

Bentleys Wealth // Balanced Portfolio

August 2021 Overview

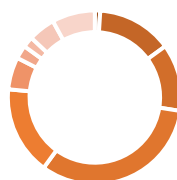
Bentleys Wealth's model portfolios are a suite of real return, multi-asset class, multi-manager portfolios across four risk/return profiles. The portfolios are actively managed through our dynamic asset allocation and investment manager selection processes.

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



- Cash A\$ 1.00%
- Australian fixed income 14.00%
- Global fixed income 12.50%
- Australian equities 32.50%
- Global equities - unhedged 16.50%
- Global equities - hedged 6.00%
- Emerging markets 2.50%
- Australian property & infrastructure 2.00%
- Global property & infrastructure 5.00%
- Alternatives 8.00%

Performance

| August-2021 | Balanced Portfolio* | Return Objective CPI + 3.5% |
|---------------------|---------------------|-----------------------------|
| 1 Month | 2.10% | - |
| 3 Months | 5.13% | - |
| 6 Months | 10.17% | - |
| 1 Year | 15.38% | 4.89% |
| 3 Years p.a. | 8.67% | 4.96% |
| 5 Years p.a. | 9.52% | 5.12% |

Top & Bottom 3 by Performance

| Top 3 | Return |
|---|--------|
| Legg Mason Martin Currie Real Income Fund Class A Units | 5.83% |
| Fairlight Global Small & Mid Cap A | 4.42% |
| T.Rowe Price Global Equity Fund - M Class | 4.33% |
| Bottom 3 | Return |
| Ardea Real Outcome Fund | -0.27% |
| Franklin Australian Absolute Return Bond Fund - Class W | -0.07% |
| Realm High Income Fund - Wholesale Class | 0.22% |

* 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.

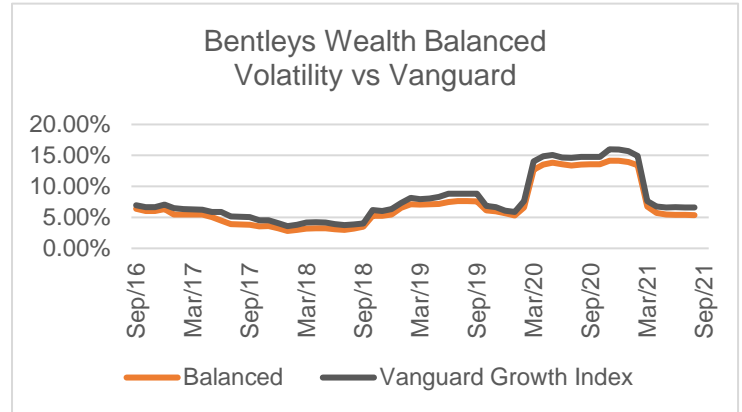
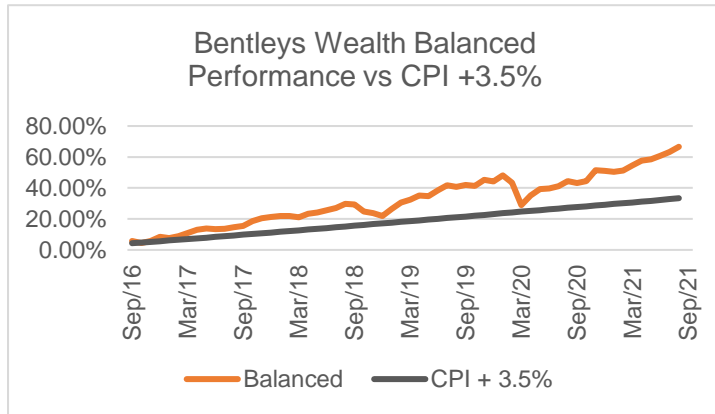
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➤ Advisors ➤ Accountants ➤ Auditors

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

Markets have been encouraged by the Fed's constructive approach to tapering its bond purchases and separating this from future interest rate increases. Although there are concerns about the pace of growth given the latest Covid-19 waves, markets seem to be moving towards looking through the short-term problems to better growth next year as vaccination programs improve. This is an environment which should still favour equities over bonds, and within equities, cyclical value stocks. Our portfolios are positioned to take advantage of these conditions.

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