

# Lonsec Multi-Asset Managed Portfolios - Conservative

## Portfolio performance - November 2023

	1 mth (%)	3 mth (%)	1 yr (% pa)	3 yr (% pa)	5 yr (% pa)	S.I. (% pa)
Portfolio Total Return*	3.18	-0.01	4.01	2.50	4.06	4.94
Peer Group Benchmark**	2.77	-0.26	2.46	0.98	2.75	3.69
Excess Return	0.41	0.25	1.55	1.52	1.31	1.25

Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and are net of underlying investment management fees. For full details of fees, please refer to the relevant platform provider. Performance is notional in nature and the actual performance of individual portfolios may differ to the performance of the Managed Portfolios. Totals presented in this report may not sum due to rounding. \*Performance prior to 1 June 2005 is based on a notional portfolio. \*\*Peer Group Benchmark is based on the FE UT Peer Group Multi-Asset Indices.

## Market review

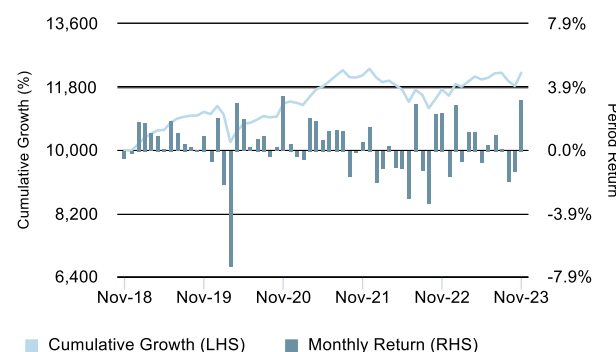
The Australian sharemarket rebounded in November finishing the month 5.1% higher. Leading the market upward were Health Care (11.7%) and Real Estate (11.0%). Most sectors finished the month positive, with the exception of Consumer Staples, Energy and Utilities. Markets were supported by indications of inflation slowing at a decent pace and interest rate potentially peaking, finishing the month with the strongest return for the index since January. Energy stocks were hit by the significant drop in oil prices over the month, partly due to the Chinese economy continuing to struggles.

Global equity markets gained in November, rebounding from October lows. Developed markets outperformed emerging market counterparts returning 4.4% (MSCI World Ex-Australia Index (AUD)) versus a 3.1% return according to the MSCI Emerging Markets Index (AUD). US markets also gained. The S&P500 finished up 9.1% and the Nasdaq up 10.8% as the Federal Reserve showed signs of ending rate hikes.

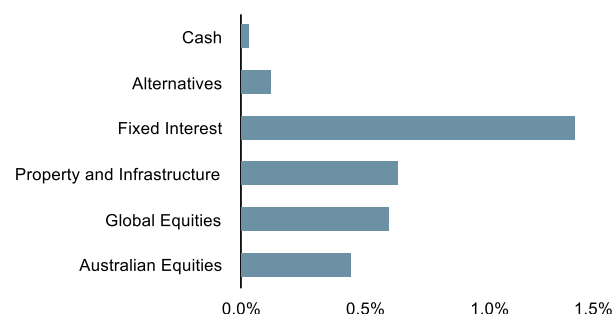
The S&P/ASX 200 A-REIT Accumulation index advanced during November, with the index finishing the month 11.0% higher. Global real estate equities (represented by the FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged)) also finished strongly, advancing 9.0% for the month. The Global Infrastructure sector (as represented by the FTSE Global Core Infrastructure 50/50 NR Index (AUD Hedged)) finished 6.4% higher.

After four months of rate hike respite, the RBA lifted the official cash rate by 25 basis points to 4.35% following latest inflation data and economic indicators. Over the course of the month, bond yields fell steadily with Australian 2- and 10- Year Bond yields falling by 35bps and 52bps respectively. The Australian bond market, as measured by the Bloomberg AusBond Composite 0+ Yr Index, rose 2.97%. November brought a large recovery in global bond markets as well, with the Bloomberg Global Aggregate Index (AUD) returning 3.2% over October.

## Cumulative performance (5 years)



## Performance contribution



Performance contribution measures the absolute contribution of each constituent asset class to the total performance of the portfolio.

### Top 3 contributors to performance %

Zurich Investments Australian Property Securities Fund	0.33
Colchester Global Government Bond Fund Class I	0.31
Western Asset Australian Bond Fund - Class M	0.30

### Bottom 3 contributors to performance %

Ardea Real Outcome Fund	-0.01
Bloomberg AusBond Bank Bill Index AUD	0.01
iShares Core Cash ETF	0.03

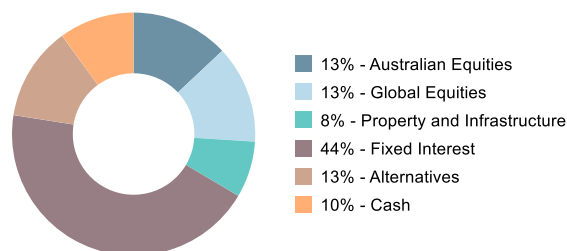
### Portfolio changes %

Betashares Global Shares Currency Hedged ETF	3%
GQG Partners Global Equity Fund - A Class	-1%
Ironbark Royal London Diversified Global Share Fund - Class A	-2%

**We strongly recommend that potential investors read the product disclosure statement or investment statement.**

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### Asset allocation breakdown



### Portfolio Commentary

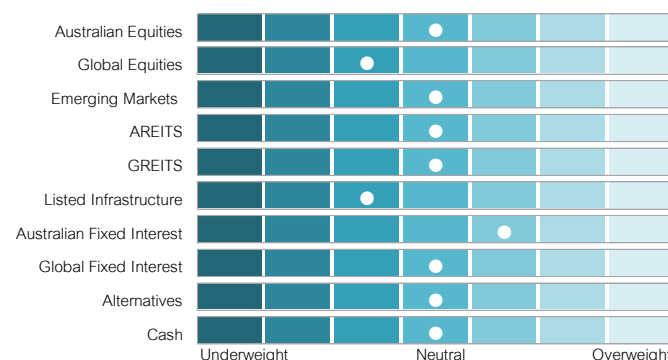
Over the 12 months to November, the portfolio delivered solid absolute returns of 4.01% and outperformed the peer group benchmark by 1.55% in a challenging market environment where inflation, concerns over a 'higher for longer' interest rate environment and increasing Treasury debt issuance affected both equity and bond markets.

For the month of November itself, the portfolio returned 3.18%, outperforming the peer group benchmark. Dynamic asset allocation (DAA) was a slight detractor for the month, as the slightly underweight positions in global equities and global listed infrastructure were offset by the slight overweight to Australian fixed income, in a month where growth assets rallied strongly. Manager selection detracted for the month, primarily due to domestic and global equities, mitigated by stronger relative returns in fixed income and alternatives.

At a fund level, the top contributor to relative returns was the recently added Betashares Global Shares Currency Hedged ETF, which was up 8.5% for the month on the back of a strengthening AUD, outperforming the unhedged benchmark. Other strong contributors included the ILB ETF and the Fulcrum Diversified Investments Fund within alternatives. The portfolio's exposure to the Colchester Global Government Bond Fund was the top relative performer in fixed interest, in a month where yields fell sharply. Within listed property, all managers outperformed their assigned benchmarks.

In terms of detractors, the AB Managed Volatility Fund underperformed for the month on the back of its Healthcare and Financials exposures, as did Fidelity within Australian equities. Within global equities, the GQG Partners Global Equity Fund was the top detractor. The Janus Henderson Tactical Income Fund underperformed for the month, after a period of strong performance while yields rose.

### Dynamic Asset Allocation Positioning



### Outlook

We believe that macroeconomic conditions continue to decelerate, consistent with our ongoing thesis that we have entered the end of this cycle. However, beyond just trying to identify the point where we will begin to shift our portfolios into more of a defensive posture, we note that the cycle is impacting different groups, regions and even stocks, differently. Without a consensus or majority of factors moving negatively and few signs that this "muddle through" situation breaks into a definitive trend, we continue to hold a cautious but not bearish stance on markets.

During the month we made changes to the portfolios' currency hedging positioning within global equities. Refer to the relevant portfolio change reports for further details.

## Portfolio at a glance

### Designed for

The portfolio is designed to provide investors with a balance of income and capital growth over the medium to long term through exposure across a range of asset classes and by using several investment managers.

### Investment objective

1.6% p.a. above cash

### Suggested minimum investment timeframe

4 years

### Investment strategy

The portfolio seeks to generate a balance of income and capital returns with lower downside risk than the market. This is achieved by diversifying the portfolio by asset class, investment strategy, fund manager and sources of return.

### Investment universe

The portfolio invests across a diversified range of Australian equities, global equities, property and infrastructure, fixed interest assets and alternative assets. The portfolio can invest in managed funds, Exchange Traded Funds (ETFs) and cash.

### Target exposure

Growth assets	Defensive assets
40%	60%

### Platform availability

BT Panorama  
Macquarie Wrap

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