

# WealthFoundations

IPS Index Dynamic 30 (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 2.33% while the benchmark returned 0.08%.

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 and increasing our allocation to the CLAL Index Property/Infrastructure Fund and the RARE Emerging Markets Fund.

**Justin McLaughlin** Chief Investment Officer

**Sam Alaaeddin** Investment Analyst

**Oliver Levingston** Senior Macro Research Analyst

## IPS Index Dynamic 30 (Pension)

As of 30/06/2020

### Portfolio objective

The WealthFoundations IPS Index Dynamic 30 model is a portfolio of actively managed passive assets designed to achieve stable returns over the short to medium-term.

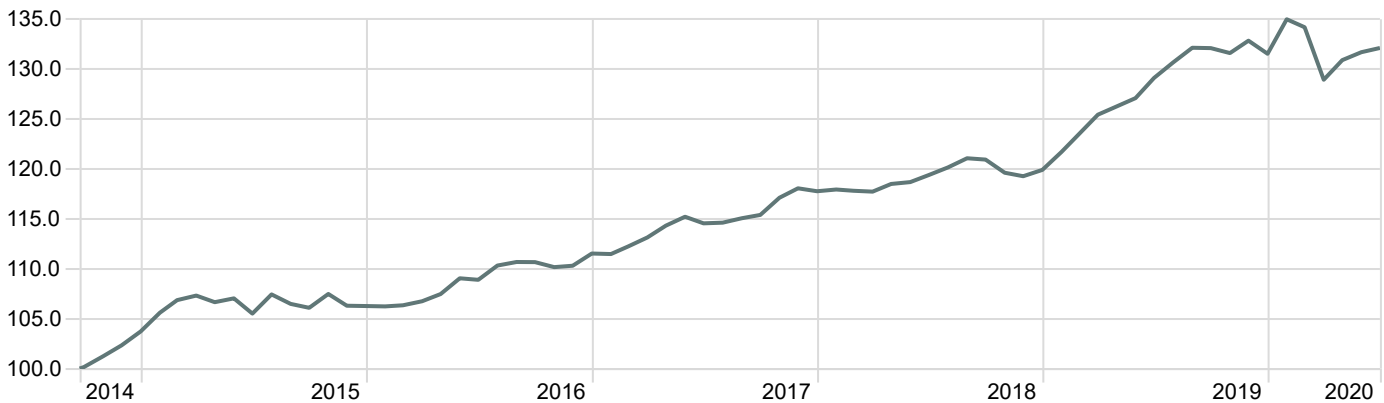
### Performance<sup>^</sup>

	Since inception (%p.a)**	3 years (%p.a)	2 years (%p.a)	1 year (%p.a)	6 months (%)	3 months (%)	1 month (%)
Total Return	4.9	4.9	5.2	2.3	0.4	2.5	0.3
Volatility	3.3	3.8	4.5	5.7	2.3		

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

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

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

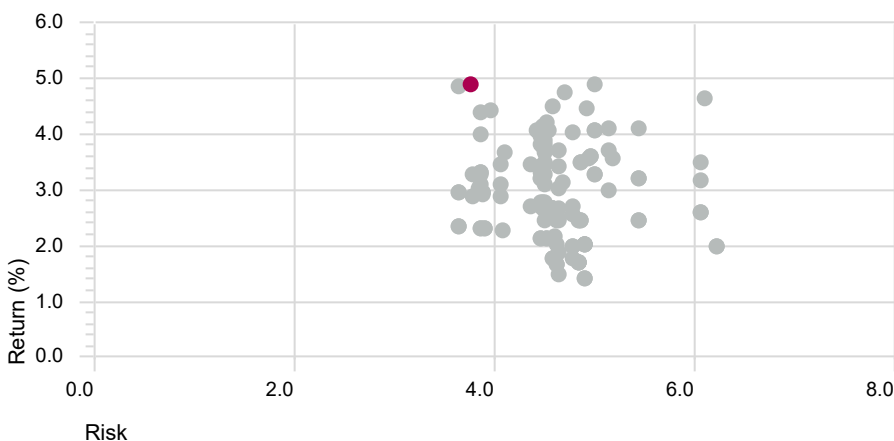


<sup>^</sup> Performance data is **after** applicable fees and taxes, and assumes the reinvestment of distributions. Past performance is not indicative of future performance. Due to the flexibility of rebalancing and variations between accounts, performance shown is indicative only and, for example, 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 (5-95%): Insurance and Pension Funds - Australia - Pension - Multisector Moderate



### 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 3 year 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 Index Fixed Intst (Pensn)	CVW0022AU	Fixed Income	62.50
CVW WF-CLAL Cash Fund(Pension)	CVW0020AU	Money Market	10.00
CVW WF-CLAL Index AUS Shrs (Pensn)	CVW0026AU	Equity	8.00
CVW WF-CLAL Index Intl Shrs (Pensn)	CVW0031AU	Equity	8.00
CVW WF-CLAL Index Prpty/Infras(Pensn)	CVW0025AU	Equity	6.50
CVW WF-CLAL Index Em Mkts (Pensn)	CVW0032AU	Equity	5.00

## IPS Index Dynamic 30 (Pension)

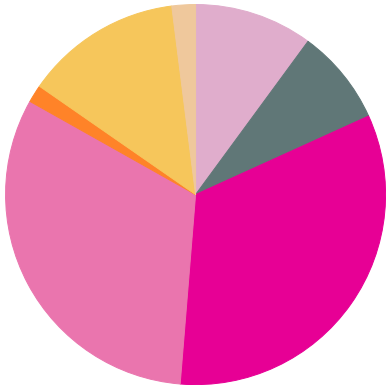
### Performance of current underlying funds

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 Index Fixed Intst (Pensn)	6.35	8.82	4.61	4.05	0.59	0.35
CVW WF-CLAL Cash Fund(Pension)	1.16	1.11	0.66	0.27	0.20	0.07
CVW WF-CLAL Index AUS Shrs (Pensn)	5.99	1.94	-6.38	-10.58	17.15	2.42
CVW WF-CLAL Index Intl Shrs (Pensn)	9.51	7.69	4.42	-3.72	5.81	-1.14
CVW WF-CLAL Index Prpty/Infras(Pensn)	3.61	1.22	-16.14	-19.07	1.72	-2.77
CVW WF-CLAL Index Em Mkts (Pensn)	4.86	2.02	-2.18	-7.97	4.79	3.49

### Asset class breakdown

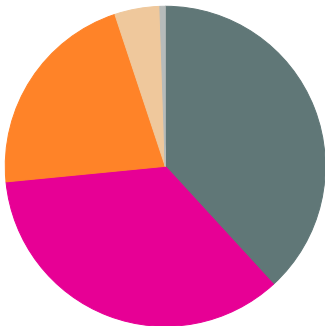
Portfolio Date: 30/06/2020



	%
Cash	10.1
Australian Equities	8.1
Australian Fixed Interest	33.1
International Fixed Interest	31.9
Australian Property	1.5
International Equities	13.3
International Property	2.0
<b>Total</b>	<b>100.0</b>

### Equities: Market capitalisation

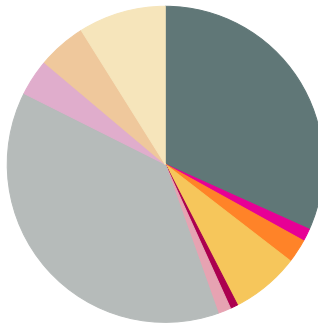
Portfolio Date: 30/06/2020



	%
Giant	38.2
Large	35.3
Mid	21.5
Small	4.6
Micro	0.5
<b>Total</b>	<b>100.0</b>

### Equities: Geographical exposure

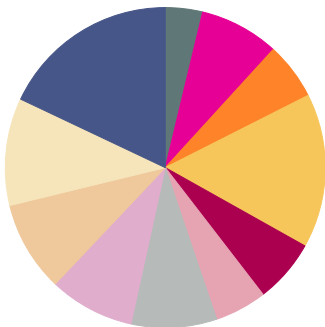
Portfolio Date: 30/06/2020



	%
North America	31.7
Latin America	1.3
United Kingdom	2.4
Europe developed	7.0
Europe emerging	0.8
Africa/Middle East	1.3
Australasia	37.8
Japan	3.7
Asia developed	4.9
Asia emerging	8.9
<b>Total</b>	<b>100.0</b>

### Equities: Industry exposure

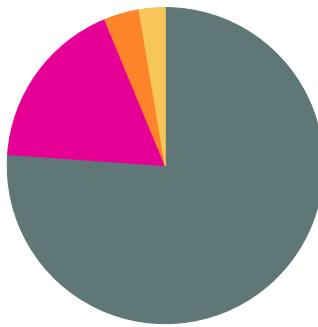
Portfolio Date: 30/06/2020



	%
Energy	3.8
Industrials	8.0
Consumer Staples	5.8
Financials	15.6
Communication Services	6.4
Utilities	5.3
Materials	8.7
Consumer Discretionary	8.6
Healthcare	9.1
Information Technology	10.8
Real Estate	18.0
<b>Total</b>	<b>100.0</b>

### Fixed Interest: Credit quality

Portfolio Date: 30/06/2020



	%
AAA	76.1
AA	17.6
A	3.6
BBB	2.7
<b>Total</b>	<b>100.0</b>

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

### CLAL Index Emerging Markets - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Alibaba Group Holding Ltd ADR	Consumer Cyclical	6.29
Tencent Holdings Ltd	Communication Services	5.71
Taiwan Semiconductor Manufacturing Co Ltd	Technology	4.04
Samsung Electronics Co Ltd	Technology	3.24
Naspers Ltd Class N	Communication Services	1.25
Meituan Dianping	Consumer Cyclical	1.22
China Construction Bank Corp Class H	Financial Services	1.19
Reliance Industries Ltd	Energy	1.00
Ping An Insurance (Group) Co. of China Ltd Class H	Financial Services	0.91
JD.com Inc ADR	Consumer Cyclical	0.79

### CLAL Index International Shares - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Apple Inc	Technology	3.90
Microsoft Corp	Technology	3.59
Amazon.com Inc	Consumer Cyclical	2.85
Facebook Inc A	Communication Services	1.34
Alphabet Inc Class C	Communication Services	1.06
Alphabet Inc A	Communication Services	1.04
Johnson & Johnson	Healthcare	0.91
Visa Inc Class A	Financial Services	0.81
Nestle SA	Consumer Defensive	0.80
Procter & Gamble Co	Consumer Defensive	0.72

### CVW WF-CLAL Index AUS Shares - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
CSL Ltd	Healthcare	7.82
Commonwealth Bank of Australia	Financial Services	7.37
BHP Group Ltd	Basic Materials	6.33
Westpac Banking Corp	Financial Services	3.88
National Australia Bank Ltd	Financial Services	3.50
Australia and New Zealand Banking Group Ltd	Financial Services	3.18
Wesfarmers Ltd	Consumer Cyclical	3.06
Woolworths Group Ltd	Consumer Defensive	2.82
Macquarie Group Ltd	Financial Services	2.34
Transurban Group	Industrials	2.31

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

### CLAL Index Property/Infrastructure - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
Goodman Group	Real Estate	4.43
Prologis Inc	Real Estate	4.10
Digital Realty Trust Inc	Real Estate	2.29
Scentre Group	Real Estate	2.07
Vonovia SE	Real Estate	1.91
Dexus	Real Estate	1.84
Public Storage	Real Estate	1.83
Mirvac Group	Real Estate	1.57
GPT Group	Real Estate	1.49
Stockland Corp Ltd	Real Estate	1.45

#### Important Information

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