

Bentleys Wealth // Balanced Portfolio

February 2021 Overview

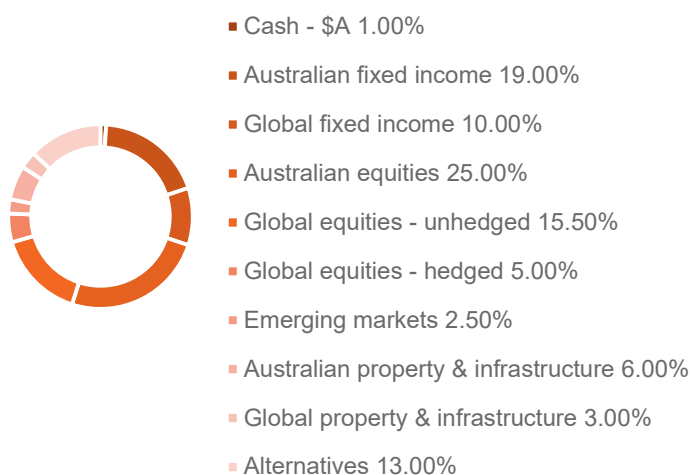
Bentleys Wealth's model portfolios are a suite of real return, multi-asset class, multi-manager portfolios across four risk/return profiles. The portfolios are actively managed through our dynamic asset allocation and investment manager selection processes.

We dynamically adjust the portfolios' allocations to achieve a high probability of meeting or exceeding the required return objectives while maintaining the stated risk profiles. The mix of asset classes and strategies in the portfolios will vary through time depending on our forward-looking estimates of market risk and return. Our style is active value management with quantitative foundations and qualitative decision-making.

Fund Details

Risk profile	Medium
Fund type	Diversified multi-manager
Investments	SMAs, Unit Trusts, ETFs and Direct Shares
Return objective	CPI + 3.5% (RBA Trimmed Mean CPI)
Investment timeframe	5 years +
Investment style	Dynamic active allocation
Fund inception date	December 2020
Platform	Macquarie

Current Asset Allocation



Performance

February 2021	Balanced Portfolio *	Return objective CPI +3.5%
1 Month	0.57%	-
3 Months	-0.15%	-
6 Months	4.74%	-
1 Year	5.48%	4.79%
3 Years	7.45%	4.98%
5 Years	9.13%	5.13%

Top & Bottom 3 by Performance

Top 3	Return
Allan Gray Australia Equity B Fund	4.47%
Macquarie Hedged International Equities Fund	2.59%
Aoris International Fund	1.65%
Bottom 3	Return
Macquarie True Index Australian Fixed Interest Fund	-3.59%
Magellan Infrastructure Fund	-2.31%
Legg Mason Martin Currie Real Income Fund	-1.88%

* Returns for periods prior to Dec 2020 are backtested. Returns are net of all investment costs. Returns over more than 1 month are geometrically compounded from monthly data. Returns over periods longer than 12 months are annualised. CPI = RBA Trimmed Mean quarterly data series; CPI + figures shown here include an estimate for the months since the last published quarterly CPI figure. Performance data is an estimate based on information provided to Quilla by Financial Express.

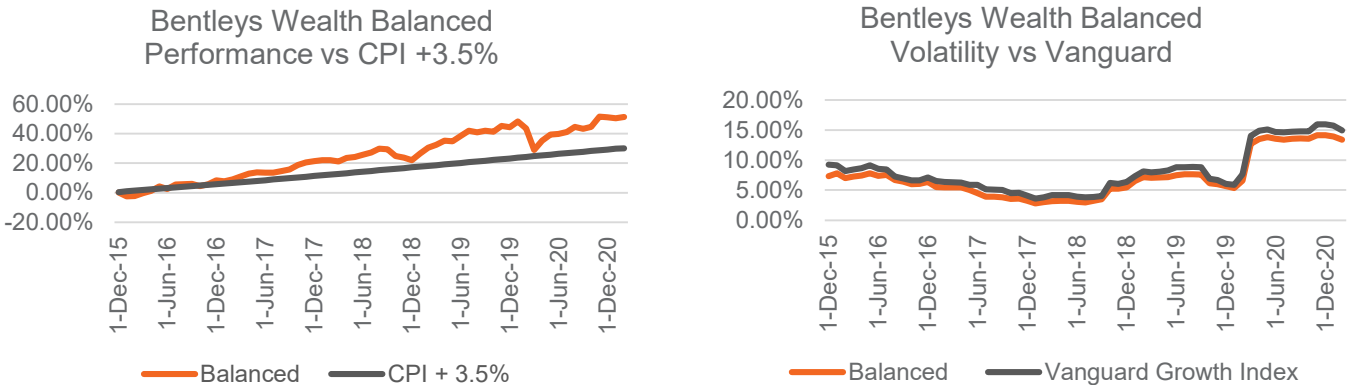
Ashley Honeyman, Director
Authorised Representative No. 1003351
Bentleys (Qld) Wealth & Financial Services Pty Ltd
Telephone +61 7 3222 9702 | Mobile+ 61 455 440 577
ahoneyman@bris.bentleys.com.au



➤ Advisors ➤ Accountants ➤ Auditors

Performance and Rolling Annual Volatility[^]

Bentleys Wealth's portfolios are designed with a focus on minimising the impact of volatility on an investors' assets. In practice, this means the portfolios will have reduced exposure to asset classes where we anticipate risks will outweigh the expected returns. This active management has resulted in consistently lower volatility than an equivalent passively managed index strategy (see chart below).



[^] The above charts include actual portfolio performance data (from December 2020) combined with back tested data prior to this date. The back tested data is based on the portfolio's initial allocation (both weights and managers). This allocation is static over the time period, as we believe that this will serve as an appropriate proxy for the portfolio.

Strategy and Outlook

The recent rise in bond yields, driven by the improving global economy, is likely to continue for a short while as markets digest an expected spike in inflation numbers over the next few months. Importantly, we anticipate the increase in inflation and yields to be transitory and therefore caution against making wholesale changes to investment strategy.

However, in the short term we may see this impact a number of asset classes. Assets highly sensitive to rising bond yields may experience bouts of volatility, this includes government bonds and equities such as AREITs, growth stocks (including tech stocks) and gold. On the other hand, assets that benefit from the underlying economic conditions that are pushing yields up may outperform. This includes value and cyclical sectors such as banks and resource stocks.

Attempting to trade these short term dynamics has destroyed wealth for many professional investors. Our focus is more on identifying sustained trends rather than being too responsive to short term themes. For this reason, we maintain strong diversification across a range of asset classes, whilst at the same time using our insight to tilt the portfolio to benefit from trends that have a longer shelf life.

Throughout February no changes were made to the portfolios, although we have been actively focused on researching new strategies that will be implemented into portfolios over the next few months.

Bentleys (QLD) Wealth & Financial Services Pty Ltd is a Corporate Authorised Representative (No. 1256068) of Bentleys (QLD) Advisory Pty Ltd ABN 19 057 135 636. Australian Financial Services Licence No. 274444. The information contained in this communication may be confidential. You should only read, disclose, re-transmit, copy, distribute, act in reliance on or commercialise the information if you are authorised to do so. If you are not the intended recipient of this e-mail communication, please immediately notify us by e-mail to riskandcompliance@bris.bentleys.com.au, or reply by e-mail direct to the sender and then destroy any electronic and paper copy of this message. Any views expressed in this communication are those of the individual sender, except where the sender is authorised to state them to be the views of Bentleys (QLD) Wealth & Financial Services Pty Ltd or Bentleys (QLD) Advisory Pty Ltd. Any advice contained in this communication has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this communication, Bentleys (QLD) Wealth & Financial Services Pty Ltd or Bentleys (QLD) Advisory Pty Ltd recommends that you consider whether it is appropriate for your circumstances. If this communication contains reference to any financial products, Bentleys (QLD) Wealth & Financial Services Pty Ltd or Bentleys (QLD) Advisory Pty Ltd recommends you consider the Product Disclosure Statement (PDS) or other disclosure document before making any decisions regarding any products. Bentleys (QLD) Wealth & Financial Services Pty Ltd or Bentleys (QLD) Advisory Pty Ltd does not represent, warrant or guarantee that the integrity of this communication has been maintained nor that the communication is free of errors, virus or interference.

Ashley Honeyman, Director
 Authorised Representative No. 1003351
 Bentleys (Qld) Wealth & Financial Services Pty Ltd
 Telephone +61 7 3222 9702 | Mobile+ 61 455 440 577
ahoneyman@bris.bentleys.com.au

