# MyNorth Managed Portfolios

## WEINBERG PRIVATE RETIREMENT GROWTH PORTFOLIO

Quarterly update for quarter ending 31 December 2020

## 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** | 14 |
| **Minimum investment horizon** | 5 years |
| **Portfolio income** | Paid to Cash Account |
| **Investment management fee** | 0.13% |
| **Total indirect costs** | 1.06% |
| **Total estimated management costs** | 1.19% |
| **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 December 2020[1]

| | Since inception* | 1 Month (%) | 3 Months (%) | 6 Months (%) | 1 Year (%) | 3 Years (%) |
|---|---|---|---|---|---|---|
| Total return[2] | -0.03 | 0.17 | 6.49 | 6.70 | -1.76 | - |
| Income | 3.06 | 0.45 | 0.87 | 1.21 | 3.33 | - |
| Growth | -3.09 | -0.28 | 5.62 | 5.49 | -5.09 | - |
| Benchmark[3] | 4.92 | 0.34 | 8.28 | 10.48 | 3.73 | - |

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

## Asset allocation



as at 31 December 2020

| | Growth assets | Allocation (%) |
|---|---|---|
| | Australian Equities | 33.1 |
| | International Equities | 27.8 |
| | Property | 6.7 |
| | Other | 14.2 |
| | **Total** | **81.8%** |

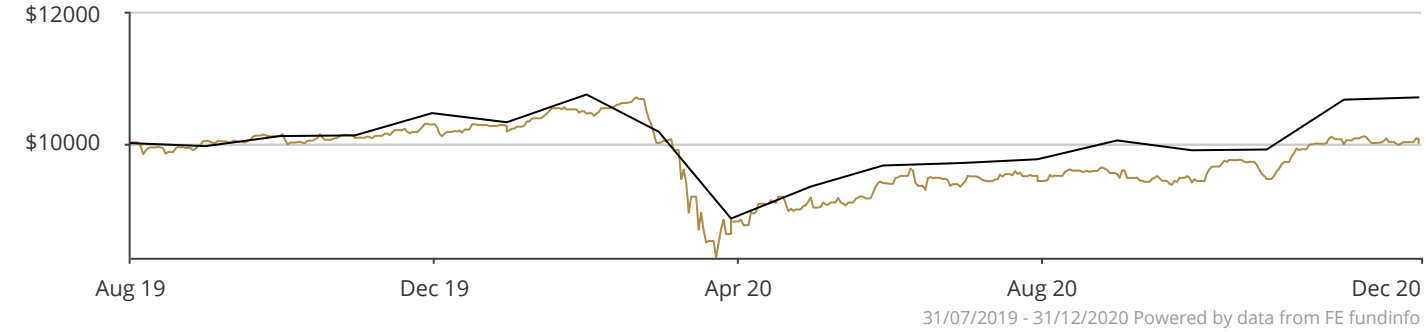
| | Defensive assets | Allocation (%) |
|---|---|---|
| | Australian Fixed Interest | 7.1 |
| | International Fixed Interest | 6.2 |
| | Cash | 4.8 |
| | **Total** | **18.1%** |

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

1 Estimated as of 31 December 2020. 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 - 31/12/2020 Powered by data from FE fundinfo

Portfolio

Benchmark

## Managed portfolio holdings

| Holding | Asset class | Allocation (%) |
|---|---|---|
| Alliance Bernstein Managed Volatility Equities Fund | Australian shares | 8.0 |
| Antipodes Global Fund | International shares | 7.5 |
| Aspect Diversified Futures Fund | Alternatives | 5.0 |
| Bentham Syndicated Loan Fund (W) | Fixed income | 5.0 |
| Epoch Global Equity Shareholder Yield (Unhedged) Fund | International shares | 7.5 |
| Invesco Wholesale Global Targeted Returns Fund - Class A | Alternatives | 10.0 |
| iShares Australian Listed Property Index Fund | Listed property/infrastructure | 5.0 |
| 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 |
| RARE Infrastructure Income Fund | Listed property/infrastructure | 7.5 |
| Solaris Australian Equity Long Short Fund | Australian shares | 8.5 |

## Quarterly manager commentary

**Market Update**

Global markets finished on a positive upswing as major markets experienced record highs despite a surge in COVID-19 cases. October saw riskier assets shunned as virus cases climbed across Europe and the US, while the uncertainty of the US presidential election swayed market optimism. Despite reintroduced lockdowns, risk appetite grew over November and December as effective vaccine trials and rollouts were initiated and international shares rallied. A change in US leadership also impacted the markets positively, while a spike in global trade strengthened expectations of a global recovery.

The domestic market generated impressive quarterly performance, outperforming global peers as supported by fiscal stimulus, a rate cut, and an ease in lockdown measures due to falling case numbers. Strong gains were experienced mid-quarter as the economy moved out of recession and recorded a positive GDP result of 3.3%. Gains were mostly derived from micro-cap and Top 50 stocks which had a heavy bias towards the energy and materials sectors – these sectors observed robust returns due to renewed demand for Australian iron ore. Returns were amplified as the Australian dollar continued to appreciate against the US dollar.

Fixed income markets saw government and corporate bond yields continue to rise over the quarter as prices fell. Eased monetary policy and rate cuts as well as strong investor confidence in the vaccine trials contributed to a risk-on approach to investment markets, which had an inverse effect on bond markets.

Despite a significant reduction in Australian virus cases, the domestic economy is yet to bounce back to pre-COVID levels seen this time last year. As a result, the RBA reduced the cash rate and 3-year government bond target yield from 0.25% to 0.10% early this quarter. This decision was attributed to persistently stagnant unemployment figures and low inflation.

**Portfolio Update**

We remain comfortable with the current structure of this portfolio. Consequently, no changes have been made this quarter.

The best performing funds over the quarter were Nikko AM Australian Share Income Fund, Merlon Australian Share Income Fund, and iShares Australian Listed Property Index Fund. Nikko AM delivered strong performance due to outperformance in energy stocks. Merlon's

outperformance was attributed to their broad-based positions in energy and REITs stocks. iShares followed the trend set by AREITs, particularly outperforming their global peers as the Australian dollar rose in value against a depreciating US dollar.

The worst performing funds were Magellan Global Fund (Open Class) (Managed Fund), Legg Mason Western Asset Australian Bond Trust - Class A, and Invesco Wholesale Global Targeted Returns Fund - Class A. Magellan's detraction was mainly due to a material position in cash, which acted as a drag as equities continued to rally throughout the year. Falling corporate bond yields as a result of stronger risk appetite contributed to the underperformance of the Legg Mason fund. A rally in copper prices challenged performance for Invesco as the Chilean Peso appreciated against the Russian Ruble.

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