

Oakleigh Flagship Equities Portfolio

Quarterly Report – 1Q 2023



Investment Objective and Strategy:

The Oakleigh Flagship Equities Portfolio aims to generate returns in excess of CPI + 5% over rolling 5-year periods through a managed portfolio of Australian and international securities.

Stock selection focuses on growth and value securities with emphasis on companies that have a sustainable competitive advantage or business model with monopolistic traits, high sustainable cash flow generation or structural tailwinds.

Performance	Portfolio Return ¹	CPI +5% Target ²	Excess Return
Since Inception (per annum)	+13.2% pa	+10.6% pa	+2.6% pa
	Portfolio Return ¹	S&P/ASX 200 Index	Excess Return
Since Inception (per annum)	+13.2% pa	+6.5% pa	+6.7% pa
Since Inception (absolute)	+32.0%	+15.6%	+16.4%
1 Year	+0.5%	-4.3%	+4.8%
3 Months	+3.9%	+2.0%	+1.9%

Past performance is not a reliable indicator of future performance³.

Commentary

The March quarter was volatile, a strong January, sideways February & down March.

The Portfolio continues to outperform the ASX 200 and its CPI +5% return objective over all timeframes, delivering an investment solution with 25% less volatility than the Australian market (Beta 0.74).

The Australian market reversed some of its Global outperformance from 2022, underperforming global markets (with a large US exposure) by approximately 4%.

The banking issues triggered by the US regional banking sector which spread to other vulnerable global banks, caused material weakness in our Australian banking stocks.

Our view is that unless there is some other unknown 'event' looming in the background, the mini banking crisis of March 2023 will be quickly forgotten. The issues faced by SVB, Credit Suisse and others are not systemic, importantly not land induced and was caused by poorly management of these companies.

It is important to remember Australian banks have more total capital on their balance sheets than at any time in the last 30+ years (and >50% more than prior to 2008).

As such, the Portfolio used weakness in banks to add to the higher quality names, Commonwealth Bank (CBA) and National Australia Bank (NAB) in March.

As we enter the second quarter, the Portfolio is fully invested, viewing today's stock market as favorable on a risk versus reward basis over the long-term.

Top Performers

Newcrest Mining (NCM)	+35%
Viva Energy (VEA)	+18%
The Lottery Corp (TLC)	+17%
Wesfarmers (WES)	+12%
Global Gold Miners (Hedged) ETF (MNRS)	+12%

Top Holdings

VanEck MSCI World Ex Aus Quality Hedged ETF (QHAL)	8.4%
Commonwealth Bank (CBA)	6.3%
BHP Group (BHP)	5.4%
Telstra Group (TLS)	5.1%
National Aust. Bank (NAB)	4.4%

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

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Portfolio Details

Investment Objective:

CPI + 5%p.a. over rolling 5-year periods

Benchmark:

S&P/ASX 200

Minimum Investment:

\$50,000

Management Fee:

0.75%

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

Stock of the Quarter

BetaShares Global Gold Miners (Hedged) ETF (MNRS)

investment objective is to provide an investment return that aims to track the performance of the Nasdaq Global ex-Australia Gold Miners Hedged AUD Index (the "Index"), before taking into account fees and expenses.

MNRS is designed to track the performance of the largest and most liquid global companies engaged in the gold, silver and other precious metals mining industries (excluding companies listed in Australia).

MNRS provides exposure to the largest precious metals producers globally to complement direct Australian gold miners owned in the Portfolio.

Top 10 holdings are listed adjacent:

Name	Weight (%)
WHEATON PRECIOUS METALS CORP	7.9%
BARRICK GOLD CORP	7.9%
FRANCO-NEVADA CORP	7.8%
NEWMONT CORP	7.7%
AGNICO EAGLE MINES LTD	7.7%
GOLD FIELDS LTD	4.8%
ANGLOGOLD ASHANTI LTD	4.2%
ZIJIN MINING GROUP CO LTD	3.8%
ROYAL GOLD INC	3.7%
IMPALA PLATINUM HOLDINGS LTD	3.3%

* As at 31 March 2023. Excludes cash

About the Portfolio Manager

Oakleigh Investment Management Pty Limited is the Portfolio Manager of several investment portfolios, including the Oakleigh Flagship Equities 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.

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 on CPI + 5% per annum where CPI is Consumer Price Index, Australia. CPI + figures shown here use the most recent published figure based on CPI data issued by the Australian Bureau of Statistics (ABS). The quarterly Target Return is calculated based on a quarter of the most recent publicised annualised CPI rate (due to the quarterly CPI not being released by the ABS for one month after the end of the latest quarter).
3. Inception Date 16 October 2020.

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 Flagship Equities Portfolio.

Important information

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The disclosure document for the Oakleigh Flagship Equities 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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