

Bentleys Wealth Balanced Portfolio Macquarie

December 2022

Fund Objective

To deliver an investment return of 3.5% p.a. above inflation, after fees, over rolling 7 year periods.

Trailing Returns

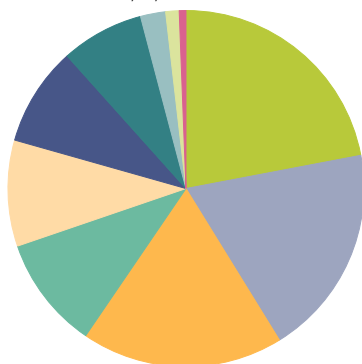
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Bentleys Wealth Balanced Portfolio Macquarie	-2.15	3.40	3.44	-5.18	3.70	5.82
RBA Trimmed Mean Consumer Price + 3.5%	0.80	2.39	4.83	8.89	6.39	5.91

Bentleys Wealth Balanced Fees

Managed Accounts: 0.20%
ICR: 0.49%

Surveyed Asset Class

Portfolio Date: 31/12/2022



Top 10 Holdings

	Portfolio Weighting %
Realm High Income - Wholesale	9.93
Ardea Real Outcome Fund	8.08
Janus Henderson Global Multi-Strategy	7.52
Fortlake Real-Higher Income	6.39
% Allan Gray Australia Equity B	5.58
BetaShares Aus High Interest Cash ETF	4.95
Franklin Australian Absolute Return Bd W	4.89
Vanguard Australian Government Bond ETF	4.88
Global X US Treasury Bond (Ccy Hdg) ETF	4.80
Aoris International Fund B	4.51

Risk Statistics

Time Period: Since Inception to 31/12/2022

Std Dev	8.35
Sharpe Ratio	0.08

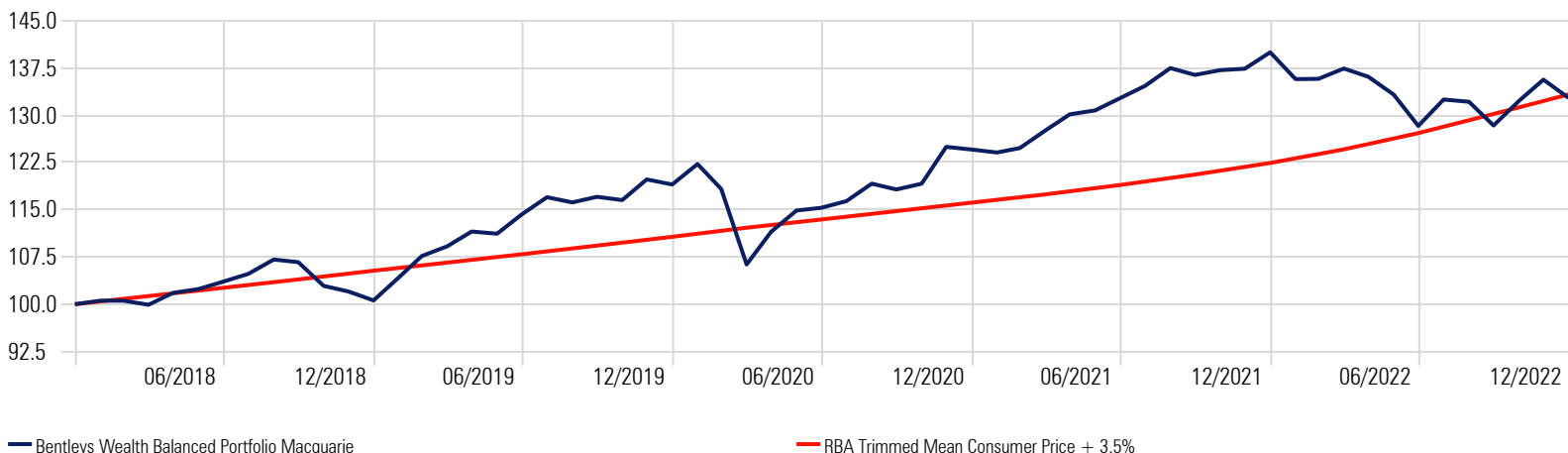
Snapshot

P/E Ratio	19.03
12 Mo Yield	3.54%

Domestic Fixed Interest	22.0
Domestic Equity	19.2
International Equity	18.3
Unclassified	10.2
International Fixed Interest	9.6
Cash	9.0
Alternatives	7.5
Unlisted Property	2.3
Domestic Listed Property	1.2
International Listed Property	0.6
Total	100.0

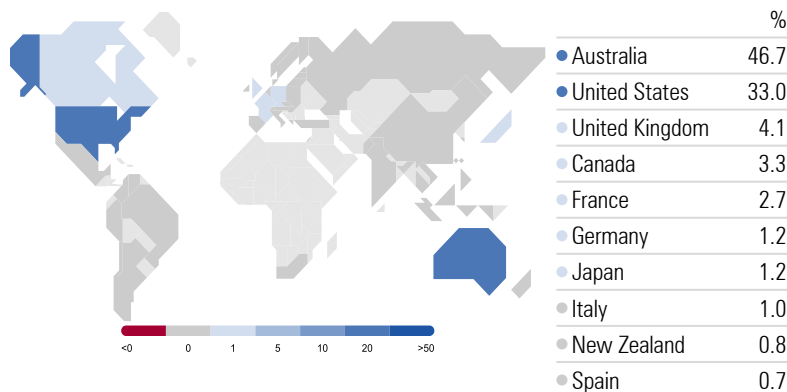
Investment Growth

Time Period: Since Common Inception (1/01/2018) to 31/12/2022



Equity Country/Region Exposure

Portfolio Date: 31/12/2022



Equity Sectors

Portfolio Date: 31/12/2022

Basic Materials	15.00%
Consumer Cyclical	11.27%
Financial Services	13.70%
Real Estate	6.20%
Consumer Defensive	7.17%
Healthcare	10.02%
Utilities	5.20%
Communication Services	3.15%
Energy	5.53%
Industrials	12.95%
Technology	9.82%

Market Commentary

The December quarter 2022 proved to be a strong finish to an otherwise exceptionally poor year for investors. Developed and Emerging Market equities all surged higher on news that inflationary pressures are showing tentative signs of moderating. China's exit from its zero Covid policy was also welcomed by markets. China's reopening dominated the performance of industrial metals such as iron ore, which posted positive abnormal returns. Meanwhile, US dollar weakness supported gold and offset headwinds from higher real interest rates. The Reserve Bank of Australia also offered further hope to markets that the cycle of monetary tightening was getting closer to the desired level, by slowing the pace of interest rate hikes despite evidence that inflation is still a persistent problem. The year ended with the revelation that the US dollar, crude oil, and cash were the only major financial assets that generated positive gains in what has proved to be an extraordinary 12 months.

Outlook

We view 2023 as a year when inflation will subside as monetary tightening naturally runs its course. Regardless, if central banks reduce the pace of tightening, pause or even pivot, there is no argument that an economic slowdown is currently underway. In such a recessionary scenario, global equities could potentially fall heavily before staging a recovery once all the bad news is fully priced in. For now, our base case is that equities will find their bottom somewhere in the second half of this year. If the expected recession turns out to be mild, there could be an attractive re-entry point into risk assets.

In the meantime, we continue to maintain that investors should remain defensive and patient. There may be more pain to come but once the initial phase of recessionary dynamics has played out, you will be well positioned to participate and profit from a rebounding market.

Equity Style Box

Portfolio Date: 31/12/2022

Morningstar Equity Style Box™

	Value	Blend	Growth
Large			
Mid			
Small			

Equity Style	%
Equity Style Value %	15.5
Equity Style Core %	38.7
Equity Style Growth %	45.9

Bentleys Wealth Disclaimer

*Returns prior to Dec 2020 are backtested

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