

# Bentleys Wealth // Balanced Portfolio

## October 2022 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**

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

## Current Asset Allocation



- Cash A\$ 6.00%
- Australian fixed income 26.00%
- Global fixed income 8.00%
- Australian equities 20.00%
- Global equities - unhedged 13.50%
- Global equities - hedged 4.50%
- Global property & infrastructure 7.00%
- Alternatives 15.00%

## Performance

October-2022	Balanced Portfolio*	Return Objective CPI + 3.5%
<b>1 Month</b>	<b>2.89%</b>	
<b>3 Months</b>	<b>-0.37%</b>	
<b>1 Year</b>	<b>-3.75%</b>	<b>8.28%</b>
<b>3 Years p.a.</b>	<b>4.24%</b>	<b>6.67%</b>
<b>5 Years p.a.</b>	<b>6.16%</b>	<b>5.75%</b>

## Top & Bottom 3 by Performance

Top 3	Return
Janus Henderson Global Natural Resources Fund	9.39%
Aoris International B Fund	8.98%
Allan Gray Australia Equity Fund Class B	8.04%
Bottom 3	Return
Invesco Global Real Estate A	-1.88%
ETFS Physical Gold	-1.46%
Franklin Australian Absolute Return Bond Fund - Class W	-0.30%

\* 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.

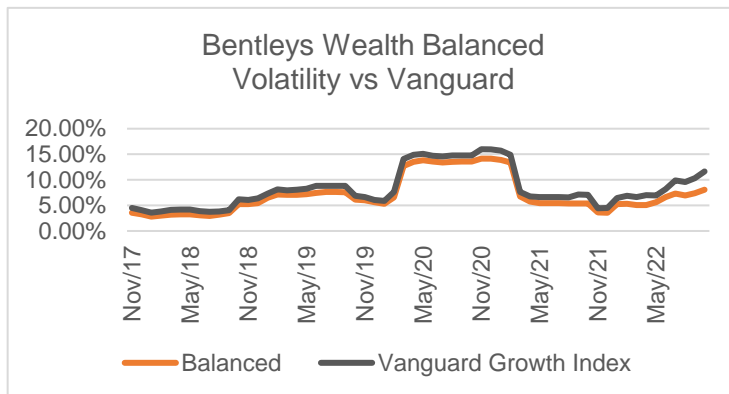
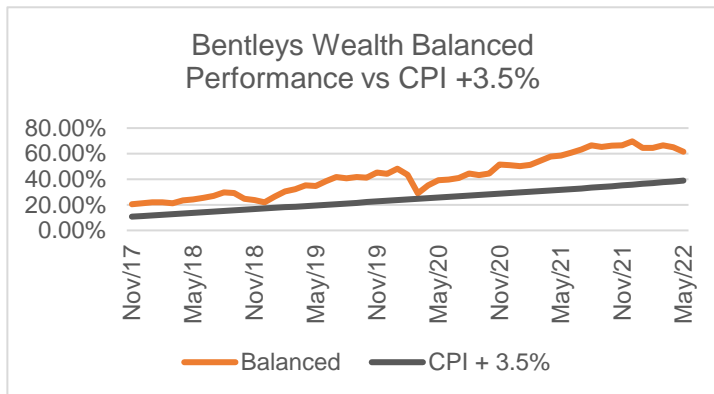
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➤ Advisors ➤ Accountants ➤ Auditors

## Performance and Rolling Annual Volatility<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

The global macro picture has improved recently with promising news that global price pressures are showing signs of easing. US headline CPI slowed from 8.2% to 7.7% in October with deflationary pressures most evident in the services ex-shelter sector as well as durable goods. Supporting these declines were continued falls in shipping costs and some commodity prices. However, the US Federal Reserve has been clear to point out that the job of lifting rates is not yet done, with further policy tightening increasingly likely to induce a mild recession next year. What is not clear at this juncture, is how riskier assets such as equities will trade in the face of the slowing economy and negative earnings outlook. For the time being, we remain focussed on preserving capital, even in the face of short term market rallies such as what we experienced this month.

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