

Oakleigh Multi Asset Growth Portfolio

Quarterly Report – December 2023



Investment Objective and Strategy

The Oakleigh Multi Asset Growth Portfolio aims to generate returns in excess of CPI + 3.5% over rolling 5-year periods through a managed multi-asset portfolio of Australian and international securities, property, fixed interest and cash.

The composition of the Portfolio is positioned around Morningstar's 'Growth' Strategic Asset Allocation, with a higher exposure to Australian assets.

Performance	Portfolio Return ¹	CPI +3.5% Target ²	Excess Return
Since Inception (per annum)	+9.5% pa	+8.7% pa	+0.8% pa
	Portfolio Return	MS Growth Target Index	Excess Return
Since Inception (per annum)	+9.5% pa	+7.7% pa	+1.9% pa
Since Inception (absolute)	+31.0%	+25.0%	+6.0%
1 Year	+11.4%	+12.8%	-1.4%
3 Months	+7.6%	+6.7%	+0.9%

Past performance is not a reliable indicator of future performance

Commentary

The Oakleigh Multi Asset Growth Portfolio;

- returned +11.4% during 2023,
- returned 9.5% per annum since inception (> 3 years),
- outperformed the Benchmark (Morningstar AUS Growth Target Allocation NR AUD)
- continues to outperform the Investment Objective (Consumer Price Index +3.5% per annum) since inception, *despite the unusually high inflation over the last few years.*

Whilst global share markets started the quarter weak on geopolitical risks, they turned aggressively at the start of November and climbed strongly higher until the end of the year. Our overweight positioning in growth assets (shares and property) provided strong returns to investors during the quarter.

The Portfolio's performance since inception continues to surpass (>24%) the popular low-cost 70/30 Vanguard Growth Index.

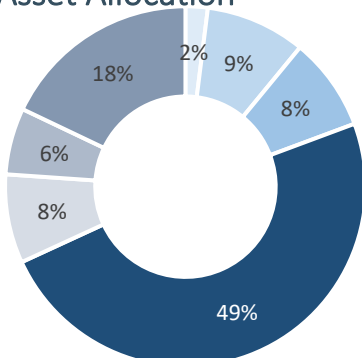
Resmed (RMD), a high-quality, strong growth and high margin business was added to the Portfolio in the quarter (more information provided on the next page).

During the quarter the position in VanEck Vectors MSCI International Value ETF (VLUE) was switched to VHLU – the currency hedged ETF with the same underlying portfolio.

All international holdings are now currency hedged (where possible) to protect returns from a rising \$AUD that would erode performance on our international investments.

Overall net exposure to growth assets remained at the top end of our target range.

Asset Allocation



- Australian Cash
- Australian Fixed Interest
- Australian Property & Infrastructure
- Australian Shares
- International Fixed Interest
- International Property & Infrastructure
- International Shares

'Asset Allocation' - as at the end of the quarter.

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Portfolio Details

Investment Objective:

CPI + 3.5%p.a. over rolling 5-year periods

Benchmark:

Morningstar AUS Growth Target Allocation NR AUD

Minimum Investment:

\$50,000

Management Fee:

0.40%

Performance Fee:

Nil

Investments:

Australian shares and listed property. International shares, fixed interest and cash (via Exchange Traded Funds (ETF's) and managed funds)

Indicative Number of Holdings:

15-30

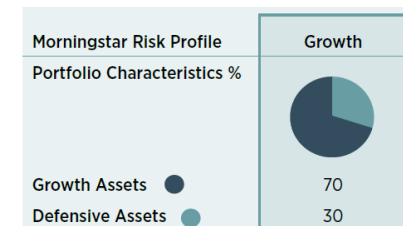
Suggested investment timeframe:

5 Years

Availability:

- Macquarie Manager II
- Macquarie Consolidator II

Neutral Asset Allocation:



Stock of the Quarter

ResMed (RMD) has a long growth trajectory as the sleep apnea market remains significantly underpenetrated. The demographic and healthcare trends promoting digital health and providing value-based treatment in the homecare setting should result demand for products expanding strongly. ResMed's strategy, which focuses on providing cloud-connected respiratory devices, sees it well placed to benefit. In fiscal 2022, it's a new flagship product, AirSense 11, was launched, roughly seven years after the AirSense 10. Morningstar forecast the company to gain market share as higher patient adherence supports reimbursement rates, as well as the resupply of masks and accessories. Meanwhile, ResMed's only other cloud-connected competitor, Philips, is likely to be significantly hampered as it prioritizes replacing over 5 million units after a product recall announced in June 2021.

In 2023, the Resmed share price decreased materially on concerns about competition from Ozempic and other GLP-1 drugs: Ozempic and other glucagon-like peptide-1 (GLP-1) medications are showing promise in treating obesity and managing type 2 diabetes. These drugs can lead to significant weight loss, which is a common risk factor for obstructive sleep apnea (OSA), the condition that ResMed's devices primarily treat.

While we think drugs like Ozempic have much potential, we are hugely skeptical that these drugs will mean the 'end of obesity' as some pundits predict, and used the share price weakness to add Resmed at favourable prices (approx \$23.50).

About the Portfolio Manager

Oakleigh Investment Management Pty Limited (Oakleigh Investment Management) is the Portfolio Manager of several investment portfolios, including the Oakleigh Multi Asset Growth 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. CPI + 3.5% per annum where CPI is Consumer Price Index, Australia. CPI + figures shown use the most recent published 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 quarter).
3. Inception Date 6 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 Multi Asset Growth Portfolio.

Important information

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The disclosure document for the Oakleigh Multi Asset Growth 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.



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