

# CoreSeries High Growth

Portfolio Performance to 31 October 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.

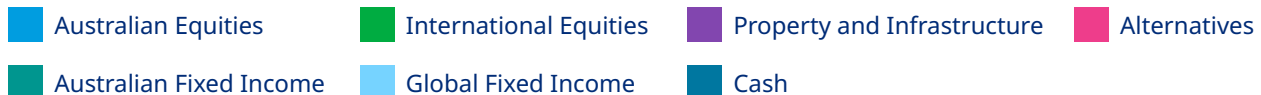
### Investment Strategy

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 p.a. (%)*
CoreSeries High Growth	-2.1	-6.1	-3.4	3.2	4.9	7.0	-	6.9
AUCPI + 4.5%	0.8	2.3	4.4	7.6	9.7	9.8	-	8.2
Excess return	-2.9	-8.4	-7.8	-4.4	-4.8	-2.8	-	-1.3

\* Performance since 30 November 2018.

### Actual Asset Allocation



## Market Commentary

In October, the CoreSeries High Growth portfolio returned -2.1% underperforming its AUCPI + 4.5% benchmark by 2.9%.

Australian economic indicators painted a mixed picture for the economy in October. The latest business surveys broadly indicate ongoing resilience, albeit with softer conditions recorded in the Retail and Mining sectors. Meanwhile, house prices have continued to rise, with a further 0.9% month-on-month increase in October. A tight labour market is helping to sustain the housing market and limit weaknesses in consumer spending.

Australian Shares continued to decline in October, with the S&P/ASX 300 Index returning -3.8% for the month. Investor concerns that interest rates may remain 'higher for longer', as well as geopolitical tensions, continued weighing on market sentiment. The Platypus Australian Equity MPS Fund underperformed its benchmark over the month. Underperformance was driven by an underweight to Financials and overweight to Healthcare. The Solaris Core Australian Equity MPS Fund exceeded its benchmark over the month, with an overweight allocation to APM Human Services and underweight to Liontown Resources adding value. Value style manager Realindex also outperformed, with sector allocation bolstering performance.

The MSCI World ex-Australia Accumulation Index returned -2.7% in hedged terms and -1.0% in unhedged terms in October. The strongest performing sectors were Utilities and Information Technology, while Consumer Discretionary, Energy and Industrials underperformed. The Energy sector's weakness continued despite escalating tensions in the Middle East as investors weighed the risks of a softening in demand over the medium term. The T. Rowe Price Global Focused Equity MPS Fund outperformed its benchmark. Stock selection in the Consumer Discretionary sector contributed the most to relative performance. The Wellington Global Equity MPS Fund underperformed its benchmark. Security selection detracted from performance, with weak selection in Industrials, Communication Services & Consumer Staples being the key drivers.

The MSCI Emerging Markets Index declined -2.0% over the month. The Russell Investments Wholesale Plus Emerging Markets Fund underperformed its benchmark, with poor stock selection in China a key detractor. The strategy's overweight to Baidu hurt performance, as the stock sold off amid continued critical technology tensions between China and the US.

A-REITs underperformed G-REITs, declining -5.7% and -4.5% respectively. The selloff was driven by an increase in global bond yields and sentiment for higher interest rates. The FTSE Global Core Infrastructure 50/50 Index returned -1.2% in October. The Magellan Wholesale Plus Infrastructure Fund outperformed its benchmark over the month despite delivering a negative absolute return. The strategy's Toll Road exposure drove performance over the month, whilst returns from Airports were also strong on a relative basis. Whilst the Principal Global Property MPS Fund delivered a negative return over the month, it outperformed its benchmark. Strong relative performance was largely due to stock selection within the US, particularly housing REITs.

### Portfolio Changes over the Month:

Advance Asset Management Limited (AAML) reviewed the CoreSeries International Equity manager allocations and removed the portfolio's exposure to the Ardevora Global Equity MPS Fund during October. The Ardevora allocation has been reallocated to the remaining International Equity managers in both the Developed Markets Equity allocation and the Blended Global Equities Hedged MPS Fund. The new portfolio allocation ensures the portfolio remains style neutral, with no one manager dominating from a risk perspective.

## Underlying Fund Returns

	1 Mth (%)	3 Mth (%)	1 Yr (%)	3 Yrs p.a. (%)	5 Yrs p.a. (%)
<b>Australian Equities</b>					
Fidelity Australian Opportunities MPS Fund	-4.4	-8.7	-0.9	5.4	5.5
Platypus Australian Equity MPS Fund	-5.2	-10.9	1.0	-	-
Realindex Australian Shares MPS Fund	-2.6	-5.6	5.7	12.7	8.6
Solaris Core Australian Equity MPS Fund	-3.6	-5.9	1.9	8.1	5.4
<b>International Equities</b>					
Blended Global Equities Hedged MPS Fund	-1.4	-7.2	6.7	4.1	-
Guardcap Global Equity MPS Fund	1.4	-0.3	16.2	13.0	7.4
Russell Investments Wholesale Plus Emerging Markets Fund	-2.2	-7.1	10.1	-0.5	-
T. Rowe Price Global Focused Equity MPS Fund	0.1	-3.1	13.1	4.3	12.5
Wellington Global Equity MPS Fund	-1.7	-4.5	9.7	12.1	11.0
<b>Property and Infrastructure</b>					
Mercer Indexed Australian Listed Property Fund	-5.6	-12.0	-4.1	2.7	2.0
Principal Global Property MPS Fund	-4.0	-11.5	-6.9	-0.3	-
Magellan Wholesale Plus Infrastructure Fund	-0.6	-9.0	-3.7	2.4	2.3
<b>Cash</b>					
Advance Cash Multi-Blend Fund	0.4	1.1	3.9	1.6	1.5
Platform Cash	0.3	0.8	-	-	-



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