

# Oakleigh Multi Asset Growth Portfolio

## Quarterly Report 30 June 2021



### 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>	Target Return <sup>2</sup>	Excess Return
3 Months	+6.0%	+2.0%	<b>+4.0%</b>
6 Months	+7.2%	+3.4%	<b>+3.8%</b>
1 Year	N/A	N/A	<b>N/A</b>
<b>Since Inception<sup>3</sup></b>	<b>+12.5%</b>	<b>+5.2%</b>	<b>+7.3%</b>

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

## Commentary

The Oakleigh Multi Asset Growth Portfolio performed strongly in the second quarter of 2021.

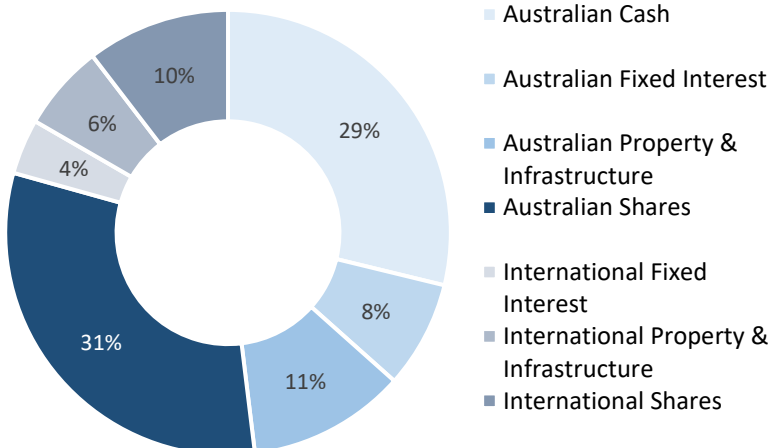
Major changes to the overall asset allocation centered on a ~9% rotation out of Australian shares into cash during May.

The overall Growth/Defensive weightings at the end of the quarter were 59% Growth and 41% Defensive asset exposure, a tilt against our neutral 70/30 asset allocation benchmark to strengthen preservation of investors' capital.

Our recent 'Stock of the Quarter' Boral (BLD) was the standout performer returning +23% throughout the quarter, after a takeover offer from largest shareholder Seven Group Holdings.

The Portfolio took an initial position in Challenger (CGF), Australia's largest annuity provider and fund manager. We view Challenger as trading below fundamental value and expect it to benefit from favourable tailwinds including a moderately higher interest rate environment over the medium-term, widening credit spreads from cyclical lows and the continued strong growth in their funds management business, Fidante.

## Asset Allocation



*'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 Multi Sector Growth Index

### 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

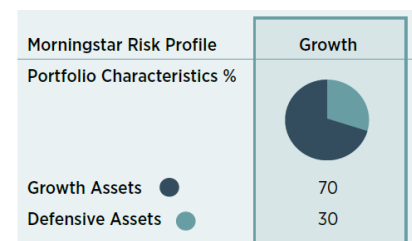
### Suggested investment timeframe:

5 Years

### Availability:

- Macquarie Manager II
- Macquarie Consolidator II

### Neutral Asset Allocation:



# Stock of the Quarter

## Challenger Limited (CGF)

Challenger Limited (CGF) is an investment management firm focusing on providing Australians with financial security in retirement. Challenger operates two core investment businesses, Life and Funds Management division.

The Life division is primarily Challenger Life Company Limited (CLC), provider of annuities and guaranteed retirement income products. Life's products are distributed via independent financial advisers. Life's products are included on all major hub Approved Product Lists (APLs) and are available on other investment and administration platforms.

The funds management division focuses on the retirement savings phase of Australia's superannuation system and provides products seeking to deliver superior investment returns. Funds Management is also expanding into international markets.

Challenger has a dominant position in an industry with strong long-term tailwinds; aging Australian demographic impacting demand for annuities and the compulsory superannuation system. Earnings are highly leveraged to rising interest rates, and while we do not view interest rates returning to pre-2015 levels anytime soon, we do believe interest rates are at a cyclical low and likely to move modestly higher over the next 3-5 years.

In addition, Challengers' funds management business has been performing strongly and we view this asset as underappreciated by the market.

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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). 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 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 commentary reflects Oakleigh Investment Management's views and beliefs at the time of preparation which are subject to change without notice. The information is provided in good faith. No representations or warranties are made by Oakleigh Investment Management as to its accuracy and reliability. To the extent permitted by law, no liability is accepted by Oakleigh Investment Management for any loss or damage as a result of any reliance on this information.

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).

