

Lonsec Multi-Asset Managed Portfolios - High Growth

Portfolio performance - November 2023

	1 mth (%)	3 mth (%)	1 yr (% pa)	3 yr (% pa)	5 yr (% pa)	S.I. (% pa)
Portfolio Total Return*	3.58	-1.26	5.88	6.17	6.39	6.57
Peer Group Benchmark**	4.56	-0.85	5.40	5.96	7.15	5.98
Excess Return	-0.98	-0.41	0.48	0.21	-0.76	0.59

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

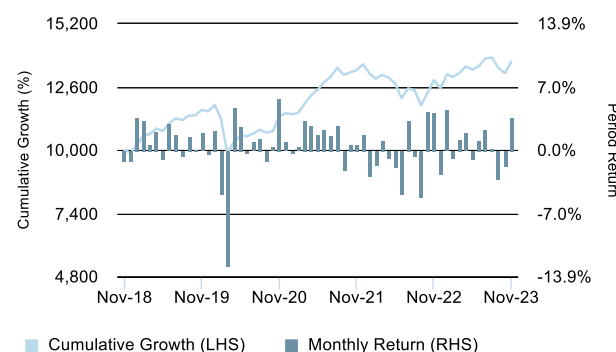
The Australian sharemarket rebounded in November finishing the month 5.1% higher. Leading the market upward were Health Care (11.7%) and Real Estate (11.0%). Most sectors finished the month positive, with the exception of Consumer Staples, Energy and Utilities. Markets were supported by indications of 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.

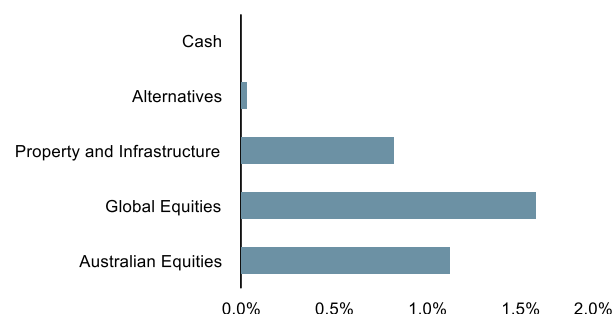
The S&P/ASX 200 A-REIT Accumulation index advanced during November, with the index finishing the month 11.0% higher. Global real estate equities (represented by the FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged)) also finished strongly, advancing 9.0% for the month. The Global Infrastructure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

	%
Betashares Global Shares Currency Hedged ETF	0.59
CC Redwheel Global Emerging Markets Fund	0.46
Fidelity Australian Equities Fund	0.35

Bottom 3 contributors to performance

	%
Global X Physical Gold	-0.12
Janus Henderson Global Multi-Strategy Institutional AUD	-0.02
Antipodes Global Fund	0.01

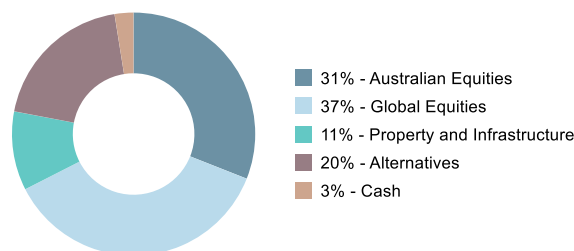
Portfolio changes

	%
Betashares Global Shares Currency Hedged ETF	7%
GQG Partners Global Equity Fund - A Class	-0.5%
Ironbark Royal London Diversified Global Share Fund - Class A	-3%
Antipodes Global Fund	-3.5%

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

Lonsec Investment Solutions Pty Ltd • ACN 608 837 583 • A Corporate Authorised Representative (CAR 1236821) of Lonsec Research Pty Ltd
 • ABN 11 151 658 561 • AFSL 421 445 • This information must be read in conjunction with the Warning, Disclaimer, and disclosure at the end of this document.
 This report supersedes all prior reports.

Asset allocation breakdown



Portfolio Commentary

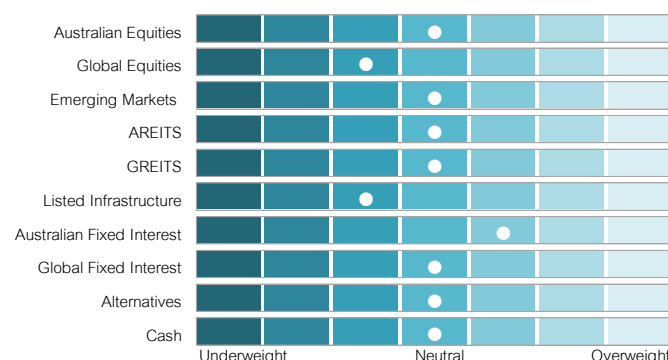
Over the 12 months to November, the portfolio delivered solid absolute returns of 5.88% and outperformed the peer group benchmark by 0.48% in a challenging market environment where inflation, concerns over a 'higher for longer' interest rate environment and increasing Treasury debt issuance affected both equity and bond markets.

For the month of November itself, the portfolio returned 3.58%, underperforming the peer group benchmark. Dynamic asset allocation (DAA) was a 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.

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 Bennelong ex-20 Australian Equities Fund, which benefited from overweights to Breville, James Hardie and Resmed, and the Partners Group Global Multi-Asset Fund. The portfolio's exposure to the CC Redwheel Global Emerging Markets Fund also benefited relative returns. 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 Perpetual and Eiger within Australian equities. Within global equities, the Antipodes Global Fund was the top detractor, followed by the GQG Partners Global Equity Fund. The GOLD ETF (-2.1%) fell as gold prices declined during the month, but remains up 17% for the past 12 months.

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 primarily with capital growth over the medium to long term through exposure across a range of asset classes and by using several investment managers.

Investment objective

4.0% p.a. above cash

Suggested minimum investment timeframe

7 years

Investment strategy

The portfolio invests predominantly in growth assets, which may include Australian and global equities as well as property and infrastructure. The portfolio is designed to reduce overall portfolio risk by spreading investments across a number of specialist managers with complementary investment management styles.

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
98%	2%

Platform availability

BT Panorama
HUB24
Netwealth

Important Notice: This document is published by Lonsec Investment Solutions Pty Ltd (LIS) ACN: 608 837 583, a corporate authorised representative (CAR number: 1236821) of Lonsec Research Pty Ltd ABN: 11 151 658 561 AFSL: 421 445 (Lonsec Research). LIS and Lonsec Research are owned by Lonsec Holdings Pty Ltd ACN: 151 235 406. LIS creates the model portfolios it distributes using the investment research provided by Lonsec Research but has not had any involvement in the investment research process for Lonsec Research. Please read the following before making any investment decision about any financial product mentioned in this document.

Disclosure at the date of publication: Lonsec Research receives a fee from the relevant fund managers or product issuers for researching financial products (using objective criteria) which may be referred to in this document. Lonsec Research may also receive a fee from the fund manager or product issuer (s) for subscribing to research content and other Lonsec Research services. LIS receives fees for providing investment consulting advice, approved product lists, model portfolios to financial services professionals and other advice to clients. LIS' and Lonsec Research's fees are not linked to the financial product rating(s) outcome or the inclusion of the financial product(s) in model portfolios. LIS, Lonsec Research and/or their associates may hold any financial product(s) referred to in this document, but details of these holdings are not known to the analyst(s).

Warnings: Past performance is not a reliable indicator of future performance. Any express or implied rating or advice presented in this document is limited to "general advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s) alone, without taking into account the investment objectives, financial situation and particular needs ("financial circumstances") of any particular person. Before making an investment decision based on the rating or advice, the reader must consider whether it is personally appropriate in light of their financial circumstances or should seek independent financial advice on its appropriateness. If the advice relates to the acquisition or possible acquisition of a particular financial product, the reader should obtain and consider the Investment Statement or the Product Disclosure Statement for each financial product before making any decision about whether to acquire the financial product.

Disclaimer: LIS provides this document for the exclusive use of its clients. It is not intended for use by a retail client or a member of the public and should not be used or relied upon by any other person. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information not verified by LIS. Financial conclusions, ratings and advice are given on reasonable grounds held at the time of completion (refer to the date of this document) but subject to change without notice. LIS assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, LIS and Lonsec, their directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it.

This document is subject to copyright of LIS. Except for the temporary copy held in a computer's cache and a single permanent copy for your personal reference or other than as permitted under the Copyright Act 1968 (Cth), no part of this document may, in any form or by any means (electronic, mechanical, micro-copying, photocopying, recording or otherwise), be reproduced, stored or transmitted without the prior written permission of LIS.

This document may also contain third party supplied material that is subject to copyright. Any such material is the intellectual property of that third party or its content providers. The same restrictions applying above to LIS copyrighted material, applies to such third-party content.

Copyright © 2023 Lonsec Investment Solutions Pty Ltd