

Paradigm Market Update.....



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After a solid period to December 2021, unfortunately 2022 has started with significant volatility and negativity in equity markets, making the 2 months decline the worst start to a calendar year since 2009.

The negativity resulted from several factors. Firstly, in January, there were the fears concerning the potential scale of interest rate increases by global central banks in response to rising inflation. In February, markets were further disrupted by the invasion of Ukraine by Russia and the uncertainty that goes along with major geopolitical upheaval, the threat of expanding warfare and the economic consequences.

The price of crude oil spiked sharply, rising by around 30% with fears over the possible withdrawal of Russian supply from world markets. As a result of these two major forces, global share markets fell heavily, with growth focused companies being the worst affected. Share market behaviour is always most alarmist when uncertainty prevails and geopolitical tensions may continue to have an effect in this regard.

We expect 2022 to be a year where fear over inflation and interest rates will hang over the market at various stages, whilst such weakness will be followed by value buying. Whilst interest rates will rise, they remain low nominally and the choice of asset classes in which to invest remains limited, particularly in an environment where bonds will struggle (as interest rates rise, bond prices fall) and cash and deposit rates will deliver a large negative real return due to rising inflation. With equity markets having adjusted downwards in the last 2 months, we maintain a level of confidence they will be higher than current levels by year end.

The performance of common global share market and other indices over the 2-month period to 28 February 2022 were as follows:

- All Ordinaries (Australian Shares) -5.8%
- AREIT (Australian Listed Property) -8.0%
- Bloomberg Composite Bond Index -2.2%
- S&P 500 (UYS Top 500 Shares) -8.2%
- Nasdaq (US Tech / E-com Shares) -12.1%
- MSCI (Global Share Index) -7.7%

Whilst the Australian share market has performed better than most international share markets over the last 2 months due to its exposure to the materials and energy sectors, the Investment Committee still retain a positive long term view on global companies with growth orientation.

Whilst the share prices of these types of companies were affected more over the last 2 months, history shows that companies with strong earnings growth will deliver the best returns over time.

Not surprisingly, the price of gold rose as it does retain some of its qualities as a defensive asset in tumultuous times.

If you have any specific queries, please contact your advisor.



Portfolio Features

Portfolio Objective:

The expected return for a Conservative portfolio is CPI +1% p.a over a rolling 3-year period. In setting the above performance objective, there is a likelihood of the portfolio having a negative return in 1 year in 18.

Top 5 holdings: **Wgt (%)**

Diversified Fixed Interest:	61.0
Franklin Aus Abs. Bond	12.4
Vanguard Aus. Govt. Bond	6.1
NABPE Hybrid	5.3
MQGPE Hybrid	3.2
Australian Unity Ltd Pref.	2.9

International: **7.0**

Alliance Bernstein Global	2.6
T.Rowe Global (Hedged)	1.6
WCM Global Growth	1.2
Artisan Global Discovery	0.7
Baillie Gifford Glb Growth	0.5

Australian Share: **4.0**

Commonwealth Bank	0.3
Telstra	0.2
Cochlear	0.2
Macquarie Group	0.2
CSL	0.2

Property: **5.0**

Goodman Group	1.2
Stockland	0.5
Dexus	0.5
GPT Group	0.5
Growthpoint Properties	0.3

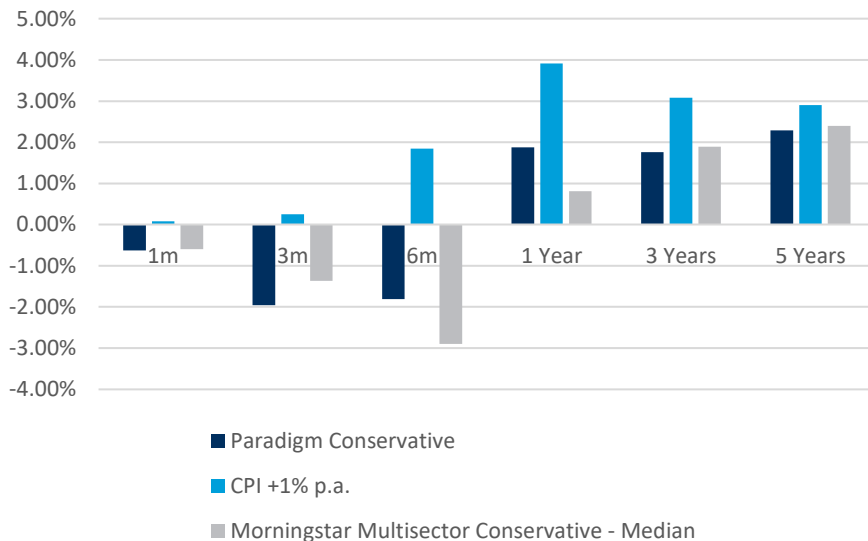
Alternative Assets: **3.0**

Ruffer Total Return Int.	0.9
UBS Clarion Infrastructure	0.8
ETFS Gold	0.8
Acorn Capital	0.3

Strategic Weight:

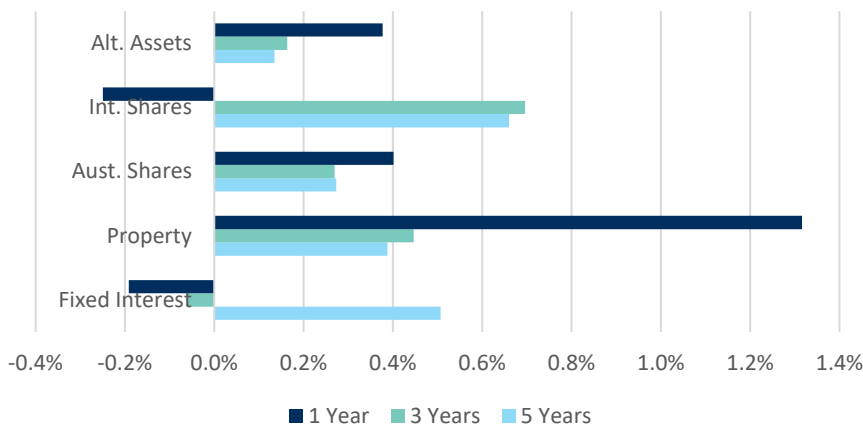
Growth	20
Defensive	80

Portfolio Performance

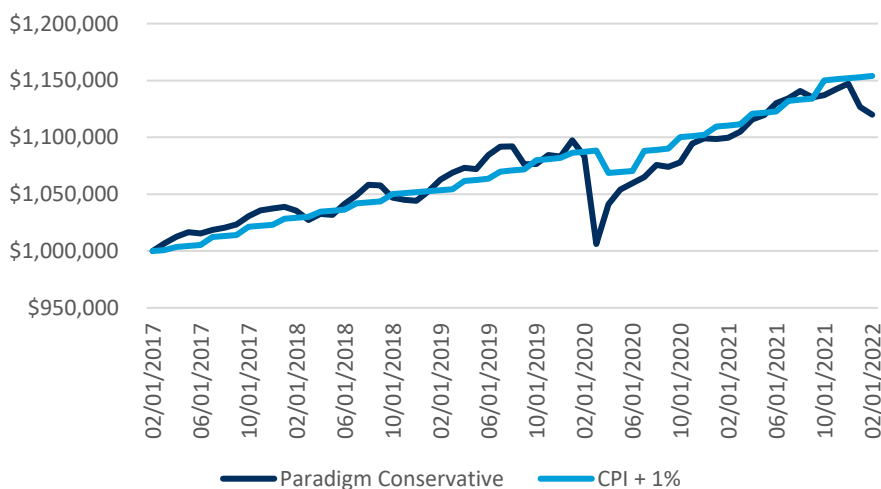


Before Tax NET client representative returns (after 1.2% management fee and GST)

Asset Contribution



Five Year growth of \$1m





Portfolio Features

Portfolio Objective:

The expected return for a Moderately Conservative portfolio is CPI +3% p.a. over a rolling 3-year period. In setting the above performance objective, there is a likelihood of the portfolio having a negative return in 1 year in 10.

Top 5 holdings: **Wgt (%)**

Diversified Fixed Interest: 40.0

Franklin Aus Abs. Bond	8.1
Vanguard Aus. Govt. Bond	4.0
NABPE Hybrid	3.4
MQGPE Hybrid	2.1
Australian Unity Ltd Pref.	1.9

International: 19.0

Alliance Bernstein Global	7.1
T.Rowe Global (Hedged)	4.3
WCM Global Growth	3.2
Artisan Global Discovery	2.0
Baillie Gifford Glb Growth	1.4

Australian Share: 17.0

Commonwealth Bank	1.3
Telstra	1.0
Cochlear	1.0
Macquarie Group	1.0
CSL	0.9

Property: 9.0

Goodman Group	2.1
Stockland	0.9
Dexus	0.9
GPT Group	0.8
Growthpoint Properties	0.5

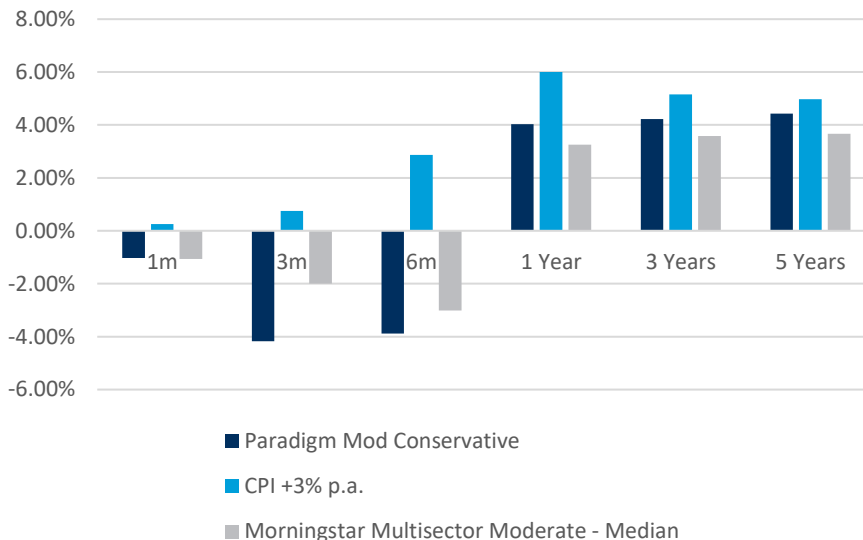
Alternative Assets: 5.0

Ruffer Total Return Int.	1.5
UBS Clarion Infrastructure	1.4
ETFS Gold	1.4
Acorn Capital	0.5

Strategic Weight:

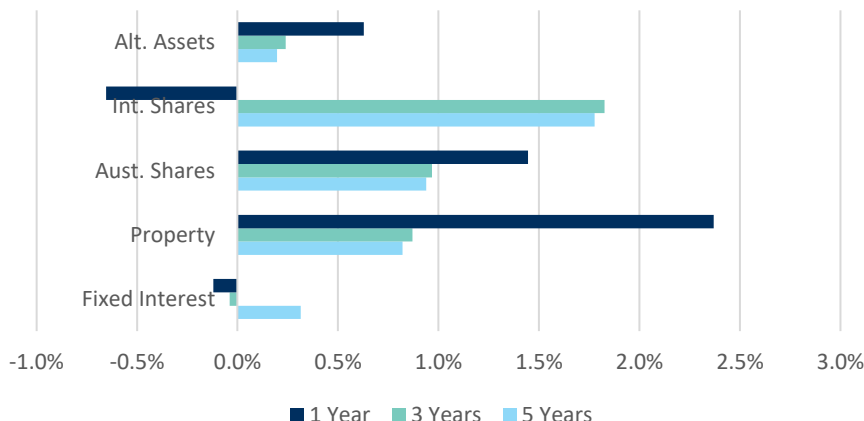
Growth	50
Defensive	50

Portfolio Performance

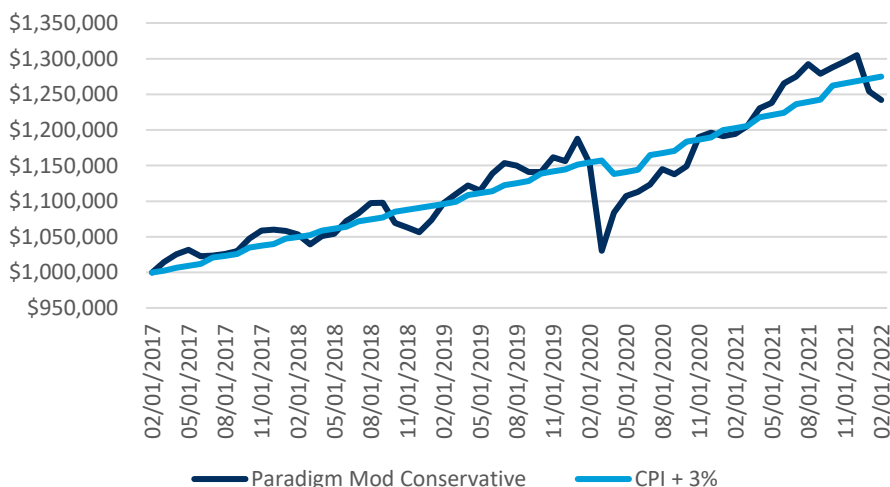


Before Tax NET client representative returns (after 1.2% management fee and GST)

Asset Contribution



Five Year growth of \$1m





Portfolio Features

Portfolio Objective:

The expected return for a Balanced portfolio over a rolling 5-year period is CPI +4% p.a. In setting the above performance objective, there is a likelihood of the portfolio having a negative return in 1 year in 8.

Top 5 holdings:

International:	Wgt (%)
International:	26.0
Alliance Bernstein Global	9.1
T.Rowe Global (Hedged)	5.5
WCM Global Growth	4.1
Artisan Global Discovery	2.5
Baillie Gifford Glb Growth	1.8

Australian Share:

Australian Share:	26.0
Commonwealth Bank	2.1
Telstra	1.6
Cochlear	1.6
Macquarie Group	1.5
CSL	1.4

Diversified Fixed Interest:

Diversified Fixed Interest:	22.0
Franklin Aus Abs. Bond	4.7
Vanguard Aus. Govt. Bond	2.3
NABPE Hybrid	2.0
MQGPE Hybrid	1.2
Australian Unity Ltd Pref.	1.1

Property:

Property:	12.0
Goodman Group	2.8
Stockland	1.2
Dexus	1.2
GPT Group	1.1
Growthpoint Properties	0.6

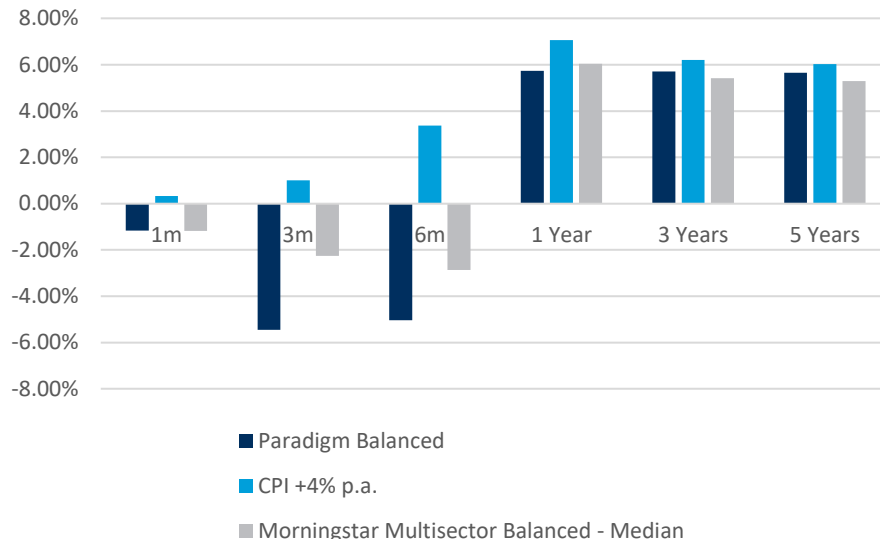
Alternative Assets:

Alternative Assets:	8.0
Ruffer Total Return Int.	2.6
UBS Clarion Infrastructure	2.4
ETFS Gold	2.4
Acorn Capital	0.9

Strategic Weight:

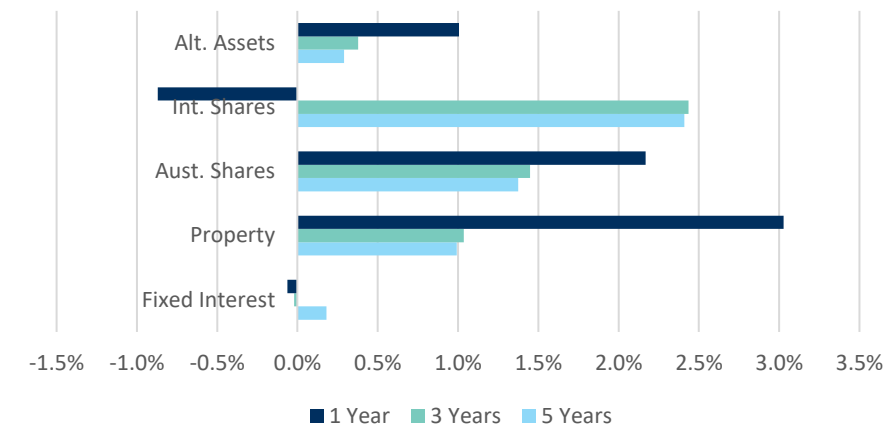
Strategic Weight:	
Growth	70
Defensive	30

Portfolio Performance

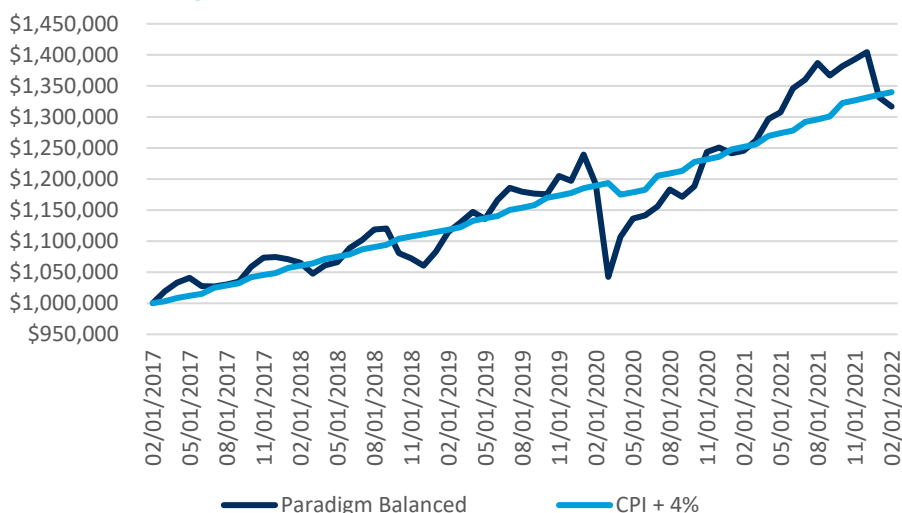


Before Tax NET client representative returns (after 1.2% management fee and GST)

Asset Contribution



Five Year growth of \$1m





Portfolio Model: Growth.....

Portfolio Features

Portfolio Objective:

The expected return for a Growth portfolio over a rolling 7-year period is CPI +4.5% p.a. In setting the above performance objective, there is a likelihood of the portfolio having a negative return in 1 year in 7.

Top 5 holdings: Wgt (%)

International:	Wgt (%)
Alliance Bernstein Global	13.5
T.Rowe Global (Hedged)	8.2
WCM Global Growth	6.1
Artisan Global Discovery	3.8
Baillie Gifford Glb Growth	2.7

Australian Share: 29.0

Commonwealth Bank	2.3
Telstra	1.8
Cochlear	1.8
Macquarie Group	1.7
CSL	1.6

Property: 13.0

Goodman Group	3.0
Stockland	1.3
Dexus	1.3
GPT Group	1.2
Growthpoint Properties	0.7

Diversified Fixed Interest: 12.0

Franklin Aus Abs. Bond	2.4
Vanguard Aus. Govt. Bond	1.2
NABPE Hybrid	1.0
MQGPE Hybrid	0.6
Australian Unity Ltd Pref.	0.6

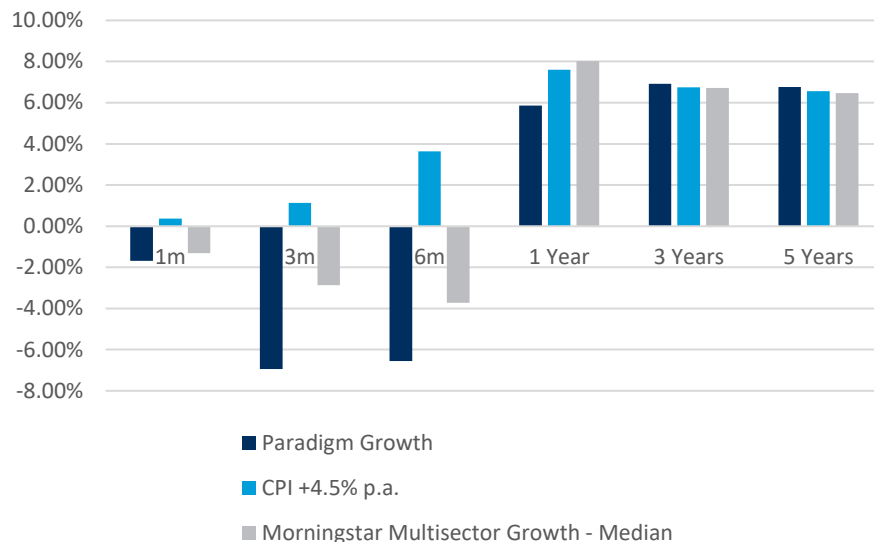
Alternative Assets: 8.0

Ruffer Total Return Int.	2.4
UBS Clarion Infrastructure	2.2
ETFS Gold	2.2
Acorn Capital	0.8

Strategic Weight:

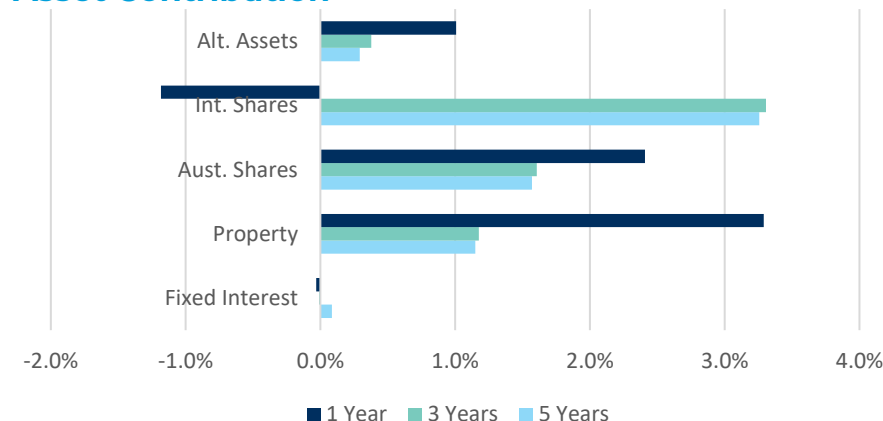
Growth	85
Defensive	15

Portfolio Performance

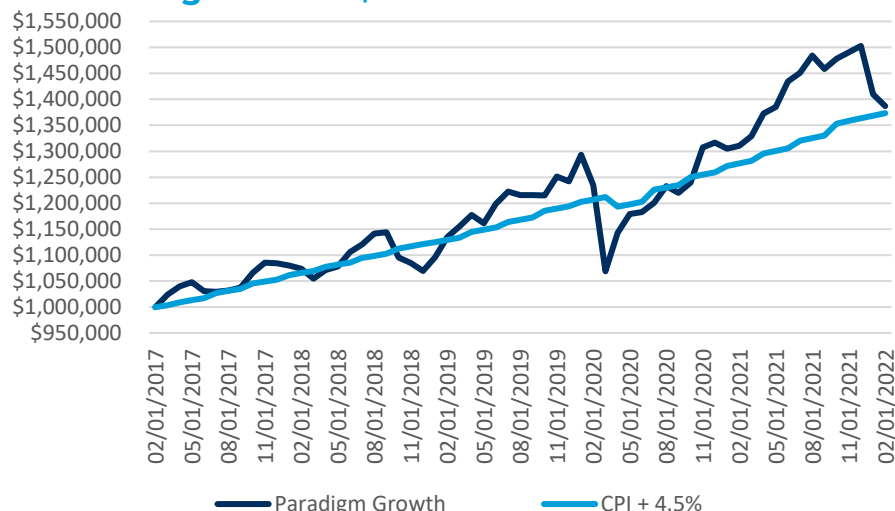


Before Tax NET client representative returns (after 1.2% management fee and GST)

Asset Contribution



Five Year growth of \$1m





Portfolio Features

Portfolio Objective:

The expected return for a High Growth portfolio over a rolling 10-year period is CPI +5% p.a. In setting the above performance objective, there is a likelihood of the portfolio having a negative return in 1 year in 5.

Top 5 holdings: **Wgt (%)**

International: **40.0**

Alliance Bernstein Global	15.0
T.Rowe Global (Hedged)	9.1
WCM Global Growth	6.8
Artisan Global Discovery	4.2
Baillie Gifford Glb Growth	3.0

Australian Share: **36.0**

Commonwealth Bank	2.8
Telstra	2.2
Cochlear	2.2
Macquarie Group	2.1
CSL	2.0

Property: **12.0**

Goodman Group	2.8
Stockland	1.2
Dexus	1.2
GPT Group	1.1
Growthpoint Properties	0.6

Alternative Assets: **7.0**

Ruffer Total Return Int.	2.1
UBS Clarion Infrastructure	1.9
ETFS Gold	1.9
Acorn Capital	0.7

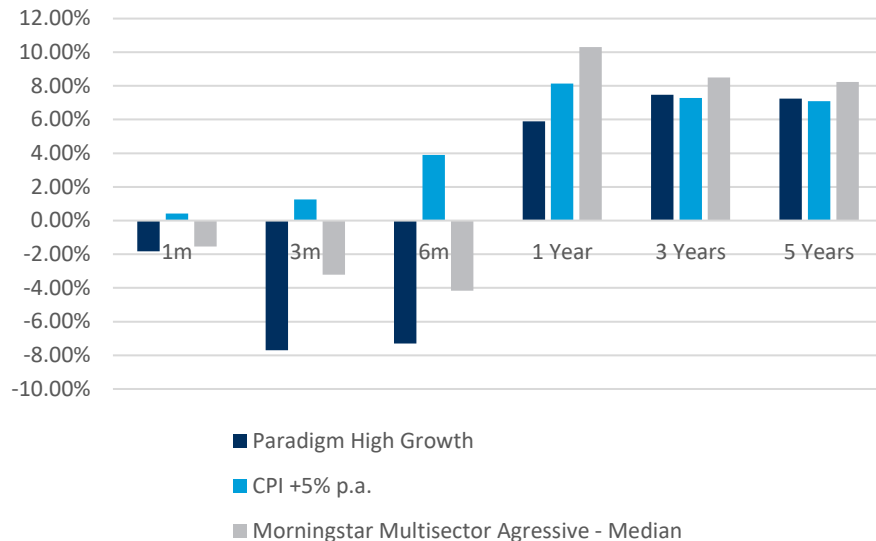
Diversified Fixed Interest: **3.0**

Franklin Aus Abs. Bond	0.6
Vanguard Aus. Govt. Bond	0.3
NABPE Hybrid	0.3
MQGPE Hybrid	0.2
Australian Unity Ltd Pref.	0.1

Strategic Weight:

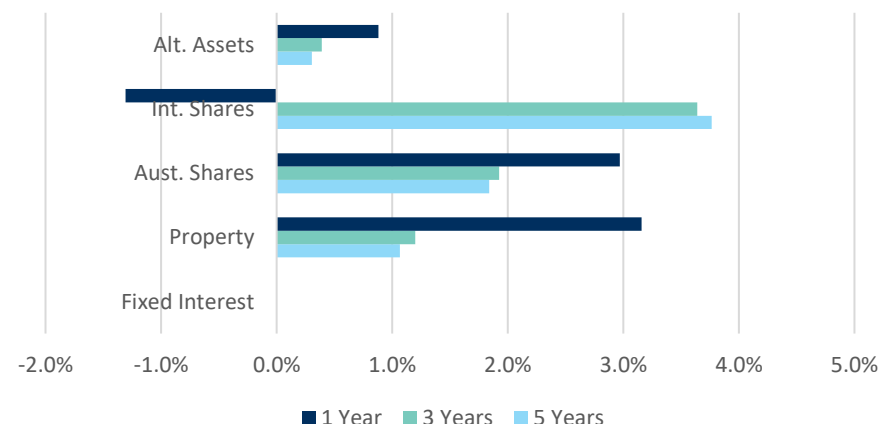
Growth	98
Defensive	2

Portfolio Performance



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Asset Contribution



Five Year growth of \$1m

