

# WealthFoundations

IPS Index Strategic 50 (Super & TTR) 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 0.64% while the benchmark returned -0.94%. The portfolio strategy continues to target a split between growth and income assets that is in line with the portfolio's strategic 50/50 mix. Assets at the sectoral level are actively managed and outperformance was generated by allocating to funds that were well positioned to preserve capital during the sell-off by avoiding high-risk investments.

There is a lot of uncertainty about the next steps in this pandemic but international share markets have rebounded more rapidly than many anticipated. The global economic reopening and a continuation of extraordinary fiscal and monetary support has supported higher valuations even as unemployment has skyrocketed, global output has plunged and new outbreaks have forced localized lockdowns or a delay in reopening in the United States, Europe and Australia. Until there is positive news on the health front or valuations return closer to historic norms, we see further volatility ahead in local and international capital markets.

**Justin McLaughlin** Chief Investment Officer

**Sam Alaaeddin** Investment Analyst

**Oliver Levingston** Senior Macro Research Analyst

## IPS Index Strategic 50 (Super & TTR)

As of 30/06/2020

### Portfolio objective

The WealthFoundations IPS Index Strategic 50 model is a portfolio of passively managed assets designed to achieve moderate returns over the medium term.

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

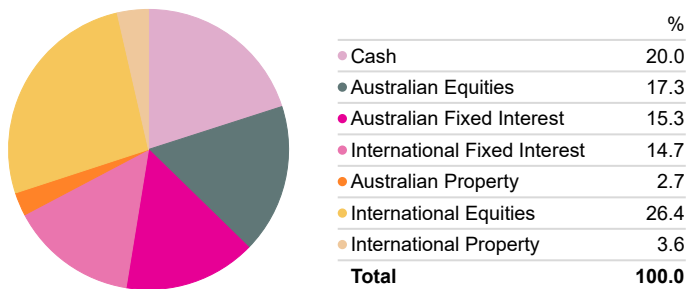
	Since inception (%p.a)**	2 years (%p.a)	1 year (%p.a)	6 months (%)	3 months (%)	1 month (%)
Total Return	9.1		0.6	-2.5	4.2	0.2
Volatility	2.2		8.9	3.7		

\*\*Inception Date: 23/11/2018

<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.

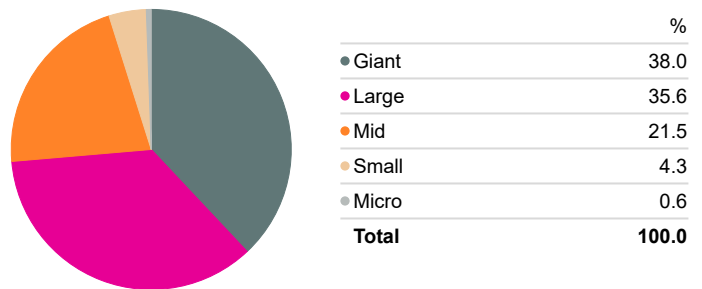
### Asset class breakdown

Portfolio Date: 30/06/2020



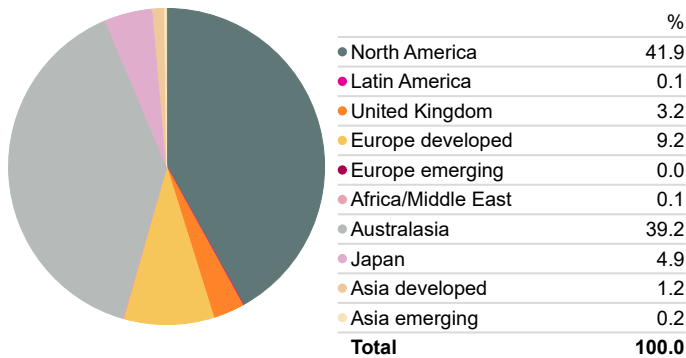
### Equities: Market capitalisation

Portfolio Date: 30/06/2020



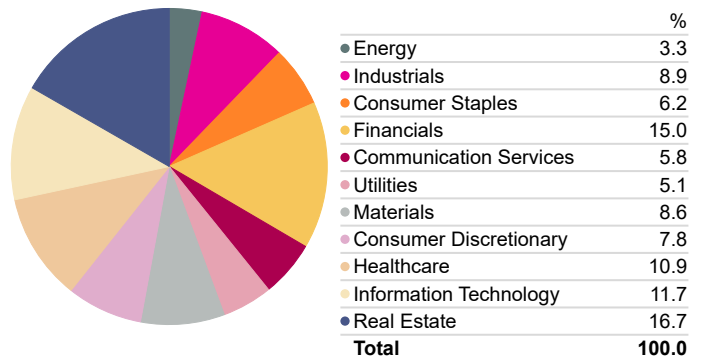
### Equities: Geographical exposure

Portfolio Date: 30/06/2020



### Equities: Industry exposure

Portfolio Date: 30/06/2020



### Underlying funds

	APIR Code	Global Broad Category Group	Portfolio Weighting %
CVW WF-CLAL Index Fixed Intst (Spr)	CVW0007AU	Fixed Income	30.00
CVW WF-CLAL Cash Fund(Super)	CVW0005AU	Money Market	20.00
CVW WF-CLAL Index Intl Shrs (Spr)	CVW0016AU	Equity	19.00
CVW WF-CLAL Index AUS Shrs (Spr)	CVW0011AU	Equity	17.00
CVW WF-CLAL Index Prpty/Infras (Spr)	CVW0010AU	Equity	9.00
CVW WF-CLAL Index Em Mkts (Spr)	CVW0017AU	Equity	5.00

### 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 (Spr)	5.66	7.60	4.07	3.54	0.50	0.30
CVW WF-CLAL Cash Fund(Super)	0.99	0.93	0.59	0.23	0.17	0.07
CVW WF-CLAL Index Intl Shrs (Spr)	8.40	7.19	4.54	-2.80	5.30	-0.93
CVW WF-CLAL Index AUS Shrs (Spr)	5.18	1.89	-5.24	-9.02	15.66	2.02
CVW WF-CLAL Index Prpty/Infras (Spr)	3.73	2.25	-13.50	-16.54	2.61	-2.30
CVW WF-CLAL Index Em Mkts (Spr)	4.48	2.45	-1.43	-6.78	4.60	2.90

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

### CLAL Index Australian Shares - Top Holdings

Portfolio Date: 30/06/2020

	Sector	Portfolio Weighting %
CSL Ltd	Healthcare	7.76
Commonwealth Bank of Australia	Financial Services	7.23
BHP Group Ltd	Basic Materials	6.25
Westpac Banking Corp	Financial Services	3.83
National Australia Bank Ltd	Financial Services	3.44
Australia and New Zealand Banking Group Ltd	Financial Services	3.12
Wesfarmers Ltd	Consumer Cyclical	3.02
Woolworths Group Ltd	Consumer Defensive	2.78
Macquarie Group Ltd	Financial Services	2.31
Transurban Group	Industrials	2.29

### CVW WF-CLAL Index Intl Shrs (Spr) - 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

### 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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