

# Oakleigh Multi Asset Growth Portfolio

## Quarterly Report – Q3 2022



### Investment Objective and Strategy

The Oakleigh Multi Asset Growth Portfolio aims to generate returns in excess of CPI + 3.5% over rolling 5-year periods through a managed multi-asset portfolio of Australian and international securities, property, fixed interest and cash.

The composition of the Portfolio is positioned around Morningstar's 'Growth' Strategic Asset Allocation, with a higher exposure to Australian assets.

Performance	Portfolio Return <sup>1</sup>	Benchmark Return	Excess Return
3 Months	-1.8%	-7.7%	+5.9%
1 Year	-7.5%	-16.8%	+9.3%
Since Inception (annualised) <sup>3</sup>	+4.3%	-3.8%	+8.1%

*Past performance is not a reliable indicator of future performance.*

## Commentary

Apart from a relief rally mid quarter, the September quarter saw the continuation of the downwards trend in markets that began in early 2022.

The Portfolio performed relatively well considering the substantial headwinds, in particular the continued material weakness in both global shares and bonds (i.e S&P500 is down 25% in 2022).

The Portfolio was down 7.5%, outperforming its Benchmark which was down 17% and the Vanguard Growth Index, a popular low cost 70/30 multi asset index which fell 20% over the last year.

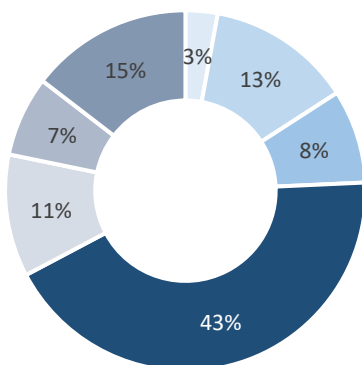
During the quarter, central banks continued their aggressive interest rate hiking campaign causing renewed pressure on growth asset classes (shares and property). It is our view that central banks have acted way behind the curve with the rate rise cycle. While 'behind the curve' is entirely normal, we feel the aggressive double/ triple/ quadruple hikes will prove to be too much too soon and may require a policy reversal. We see a central bank pivot as becoming more likely / getting closer, which will likely coincide with a low in markets / growth asset classes.

We do however see value and opportunities emerging. During the quarter, the Portfolio increased its growth exposure further via additions to International Shares, Australian and International Property. Positions in VanEck Vectors MSCI World Ex Australia Quality Hedged ETF (QHAL), VanEck Vectors FTSE International Property Hedged ETF (REIT), National Storage (NSR), Elders (ELD) and Vicinity Centres (VCX) were acquired or holdings added to. Overall net exposure to growth assets increased 3%, ending the quarter at 73%.

We maintain an optimistic medium-term investment outlook against the backdrop of broad 'recession' based pessimistic sentiment.

The Portfolio will be looking to gradually increase growth exposure further over the coming quarter.

## Asset Allocation



- Australian Cash
- Australian Fixed Interest
- Australian Property & Infrastructure
- Australian Shares
- International Fixed Interest
- International Property & Infrastructure

*'Asset Allocation' - as at the end of the quarter.*

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## Portfolio Details

### Investment Objective:

CPI + 3.5%p.a. over rolling 5-year periods

### Benchmark:

Morningstar AUS Growth Target Allocation NR AUD

### Minimum Investment:

\$50,000

### Management Fee:

0.40%

### Performance Fee:

Nil

### Investments:

Australian shares and listed property. International shares, fixed interest and cash (via Exchange Traded Funds (ETF's) and managed funds)

### Indicative Number of Holdings:

15-30

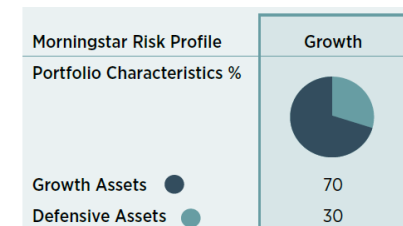
### Suggested investment timeframe:

5 Years

### Availability:

- Macquarie Manager II
- Macquarie Consolidator II

### Neutral Asset Allocation:



# Stock of the Quarter

**VanEck MSCI International Quality Hedged ETF (QHAL)** is an Exchange Traded Fund (ETF) which efficiently delivers a portfolio of high-quality global equities for a competitive price.

The MSCI World ex Australia Quality Index is intended to capture the performance of quality stocks selected from the Parent Index, MSCI World ex Australia, by identifying companies with high quality scores based on three key fundamental factors: high return on equity; stable year-on-year earnings growth; and low financial leverage.

The quality factor captures durable businesses that generate earnings that are less susceptible to broader economic cyclicality, giving them a competitive edge.

Performance-wise, QHAL has a strong record from inception. Quality has done well over multiple periods, but investors should be careful not to extrapolate past returns.

QHAL offers a solid cost-value proposition too. At 0.43% pa, it may be a little more expensive than other passive options but remains more attractive than funds offered by the average active manager.

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## About the Portfolio Manager

Oakleigh Investment Management Pty Limited is the Portfolio Manager of several investment portfolios, including the Oakleigh Multi Asset Growth 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 Fee (but inclusive of indirect investment management fees). Assumes reinvestment of distributions and franking credits. Returns over periods longer than 12 months are annualised.
2. CPI + 3.5% per annum where CPI is Consumer Price Index, Australia. CPI + figures shown use the most recent published 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 quarter).
3. Inception Date 6 October 2020.

Past performance is not a reliable indicator of future performance. Oakleigh Investment Management does not guarantee the performance of the Oakleigh Multi Asset Growth Portfolio.

### Important information

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The disclosure document for the Oakleigh Multi Asset Growth Portfolio can be obtained at [macquarie.com.au/investing/macquarie-wrap](http://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](http://oakleighfinancial.com/tcs).



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