MyNorth Managed Portfolios

WEINBERG PRIVATE RETIREMENT GROWTH PORTFOLIO

Quarterly update for quarter ending 31 March 2021

Investment objective

The managed portfolio aims to provide income with a high level of capital growth and a high level of capital volatility over an investment time frame of 5 years.

Key information

Code	NTH0019
Manager name	Zenith Investment Partners
Inception date	1 July 2019
Benchmark	Morningstar Australian Multi-Sector Aggressive
Asset class	Mixed Asset
Current number of assets	15
Minimum investment horizon	5 years
Portfolio income	Paid to Cash Account
Investment management fee	0.13%
Total indirect costs	0.95%
Total estimated management costs	1.08%
Risk band/label	5/Medium to high
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]	1.24	3.04	2.11	8.74	16.24	-
Income	3.00	0.44	0.60	1.52	3.98	-
Growth	-1.76	2.60	1.51	7.22	12.26	-
Benchmark[3]	6.93	3.52	4.44	13.08	26.61	-

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

Asset allocation



as at 31 March 2021

	Growth assets	Allocation (%)
	Australian Equities	37.4
	International Equities	29.7
	Property	6.9
	Other	6.0
	Total	**80.0%**

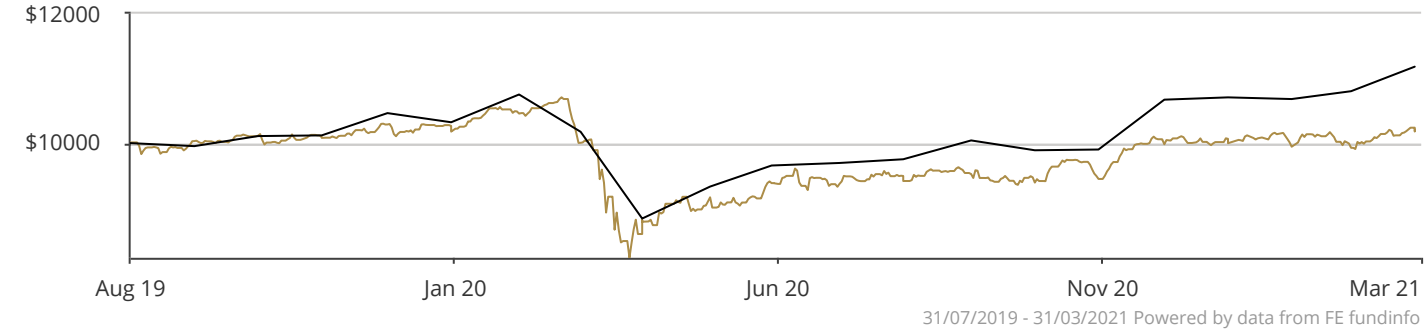
	Defensive assets	Allocation (%)
	Australian Fixed Interest	9.1
	International Fixed Interest	5.3
	Cash	5.6
	Total	**20.0%**

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 (%)
Alliance Bernstein Managed Volatility Equities Fund	Australian shares	8.0
Antipodes Global Fund	International shares	7.5
Bennelong Australian Equities	Australian shares	5.5
Bentham Syndicated Loan Fund (W)	Fixed income	5.0
ClearBridge RARE Infrastructure Income Fund – Hedged	Listed property/infrastructure	7.5
iShares Australian Listed Property Index Fund	Listed property/infrastructure	5.0
Janus Henderson Global Multi-Strategy Fund - Institutional Class	Alternatives	6.0
Legg Mason Western Asset Aust Bond Fund - Class A	Fixed income	5.5
Macquarie Income Opportunities Fund	Fixed income	5.0
Magellan Global Fund	International shares	7.5
Merlon Australian Share Income Fund (W)	Australian shares	9.0
Nikko AM Australian Share Income Fund	Australian shares	9.0
Perpetual Diversified Real Return Fund	Alternatives	3.5
Solaris Australian Equity Long Short Fund	Australian shares	8.5
Talaria Global Equity Fund	International shares	7.5

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 Alternatives, a reallocation to Australian Shares, a reallocation within International Shares, and the introduction of Multi-Asset. This involved the additions of Talaria Global Equity Fund (AUS0035AU), Bennelong Australian Equities Fund (BFL0001AU), and Perpetual Diversified Real Return Fund (PER0556AU).

The Alternatives review involved the removals of Aspect Diversified Futures - Class A (FSF1086AU) and 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 Epoch Global Equity Shareholder Yield (Unhedged) Fund, Antipodes Global Fund, and Nikko AM Australian Share Income Fund. Epoch's outperformance was driven by an underweight bias to technology (due to the sector's weakness) and positive stock selection in consumer discretionary and staples. Antipodes' outperformance was attributed to its large positions held in manufacturing and financial stocks as well as its increased net equity exposure, while Nikko continued its rally, as supported by overweight positions to ANZ and Telstra and an underweight to CSL.

The worst performing funds were Legg Mason Western Asset Australian Bond Trust - Class A, Invesco Wholesale Global Targeted Returns Fund - Class A, and iShares Australian Listed Property Index Fund. 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. 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 - while iShares' performance was consistent with the index as markets shunned bond proxies.

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.

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