

Oakleigh Flagship Equities Portfolio

Quarterly Report – 3Q 2023



Investment Objective and Strategy:

The Oakleigh Flagship Equities Portfolio 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 emphasis on companies that have a sustainable competitive advantage or business model with monopolistic traits, high sustainable cash flow generation or structural tailwinds.

Performance	Portfolio Return ¹	CPI +5% Target ²	Excess Return
Since Inception (per annum)	+10.1% pa	+10.2% pa	-0.1% pa
	Portfolio Return ¹	All Ords Index	Excess Return
Since Inception (per annum)	+10.1% pa	+4.3% pa	+5.8% pa
Since Inception (absolute)	+30.2%	+13.0%	+20.2%
1 Year	+11.7%	+8.6%	+3.1%
3 Months	+0.2%	-2.1%	+2.3%

Past performance is not a reliable indicator of future performance³.

Commentary

The September quarter saw the share market continue its meander through 2023, drifting back down to levels seen in March. It was however dividend season, so while share prices fell moderately, dividends paid out in the Portfolio neutralised these falls, posting a broadly flat quarter.

Share market weakness globally was again largely driven by interest rate sensitive sectors as global interest rate expectations continued to move higher, impacting valuations for sectors like property & infrastructure.

The Portfolio benefited from a strong move in Seven Group Holdings (SVW), up 28%, after the stock was added in late June.

We have stated in the last two quarterly reports that interest rates are unlikely to rise much further, if at all. The RBA has now held rates steady since May, giving some comfort the hiking cycle is close to over (if not already) and allowing corporations and individuals to get 'back to business'. Inflation data continues to trend down, but looking forward it seems likely interest rates will stay in a tighter band, perhaps +/- 1% from current levels. This positive overall, particularly for bank earnings (normalised/higher interest rates are good for bank margins) and supportive of bank share prices.

The Portfolio continues to outperform the All Ordinaries and match its CPI +5% return objective over the long-term, despite the unusually high inflation experienced over the last 18 months.

Importantly, for investors looking for less volatility in their shareholdings, the Portfolio has experienced materially less volatility than the Australian market (Beta 0.73 vs All Ord Index).

Top Performers

Seven Group Holdings (SVW)	+28%
Treasury Wines Estate (TWE)	+12%
Woodside Energy (WDS)	+11%
National Aust. Bank (NAB)	+10%
Wesfarmers (WES)	+10%

Top Holdings

VanEck MSCI World Ex Aus Quality Hedged ETF (QHAL)	9.1%
Commonwealth Bank (CBA)	6.5%
BHP Group (BHP)	5.1%
National Aust. Bank (NAB)	4.7%
Telstra Group (TLS)	4.7%

'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.

08 8470 9060

invest@oakleighim.com

Adelaide, South Australia

oakleighfinancial.com/oim

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

Stock of the Quarter

Brambles (BXB) is a supply-chain logistics company operating in more than 60 countries, primarily through the CHEP brand. BXB specializes in the pooling of unit-load equipment and the provision of associated services. BXB is focusing on the outsourced management of reusable pallets, crates and containers.

The business, carried out under the name CHEP, focusses on the outsourced management of returnable pallets, which it issues, collects and reissues through a network of service centers in multiple countries. Manufacturers, producers, distributors and retailers use the pallets and containers to transport their products safely and efficiently through the supply chain. In addition, Pallets provides supply chain optimization and transport management services.

The business provides intermediate bulk, automotive, chemical and catalyst containers to its customers. It also operates an airline container pooling and repair business, and a non-flight critical aviation equipment maintenance and repair business called CHEP Aerospace.

Brambles is a high-quality international logistics business leveraged to global industrial activity.

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 Fees (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

This Report is issued by Oakleigh Investment Management Pty Ltd ABN 59 640 392 516, Authorised Representative 1285526 of Oakleigh Financial Services Pty Ltd AFSL 501454. The information provided in this Report is general in nature and does not take account of your specific needs or circumstances. You should consider your personal situation and seek professional advice before making any financial decisions.

The commentary reflects Oakleigh Investment Management's views and beliefs at the time of preparation which are subject to change without notice. The information is provided in good faith. No representations or warranties are made by Oakleigh Investment Management as to its accuracy and reliability. To the extent permitted by law, no liability is accepted by Oakleigh Investment Management for any loss or damage as a result of any reliance on this information.

The disclosure document for the Oakleigh Flagship Equities Portfolio can be obtained at macquarie.com.au/investing/macquarie-wrap. For more information on services provided by the Oakleigh Financial Services group refer to the Financial Services Guide (FSG) at oakleighfinancial.com/tcs.



Oakleigh
Investment
Management