

# WealthFoundations

IPS Active Dynamic 90 (Pension) Quarterly Report As of 30/06/2020

## June Quarter 2020

Equity markets have rebounded strongly from their lows at the end of March 2020 as the global economy has emerged from lockdown and major economies have made progress in managing COVID-19. Markets were slightly more subdued in June than in April and May as easing restrictions sparked new outbreaks in the Americas, Middle East, India and, at the end of the month, in Melbourne.

Throughout the quarter, mining stocks, the IT sector and consumer staples have led a recovery in the ASX 200 (the top 200 stocks on the Australian Stock Exchange). Supermarkets, internet-based companies and providers of essential goods have benefited from increased traffic during the lockdown while mining stocks have rebounded in large part because disruptions to the Brazilian supply chain have raised the price level of iron ore and other bulk commodities.

Technology giants like Amazon and Google have also led the rebound in international shares as more people were compelled to work, shop and do business online.

Over the year to June 30, the portfolio (assuming all distributions were reinvested) delivered a return of -1.03% while the benchmark returned -3.4%. This outperformance placed the fund in the top quartile relative to peers.

We strongly outperformed because the fund went into the crisis positioned with a more defensive allocation designed to protect capital in a downturn. We subsequently took advantage of steep falls in equity markets at the end of March by reducing our allocation to fixed income to 1515% of the portfolio and investing an additional 5% of the portfolio into Stewart Investors Worldwide Sustainability Fund and RARE Emerging Markets Infrastructure in early April. Both funds participated in the rebound and, although Stewart Investors has underperformed on a 1 and 3 month basis, both funds strongly outperformed their benchmark over the financial year to 30 June 2020.

In early July, we also shifted our allocation within the CLAL Fixed Interest Fund from Aberdeen to PIMCO. PIMCO is one of the world's premier fixed-income investors and the PIMCO Australian Bond Fund strongly outperformed the benchmark over the second quarter of 2020. We believe the new fixed-income fund is well positioned to protect capital and generate excess returns for clients over the medium- to long-term.

**Justin McLaughlin** Chief Investment Officer

**Sam Alaaeddin** Investment Analyst

**Oliver Levingston** Senior Macro Research Analyst

## IPS Active Dynamic 90 (Pension)

As of 30/06/2020

### Portfolio objective

The WealthFoundations IPS Active Dynamic 90 portfolio is a portfolio of actively managed assets designed to achieve significant returns over the long term.

### Performance<sup>^</sup>

	Since inception (%p.a)**	3 years (%p.a)	2 years (%p.a)	1 year (%p.a)	6 months (%)	3 months (%)	1 month (%)
Total Return	6.5	4.4	3.1	-1.0	-5.0	7.0	-0.2
Volatility	8.1	9.0	10.7	14.2	5.8		

\*\*Inception Date: 23/09/2014

### Growth of \$100 invested at inception <sup>^</sup>

Time Period: 24/09/2014 to 30/06/2020

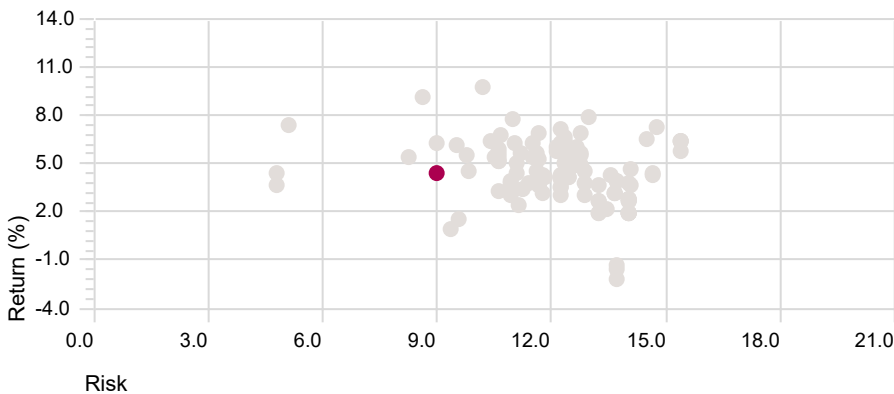


<sup>^</sup> Performance data is **after** applicable fees and taxes, and assumes the reinvestment of distributions. Past performance is not indicative of future performance. Due to the flexibility of rebalancing and variations between accounts, performance shown is indicative only and, for example, assumes that there are no deposits, withdrawals nor exceptions to regular rebalancing in the model portfolio.

### Return and risk vs. peer group

Time Period: 1/07/2017 to 30/06/2020

Peer Group (1-100%): Insurance and Pension Funds - Australia - Pension - Multisector Aggressive



### What is a risk and return chart?

The chart to the left shows the returns and associated risk of the model portfolio (darker shape) against its peers (light grey circles), over the past 3 years.

The past 3 years' return (as a percentage) is shown on the vertical axis.

The risk (as measured by the standard deviation) of the investment over the past 3 years is shown on the horizontal axis.

### Underlying funds

	APIR Code	Global Broad Category Group	Portfolio Weighting %
CVW WF-CLAL Antipodes Glb Shrs(Pensn)	CVW6830AU	Equity	23.00
CVW WF-Stewart Investors Worldwide S (P)	CVW0030AU	Equity	18.50
CVW WF-CLAL Fixed Interest (Pension)	CVW0021AU	Fixed Income	15.00
CVW WF-Hyperion Australian Shares(Pen)	CVW0028AU	Equity	10.00
CVW WF-Schroder Equity Opps (Pen)	CVW0027AU	Equity	10.00
CVW WF-RARE Emerging Markets (Pension)	CVW0033AU	Equity	9.50
CVW WF-CFS Infrastructure (Pension)	CVW0024AU	Equity	9.00
CVW WF-CLAL Listed Property (Pension)	CVW0023AU	Equity	5.00
CVW WF-CLAL Cash Fund(Pension)	CVW0020AU	Money Market	0.00

## IPS Active Dynamic 90 (Pension)

### Performance of current underlying funds

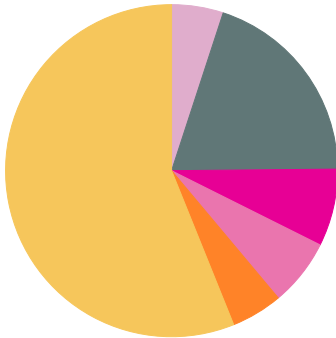
Portfolio Date: 30/06/2020

	3 Yr (%p.a)	2 Yr (%p.a)	1 Yr (%p.a)	6 Mth (%)	3 Mth (%)	1 Mth (%)
CVW WF-CLAL Antipodes Glb Shrs(Pensn)	3.67	-0.35	-2.77	-5.92	0.32	-1.00
CVW WF-Stewart Investors Worldwide S (P)	9.18	9.23	7.82	3.73	11.52	-1.55
CVW WF-CLAL Fixed Interest (Pension)	3.11	3.83	1.41	0.35	3.10	0.73
CVW WF-Hyperion Australian Shares(Pen)	12.60	11.13	17.25	4.92	19.36	4.87
CVW WF-Schroder Equity Opps (Pen)	1.82	-4.35	-9.06	-14.22	14.32	1.86
CVW WF-RARE Emerging Markets (Pension)	-5.01	-3.48	-17.34	-21.75	3.34	0.93
CVW WF-CFS Infrastructure (Pension)	6.02	5.47	-5.41	-9.88	0.57	-5.14
CVW WF-CLAL Listed Property (Pension)	2.91	-5.43	-24.02	-23.84	18.77	-1.58
CVW WF-CLAL Cash Fund(Pension)	1.16	1.11	0.66	0.27	0.20	0.07

Please note: The CLAL Antipodes Global Fund was established 22nd March 2017.

### Asset class breakdown

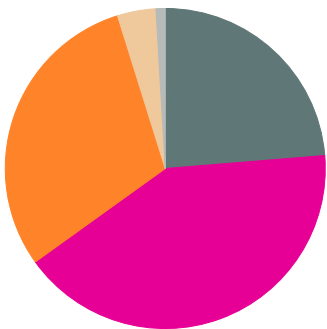
Portfolio Date: 30/06/2020



	%
Cash	5.0
Australian Equities	19.8
Australian Fixed Interest	7.5
International Fixed Interest	6.5
Australian Property	5.0
International Equities	56.1
<b>Total</b>	<b>100.0</b>

### Equities: Market capitalisation

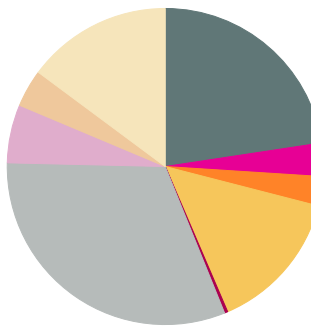
Portfolio Date: 30/06/2020



	%
Giant	23.7
Large	41.4
Mid	30.1
Small	3.9
Micro	0.9
<b>Total</b>	<b>100.0</b>

### Equities: Geographical exposure

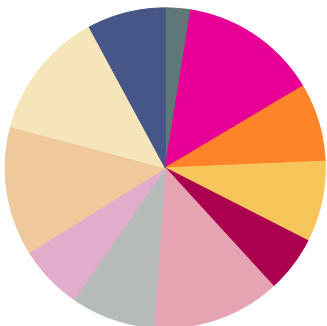
Portfolio Date: 30/06/2020



	%
North America	22.6
Latin America	3.4
United Kingdom	3.0
Europe dev	14.5
Europe emrg	0.3
Australasia	31.5
Japan	6.0
Asia dev	3.8
Asia emrg	14.8
<b>Total</b>	<b>100.0</b>

### Equities: Industry exposure

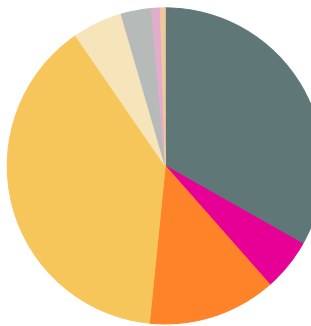
Portfolio Date: 30/06/2020



	%
Energy	2.5
Industrials	13.9
Consumer Staples	7.9
Financials	8.2
Communication Services	5.7
Utilities	12.9
Materials	8.5
Consumer Discretionary	6.5
Healthcare	13.0
Information Technology	13.0
Real Estate	7.9
<b>Total</b>	<b>100.0</b>

### Fixed Interest: Credit quality

Portfolio Date: 30/06/2020



	%
AAA	33.2
AA	5.3
A	13.1
BBB	38.8
BB	5.1
B	3.1
Below B	0.9
Not Rated	0.5
<b>Total</b>	<b>100.0</b>

## Top holdings of the underlying infrastructure, property and equity funds

### CVW WF-First Sentier Investors Infrastructure (Pension) - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Transurban Group	Industrials	6.99
NextEra Energy Inc	Utilities	6.34
Dominion Energy Inc	Utilities	5.02
American Electric Power Co Inc	Utilities	4.07
Eversource Energy	Utilities	3.93
American Tower Corp	Real Estate	3.81
Atlantia SpA	Industrials	3.75
SBA Communications Corp	Real Estate	3.45
Aena SME SA	Industrials	2.97
NiSource Inc	Utilities	2.60

### CVW WF-CLAL Listed Property (Pension) - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Goodman Group	Real Estate	24.56
Scentre Group	Real Estate	11.45
Dexus	Real Estate	10.21
Mirvac Group	Real Estate	8.68
GPT Group	Real Estate	8.26
Stockland Corp Ltd	Real Estate	8.03
Vicinity Centres	Real Estate	5.67
Charter Hall Group	Real Estate	4.60
Shopping Centres Australasia Property Group	Real Estate	2.35
BWP Trust	Real Estate	1.93

### CVW WF-Hyperion Australian Shares(Pen) - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
CSL Ltd	Healthcare	8.53
Domino's Pizza Enterprises Ltd	Consumer Cyclical	7.87
Xero Ltd	Technology	7.80
Afterpay Ltd	Technology	6.96
ResMed Inc DR	Healthcare	6.80
James Hardie Industries PLC DR	Basic Materials	6.49
WiseTech Global Ltd	Technology	6.43
Seek Ltd	Industrials	6.32
REA Group Ltd	Communication Services	6.22
Macquarie Group Ltd	Financial Services	5.91

## Top holdings of the underlying infrastructure, property and equity funds

### CVW WF-Stewart Investors Worldwide S (P) - Top Holdings

Portfolio Date: 30/04/2020

	Sector	Portfolio Weighting %
Unilever PLC	Consumer Defensive	4.92
Diasorin SpA	Healthcare	4.86
Ain Holdings Inc	Healthcare	3.67
Hoya Corp	Healthcare	3.52
Chr. Hansen Holding A/S	Basic Materials	3.44
Novo Nordisk A/S B	Healthcare	3.29
Unicharm Corp	Consumer Defensive	3.03
Zebra Technologies Corp	Technology	2.98
Ansys Inc	Technology	2.86

### CVW WF-RARE Emerging Markets (Pension) - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Indraprastha Gas Ltd	Utilities	5.31
PT Jasa Marga (Persero) Tbk Class B	Industrials	4.83
China Gas Holdings Ltd	Utilities	4.58
Power Grid Corp Of India Ltd	Utilities	4.16
ENN Energy Holdings Ltd	Utilities	4.07
Container Corporation of India Ltd	Industrials	4.04
Guangdong Investment Ltd	Utilities	4.00
CFE Capital S DE RL DE CV Units	Real Estate	3.90
Mahanagar Gas Ltd	Utilities	3.47

### CVW WF-Schroder Equity Opps (Pen) - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
BHP Group Ltd	Basic Materials	4.28
Aurizon Holdings Ltd	Industrials	4.18
Westpac Banking Corp	Financial Services	3.72
Alumina Ltd	Basic Materials	3.56
Rio Tinto Ltd	Basic Materials	3.48
South32 Ltd	Basic Materials	3.42
Lendlease Group	Real Estate	3.38
Fletcher Building Ltd	Basic Materials	3.26
Commonwealth Bank of Australia	Financial Services	3.09
National Australia Bank Ltd	Financial Services	2.99

## Top holdings of the underlying infrastructure, property and equity funds

### CVW WF-CLAL Antipodes Glb Shrs(Pensn) - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Siemens AG	Industrials	3.99
Microsoft Corp	Technology	3.41
Electricite de France SA	Utilities	3.12
Alibaba Group Holding Ltd Ordinary Shares	Consumer Cyclical	2.95
Facebook Inc A	Communication Services	2.95
Ping An Insurance (Group) Co. of China Ltd Class H	Financial Services	2.84
Roche Holding AG Dividend Right Cert.	Healthcare	2.73
Merck & Co Inc	Healthcare	2.71
Sanofi SA	Healthcare	2.46

#### Important Information

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