

# Oakleigh Flagship Equities Portfolio

## Quarterly Report – March 2024



### Investment Objective and Strategy

The Oakleigh Flagship Equities Portfolio (Portfolio) is Benchmarked against the All Ordinaries Index (All Ords) and aims to generate returns in excess of CPI + 5% over rolling 5-year periods through a managed portfolio of Australian and international securities.

Stock selection focuses on growth and value securities with an emphasis on companies that have a sustainable competitive advantage or business model with monopolistic traits, high sustainable cash flow generation and/or structural tailwinds.

Performance	Portfolio Return <sup>1</sup>	All Ords Index	Excess Return
Since Inception (per annum) <sup>3</sup>	+13.6%	+7.6%	+6.0%
3 Year (per annum)	+11.5%	+5.4%	+6.1%
1 Year	+12.8%	+10.6%	+2.2%
3 Months	+6.4%	+4.1%	+2.3%

*Past performance is not a reliable indicator of future performance.*

### Commentary

The volatility in global share markets dissolved in the first quarter of 2024 and was replaced by broad skepticism the strength could continue, as the market steadily climbed the wall of worry.

The All Ordinaries Index increased 4.1% during the quarter, but the Portfolio continues to outpace it over the short, medium and longer-term, as seen in the table above.

The Portfolio is now comfortably ahead of its Investment Objective (CPI +5% or 9.8% per annum since inception), while inflation continues to decelerate materially from the lofty levels seen 2021-2023.

Little change occurred inside the Portfolio during the quarter. In February profits were taken in Seven Group Holdings (SVW) that had performed well since purchase and had begun trading above our assessment of fair value. It appears this assessment was validated shortly thereafter the Portfolio exited, when the SVW board made a scrip bid for Boral (BLD), a typical maneuver when a board sees their shares as relatively expensive.

The best performing stocks in the Portfolio during the quarter included Wesfarmers (WES) +22%. Brambles (BXB) +21% and recent addition ResMed (RMD) +19%.

Property holdings also performed strongly, reversing the downwards trend of 2023, as the market priced in lower chances of higher interest rates creating havoc on the sector over the medium-term.

In the short-term (i.e sometime in the June quarter) it is becoming more likely that we may see a typical bull market correction (short and sharp). The Portfolio will aim to use any weakness to build its exposures and be well positioned for renewed market strength over the medium-term.

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### Portfolio Details

#### Investment Objective:

CPI + 5%p.a. over rolling 5-year periods

#### Benchmark:

S&P/ASX All Ordinaries Index

#### Minimum Investment:

\$50,000

#### Management Fee:

0.75%

#### Performance Fee:

Nil

#### Investments:

Australian shares and listed property, international shares (via Exchange Traded Funds (ETF's) and managed investments)

#### Indicative Number of Holdings:

15-30

#### Suggested investment timeframe:

5 Years

#### Availability:

- Macquarie Manager II
- Macquarie Consolidator II

### Top Performers

Wesfarmers (WES)	+22%
Brambles (BXB)	+21%
RedMed (RMD)	+19%
Vanguard Australian Property Sec Index (VAP)	+16%
Australia and New Zealand Bank (ANZ)	+13%

### Top Holdings

VanEck MSCI World Ex Aus Quality Hedged ETF (QHAL)	10.0%
Commonwealth Bank (CBA)	6.9%
CASH AUD	6.1%
Wesfarmers (WES)	5.3%
National Aust. Bank (NAB)	4.9%

*'Top Performers' - Total Returns (stock price gains plus distributions) over the quarter or for the period the stock position was held by the Portfolio during the quarter.*

# Stock of the Quarter

**Betashares Global Gold Miners ETF – Currency Hedged (MNRS)** aims to track the performance of an index (before fees and expenses) that comprises the largest global gold mining companies (ex-Australia), hedged into Australian dollars.

## Benefits

- Diversification: MNRS offers diversification and defensive benefits, as the gold miners' fortunes are closely tied to the price of gold, which has traditionally tended to perform well during times of market volatility and uncertainty
- Spread Gold sector Risk: Investing in global gold miners provides a simple and cost-effectively way to spread risk beyond the relatively small Australian gold mining sector
- Cost Effective: Passive, index-tracking approach means no 'active manager' fees are payable, making MNRS a cost-effective investment for those seeking exposure to the global gold mining sector.
- Reduced Currency Risk: Foreign currency exposure hedged to the Australian dollar.

## Top Holdings

- Agnico Eagle Mines
- Wheaton Precious Metals Group
- Barrick Gold Corp
- Newmont Corp
- Franco-Nevada Corp

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## About the Portfolio Manager

Oakleigh Investment Management Pty Limited (Oakleigh Investment Management) is the Portfolio Manager of several investment portfolios, including the Oakleigh Flagship Equities Portfolio. Oakleigh Investment Management is part of the Oakleigh Financial Services group, an Adelaide based, boutique financial services business with advisers who have been providing financial solutions to small business owners, families and high-net-worth clients since 2004. The group specialise in portfolio construction, asset allocation and investment management with a focus on equities. Oakleigh Investment Management is advised by the experienced investment professionals that comprise its Investment Committee.

### Performance

1. Performance is calculated before the Management Fee (but inclusive of indirect investment management fees). Assumes reinvestment of distributions and franking credits. Returns over periods longer than 12 months are annualised.
2. Based on CPI + 5% per annum where CPI is Consumer Price Index, Australia. CPI + figures shown here use the most recent published figure based on CPI data issued by the Australian Bureau of Statistics (ABS). The quarterly Target Return is calculated based on a quarter of the most recent publicised annualised CPI rate (due to the quarterly CPI not being released by the ABS for one month after the end of the latest quarter).
3. Inception Date 16 October 2020.

Performance data provided is sourced from Iress Portfolio System (IPS).

Past performance is not a reliable indicator of future performance. Oakleigh Investment Management does not guarantee the performance of the Oakleigh Flagship Equities Portfolio.

### Important information

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The disclosure document for the Oakleigh Strategic Investment Portfolio ('Portfolio') can be obtained at [macquarie.com.au/investing/macquarie-wrap](http://macquarie.com.au/investing/macquarie-wrap). For more information on services provided by the Oakleigh.



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