

# Bentleys Wealth // Conservative Portfolio

## July 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

<b>Risk profile</b>	<b>Medium</b>
<b>Fund type</b>	Diversified multi-manager
<b>Investments</b>	SMAs, Unit Trusts and ETFs
<b>Return objective</b>	CPI + 1.5% (RBA Trimmed Mean CPI)
<b>Investment timeframe</b>	3 years +
<b>Investment style</b>	Dynamic active allocation
<b>Fund inception date</b>	December 2020
<b>Platform</b>	Macquarie

## Current Asset Allocation



- Cash A\$ 20.00%
- Australian fixed income 33.00%
- Global fixed income 15.00%
- Australian equities 12.00%
- Global equities - unhedged 8.00%
- Global equities - hedged 3.00%
- Australian property & infrastructure 1.50%
- Global property & infrastructure 1.50%
- Alternatives 6.00%

## Performance

July-2021	Conservative Portfolio*	Return Objective CPI + 1.5%
<b>1 Month</b>	<b>0.53%</b>	-
<b>3 Months</b>	<b>1.51%</b>	-
<b>6 Months</b>	<b>3.34%</b>	-
<b>1 Year</b>	<b>6.79%</b>	<b>2.83%</b>
<b>3 Years p.a.</b>	<b>5.31%</b>	<b>2.93%</b>
<b>5 Years p.a.</b>	<b>5.32%</b>	<b>3.09%</b>

## Top & Bottom 3 by Performance

Top 3	Return
Aoris International B Fund	7.19%
Magellan Global Fund - Open Class Units	3.76%
Magellan Infrastructure Fund	3.25%
Bottom 3	Return
BetaShares Global Banks ETF - Currency Hedged	-1.98%
Ardea Real Outcome Fund	0.00%
Allan Gray Australia Equity Fund Class B	0.02%

\* 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.

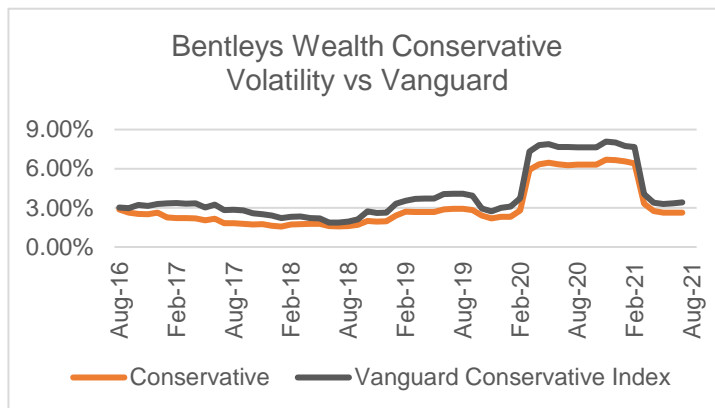
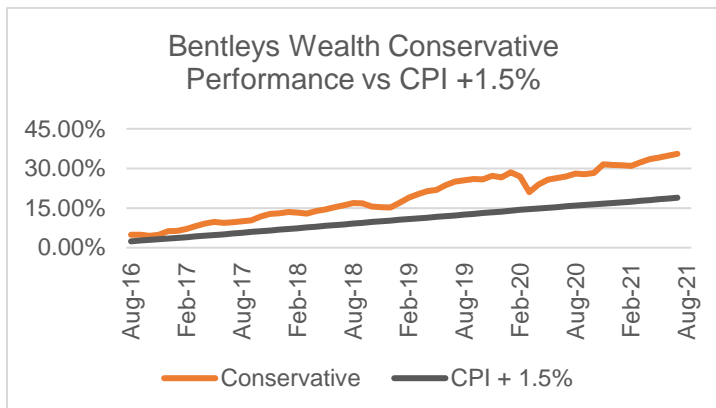
Ashley Honeyman, Director  
Authorised Representative No. 1003351  
Bentleys (Qld) Wealth & Financial Services Pty Ltd  
Telephone +61 7 3222 9702 | Mobile+ 61 455 440 577  
ahoneyman@bris.bentleys.com.au



➤ Advisors ➤ Accountants ➤ Auditors

## Performance and Rolling Annual Volatility<sup>^</sup>

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).



<sup>^</sup> 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

We expect global economies to continue to rebound throughout the remainder of 2021 and well into 2022, although growth will be at more sustainable levels. This view is supported by accommodative central bank policies, significant stimulus measures and elevated levels of consumer savings. Given this positive outlook, we anticipate equity markets will continue to climb higher, and rising inflation and continued growth will put upward pressure on yields.

While we agree with central bank views that the majority of recent inflation is transitory, employment data will be key in confirming this view. We anticipate that employment data will improve towards the end of the year, and this will result in a gradual increase in yields over the next 12 months. The recent moderation in yields suggests bond investors are underestimating the future trajectory of employment and inflation.

Accordingly, we believe some equity strategies remain attractive, however, we believe some asset classes such as infrastructure, longer duration bonds and growth orientated equities will face headwinds as yields rise. Coincidentally, the same equity strategies are also showing signs of excessive valuations, especially in the US. Finally, we suggest overweight allocations to markets that are cyclical in nature as they tend to do very well when economic growth is strong.

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](mailto: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) (QLD).

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](mailto:ahoneyman@bris.bentleys.com.au)



➤ Advisors ➤ Accountants ➤ Auditors