

# MyNorth Managed Portfolios



## WEINBERG PRIVATE GROWTH CORE PORTFOLIO

Quarterly update for quarter 30 June 2022

### 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

<b>Code</b>	NTH0016
<b>Manager name</b>	Zenith Investment Partners
<b>Inception date</b>	1 July 2019
<b>Benchmark</b>	Morningstar Australia Aggressive Target Allocation NR
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	22
<b>Minimum investment horizon</b>	5 years
<b>Portfolio income</b>	Paid to Cash Account
<b>Investment management fee</b>	0.13%
<b>Estimated investment performance fee</b>	-
<b>Total indirect costs</b>	0.81%
<b>Total estimated management costs</b>	0.94%
<b>Risk band/label</b>	5/Medium to high
<b>Minimum investment amount</b>	\$500

### 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.

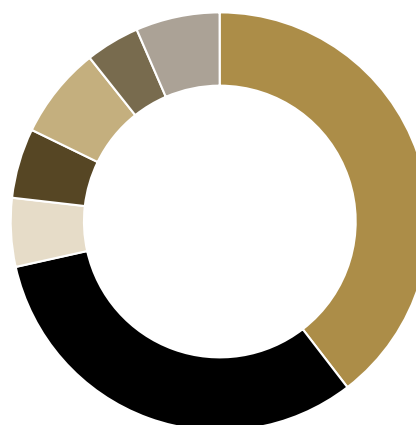
### Returns

as at 30 June 2022

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)
Total return <sup>1</sup>	0.97	-6.27	-11.12	-13.87	-9.80	-
Income	4.10	3.02	2.87	3.01	3.62	-
Growth	-3.13	-9.29	-13.99	-16.88	-13.42	-
Benchmark <sup>2</sup>	4.02	-6.53	-10.26	-13.24	-7.16	-

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

### Asset allocation



as at 30 June 2022

Growth assets	Allocation (%)
Australian Equities	39.6
International Equities	32.0
Property	5.3
Other	5.4
<b>Total</b>	<b>82.3%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	7.1
International Fixed Interest	4.2
Cash	6.5
<b>Total</b>	<b>17.8%</b>

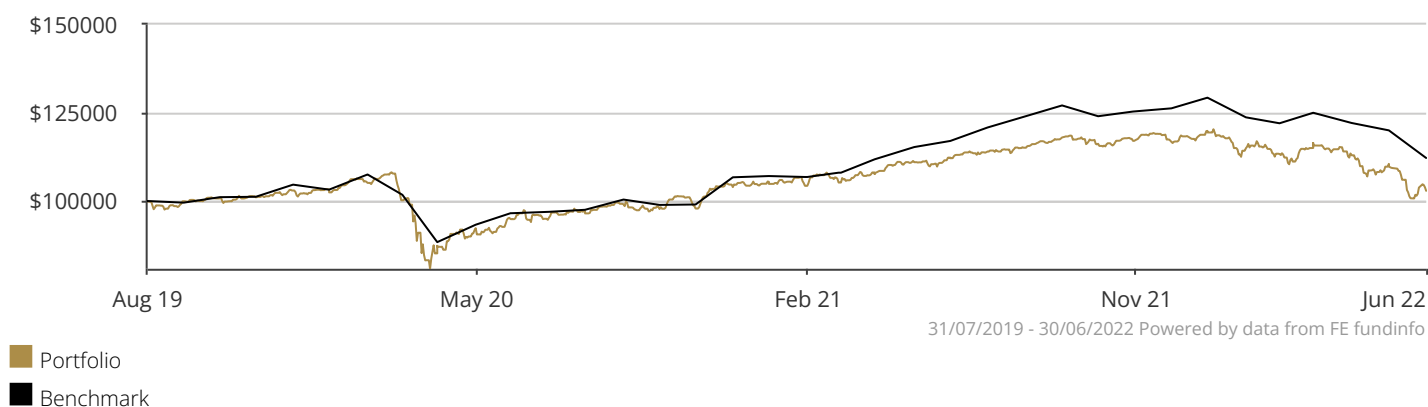
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<sup>1</sup> 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

<sup>2</sup> The applicable Benchmark for this portfolio is shown in the Key Information section.

## Performance history

\$100,000 invested since 31/07/2019



## Managed portfolio holdings<sup>3</sup>

Holding	Asset class	Allocation (%)
Ardea Real Outcome Fund	Fixed income	3.8
Ausbil 130/30 Focus Fund	Australian shares	8.5
Bennelong ex-20 Australian Equities Fund	Australian shares	8.5
ClearBridge RARE Infrastructure Value Fund - Hedged	International shares	4.3
Fisher Investments Australasia Global Small Cap Equity Fund - Z Class	International shares	3.0
GQG Partners Emerging Markets Equity Fund - Z Class	International shares	3.0
Insight Diversified Inflation Plus Fund - Class B	Alternatives	2.0
iShares Australian Listed Property Index Fund	Listed property/infrastructure	2.8
iShares International Equity Index Fund	International shares	5.5
Janus Henderson Global Multi-Strategy Fund - Institutional Class	Alternatives	2.5
Janus Henderson Tactical Income Fund	Fixed income	2.0
L1 Capital International Fund - Z Class	International shares	4.5
Legg Mason Western Asset Aust Bond Fund - Class A	Fixed income	2.0
Lennox Australian Small Companies Fund	Australian shares	6.8
Macquarie Income Opportunities Fund	Fixed income	2.0
Magellan Global Fund	International shares	3.3
Man AHL Alpha (AUD) - Class B	Alternatives	2.0
PIMCO Wholesale Global Bond Fund	Fixed income	2.0
Resolution Capital Global Property Securities Fund (Hedged) Series II	Listed property/infrastructure	3.0
SG Hiscock ICE Fund	Australian shares	6.8
Solaris Core Australian Equity Fund (Performance Alignment)	Australian shares	13.5
Vanguard International Shares Index Fund (Hedged)	International shares	8.5

## Quarterly manager commentary

### Market update

Global share markets continued to weaken materially over the second quarter of 2022. Inflation continued to be a dominant theme for markets, with investors focused on rising cash rates as central banks looked to tame persistently high inflation. At the June meeting, the US lifted the Federal funds rate to 1.75 per cent, the largest interest rate increase since 1994 and signalled it would continue lifting rates this year at the most rapid pace in decades. Locally, the RBA delivered consecutive cash rate hikes during the quarter, 0.25 per cent in May, and a greater than expected 0.5 per cent in June, the first rates hikes since 2010. Bonds, typically a stable asset class, suffered because of the high inflation and central bank rate hikes.

As a result of rising cash rates, US consumer sentiment fell to record lows and home sales rolled over. Meanwhile real disposable incomes were weighed down by increasing fuel and food costs, leading to a fall in consumer spending. This contributed to an estimated negative GDP data for the June quarter. Further softer economic data and the flow-on effect to commodity prices prompted markets to re-assess the degree of policy tightening and to factor in the US Fed easing rates in 2023, which provided some support to shares later in the period.

Higher inflation reflected a combination of rising energy/commodity prices and higher wages growth. Energy prices were pushed higher over the quarter due to the ongoing Russian-Ukraine conflict. Adding further pressure, European leaders agreed to ban 90 per cent of Russian crude oil by the end of the year. This led to increased worries about the potential impact on inflation and growth deteriorating further. Higher wages growth reflected very tight labour markets, with unemployment falling in the US and Australia to ultra-low levels.

The Australia share market outperformed its global counterparts over the quarter. Up until the end, strong commodity prices supported the materials

and energy-heavy Australian share market. Meanwhile, the banking sector struggled as investors focussed on the potential impact of rapid increases in mortgage rates on house prices and households. Economically, consumer sentiment dropped to its lowest level since the early stages of the pandemic under the weight of rising mortgage rates.

### **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 Man AHL Alpha (AUD) – Class B, Janus Henderson Global Multi-Strategy Fund - Institutional Class, and GQG Partners Emerging Markets Equity Fund – Z Class. Notable contributors to Man's outperformance were shorts in credit and long positions in commodities, while Janus Henderson provided offsetting gains thanks to its multi strategy exposure to attractive hedge fund strategies. Meanwhile, GQG's outperformance can be attributed to the funds positioning in Energy.

The worst performing funds were Bennelong Ex-20 Australian Equities Fund, Lennox Australian Small Companies Fund, and SGH ICE. Bennelong struggled considering its Growth/Quality bias in an environment where Value and Cyclical outperformed, while Lennox underperformed given it typically excludes Resources stocks which have rallied over the past year and are a significant portion of the small cap index. SGH ICE's struggles were due to its significant allocation to small caps in an extreme risk-off environment.

3 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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