

Bentleys Wealth // Balanced Portfolio

November 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.

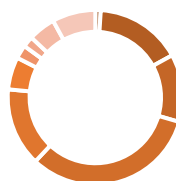
We dynamically adjust the portfolios' allocations to achieve a high probability of meeting or exceeding the required return objectives while maintaining the stated risk profiles. The mix of asset classes and strategies in the portfolios will vary through time depending on our forward-looking estimates 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 16.00%
- Global fixed income 12.50%
- Australian equities 32.50%
- Global equities - unhedged 14.50%
- Global equities - hedged 6.00%
- Emerging markets 2.50%
- Australian property & infrastructure 2.00%
- Global property & infrastructure 5.00%
- Alternatives 8.00%

Performance

November-2021	Balanced Portfolio*	Return Objective CPI + 3.5%
1 Month	0.16%	-
3 Months	-0.08%	-
6 Months	5.05%	-
1 Year	9.91%	5.14%
3 Years p.a.	10.41%	5.04%
5 Years p.a.	9.52%	5.15%

Top & Bottom 3 by Performance

Top 3	Return
Aoris International B Fund	5.76%
T.Rowe Price Global Equity Fund - M Class	2.57%
Invesco Global Real Estate A	2.53%
Bottom 3	Return
Betashares Global Banks ETF (Hedged)	-5.80%
Allan Gray Australia Equity Fund Class B	-4.67%
UBS Clarion Global Infrastructure Securities	-2.39%

* 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.

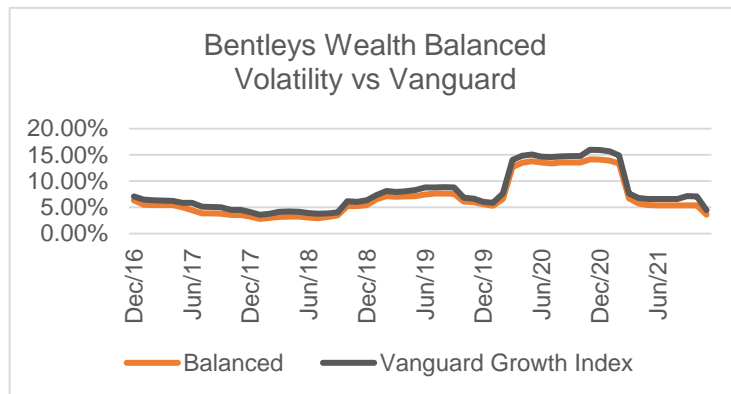
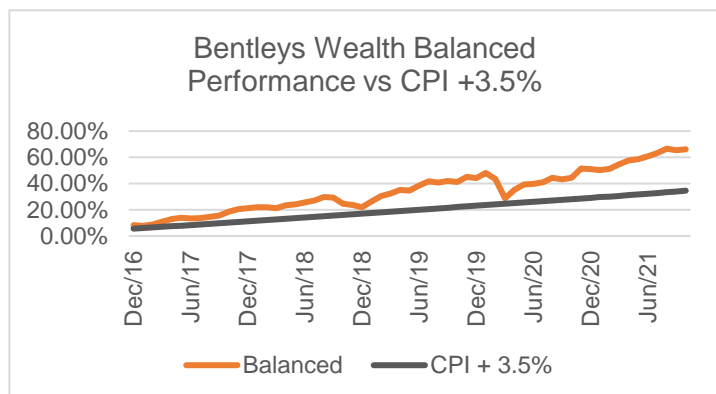
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➤ Advisors ➤ Accountants ➤ Auditors

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

Interestingly, Federal Reserve Chair, Jerome Powell has gone on the record recently suggesting that higher inflation is likely to persist for longer than the Fed originally thought. This remark marks a departure from the central bank's long held view (and that of the RBA) that inflation would start to ease once supply chain challenges are resolved. This pivot clears the way for accelerated tapering and ultimately tighter monetary policy which some market commentators forecast to happen towards the end of next year if not sooner. In the meantime, markets will be fixated on the Fed's response to the changing environment, including the potential threat of Omicron.

We continue to watch these developments closely.

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