

# MyNorth Managed Portfolios



## WEINBERG PRIVATE RETIREMENT INCOME PORTFOLIO

Quarterly update for quarter 30 June 2022

### Investment objective

The managed portfolio aims to provide income with a moderate level of capital growth and a moderately high level of capital volatility over an investment time frame of 3 years.

### Key information

<b>Code</b>	NTH0018
<b>Manager name</b>	Zenith Investment Partners
<b>Inception date</b>	1 July 2019
<b>Benchmark</b>	Morningstar Australia Balanced Target Allocation NR
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	17
<b>Minimum investment horizon</b>	3 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>	0.74%
<b>Total estimated management costs</b>	0.87%
<b>Risk band/label</b>	4/Medium
<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.

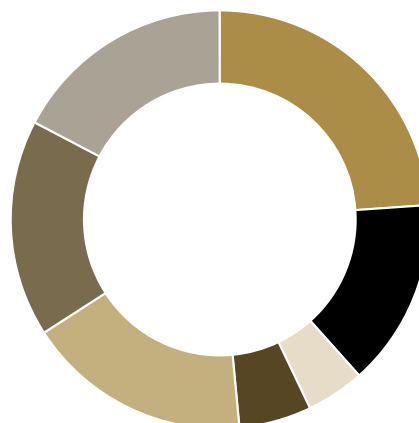
### Returns

as at 30 June 2022

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)
Total return <sup>1</sup>	0.33	-3.18	-5.26	-7.16	-4.38	-
Income	3.20	1.40	1.41	1.84	2.75	-
Growth	-2.87	-4.58	-6.67	-9.00	-7.13	-
Benchmark <sup>2</sup>	1.49	-4.26	-7.42	-11.05	-7.67	-

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

### Asset allocation



as at 30 June 2022

Growth assets	Allocation (%)
Australian Equities	23.9
International Equities	14.5
Property	4.5
Other	5.6
<b>Total</b>	<b>48.5%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	17.4
International Fixed Interest	16.8
Cash	17.3
<b>Total</b>	<b>51.5%</b>

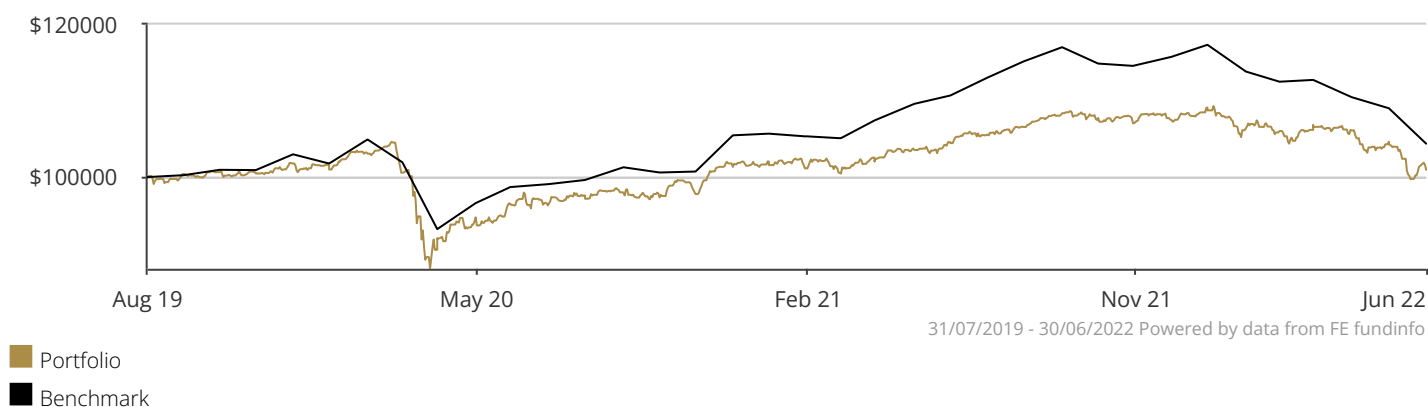
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<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 (%)
Alliance Bernstein Managed Volatility Equities Fund	Australian shares	5.0
Ardea Real Outcome Fund	Fixed income	7.0
Bennelong Australian Equities	Australian shares	5.0
Bentham Syndicated Loan Fund (W)	Fixed income	5.0
ClearBridge RARE Infrastructure Income Fund - Hedged	Listed property/infrastructure	3.8
iShares Australian Listed Property Index Fund	Listed property/infrastructure	5.0
Janus Henderson Global Multi-Strategy Fund - Institutional Class	Alternatives	5.0
Legg Mason Western Asset Aust Bond Fund - Class A	Fixed income	10.0
Macquarie Income Opportunities Fund	Fixed income	10.0
Magellan Global Fund	International shares	3.8
Merlon Australian Share Income Fund (W)	Australian shares	5.0
Nikko AM Australian Share Income Fund	Australian shares	5.0
PIMCO Wholesale Global Bond Fund	Fixed income	8.0
Solaris Australian Equity Long Short Fund	Australian shares	5.0
T.Rowe Price Global Equity - M Class	International shares	3.8
Talaria Global Equity Fund	International shares	3.8
UBS Cash Fund	Cash	10.0

## 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 Australian 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

Rebalancing action was conducted during the quarter to align the portfolio with its strategic asset allocation weights.

The best performing funds over the quarter were Talaria Global Equity Fund (Managed Fund), Ardea Real Outcome Fund, and UBS Cash Fund. Key contributors to Talaria's performance were French drugmaker Sanofi and Chinese eCommerce giant Alibaba, while Ardea's outperformance can be attributed mainly to its exposure to interest rate options and associated hedging activity to manage the impact of duration. Meanwhile, UBS Cash performed well as recent market volatility triggered a rotation into more defensive assets.

The worst performing funds were Bennelong Australian Equities Fund, iShares Australian Listed Property Index Fund, and T. Rowe Price Global Equity M. Bennelong's underperformance stemmed from a continued sell-off in Australian equities as well as its high conviction approach, while iShares underperformance was due to a challenging quarter for Australian REITs with the prospect of rising real yields. Meanwhile, T. Rowe's underperformance stemmed from its Growth bias which has been a headwind, with main detractors being holdings in Rivian Automotive and Amazon.

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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