting on the information. If you don't know what your needs are, you should consult a trusted and licensed financial adviser who can provide you with personal financial product advice. Please read our Terms & Conditions and Financial Services Guide (FSG) before using this website.*

*"Rask Invest" is considered a financial product and has a Product Disclosure Statement (PDS) and Target Market Determination (TMD), issued by InvestSMART, the Responsible Entity of Rask Invest. These documents can be accessed on the Rask Invest website. Please seek professional advice before making any investment decision with respect to Rask Invest.*

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# Letter from the Chief Investment Officer

## Owen Rasziewicz

Founder of The Rask Group

Rask Invest is for you. Everything about Rask Invest is designed to help long-term investors create real wealth. From our HIN-based model, meaning you retain full ownership of all the investments. 100% transparency on (low) fees and portfolio holdings. Full tax reporting done for you. To our full analyst reports, 24/7 community, complementary free online courses for you and your family. And, of course, a professionally managed portfolio designed to offer growth, passive income, or both.

This Owner's Manual sets out how we do that. But also what we expect of you as we go on this journey together.



**30+ years**

Collective industry experience



**10+ years**

Our targeted time horizon



**200,000+**

The investors Rask represents

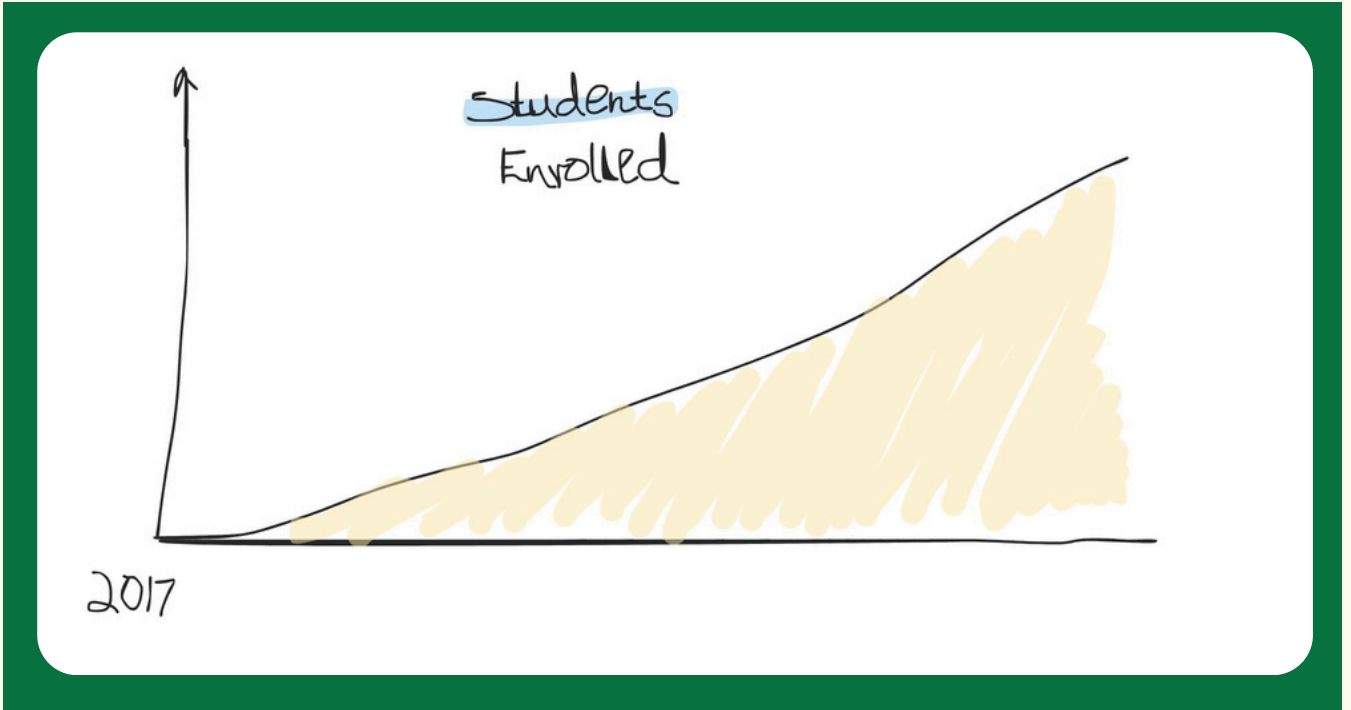


**31,000+**

Aussies in free Rask courses



# Company overview



## About us

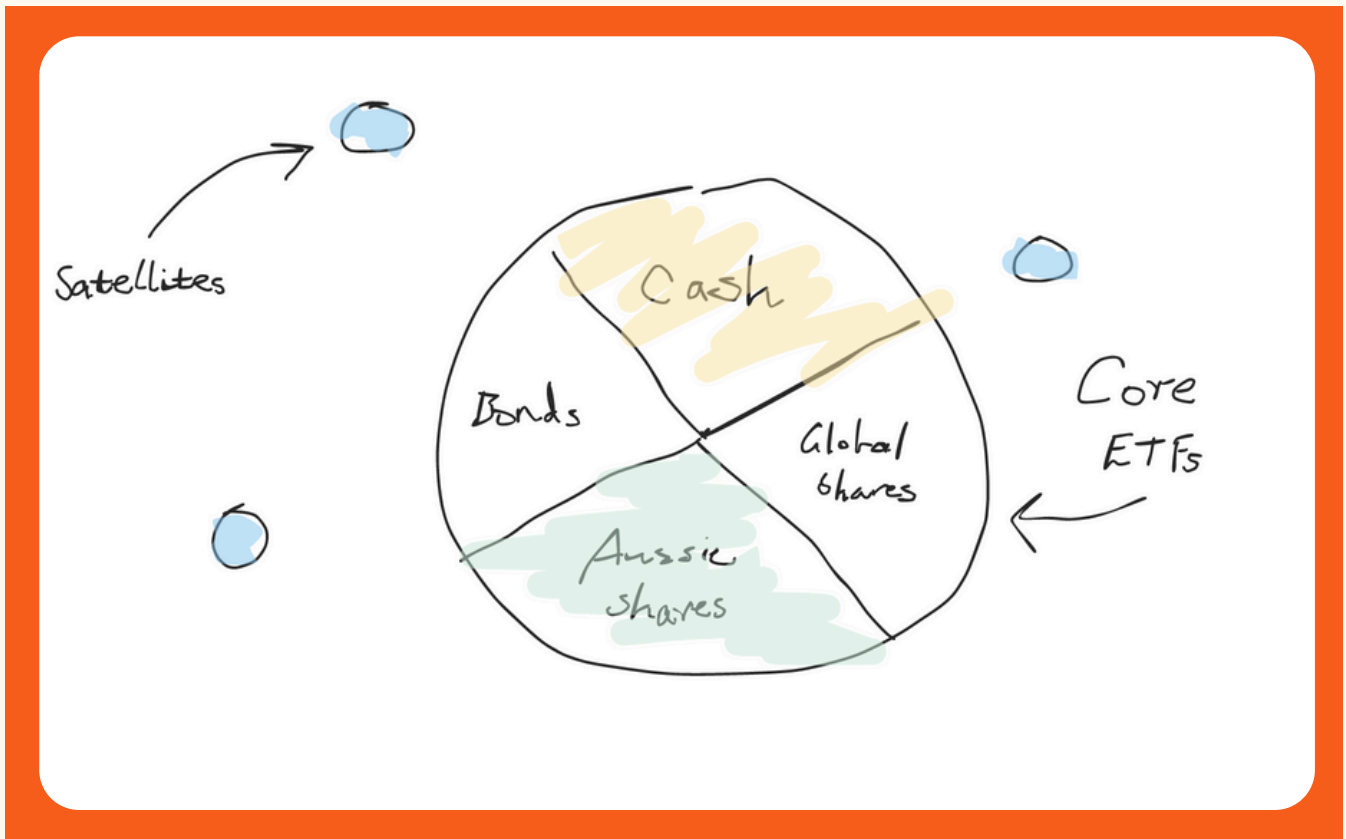
Rask is a diversified investment management, news, education, podcast and media network which is **Australian-owned and managed** from Melbourne. Our company was founded in 2017 by Owen Raszkiewicz, who was extremely frustrated by the industry's total disregard for honest and genuine access to quality financial advice and investment research. Rask was originally setup to provide financial and investment education to the majority of Australians and Kiwis who go without. By 2024, Rask had grown to serve 200,000+ Australians every month, offering industry-leading media and financial education, access to advisers and brokers, national roadshows and much more.

## Mission

We believe everyone deserves access to expert financial and investment advice, and tools. As of 2024, Rask has enrolled over 31,500 students into free online courses, offered millions of people access to free investment articles, regularly engages 150,000 unique podcast listeners, and welcomed tens of thousands of free account holders.

**We're on a mission to enrol 100,000 students into free finance and investment courses before 2027, and plan to power it by allowing more people invest with us via Rask Invest.**

# Investment philosophy



## Core & Satellite

A high quality financial planner will often talk to their clients about something called Strategic Asset Allocation (SAA) which simply put, means the 'long-term mix' of your assets. For example, between growth and defensive assets. They might also mention Tactical Asset Allocation (TAA), which refers to shorter term tilts on a portfolio (e.g. an increase in small cap shares, given a three-year view).

Through the Rask Community over many years, we've championed the Core and Satellite approach to long-term investing. You can think of the Core as SAA and Satellite as TAA.

Using a Core & Satellite approach to long-term investing makes sense because it helps you invest sensibly, in proven strategies within the Core, but also 'scratch the itch' of stock picking, high risk assets and so on...

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**70-90%**



Proportion of returns may be generated by the Core

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**7 months**



Median stock holding period of active fund managers

# Investment philosophy cont.

## Core & Satellite

...within the Satellite component of your portfolio.

Though the exact figure is debatable (see Brinson et al.) various literature shows us, and we believe, the majority of an investor's long-term returns comes from his or her core portfolio - the low cost, boring, diversified, part - and not the security selection. Meaning, don't get hung up on 'which' share or ETF to buy, just buy well and stay invested.

For all investors, the implications of this research should have been obvious by the mid-1990s. That is, spend more time getting your portfolio set up right, with a clear growth-v-defensive mix, and then simply focus your attention on consistently sticking to your plan. Vanguard's success is a clear example of this research in action, but it has taken 49 years to get this far.

If we assume, say, 90% of the return we will get comes only from picking an SAA and staying invested, the logical next step is that we should do everything within our control to ensure we can stay invested through good times - and the bad.

The problem is, as the Dalbar report has shown over 30 years, most investors underperform their own stocks or funds

because they are constantly switching in-and-out of investment products. All that time, effort, money and 'advice', just to switch out at the worst time? While Charlie Munger warned us repeatedly about the perils of envy, being the only one of the deadly sins we cannot get any pleasure from, we (as a human species) still chase returns on the way up.

It reminds me of the time Charlie visited a fishing shop only to find brightly coloured purple and green fishing lures. "Do fish really take these lures?" Charlie asked the shop's owner. "Mister, I don't sell to fish."

The finance industry has done a wonderful job of convincing us that the best thing you can do for your wealth is buy the next hot thing. A mining stock in Africa. A hidden technology stock that 'herald readers' don't yet know about. It could be the next Amazon, they say.

We see a similar pattern on the way down. We, homo sapiens, are genetically pre-disposed to avoid pain and uncertainty. As Prof. Daniel Kahneman showed many times over, loss aversion bias sees us fear the pain of a financial loss significantly more than the joy of its gain. Likely leading us to flee "underperforming" investment portfolios at the exact moment they are at their worst.

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## 75% or more



Our recommended target allocation to the Core of your portfolio

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## 85%



Active fund managers underperform an index over 15 years (SPIVA, 2024)

# Investment philosophy cont.

## Core & Satellite

If long-term investing is the path to wealth, but as humans we're still prone to reacting to market volatility, what can we do?

I believe the first step in managing these competing tensions, and getting a respectable outcome, is acknowledging we are not fully in control.

For example, despite millions of hours, many PhDs of finance, countless quantitative metrics, research papers, the latest flashing charts, and snake oil salesmen and women espousing a proven strategy, the numbers are damning for investors.

The best we can do, to borrow a phrase from author Morgan Housel, is try to be reasonable, not rational. Any investment can look great in a spreadsheet, but our brains didn't evolve from X and Y coordinates.

Being humble in our assumptions and expectations, and accepting the past doesn't repeat but it may rhyme, are key ingredients to surviving the modern financial world.

Over many years, the Rask Philosophy has shifted and evolved, but our 10 core principles remain largely as they were when they were created many years ago:

1. **Capitalism works.** If companies and entrepreneurs create value for society by solving problems via their companies, shareholders supporting them must also be rewarded.
2. **The stock market is a vehicle for transferring wealth from the impatient to the patient** ([see Buffett annual letters](#))
3. **Wealth creation** can be summed up in two words: accumulate assets.
4. **Fewer investment decisions often result in better decisions.** High conviction and concentration is the best approach when you know what you are doing.
5. **Diversification is very important for beginners, passive and index investors.** This is why we build your portfolio mostly with ETFs.
6. **The benefits of extra diversification will rapidly diminish after 10 uncorrelated positions** ([see Evans & Archer](#)).
7. **Less than 5% of companies on the stock market are responsible for all of the stock market's wealth creation over bonds** ([see Professor Bessembinder](#)).
8. **There are three commonly accepted investing 'edges':** behaviour, analytical ability and information. Investors would be wise to focus on their behaviour.
9. **Most people shouldn't invest in individual shares because they lack the time, inclination and/or curiosity.**
10. **Investors do not need to choose between 'active' or 'passive'** — everyone should use both in a Core & Satellite portfolio.



# Investment process

**With set values, our approach is to explore the best way to achieve these for our investors.**

Within Rask Invest, we can invest in just about any ASX-listed investment. That means, ETFs, actively-listed funds, REITs, LICs, mid-cap, large-cap, etc. However, it's extremely rare we look outside of Exchange-Traded Funds (ETFs), since we believe ETFs are the most convenient, cost-effective and transparent vehicle for capturing the returns we seek from our portfolios. While ETFs cannot be used to access private market exposures, such as unlisted private credit or direct infrastructure, they more than make up with their excellent exposure to the core building blocks any portfolio would demand.

## Investment checklist

At the outset, a Core position needs to clear important hurdles before it can pass through our investment checklist:

- 1. Proven track record:**  
An investment for our Rask Invest portfolios must be built on a foundation of objective empirical evidence, spanning (ideally) decades, not weeks or months. From time to time, we will consider vehicles with short track records, provided the people and processes are robust and consistent.
- 2. Low cost:**  
Here, we're not just talking about fees. The cost of misaligned incentives can also not be overlooked because in the finance industry, someone who is not aligned to your goals can have an insidious impact. You barely notice that someone, or something, isn't aligned to your goals until years down the track. As the comedian John Oliver once put it, "think of fees like termites: they're tiny, they're barely noticeable, and they can eat away your f#\$\*ing future." Fees are often considered a big reason most investors do poorly, which is why we seek to minimise fees in every way, but they are not the only incentive to focus on.
- 3. Low turnover:**  
For tax reasons, almost every time you buy or sell an investment there will be a tax bill or frictional cost to pay — which significantly drags on your investing returns. As the saying goes, compounding is very powerful, so don't interrupt it. Unfortunately, in the finance industry, 'turnover' - a measure of buying and selling actively in one year - is not often reported to investors. We have a bias to inactivity because we believe, as Housel once said, 99% of long-term investing is doing nothing; the other 1% changes your life. Naturally, we are slow to buy, only sell when our thesis is broken, and thus have a very long-term time horizon. We seek out evergreen investments to avoid unnecessary taxable events which ultimately hurt our returns.
- 4. Easy to understand:**  
If you cannot sleep-at-night with your portfolio, whether it's managed by us, someone else, or by you, it won't be sustainable over the long run. Just like everyone is a high growth investor... until the next market crash, the stock market has a habit of always catching up with us and Lady Luck. As Warren Buffett said in his 1994 address, it's only when the tide goes out do you discover who's has been swimming naked.

As the Australian ETF landscape expands beyond 370 ETFs (including actively managed ETFs) we are in pole position to identify, research and invest in more ETFs, sectors, geographies and industries.

# Transparency always

We show you all positions in the portfolio, 24/7. Then make it easy to see your diversification in an instant.

Overall Portfolios		
96.70%	Rask Jupiter	\$18,881.34
3.30%	Cash Reserve ⓘ	\$643.49
0.01%	Dividends/Distributions Receivable ⓘ	\$2.19
		<b>Total: \$19,527.02</b>
Overall asset class		
39.78%	Australian Equities	\$7,766.22
48.95%	International Equities	\$9,556.94
0.43%	Property	\$84.73
6.27%	Cash	\$1,224.73
4.58%	Fixed Interest	\$894.40
		<b>Total value: \$19,527.07</b>

*strategy* (handwritten note with arrow pointing to Rask Jupiter)

*Diversification* (handwritten note with arrow pointing to Overall asset class)

## How it works

- Rask Invest seeks to invest in 100% transparent investment products (i.e. ETFs), therefore we aim to provide the same benefits to our investors.
- All holdings within your account are visible to you, 24/7.
- You can view your portfolio at the overall dollar value level, at the asset allocation level and at the individual security level.
- You can also view stock exposure levels
- Since all of the assets are held on HIN, meaning you have legal and beneficial ownership of all assets - you could in-specie transfer your ETFs out of Rask Invest and to a brokerage platform.
- We keep you informed with monthly performance reports, in-depth quarterly reports, webinars, 24/7 Q&A with our team, podcasts, and via a thriving community of engaged investors.
- Our ultimate transparency is built on our humility and intellectual honesty. Since we don't claim to hold the 'secrets' of investing, nor do we charge high fees to match such a belief, our portfolios and rationale are on display for all to see.
- The Rask brand and business is entirely at risk if we don't deliver for our investors over the next 10 years, which is how it should be.

# Satellite allocation

Within Rask Invest, you also get research reports on ASX and global companies our analyst team identifies as 'best of breed'.



## 5 top dividend stocks for passive income

Getting income from ASX shares, or ETFs, is second to none.

Owen Raszkiewicz  
24 Sep 2024



## Rask All Stars: Visa

Visa processes 76,000 transactions per second. It is the backbone of the worlds...

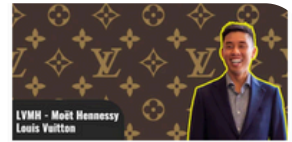
Kevin Fung  
23 Jul 2024



## Rask All Stars | Copart (NASDAQ: CPRT)

Copart (NASDAQ: CPRT) is a business that can be best described as eBay for car wreck...

Kevin Fung  
01 Jul 2024



## Rask All Stars | LVMH - Moët Hennessy Louis Vuitton

Kevin takes us on a deep dive into Moët Hennessy Louis Vuitton as a potential...

Kevin Fung  
07 Jun 2024



## Rask Tracker | Qualitas Real Estate Income Fund (ASX: QRI)

Kevin takes us on a deep dive into the Qualitas Real Estate Income Fund as a Ras...

Kevin Fung  
07 Jun 2024



## Rask Media | Guzman y Gomez (ASX: GYG) IPO: I won't be buying in

Owen explains why he won't be buying into Guzman's IPO later this month

Owen Raszkiewicz



## Rask Media | Inside Guzman y Gomez's (ASX: GYG) Spicy \$2.2 Billion IPO

Kevin takes a deep dive into Guzman y Gomez's upcoming June 2024 IPO

Kevin Fung



## Rask All Stars | Amazon (NASDAQ: AMZN)

Kevin takes us on a deep dive into Amazon as a potential satellite position

Kevin Fung  
29 Apr 2024

## Learn more about the world

We love researching and learning about the companies which change the world. And investing in concentrated portfolio of "All Stars" blend so well with a Core portfolio of ETFs.

We strongly believe in conscious capitalism and using our money to help shape the world, for the better. After you have built a Core portfolio, we would encourage you to consider some Satellite exposures to further develop your knowledge of business, finance - and the world around you.

This won't be for everyone. If you don't have an interest, intense curiosity for business, and the time to monitor a handful of companies, you don't shouldn't invest in Satellites. Stick to the Core only and you'll sleep better.

## Future plans for Rask Invest

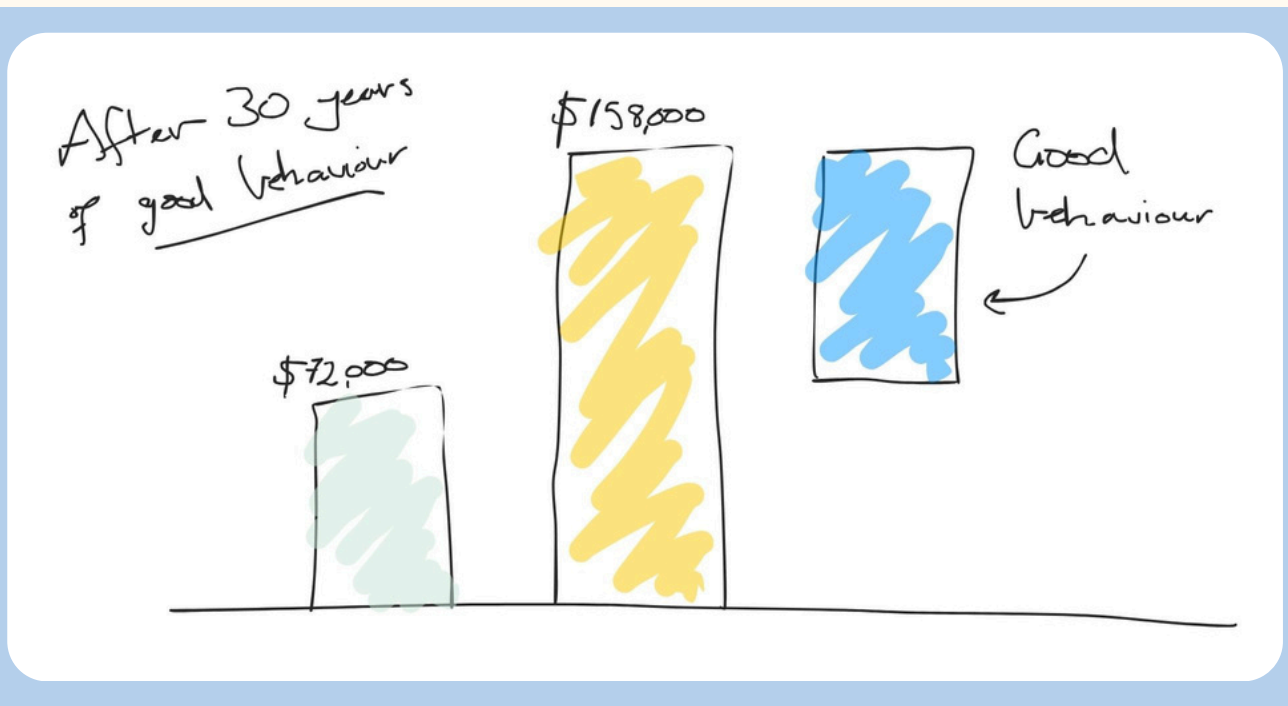
We know that many of our investors first came to Rask for our deep well of teaching on value investing and business first investing. And we know, for focused individual investors, it can work.

That's why the team and I want to create a safe and reliable way for you to invest your Satellite in only the best companies (or tactical ETFs) on the market.

You can use our analyst team's proprietary research found inside Rask Invest, as a jumping off point for further research and discovery, then use our 24/7 community and access to our analysts to get your questions answered. Finally, expect us to make it easy for you to tactically 'tilt' your Core portfolio towards certain themes in the future (e.g. push 10% of the portfolio to in AI and tech.)

# What we expect from our investors

Long-term studies show that most investors underperform the funds they invest in. How? It comes down to the investor's behaviour.



## Personal finance is personal

While the finance industry would have you believe investing is a “professional” domain, with \$5,000 three-piece suits and a \$25,000 per month office space on Collins St, Melbourne - it's not professional. It's personal.

Investing is a subset of personal finance which is, by design and nature, personal. As we're fans of saying, 'you can't invest your way out of a savings mistake'.

However, the finance industry has taught us to believe it's the realm of science and suits because it had to find a way to justify fee after fee after fee.

With over 1,000 podcasts publicly available and millions and millions of downloads, we've shown you how the sausage is made.

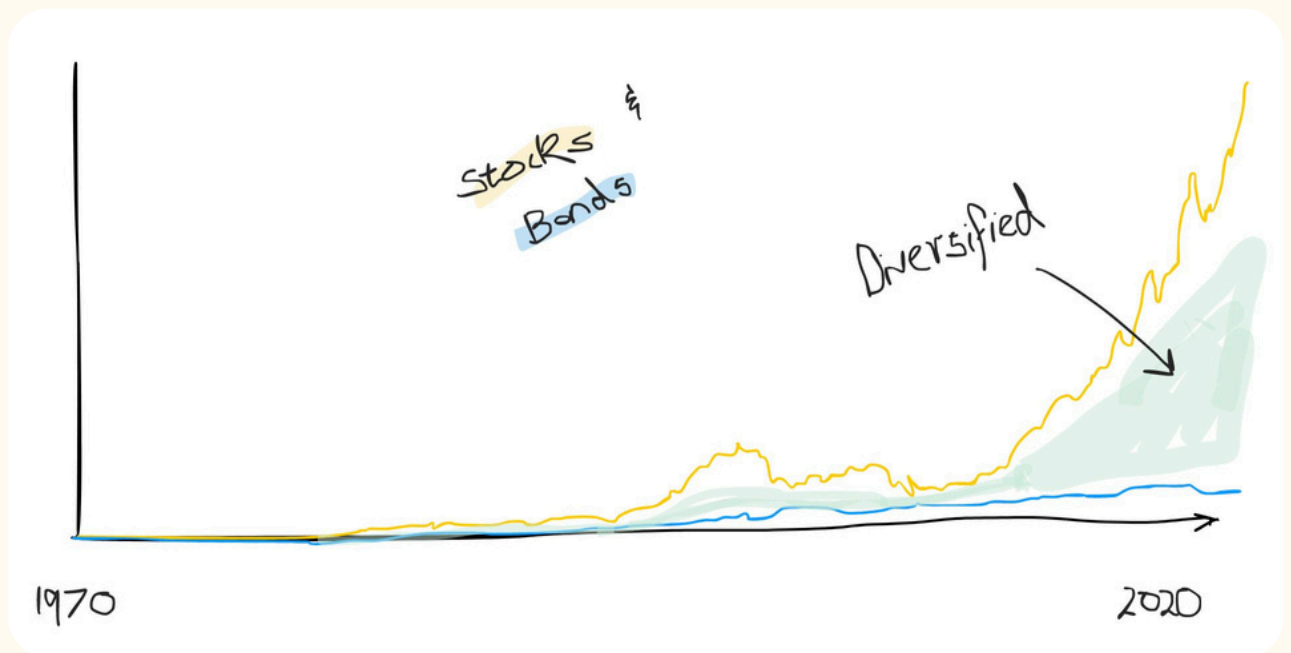
And finally all investors are catching up. But it's not just us.

The Dalbar report, which I referenced earlier, has proven that it's not just the 'Pros' who lead us astray. It's ourselves.

From SPIVA, we know about 80% of professionals do worse than an index, like the All Ordinaries or USA's S&P 500. And we also know that 50+ years of Australian and global data show that stocks return about 10% per year and defensive assets like bonds return around half of that (see Vanguard Index Volatility Charts). Therefore, if you blend them together in your portfolio - it's mathematically sensible to assume your returns will be somewhere in between.

# What we expect from our investors cont.

Over 20+ years, we expect our Core portfolios to return somewhere between 5% and 10% per year. But expect good times, and bad.



The reason I'm telling you this is to set expectations straight. I don't know what the future holds (no-one does). And past performance is not always a reliable indicator of future performance because in the past 50 years we've seen plummeting interest rates, globalisation, the rise of China, no world wars and exploding population in Australia. Will that continue? Some of it likely will. But all of it? I doubt it.

As investors in markets where there is no major edge to sharpen (stocks, bonds, residential property, cash accounts, etc.), we really only have three levers we can pull to generate better long-term returns:

1. The amount we invest in growth (e.g. 90% growth, 10% defensive = Jupiter)
2. Position ourselves to benefit from luck (the finance industry calls it "speculation")
3. How long we can stick to the plan

Over time, I've found the incremental benefits of investing slightly more in growth assets (e.g. 90% in growth versus 70% in growth) will probably result in, if we're lucky, an extra 1-2% per year in returns. However, the behavioural risk associated with too much in growth can be severe.

Benefiting from luck/skill is a good bet for some investors but it requires an intense focus on self-improvement, curiosity and time. For example, Warren Buffett has clearly demonstrated skill, not luck. But he dedicated his entire life to mastering the craft (just ask his kids). That may not be what you truly want.

# What we expect from our investors cont.

Over 20+ years, we expect our Core portfolios to return somewhere between 5% and 10% per year. But expect good times, and bad.

## Value Investor Program

With Owen Rask

Intermediate



Your ability to stick to the plan and stay invested over the long run is a genuine superpower. This is why educating our investors and community is not just a 'feel good thing' we do - it's a genuine attempt to help us all create more wealth.

If an investor stuck to their plan 50 years ago, for example, he or she would probably have achieved close to what Vanguard's numbers suggested.

Finally, we expect all of our community to be advocates of improving financial literacy of all Australian, and believers in conscious capitalism (capitalism with bumper bars to support all of society).

Do not invest with us if this sounds wrong to you. There are plenty of our other fund managers who will take your money.

Ultimately, what we expect from our investors is as follows:

- **A basic understanding of how we invest for you** (you'd be surprised how many people invest with fund managers and don't know what they do)
- **A basic understanding of index funds and Core & Satellite** (covered in this booklet)
- **A genuine long-term time horizon** (5-20+ years)\*
- **The ability to turn towards the Rask Community, and history, in times of intense uncertainty.**
- **Trust that Rask will act in your interests.** We will make mistakes, adapt and improve. And we deserve to cop your criticism. But a baseline trust in us is what we require of all of our investors.

# Team

Rask's investment team and committee includes highly experienced and philosophically-aligned investors. We have built a team that challenges conventional wisdom, is solely long-term and investor focused, and dedicated to doing the right thing. With full transparency across all Rask Invest portfolios 24/7, Rask's team is committed to intellectual honesty and accountability, even if it's hard.



**Karen Eley**  
**Chair, Investment Committee**

Karen Eley is the Chair of our Investment Committee. She is one of Australia's leading certified Money Coaches, with more than 20 years' experience in financial services, mostly as a Financial Adviser. Before going out on her own, Karen worked her way up to being a partner at a top financial planning firm in Adelaide – a position she held for over a decade. Karen is an experienced investment committee member. She holds a Bachelor's Degree in Business from the University of South Australia.



**Owen Raskiewicz**  
**Chief Investment Officer**

Owen Raskiewicz is the Founder of Rask and Chief Investment Officer. Owen Rask is a highly experienced Australian investor. As CIO, Owen oversees all research and capital allocation across Rask. He reports directly to you, our investors, and our investment committee. Owen has built Rask to over 250,000 followers, hosts many popular investing podcasts, frequently appears on TV, and built a financial education platform with 27,000 students. He holds two Master's Degrees in finance and a Bachelor's Degree in Technology.

# Team cont.



**Gemma Mitchell**  
Investment Committee

Gemma Mitchell is a member of Rask's Investment Committee and Head of Financial Advice. Gemma has over 15 years of financial industry experience, as a financial adviser, money coach and Responsible Manager.



**Mitchell Sneddon**  
Head of Funds Management

Mitchell Sneddon is Rask's Head of Funds Management, overseeing all day-to-day operations for Rask Invest and our community of investors. He has over 15 years' experience in funds management.



**Pete Wargent**  
Macroeconomics Consultant

Pete Wargent is a consultant, entrepreneur and seven-time author. He serves as our macro consultant, with in-depth insights on the local and global economy. Pete is a chartered accountant by background.



**Kate Campbell**  
Investment Committee

Kate Campbell is an accomplished author and educator. She oversees compliance, runs The Australian Finance Podcast. Kate is the author of Buying Happiness and is currently studying a Juris Doctor.



# Invest now

## Contact: Mitchell Sneddon

Head of Funds Management

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