

Oakleigh Multi Asset Growth Portfolio

Quarterly Report – March 2022



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	Target Return ²	Excess Return
3 Months	-1.1%	+1.8%	-3.3%
1 Year	+12.0%	+7.2%	+4.8%
Since Inception (annualised) ³	+12.6% p.a.	+6.9% p.a.	+5.7%

Past performance is not a reliable indicator of future performance.

Commentary

The Oakleigh Multi Asset Growth Portfolio performance was subdued against the Investment Objective, due to the large falls in both shares and bonds asset classes during the quarter.

The Portfolio performed very well considering the substantial headwinds, in particular the Ukrainian conflict dampening share markets and the first interest rate hikes in the US causing one of the biggest fixed rate bond routes in history.

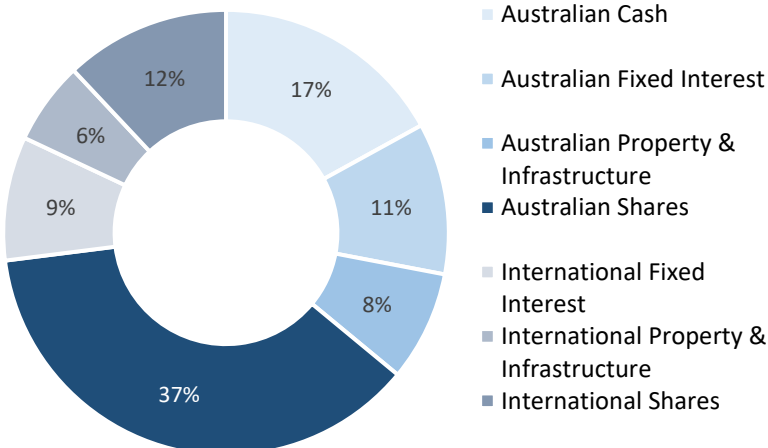
Investors will remember, the Portfolio has been very cautious on Fixed Interest securities, due to their vulnerability to higher interest rates globally (our cyclical expectation). As such Portfolio fixed interest exposure is heavily underweight. Most yield securities owned are floating interest (thus the price of the security is not negatively effective by increases in interest rates). Furthermore, the Portfolio holds unusually high cash, particularly frustrating given the zero returns on offer, but invaluable last quarter for preserving capital.

The Portfolio's preference for Australian shares over international shares also assisted in relative outperformance, as the Australian share market ended the quarter stronger than all other developed markets.

As such, the Portfolio again outperformed the Vanguard Diversified Growth Index fund (a major proxy 70/30 index) -4.3% for the quarter, materially above their -1.0% for the year.

The Portfolio started the quarter neutral to our 70% growth and 30% defensive asset allocation. In mid-February we became increasingly concerned regarding the prospects for conflict in Eastern Europe and pre-invasion used the market bounce after January's correction to lighten some Australian and international share exposure. At the end of the quarter the Portfolio is positioned defensively with continued concern around the

Asset Allocation



'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 Growth Target Allocation

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

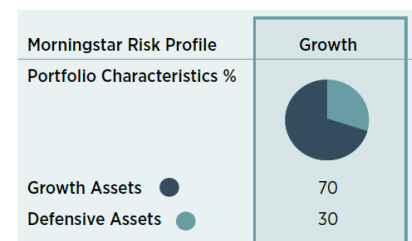
Suggested investment timeframe:

5 Years

Availability:

- Macquarie Manager II
- Macquarie Consolidator II

Neutral Asset Allocation:



Stock of the Quarter

BHP Group Limited (BHP) is a diversified natural resources company producing commodities along with substantial interests in oil and gas. BHP's principal business lines are mineral exploration and production, as well as petroleum exploration, production and refining. BHP's assets, operations and interests are separated into petroleum and potash, copper, iron ore, coal and nickel.

BHP has several of the world's largest mines. Key commodities are iron ore, coking coal, and copper. In addition, the company has oil exposure with conventional petroleum, and liquefied natural gas assets. The iron ore mines in particular are at the low end of the industry cash cost curve; however, overinvestment during the peaks of the China boom, when capital costs were very high relative to historical standards, diluted returns.

As one of the world's flagship resource companies, we were waiting for an attractive entry price to own BHP. BHP was added into the Portfolio at under \$40 per share in November 2021.

About the Portfolio Manager

Oakleigh Investment Management Pty Limited 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 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.

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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