

## Oakleigh 18.6 Strategic Investment Portfolio



Oakleigh  
Investment  
Management

The Oakleigh 18.6 Strategic Investment Portfolio is an investment solution tailored to a philosophy driven by the long term cyclical real estate and banking cycle.

The Investment Committee of the Oakleigh 18.6 Strategic Investment Portfolio comprises four members with over 80 years of combined experience in the real estate and securities markets - Tim Moffatt of Oakleigh Financial, David Prescott of Lanyon Asset Management, Phil Anderson and Akhil Patel of Property Share Market Economics.

Performance (as of 31 Dec 2021)	Portfolio Return <sup>1</sup>	Target Return <sup>2</sup>	Excess Return	Average Cash Holdings
3 Months	+1.1%	+7.8%	+2.0%	18%
6 Months	+3.2%	+7.8%	-1.8%	29%
Since Inception <sup>3</sup>	<b>+13.0%</b>	<b>+19.8%</b>	<b>-6.8%</b>	<b>33%</b>

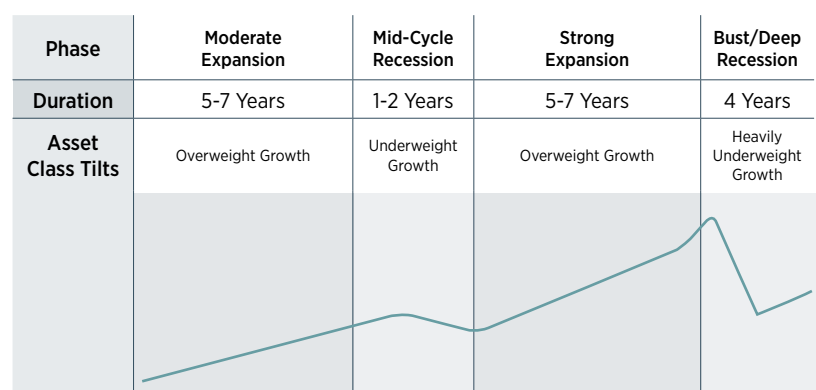
*Past performance is not a reliable indicator of future performance.*  
<sup>1</sup>Performance is calculated before the Management Fees (but inclusive of indirect investment management fees). Returns over periods longer than 12 months are annualised. <sup>2</sup>Based the MSCI World Index (Accumulation).  
<sup>3</sup>Inception Date 5th March 2021.

Oakleigh Investment Management does not guarantee the performance of the Oakleigh 18.6 Strategic Investment Portfolio.

<b>Investment objective</b>	The Oakleigh 18.6 Strategic Investment Portfolio aims to generate absolute returns in excess of the Benchmark
<b>Investment strategy</b>	Oakleigh's management strategy is to invest in a diversified investment portfolio, the composition of which is positioned around the long-term real estate and banking cycle
<b>Benchmark</b>	MSCI World Index
<b>Suggested investment timeframe</b>	5+ years
<b>Availability</b>	Investors have the option of investing through the Macquarie platforms: <ul style="list-style-type: none"> <li>• Macquarie Manager II</li> <li>• Macquarie Consolidator II</li> </ul>
<b>Minimum investment</b>	\$50,000
<b>Management fee</b>	0.95% per annum
<b>Investments</b>	Exposure to Australian and international equities, ETFs, property securities, bonds and cash
<b>Asset allocation</b>	Equities 0 - 99% of the total portfolio Cash 1 - 100% of the total portfolio
<b>Valuations</b>	Daily at the end of each day

### The Portfolio Investment Philosophy:

- Tactical Asset Allocation around the Real Estate and Banking Cycle which generally spans 18 -20 years
- Flexible Multi-Sector asset allocation
- The focus of this investment approach is to leverage the long-term Real Estate and Banking Cycle and its significant influence on asset markets at different stages of the cycle
- The Portfolio will allocate capital counter cyclically at times to preserve capital of heightened risk and in growth assets in cyclically favourable times
- Active management of a diversified portfolio which seeks to minimise losses during market downturns at times will be high exposure to equities and at other times to cash/bonds

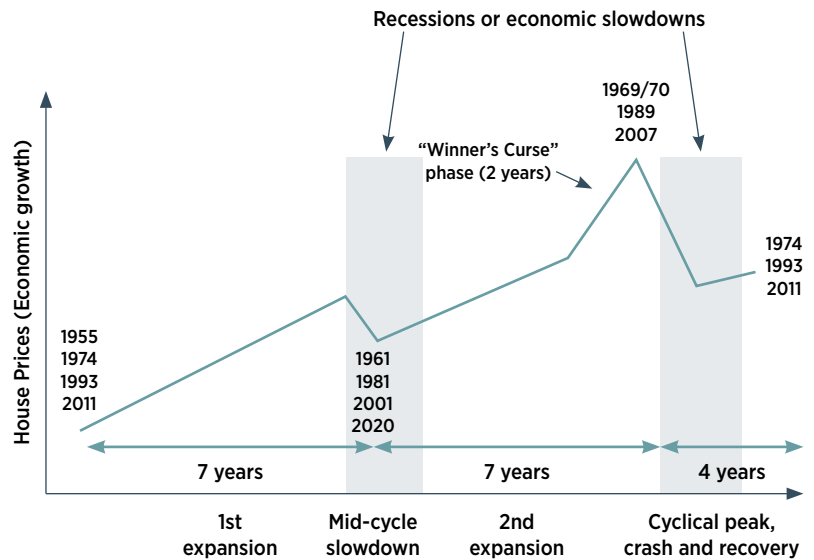


## What is the Real Estate / Banking Cycle?

The Real Estate and Banking Cycle refers to a long-term property and banking cycle initially identified by Homer Hoyt in the 1930s and later built upon substantially by Roy Wenzlick in the 1950's, economist Fred Harrison in the 1980's and Phillip J Anderson in recent times.

The long-term Real Estate Cycle develops over four distinct stages:

- **First Expansion (5 – 7 years):** characterised by improving economic activity and recovery from deep recessionary conditions
- **Mid-cycle Slowdown (1 - 2 years):** characterised by a general slump in business activity, importantly not involving real estate nor by extension the banking sector in a material fashion
- **Second Expansion (5 – 7 years):** characterised by improving and then strong economic conditions, asset speculation and excessive leverage
- **Cyclical Peak, Bust & Recovery (4 years):** characterised by deep asset price slumps, including land, causing acute banking pressures that causes heavy economic contraction, business failures and severe economic hardship



Source: Harrison / Anderson / Patel

## Investment Committee - 18.6 Strategic Investment Portfolio

### Tim Moffatt

Managing Director Oakleigh Financial Services  
15 years experience in Stockbroking, Financial Advisory and Wealth Management



### David Prescott

Managing Director & Portfolio Manager Lanyon Asset Management  
20 years funds management experience in Australia & the UK

### Phil Anderson

Director and Founder of Property Sharemarket Economics  
Author "The Secret Life of Real Estate and Banking"



### Akhil Patel

Director and Founder of Property Sharemarket Economics  
Principal policy advisor to the European Bank Development.

INVESTMENT COMMITTEE

## How is the portfolio managed?

Your money will be invested based on the following core philosophy:



### CAPITAL PRESERVATION

Where and which phase of the long-term Real Estate and Banking Cycle dictates how much risk we are willing to accept with the ultimate aim of preserving investment capital.



### QUALITY

We focus on buying good quality investments at attractive prices looking at characteristics such as low debt levels, sustainable free cashflow, competitive advantage and earnings.



### SUB-SECTOR PREFERENCES

Depending on the phase of the cycle, we will look for asset classes and industry sectors to focus on to achieve the most favourable risk/review returns from our investments during the respective time period.



### DIVERSIFICATION

You are less exposed to the risks of investing when your money is spread across a mix of different investments (e.g. shares, property, bonds and cash) that complement each other. In other words, simply holding more of the same/similar thing is not the same as true diversification.

## The Oakleigh 18.6 Strategic Investment Portfolio is designed for investors who:

- Are seeking to achieve a strong absolute rate of return in excess of the MSCI World Index (the defined aggregate global stock market index) over the long term.
- Want access to a professionally managed investment portfolio that is well diversified across growth assets (such as shares and property) and defensive assets (such as bonds and cash) from around the world.
- Are looking for their wealth to be invested and positioned in line with risk and reward dynamics that emerge in the various stages of the 18-20 year Real Estate and Banking Cycle.
- Understand that the investment approach allows the Portfolio Manager to concentrate the investment portfolio in the opportunities they perceive to have the best risk-adjusted return.
- Are comfortable with at times having a high exposure to equities and the volatility that may result from this and at other times hold a high exposure with the aim of preserving capital but which may impact short term returns.
- Are seeking to have their investment portfolio managed by team of experienced investment professionals - fund managers, financial advisers and world leading experts on Real Estate and Banking Cycle.

## Who is the Portfolio Manager?

Oakleigh Investment Management Pty Limited is the Portfolio Manager of several investment portfolios, including the Oakleigh 18.6 Strategic Investment 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 for over fifteen years. 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.

## Macquarie Platforms

The Oakleigh 18.6 Strategic Investment Portfolio is available on multiple Macquarie platforms to ensure a range of clients are able to find the administration option that best suits them.

Your investment portfolio would be managed through a Separately Managed Account (SMA). SMAs gives each investor the advantages of direct ownership in the underlying investments as well as tax-efficiencies. SMAs are different from managed funds, where each person's individual funds are not pooled with those from other investors.

While the assets are owned by you, they are held on your behalf by a custodian, a company in the Macquarie group. Your investment portfolio will be managed by the Portfolio Manager and administered by Macquarie and the custodian.

Investors are able to view up-to-date information on their portfolio through online and mobile view access.

The Macquarie platforms provide a cost effective professional administration service for SMAs.

### Example:

**\$500,000 Superannuation or Pension funds invested through the Macquarie platform using the Oakleigh 18.6 Strategic Investment Portfolio:**

Macquarie Super Manager II	Fee Component
Macquarie Administration Fees	0.15%^
Indirect Cost Ratio (ICR)	0.15%#
Oakleigh Investment Management & Macquarie SMA Implementation Fee	0.95%
<b>Oakleigh 18.6 Portfolio Total Fees</b>	<b>1.25%</b>

^ Assumes client only holds cash and Oakleigh 18.6 Strategic Investment Portfolio. Fees for Macquarie Investment Manager (non Super/Pension) are lower.

# Fees paid to Exchange Traded Funds (ETF's) and other assets that attract external ongoing fees as at 31 December 2021.

## What are the benefits of investing this way?

- Full transparency – you can view all of your current holdings in securities, ETFs and cash, together with the history of the transactions on your portfolio
- Comprehensive accounting and taxation reporting, with tax management tools that gives you the flexibility to manage your tax position
- Valuations and performance reporting for your investments
- Low transaction costs
- Low administration fees

### Disclaimer

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