

CoreSeries High Growth

Portfolio Performance to 30 April 2023

Portfolio details

Investment Objective

The portfolio aims to achieve an Inflation (Consumer Price Index "AUCPI") + 4.5% p.a. objective over rolling seven year periods by taking exposures to mix of growth asset classes.

Investment Strategy

The strategy is an actively managed diversified portfolio investing in predominately growth asset classes such as equities, property and infrastructure. The portfolio's exposure will typically be 97% growth assets and 3% defensive assets; however over time these allocations may deviate within a range due to market movements and asset allocation decisions. These exposures are expected to provide a return in excess of inflation over the long-term and aim to minimise the impact of shorter-term market volatility through asset diversification, manager selection and risk management.

	1 Mth (%)	3 Mth (%)	6 Mth (%)	YTD (%)	1 Yr (%)	3 Yrs p.a. (%)	5 Yrs p.a. (%)	Since inception pa(%)*
CoreSeries High Growth	1.7	1.4	8.6	6.9	2.6	11.2	-	8.5
AUCPI + 4.5%	0.8	2.4	5.3	3.3	11.4	9.3	-	8.1
Excess return	0.9	-1.0	3.3	3.6	-8.8	1.9	-	0.4

* Performance since 30 November 2018.

Actual Asset Allocation



May not sum to 100.0% due to rounding.

Market Commentary

The CoreSeries High Growth portfolio returned 1.7% outperforming its AUCPI + 4.5% benchmark by 0.9%.

Risk asset returns in developed markets were mostly positive, while defensive assets also provided modest gains. Emerging market equities were lower than their developed market counterparts on the weakness in Chinese stocks. Headline inflation continued to decline in major economies, reaching 5.0% in the US, which is its lowest level since mid-2021. In the UK, inflation fell by less than expected and remained above 10.0%, the highest rate in major developed economies. The People's Bank of China and Reserve Bank of Australia left key lending rates unchanged.

Australian equity returns were positive this month, with the ASX 300 returning 1.8%. Fidelity Australian Opportunities outperformed its respective benchmark primarily due to stock selection in the materials sector where strong gold prices supported the position in gold miner Evolution Mining. Platypus, Solaris and RealIndex underperformed their respective benchmarks over April. The best performing sectors were Real Estate (5.2%) and IT (4.5%), while the weakest performing sectors were Materials (-2.6%) and Utilities (1.4%).

The broad MSCI World ex Australia Accumulation Index returned 1.6% in hedged terms and 3.2% in unhedged terms over the month as the AUD depreciated against most major world currencies. All the underlying international equity managers underperformed the benchmark over April. Ardevora was the leading underperformer with sector allocation to Information Technology and Financials detracting from performance. T. Rowe also underperformed as stock selection in the health care sector such as Daiichi Sankyo detracted from relative performance.

The MSCI Emerging Markets Index was up 0.2% in AUD terms. The Russell Emerging Markets Fund underperformed the benchmark, returning -0.51%.

Australian Listed Property, Global Listed Property and Global Listed Infrastructure benchmarks posted gains over the month, returning 5.2%, 2.1% and 2.1% respectively. Within Global Listed Property, Principal outperformed its benchmark driven by stock selection, with The Americas being the main contributor to performance. Stock selection within senior housing also rebounded, driven by positive industry data. Furthermore, in the global listed infrastructure space, Magellan also outperformed the benchmark over the month.

Returns for most Australian bondholders were marginally positive over April despite 10-year bond yields increasing, five-year bond yields and two-year bond yields remaining unchanged.

Hedged Overseas Government Bonds returned 0.2% over the month as bond yields generally saw modest changes for most countries during the month. Most ten-year bond yields moved slightly higher over the month, increasing in the UK, Germany, and Japan, while decreasing in the US. Credit spreads generally declined during the month, with investment-grade spreads falling 2bps and high yield spreads declining 3bps.

The CoreSeries High Growth portfolio remains well positioned relative to its long-term objectives and did not require any changes to the strategic asset allocation or rebalancing over the period.



Underlying Fund Returns

	1 Mth (%)	3 Mth (%)	1 Yr (%)	3 Yrs p.a. (%)	5 Yrs p.a. (%)
Australian Equities					
Fidelity Australian Opportunities MPS Fund	1.8	-2.8	-1.3	11.9	-
Platypus Australian Equity MPS Fund	1.5	1.5	6.4	-	-
Realindex Australian Shares MPS Fund	1.2	-1.0	3.1	17.1	-
Solaris Core Australian Equity MPS Fund	1.4	-2.6	1.5	11.9	-
International Equities					
Ardevora Global Equities MPS Fund	1.9	7.3	5.5	7.1	-
Blended Global Equities Hedged MPS Fund	0.8	0.3	-0.9	9.5	-
Guardcap Global Equity MPS Fund	2.4	12.0	14.1	15.2	-
Russell Investments Wholesale Plus Emerging Markets Fund	-0.5	0.2	-2.6	3.8	-
T. Rowe Price Global Focused Equity MPS Fund	2.4	7.6	5.2	10.0	-
Wellington Global Equity MPS Fund	2.7	4.3	14.6	13.6	-
Property and Infrastructure					
Mercer Indexed Australian Listed Property Fund	5.1	-2.4	-10.3	11.0	5.1
Principal Global Property MPS Fund	2.2	-4.6	-17.2	3.0	-
Magellan Wholesale Plus Infrastructure Fund	3.3	2.1	-1.4	6.6	4.5
Cash					
Advance Cash Multi-Blend Fund	0.3	0.9	2.5	0.9	1.3
Panorama Cash	0.3	-	-	-	-



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