# MyNorth Managed Portfolios

## WEINBERG PRIVATE MODERATE CORE PORTFOLIO

Quarterly update for quarter ending 31 March 2021

## Investment objective

The managed portfolio aims to provide income with a moderate level of capital growth and capital volatility over an investment time frame of 3 years.

## Key information

| | |
|---|---|
| **Code** | NTH0014 |
| **Manager name** | Zenith Investment Partners |
| **Inception date** | 1 July 2019 |
| **Benchmark** | Morningstar Australian Multi-Sector Balanced |
| **Asset class** | Mixed Asset |
| **Current number of assets** | 20 |
| **Minimum investment horizon** | 3 years |
| **Portfolio income** | Paid to Cash Account |
| **Investment management fee** | 0.13% |
| **Total indirect costs** | 0.71% |
| **Total estimated management costs** | 0.84% |
| **Risk band/label** | 4/Medium |
| **Minimum investment amount** | $500 |
| **More information** | northonline.com.au |

## About the manager

**Zenith Investment Partners**

Zenith is an Australian research house, specialising in managed funds research and consulting. Established in 2002, Zenith works with clients to build out managed portfolios solutions, investment capability and governance. Zenith's portfolio idea generation arises from annual reviews of the strategic asset allocation, quarterly sector reviews and manager selection. Manager selection is a key value add. This input occurs through Zenith's market-renowned annual sector reviews ratings, ranking and themes, and analyst best ideas portfolios.

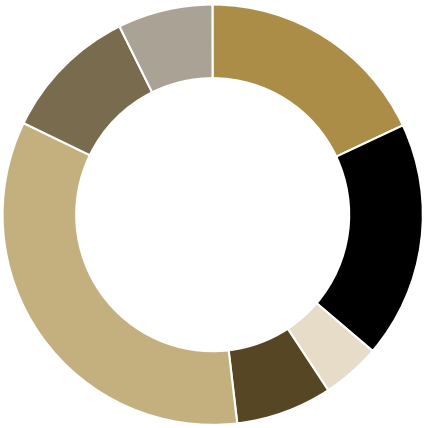
## Returns

as at 31 March 2021[1]

| | Since inception* | 1 Month (%) | 3 Months (%) | 6 Months (%) | 1 Year (%) | 3 Years (%) |
|---|---|---|---|---|---|---|
| Total return[2] | 4.03 | 1.41 | 1.17 | 6.04 | 15.26 | - |
| Income | 3.20 | 0.71 | 0.94 | 1.91 | 4.69 | - |
| Growth | 0.83 | 0.70 | 0.23 | 4.13 | 10.57 | - |
| Benchmark[3] | 4.41 | 2.21 | 1.64 | 6.79 | 15.30 | - |

* Since inception returns begin from the month end immediately following portfolio launch.

## Asset allocation



as at 31 March 2021

| | Growth assets | Allocation (%) |
|---|---|---|
| | Australian Equities | 18.0 |
| | International Equities | 18.2 |
| | Property | 4.5 |
| | Other | 7.4 |
| | **Total** | **48.1%** |

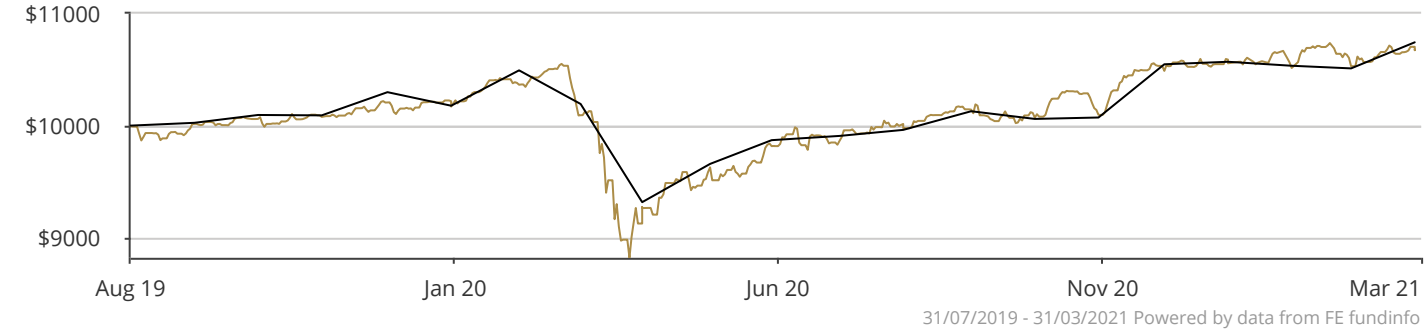
| | Defensive assets | Allocation (%) |
|---|---|---|
| | Australian Fixed Interest | 34.0 |
| | International Fixed Interest | 10.5 |
| | Cash | 7.3 |
| | **Total** | **51.8%** |

Asset allocation data sourced via Morningstar® from the underlying fund manager[4].

1 Estimated as of 31 March 2021. Please refer to the PDS for further information regarding fees, costs and risk profile.
2 Past performance is not a reliable indicator of future performance. The managed portfolio performance represents total return for the periods. Returns have been calculated using the time-weighted method, they assume distributions are reinvested and are after investment management fees and indirect costs. Total and growth returns include accrued distributions, while income return includes paid distributions only. Returns do not take into account tax payable. Individual client returns may vary based on the contributions, withdrawals, and timing differences within the managed portfolio
4 The Morningstar name is a registered trademark of Morningstar, Inc.

## Performance history

$10,000 invested since 31/07/2019




31/07/2019 - 31/03/2021 Powered by data from FE fundinfo

Portfolio

Benchmark

## Managed portfolio holdings[5]

| Holding | Asset class | Allocation (%) |
|---|---|---|
| Antipodes Global Fund | International shares | 2.5 |
| Ardea Real Outcome Fund | Fixed income | 8.0 |
| Ausbil 130/30 Focus Fund | Australian shares | 5.0 |
| ClearBridge RARE Infrastructure Value Fund – Hedged | International shares | 2.5 |
| GMO Systematic Global Macro Trust - Class B | Alternatives | 2.5 |
| Janus Henderson Global Multi-Strategy Fund - Institutional Class | Alternatives | 2.5 |
| Janus Henderson Tactical Income Fund | Fixed income | 7.3 |
| Kapstream WS Absolute Return Income Fund | Fixed income | 4.8 |
| Legg Mason Western Asset Aust Bond Fund - Class A | Fixed income | 7.3 |
| Lennox Australian Small Companies Fund | Australian shares | 3.5 |
| Macquarie Income Opportunities Fund | Fixed income | 7.3 |
| Magellan Global Fund | International shares | 5.0 |
| Man AHL Alpha (AUD) - Class B | Alternatives | 2.5 |
| Orbis Global Equity Fund | International shares | 2.8 |
| Pendal Enhanced Cash Fund | Cash | 8.3 |
| PIMCO Wholesale Global Bond Fund | Fixed income | 7.3 |
| Resolution Capital Global Property Securities Fund (Hedged) Series II | Listed property/infrastructure | 3.8 |
| SG Hiscock ICE Fund | Australian shares | 3.3 |
| Solaris Core Australian Equity Fund (Performance Alignment) | Australian shares | 8.3 |
| Vanguard International Shares Index Fund (Hedged) | International shares | 6.0 |

## Quarterly manager commentary

**Market update**

Global markets rallied over the quarter as U.S. shares reset record highs. Helping buoy investor enthusiasm was the successful passage of another U.S. stimulus bill and the varying rates of success for global vaccinations programmes. Forecasts for economic growth have since lifted materially, which reignited the inflation debate. Consequently, technology stocks grappled with rising bond yields over the quarter, although this only briefly halted their continued gains. Similarly, the renewed lockdowns in parts of the world failed to dent the strong optimism surrounding markets. This was notably evident through the laggards of 2020, such as energy and financial stocks, which delivered exceptional performance.

The Australian share market likewise strengthened as economic data was surprisingly positive, including a sharp drop in the unemployment rate. Despite this upbeat tone, the Reserve Bank of Australia (RBA) has maintained their 'lower for longer' mantra which has been highly supportive of both shares and the domestic property market. And whilst the share market gains were broad-based, the 'big-4' banks were the largest beneficiaries of the improving housing sentiment. Otherwise, robust returns were generated in the consumer discretionary sector, as services and retail stocks bounced on the improving economic outlook. Fortunately, the feared 'economic cliff' did not materialise as the conclusion of the JobKeeper program failed to hamper the jobs recovery.

The elevated bond market volatility resulted in subdued returns for fixed income investors as bond yields spiked over the quarter and they hold an inverse relationship with prices. This was in response to the improved economic backdrop and the likelihood for increasing inflation, as inflation erodes the interest payments on fixed rate bonds. The RBA responded through the announcement of an additional round of quantitative easing (purchasing government bonds), which sought to stem the rise in yields. Pleasingly however, Australian bonds now offer investors some of the highest yielding fixed income securities in the developed world, with yields back at pre-pandemic levels.

**Portfolio update**

The recent Strategic Asset Allocation (SAA) and Alternatives review conducted by Zenith resulted in changes to the portfolio over the quarter. The SAA review encompassed a downweight to the existing Listed Property funds and a reallocation to Australian Shares.

The Alternatives review involved the removal of Invesco Wholesale Global Targeted Returns Fund - Class A (GTU0109AU) and the addition of Janus Henderson Global Multi-Strategy Fund - Institutional Class (HGI1794AU).

The best performing funds over the quarter were Antipodes Global Fund, Vanguard International Shares Index Fund (Hedged), and Solaris Core Australian Equity Fund (Performance Alignment). Antipodes' outperformance was attributed to its large positions held in manufacturing and financial stocks as well as its increased net equity exposure. Vanguard's performance was consistent with the index and was aided by the strong surge across equity markets over the quarter. Overweights in financial stocks and underweights to technology (such as Afterpay as global bond yields moved higher) supported healthy returns for the Solaris fund.

The worst performing funds were Legg Mason Western Asset Australian Bond Trust - Class A, PIMCO Global Bond Fund – Wholesale Class, and Invesco Wholesale Global Targeted Returns Fund - Class A. Global bond yields increased sharply in the latter half of the quarter and detracted from performance for Legg Mason as the fund continued to struggle due to weak semi-government and corporate security selection. PIMCO weakened over the quarter as US bonds responded to news of an expected increase in fiscal expenditure, while Invesco's performance drag was because of inflation fears and rising yields which undermined the fund's positioning in the Japanese Yen - a perceived safe-haven asset.

5 A significant percentage of assets comprising this portfolio are only available through the managed portfolios and therefore can't be transferred out of the MyNorth Managed Portfolio Scheme. For more information relating to restrictions that may apply to asset transfers, refer to the 'Transferring assets in and out of your Portfolio' in Part 1 of the MyNorth Managed Portfolios PDS.

**Important Information**

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