

Oakleigh 18.6 Strategic Investment Portfolio

Quarterly Report – Q4 2022

Investment Objective and Strategy

The Oakleigh 18.6 Strategic Investment Portfolio (18.6 SIP) is an investment solution tailored to a philosophy driven by the long-term cyclical real estate and banking cycle.

The Portfolio aims to generate returns in excess of the MSCI World Index over rolling 5-year periods through a managed portfolio of Australian and international securities.

Performance	Portfolio Return ¹	MSCI Index Return ²	Relative Return	Ave Cash Holdings
3 Months	+2.3%	+9.8%	-7.5%	20%
1 Year	-6.5%	-18.1%	+11.6%	31%
Since Inception (per annum)³	+3.1%	-1.0%	+4.1%pa	32%

Past performance is not a reliable indicator of future performance.

Real Estate & Banking Cycle Stage

Second Half Expansion

As the cycle moves into 'Second Half Expansion' phase, the Portfolio is holding lower cash to preserve capital and is positioning in growth assets aiming to capture potential growth.

Quarterly Commentary

Global markets retested the June lows in early October, finding support and recovering throughout the December quarter.

The Portfolio held a material exposure to Australian growth assets, which did not experience the same heavy drawdowns experienced by the MSCI World Index (global stockmarket barometer) earlier in 2022.

As such, the Portfolio didn't participate as aggressively in the relief rally out of the October lows, underperforming the MSCI World Index Benchmark during the quarter.

Over 1 year and since inception, the Portfolio outperformed the Benchmark by over +11% and +7% respectively.

2022 was a difficult year for shares and property generally (MSCI World Index falling 18%), and also traditionally defensive assets like fixed rate bonds (Vanguard Global Aggregate Bond Index ETF fell 15%).

Looking ahead we see possible continued/renewed volatility over the first quarter of 2023, but view any sharemarket weakness as a potential buying opportunity.

Any first quarter 2023 market weakness is likely to be tied to how 'behind the curve' global central banks are in abandoning their interest rate rises. In our view rate rises should already be paused, if not, very shortly. Any suggestion rate rises will persist into late 2023 or beyond will likely cause market concern/dips.

We maintain an increasingly bullish view on growth assets (shares and property) over the next few years and have begun positioning the Portfolio accordingly, lowering cash reserves. It is expected the Portfolio will hold lower cash reserves going forward.

Industry sectors in which the Portfolio holds the largest exposure includes Materials (resources & energy) 22% and Financials 40%. Both sectors in Australia outperformed during 2022, which supports our view these sectors will continue to perform in the Second Half Expansion.



Oakleigh
Investment
Management

08 8470 9060

invest@oakleighim.com

Adelaide, South Australia

oakleighfinancial.com/oim

Portfolio Details

Investment Objective:

Returns In excess of Benchmark

Benchmark:

MSCI World Index

Minimum Investment:

\$50,000

Management Fee:

0.

Performance Fee:

Nil

Investments:

Australian shares and listed property, International shares (via Exchange Traded Funds (ETF's) and managed investments)

Indicative Number of Holdings:

15-30

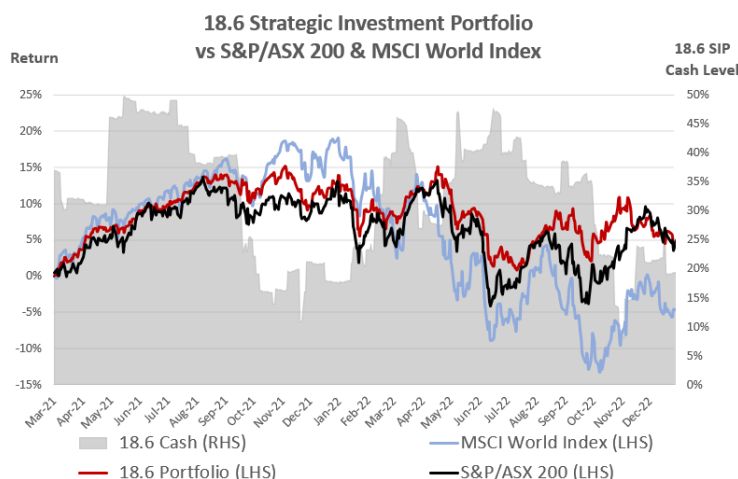
Suggested investment timeframe:

5 Years

Availability:

- Macquarie Manager II
- Macquarie Consolidator II

Performance



Performance of 18.6 Strategic Investment Portfolio is net of indirect investment management fees but before the portfolio management fee. It assumes reinvestment of distributions and includes franking credits. Past performance is not a reliable indicator of future performance. Source: Iress, IPS & Oakleigh Investment Management

Source: Iress and IPS. Past performance is not a reliable indicator of future performance.

Top Performers

Flight Centre (FLT) - exited	+19%
Steadfast Group (SDF)	+18%
Auckland International (AIA)	+17%
Auswide Bank (ABA)	+17%
Commonwealth Bank (CBA)	+12%

'Top Performers' - Total Returns (stock price gains plus distributions) over the duration of quarter or for the period the stock position was held by the Portfolio during the last quarter.

Top Holdings

\$A Cash	19.2%
Betashares S&P 500 Equal	7.0%
Weight (QUS)	
Commonwealth Bank (CBA)	6.5%
South32 (S32)	6.0%

About the Portfolio Manager

Oakleigh Investment Management Pty Limited is the Portfolio Manager of several investment portfolios, including the Oakleigh 18.6 Strategic Investment Portfolio. Oakleigh Investment Management is part of the Oakleigh Financial Services group, an Adelaide based, boutique financial services business with advisers who have been providing financial solutions to small business owners, families and high-net-worth clients since 2004. The group specialise in portfolio construction, asset allocation and investment management with a focus on equities.

Oakleigh Investment Management is advised by the experienced investment professionals that comprise its Investment Committee. The 18.6 Strategic Investment Portfolio is advised by Phil Anderson and Akhil Patel as specialists in the field of real estate and stock market cycles.

Performance

1. Performance is calculated before the Management Fees (but inclusive of indirect investment management fees). Assumes reinvestment of distributions and franking credits. Returns over periods longer than 12 months are annualised.
2. Based the MSCI World Index.
3. Inception Date 5th March 2021 (closing prices).

Performance data provided is sourced from Iress Portfolio System (IPS).

Past performance is not a reliable indicator of future performance. Oakleigh Investment Management does not guarantee the performance of the Oakleigh 18.6 Strategic Investment Portfolio.

Important information

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The disclosure document for the Oakleigh Strategic Investment Portfolio ('Portfolio') can be obtained at macquarie.com.au/investing/macquarie-wrap. For more information on services provided by the Oakleigh Financial Services group refer to the Financial Services Guide (FSG) at oakleighfinancial.com/tcs.



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