WILSONS

Balancing Risk and Return in Volatile Markets

Our quarterly managed funds report outlines the pathway best-suited to deliver on our current asset allocation strategy.

21 February 2022

Our Current Asset Allocation Strategy

After a strong 2021, markets were hit by a significant bout of risk aversion in January.

Concerns around the path of global inflation and interest rates have been the primary driver of the sell-off in both bonds and equities in January. Russia Ukraine tensions have also worried investors sending both the oil and gold price higher, though US inflation and the US Fed's reaction function seem to be the primary source of angst for equity and bond markets. Equities have managed to stage a decent rebound from their late January lows though conditions remain volatile.

In spite of the recent pick-up in volatility, we continue with a moderate overweight to equities (tilted to Australia), an underweight to fixed interest, and an overweight to alternatives. At our late January rebalance, we increased our weighting to emerging markets (EM) (from neutral) by marginally increasing our US equity underweight.

Read Quarterly Asset Allocation Report - Navigating a Year of Cross Currents

We are overweight Australia (increased) and overweight "rest of world" within developed world equities in line with our cyclical preference for value over growth.

Inflation and the US Fed the Focus

Over the past 12 months, global inflation has risen sharply, with US headline CPI hitting 7.5% year on year (YoY) (a 40-year high) for the month of January. After originally dismissing the inflation spike as "transitory", **the US Fed shifted its rhetoric in December to move to a more hawkish stance.** This shift in thinking has continued into 2022. The Fed has flagged an accelerated pace of QE withdrawal and a faster pace of rate hikes for 2022. The market has now priced in just over six hikes for the year (beginning in March), albeit investors are awaiting more detail on the Fed's "forward guidance" at its next policy meeting in mid-March.

The market's cumulative pricing for circa eight rate hikes over 2022 and 2023 (suggesting a 2% cash rate by late 2023) is not by any means a shift to a tight policy setting, but expectations are shifting rapidly, heightening investors risk aversion. The market's concern is that stubbornly high inflation may force the Fed to ultimately do more than is currently priced by the interest rate markets.

After being initially remarkably resilient to the step-up in inflation in 2021, the US ten-year bond yield has now reacted to the inflation backdrop and the Fed's recent policy pivot. 10-year yields have climbed from 1.5% at the start of the year to just over 2%.

Once again, this in itself is not a restrictive rate for the real economy or an overly challenging relative valuation hurdle for stocks. Still, the current pace of the move has unnerved markets somewhat. Importantly credit markets remain relatively calm.

Exhibit 1: Asset allocation comments

Asset Class	Tactical Tilt	Movement	Wilsons View
Cash	Neutral	no change	Neutral weighting reflects residual risk that recent correction extends balanced by relatively positive 6-12 month central case view on risk assets.
Fixed income (Domestic & Global)	Underweight -8%	no change	We retain a significant underweight in fixed interest due to what are still low yields and our view of a continued global and domestic recovery over the coming year. Absolute return fixed interest strategies not reliant on duration gains still preferred over traditional fixed interest strategies though value is emerging in domestic fixed interest. Credit preferred over government debt given solid growth outlook.
Equities - Domestic	Overweight +4%	1%	Preference for domestic over global based in part on sector composition as well as recent aggressive selldown of local market. Prospect of some renewed A$ strength over next 6 months adds to Australian equity markets "relative" appeal.
Equities - International	Neutral	-1%	While we are still constructive on global equities we see better relative upside in Australian equities and rest of world near-term while (long duration) US equities may need to digest a further rise in bond yields. EM increased from neutral to overweight (China easing) via lower US. We retain our partial hedge back to the A$ as we still believe the A$ has medium-term upside, particularly against the US$.
Alternatives	Overweight +4%	no change	We retain our tactical overweight given above average economic and policy uncertainty and unattractive valuations in govt. bonds. A range of growth and defensive alternative strategies appeal i.e. private equity, infrastructure, real property, long short global hedge funds and private credit. Gold still appeals as a long-term portfolio hedge against worse than expected inflation outcomes and heightened geopolitcal tensions but could be cyclically vulnerable to a rise in global real interest rates.

Source: Refinitiv, Wilsons

Growth Stocks Under Pressure as Yields Rise

Equities market weakness has been particularly acute in high multiple (mostly tech) names. The US high multiple tech sell-off actually began in mid-November, around the time that QE tapering commenced. In contrast, broader indices such as S&P500 and the ASX200 hit new highs in early 2022, only to succumb to building risk aversion as January progressed. After initially falling in lockstep with the US market (both fell 10% from their early January peaks in just over 3 weeks) Australia has been outperforming US equities in February. We recently edged up our Australian overweight, given the size of the local pullback in January.

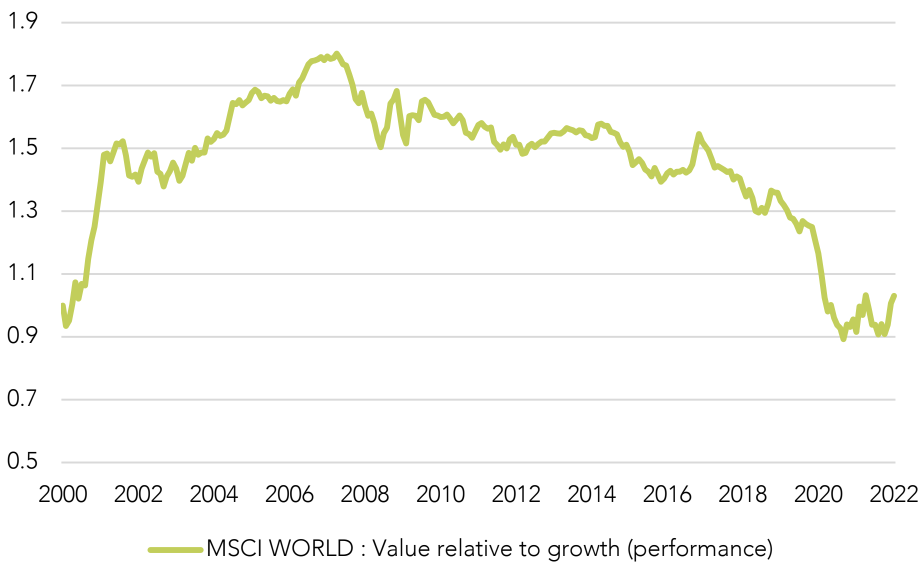
At a global level, significant rotation has been evident so far this year, with "value" sectors (e.g. energy, materials, and financials) and "value" markets performing significantly better than growth stocks and the growth stock heavy US market. We continue to prefer value markets such as EM and the UK over the US and **tilt toward value managers at this point of the cycle.**

While we retain our call for the "rest of the world" to outperform the US and value managers to outperform growth managers in 2022, the rapid sell-off in "US high growth" may provide a tactical entry point in coming months. However, we think investors will need to be more selective at the stock level going forward.

We expect volatility could linger in coming weeks and indeed months as the global inflationary pulse will not dissipate quickly, though we believe we will start to see some ebbing of inflation pressures in the second quarter. This fade in inflation should extend through the second half of the year.

This should allow the Fed to keep to a measured pace of tightening, which should ultimately provide support to stocks as we move through the year. This keeps us **positive on equities on a 6-12 month horizon, albeit tactically cautious on a 1-3 month view.** While corrections in the lead-in to Fed tightening cycles are fairly common, equity bull markets have not typically ended until policy becomes overtly tight.

Exhibit 2: The value style is finally back in vogue



Source: Refinitiv, Wilsons.

Importantly, we continue to see the likelihood of above-average economic growth and earnings growth in 2022. Earnings estimates are in the mid to high single digits and appear to be too low in our view. The potential for earnings upgrades is supportive for equities on a 6-12 month view, alongside the expected ebbing in the global inflation pulse.

While the bond sell-off may pause near-term, we still think US 10-year bond yield can still edge higher by year-end despite an eventual decline in inflation as resilient growth puts further upward pressure on real rates. Australian yields have risen even faster than US yields despite the likelihood of less inflation and much less policy tightening from the RBA. We see better relative value in Australian fixed interest and are willing to begin edging back into traditional domestic fixed interest after being significantly underweight for some time.

Read The Australian Economy, the RBA and Interest Rates

Alternatives as a Diversifier – Retaining our Overweight

Against a backdrop of higher than average macroeconomic risk and a still relatively uninspiring base case return expectation for fixed interest, we maintain a solid overweight in alternatives (and a healthy strategic allocation).

Our alternative allocations are comprised of four major subcategories:

1. Private equity
2. Private debt
3. Real assets i.e. Infrastructure, real estate and commodities/agriculture
4. Hedge funds

It has been encouraging to see our alternatives portion of the portfolio hold up relatively well in recent market volatility. We still see good risk-adjusted return opportunities in growth alternatives such as private equity and inflation hedging "real assets" such as infrastructure and (active) property strategies. We also like the available opportunity to earn attractive income streams in the order of 5-6% in relatively defensive alternatives such as (floating rate) private credit (e.g. CIPAM multi-sector private lending fund).

Manager Focus List

Performance update as at January 31 (selected managers)

After a very strong year, equity markets (and bond markets) started 2022 with heightened volatility. Investors feared that the Federal Reserve would tighten monetary policy aggressively to combat inflation while rising geopolitical tensions added to the unease.

Fixed Interest

Legg Mason Western Asset Australian Bond Fund

Like most traditional bond funds, the Western Asset fund has found the going tough over the past year, delivering a return of -3.6%, in line with the benchmark.

The Bloomberg Ausbond Composite Index returned -1.02% in January, in a month characterised by rising bond yields, as inflation continued to surprise to the upside. In comparison, the Western Asset Australian Bond Fund was down 1.11% for the month. Looking ahead, the Western Asset team believes accommodative monetary policy settings will favour spread sectors, particularly corporate bonds, which have also cheapened over recent months.

While we remain underweight fixed interest, Australian bonds in particular appear much closer to fair value now, and fixed interest continues to offer a degree of portfolio insurance within diversified portfolios.

Australian Equities

AB Managed Volatility Equities Fund – MVE Class

In January, the managed (low) volatility strategy fell 7.6%, underperforming the S&P / ASX300 benchmark by 1.16%. Underweights in the outperforming resources and banking sectors (normally higher beta sectors) hurt performance in the January sell-off. For the year to January 2022, the fund returned 4.73% compared to the benchmark return of 9.59%. Since its inception in 2014, the fund has delivered 9.7%pa, outperforming the 7.7% return delivered by the ASX300. Despite a disappointing relative return in a volatile month, the team remain confident that the strategy will benefit from heightened volatility. The fund aims to benefit from performance asymmetry of low volatility quality stocks over the long-term by capturing roughly 80% of market upside and only 50% of market downside in bear markets.

International Equities

Pzena Global Focused Value Fund

The Pzena Fund returned an impressive 5.7% in January, outperforming the MSCI AC World ex Australia NR Index A$ Benchmark by 7.5%. For the year to January 2022, the fund returned 34.6% compared to 23.6% for the global benchmark. The fund was a beneficiary of the rotation from growth to value, and had a large exposure to energy (Royal Dutch Shell being one of the largest holdings). Pzena scans the world's largest 2,000 companies and invests only in the cheapest quintile of the market. The Fund has a 1 year forward PE of 10.7 x compared to 18x for the global index.

Arrowstreet Global Equity Fund

The fund returned -1.72% in January 2022, compared to its benchmark of -1.80%. For the year to January 2022, the fund outperformed the benchmark by 2.5%.

Arrowstreet employs a quantitative benchmark-aware approach, dynamically taking overweight and underweight positions in countries, sectors, and individual stocks, with the aim of outperforming the benchmark.

January saw a significant sector rotation in equity markets, with the growth-oriented IT and healthcare sectors declining, in favour of value-oriented financials and energy. For the fund, energy was the largest relative sector contributor to performance, owing to overweight positioning in UK energy and French energy. Materials also contributed to relative returns as a result of stock selection and overweight positioning in UK materials. IT was the largest relative detractor, driven by overweight positioning and stock selection in Japanese IT.

The UK was the market's largest country contributor in January, while the US was the largest detractor from index returns. A further relative contributor was Brazil, owing to overweight positioning in Brazilian energy. Japan was the Fund's largest relative detractor due to overweight positioning and stock selection in Japanese IT.

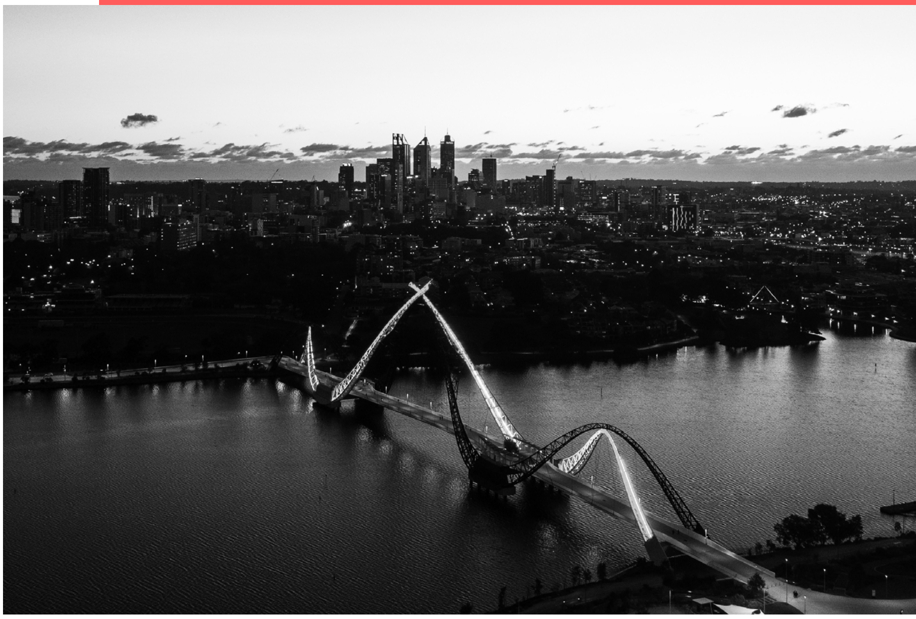
SMA Managers

Hyperion Global Growth Companies Fund

The Hyperion Fund returned -7.8% in January and 8.2% for the year to January 31 2022 compared to -1.8% and 23.6% for the MSCI AC World ex Australia NR Index A$. Market volatility and style rotation impacted the strategy with large portfolio holdings Tesla, PayPal, and Microsoft particularly volatile in the month. The technology sector within the MSCI World Index was down 8.4% in the month. Hyperion's sector allocation has a 41.5% exposure to technology companies compared to 22.9% for the benchmark. Hyperion remains confident in their strategy and are using this period of volatility as an opportunity to reduce cash and move towards being fully invested. They believe the underlying economy remains fragile and that quality, structural growth companies will prevail over the long-term.

Aoris International Fund

The Aoris Fund returned -7.0% in January and 38% for the year to 31 January 2022 compared to -1.8% and 23.6% for the global index. The underperformance in the month was due to a mixed reporting season; however, the team remain comfortable with their underlying holdings. Stephen Arnold presented to the Wilsons network in January and explained that the fund's core holdings in Nike, Costco, L'Oréal, and Accenture have the scale and pricing power to withstand an extended period of high inflation.



Alternative Assets

Munro Global Growth Fund

The Munro Global Growth Fund returned -8.3% in January, underperforming the MSCI AC World ex Australia NR Index A$ by 6.5%. For the year to January, the fund returned 0.9%. While the strategy seeks to achieve absolute returns over the medium to long-term (benchmark unaware), it has underperformed the broader market for the year to 31 January 2022. Over a 3 year period, the fund has delivered a return of 16.6% p.a.

The fund's long positions were the key detractor, while options and shorts added little protection as the fund used what hedging gains it had made to protect against further downside through the Fed meeting. The falling A$ provided some buffer to returns but not as much as the index given the fund's roughly 50% US$ hedged position. It has been a difficult month for equity markets and especially growth investors, with the Nasdaq in the US falling 9% for the month and was at one point down over 15%. With an increasingly hawkish Federal Reserve, the US 10-year government bond yield has risen from 1.5% to 1.8%, causing some of the more speculative stocks in the market to fall over 50% from their peak.

While the fund had moved in 2021 to consolidate its holdings around the largest, most profitable holdings, this became a broader index sell-off. Key detractors included large cap innovative health leader, Danaher and high-performance computing champions ASML, AMD, and Nvidia. Munro believes that sell-offs in structurally growing businesses, while painful, are ultimately opportunities and accordingly have cash ready to be deployed as these opportunities present themselves over the coming months.

CIPAM Multi-Sector Private Lending Fund

The CIPAM Multi-Sector Private Lending Fund returned 0.6% in the month of January and a very solid 6.7% for the year to 31 January 2022. The fund aims to generate a consistent, high level of income by harvesting the illiquidity premium that exists between the public and private lending markets. By keeping spread duration low and focusing on floating rate loans, the fund aims to have a low correlation to interest rates and broader equity markets. The Fund sits within the defensive component of our alternatives allocation.

Fund Profiles

Baillie Gifford Long Term Global Growth Fund

The Baillie Gifford Long Term Global Growth Fund is an actively-managed, fundamental long-only global equities product.

Baillie Gifford & Co is a long-standing Scottish asset manager, structured as a partnership and wholly owned by around 40 partners who work in the business. The fund is distributed within Australia by Colonial First State.

The fund is one of our preferred global growth strategies and sits within our core global equity allocation. It has a focus on investing in 'exceptional growth' companies and will typically include emerging markets exposures (currently ~20%). The fund is concentrated, typically holding between 30-40 stocks.

The fund's stated goal is to outperform the MSCI All Country World Index in A$ over rolling 5 year periods before fees and taxes. The performance over the fund in recent years has been particularly strong with a 3 year per annum return of 30%, which is well ahead of benchmark. Performance since the global inception of the fund in 2004 is also well ahead of benchmark. Very recent performance has been significantly impacted by the rotation away from high growth stocks and strategies toward "value".
We expect this trend to continue in coming months as interest rates continue to rise, but we retain a (reduced) allocation to the growth style within our balanced portfolio approach.

Baillie Gifford believes that returns from equity portfolios are determined by the long-term exposure to a small number of very successful investments. In other words, returns from equities are asymmetric. This approach is very long-term, with Baillie Gifford's core belief being that investing in companies with the scope to grow to multiples of their current size has the potential to transform the returns for investors over the long run.

Baillie Gifford believes the world is continually changing through a combination of globalisation and technological change and that a small number of companies have the potential to grow many multiples of their current size. The investment philosophy is focused on finding those exceptional companies, believing markets are often too short-term focused and clouded by market noise.

This research approach differs from other styles, which focus more on valuation and detailed modelling. Instead, the focus of analysis is directed at understanding longer-term drivers of future success such as business culture, management ability, industry dynamics, and financial strength.

The LTGG team and strategy was launched globally in February 2004 with the (identical) Australian version launched in 2018. The strategy was established by Mark Urquhart and James Anderson, with Tom Slater joining the team in 2009. Long-standing decision-maker James Anderson announced last year that he will retire as a partner in the firm on 30 April 2022. Both Urquhart and Slater will continue as the key decision-makers for the fund supported by another six analysts.

While the current macro backdrop continues to present headwinds for growth investors we continue to see Ballie Gifford (alongside domestically domiciled Hyperion) as a "best in class" core global growth manager.

Acorn Capital Nextgen Resources Fund

After 12 months as part of our special opportunities offering we have added the Acorn capital nextgen resources fund to our core focus list within the satellite portion of Australian equities.

Acorn launched the NextGen Resources Fund in September 2020, led by Rick Squire and Karina Bader. Both have technical experience within the resources industry as geologists, as well as financial acumen having worked as analysts and portfolio managers within the resources and energy sectors.

Acorn invests in a diversified portfolio of companies exposed to what it has identified as "growth commodities" within the resources and energy sectors such as nickel, lithium, copper, rare earth elements, gold and silver.

These businesses cover the full range of development stages, from exploration to development and then production, as well as both listed and unlisted (e.g. pre-IPO) companies.

The team invests in 25-40 micro-cap and emerging companies outside of the ASX100, believing that this segment of the market is inefficient and not well understood by financial analysts. Technical understanding is critical to successfully navigate the large and diverse universe of geological systems. Acorn starts by reviewing their proprietary database of over 1,300 companies to identify an initial group of attractive opportunities according to commodity type and stage of development. Next, a qualitative assessment will be made on the companies and their projects. This includes the suitability of a site for economic development involving physical visits to the sites and meetings with senior technical staff to understand resource estimations, mine plans, processing designs, and any environmental or government permitting issues.

Other factors considered are sustainability, competitive advantage, industry position, capital needs, management, financial metrics, and valuation. Finally, the portfolio managers will select the most attractive investment opportunities while giving regard to portfolio construction and risk management. Acorn incorporates ESG considerations in their investment process and places an explicit focus on the UN's Sustainable Development Goals – a blueprint to achieve a more sustainable future.

As a resources sector-focused manager within the micro-to-mid-cap segment of the Australian equities market, we classify the Acorn Capital Nextgen Resources Fund as a satellite holding, with a weighting of ~10% (of an Australian equity allocation) given its specific sector focus and exposure to developing companies in this space.

This investment is suitable for investors with a long-term investment horizon and tolerance for a degree of capital volatility within their portfolio. Investors may follow a well-diversified asset allocation strategy or may be specifically seeking a long-term growth investment exposed to the resources and energy sectors expected to benefit from the global transition to clean and renewable energy. The fund has made a strong start since its September 2020 inception delivering 61.8% versus 33% for the small ordinaries benchmark.

Our Focus List

Focus List Performance Versus Benchmark % as at January 31, 2022

Fund Name	APIR code	1 Mth	3 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs
Australian Equities - Core							
Fidelity Australian Opportunities Fund	FID0021AU	-8.0	-4.6	9.9	10.7	9.5	-
AB Managed Volatility Equities Fund – MVE Class	ACM0006AU	-7.7	-4.8	4.3	7.5	8.4	-
Australian Equities - Satellite							
OC Premium Small Companies Fund	OPS0002AU	-7.1	-5.7	4.9	9.8	10.7	13.4
Spheria Australian Smaller Companies Fund	WHT0008AU	-7.5	-7.6	15.4	14.0	12.2	10.4
Acorn Capital NextGen Resources Fund	ACN3509AU	-3.9	3.4	36.1	-	-	-
International Equities - Core							
Arrowstreet Global Equity Fund	MAQ0464AU	-1.7	4.4	26.0	18.8	16.2	18.2
Arrowstreet Global Equity Fund (Hedged)	MAQ0079AU	-4.6	-1.7	17.2	15.9	13.7	15.0
Baillie Gifford Long Term Global Growth Fund - Class A	FSF5774AU	-13.1	-20.8	-11.5	30.0	-	-
Pzena Global Focused Value Fund	ETL0484AU	5.7	7.5	34.6	-	-	-
International Equities - Satellite							
Fidelity Global Emerging Markets Fund	FID0031AU	-0.5	2.6	9.2	17.9	16.4	-
Fairlight Global Small & Mid Cap Fund (SMID) Class A	PIM7802AU	-9.7	-5.3	22.4	19.7	-	-
Fairlight Global Small & Mid Cap (SMID) Fund (Hedged)	PIM0941AU	-12.0	-10.3	15.0	-	-	-
BetaShares FTSE 100 ETF	F100	5.0	8.8	27.1	-	-	-
SMA Managers							
Hyperion Global Growth Companies		-7.8	-11.0	8.2	25.0	24.8	-
Aoris International Fund		-7.0	2.8	38.0	20.4	-	-
Fixed Interest - Core							
Legg Mason Western Asset Australian Bond Fund — Class A	SSB0122AU	-1.1	1.1	-3.6	2.5	3.2	4.5
Fixed Interest - Unconstrained Bond							
Ardea Real Outcome Fund	HOW0098AU	-0.2	0.3	-1.0	4.2	4.2	-
CC JCB Dynamic Alpha Fund	CHN8607AU	0.1	0.0	0.8	-	-	-
Fixed Interest - Satellite							
NB Global Corporate Income Trust	NBI	-3.3	-4.7	1.5	2.7	0.0	-
Alternatives							
Partners Group Global Value Fund (Private Equity) (AUD) — Wholesale*	ETL0276AU	0.3	2.4	22.2	15.7	13.3	-
Antipodes Global Fund	IOF0045AU	3.1	5.2	16.6	9.1	9.2	14.7
Munro Global Growth Fund	MUA0002AU	-8.3	-7.5	0.9	16.6	15.2	-
Alium Market Neutral Fund	DCA7894AU	0.3	2.2	10.6	10.5	-	-
AMP Capital Core Infrastructure Fund	AMP1179AU	-2.2	2.9	9.7	4.1	6.5	8.9
Partners Group Global Income Fund	PGG	0.6	2.2	8.3	-	-	-
CIPAM Multi-Sector Private Lending Fund	HOW6713AU	0.8	1.6	6.7	6.2	6.5	-
ETFS Physical Gold	Gold	1.6	7.2	5.5	11.5	9.5	4.2
Benchmarks							
S&P/ASX 200 TR Index AUD		-6.4	-4.3	9.4	9.8	8.5	9.5
S&P/ASX Small Ordinaries TR Index AUD		-9.0	-8.0	6.7	10.1	9.6	6.2
MSCI AC World ex Australia NR Index AUD		-1.8	3.0	23.6	16.9	14.5	15.5
Bloomberg AusBond Composite 0 Year Index AUD		-1.0	1.1	-3.5	2.3	3.0	4.0
Australia CPI +3%		0.5	2.1	6.6	5.2	5.0	5.0

*Returns as at 31/12/2021

Focus List Profiles

Security	Security Code	Profile
Australian Equities - Core		
Fidelity Australian Opportunities Fund	FID0021AU	The manager employs a long-only, active, fundamental approach to build a portfolio of stocks that is largely industry and sector neutral to the benchmark. Inception date July 2012.
AB Managed Volatility Equities Fund	ACM0006AU	A managed volatility equities strategy that aims to reduce volatility by identifying and investing in high-quality stocks that have reasonable valuations, high-quality cash flows, and relatively stable share prices. Inception date March 2014.
Australian Equities - Satellite		
OC Premium Small Companies Fund	OPS0002AU	A long-only, Australian equities small-cap strategy that typically has a bias toward growth stocks. Inception date December 2000.
Spheria Australian Smaller Companies Fund	WHT0008AU	The fund's investment universe is smaller cap companies outside the ASX 100 and equivalent stocks listed on the New Zealand Stock Exchange. The fund is run in a benchmark agnostic fashion and will have an expected tracking error of 6% p.a. Inception date July 2005.
Acorn Capital NextGen Resources Fund	ACN3509AU	Acorn invest in a diversified portfolio of companies exposed to growth commodities within the resources and energy sectors – nickel, lithium, copper, rare earth elements, gold and silver. These cover the full range of development stages from exploration to development and then production, as well as both listed and unlisted (e.g. pre-IPO) companies.
International Equities - Core		
Baillie Gifford Long Term Global Growth Fund - Class A	FSF5774AU	A concentrated, unconstrained, long-only manager with a bias toward growth stocks. The portfolio can be volatile as a result and is suitable for long-term investment horizons. Inception date October 2018.
Arrowstreet Global Equity Fund	MAQ0464AU	A long-only, benchmark-aware, quantitative equities strategy which invests in listed equities across global stock markets. Inception date December 2006.
Pzena Global Focused Value Fund	ETL0484AU	A long-only portfolio of deeply undervalued businesses that does not focus on benchmarks. Pzena invest with a long-term horizon and think of their positions as ownership interests in the underlying companies.
International Equities - SMA Managers		
Hyperion Global Growth Companies		"A boutique, growth-focused fund manager that specialises in identifying and investing in high quality global equities. Led by longstanding Chief Investment officer Mark Arnold, the fund aims to deliver investment outperformance by investing in a relatively concentrated portfolio of companies (15-30 holdings) with sound economics, long-term sustainability, and a competitive advantage all contributing to superior growth potential."
Aoris International Fund		Aoris manage a long-only, highly concentrated portfolio of international equities, with a strong focus on risk minimisation. The fund targets an annual return of 8-12% and seeks to identify market leading businesses that have a competitive advantage vs peers regardless of economic conditions. They have a preference for companies that serve more than one type of customer in more than one geography, and have an expertise that is hard to replicate.
International Equities - Satellite		
Fairlight Global SMID Fund	PIM7802AU	A long-only, concentrated fund that is biased toward companies that demonstrate a quality factor. Inception date November 2018 (hedged version May 2020)
Fidelity Global Emerging Markets Fund	FID0031AU	The fund (ETF or unit trust) invests in a portfolio of 30-50 emerging markets securities it believes are positioned to generate returns through market cycles and have demonstrated a track record of strong corporate governance. Inception date December 2013.
BetaShares FTSE 100 ETF	F100	F100 aims to track the performance of the FTSE 100 Index (before fees and expenses), which provides exposure to the largest 100 companies by market capitalisation traded on the London Stock Exchange. Inception date July 2019.
Fixed Interest - Core		
Legg Mason Western Asset Australian Bond Fund — Class A	SSB0122AU	An Australian bond fund, primarily invested in investment-grade, A$ denominated debt securities paying fixed or floating rate coupons issued by the Australian government, state governments, supranational bodies, and Australian and foreign corporate entities. The fund may also invest in mortgage-backed and asset-backed securities and inflation-linked bonds. Inception date December 1998.
Ardea Real Outcome Fund	HOW0098AU	An absolute return, relative value strategy that seeks to deliver consistent defensive returns by exploiting pricing anomalies between 'like' securities across global fixed income markets. Inception date July 2012.
CC JCB Dynamic Alpha Fund	CHN8607AU	Designed as an absolute return product that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. The fund offers a high level of liquidity in Government issued instruments, without any corporate credit exposure. Inception date December 2019
Fixed Interest - Satellite		
NB Global Corporate Income Trust	NBI	Provides investors with exposure to the high yield bonds of large and liquid companies globally. Inception date September 2018.
Alternatives		
Partners Group Global Income Fund	PGG	A listed investment trust that aims to provide investors with a regular monthly income via exposure to a diversified portfolio of global private debt securities. Inception date October 2011.
CIPAM Multi-Sector Private Lending Fund	HOW6713AU	The fund is a floating rate multi-sector credit strategy focused on private lending opportunities primarily in Australia and New Zealand. The fund aims to generate a consistent, high level of income by harvesting the illiquidity premium that exists between the public and private lending markets.
Antipodes Global Fund	IOF0045AU	An active, long/short global equity value manager that seeks to exploit market inefficiencies that arise from three types of changes in the operating environment: cyclical, structural and socio/macroeconomic. Inception date July 2015.
Munro Partners Global Growth Fund	MUA0002AU	A growth based global long/short fund. Stock pickers who invest in companies with sustainable earnings. Inception date August 2016.
Alium Market Neutral Fund	DCA7894AU	The fund takes a thematic, global approach to investing both long and short. Focus is given to changing operating conditions and how these may affect the value of individual companies. The fund seeks to diversify so returns are not correlated with equities or other asset classes.
Partners Group Global Value Fund (Private Equity AUD)	ETL0276AU	A diversified private markets fund (mainly private equity but also private debt) invested in a broad range of investments via a feeder fund structure. Structured as an Australian registered unit trust. Inception date September 2019.
ETFS Physical Gold	GOLD	This ETF aims to provide investors with a beneficial interest in physical gold bullion without the necessity of holding, trading and storing it. Inception date March 2003.
AMP Capital Core Infrastructure Fund	AMP1179AU	An infrastructure fund that invests in a global portfolio of direct listed and unlisted infrastructure assets and funds. The manager is well resourced and has a long track record of outperformance. Inception date May 2016.

Disclaimer and Disclosures

Recommendation structure and other definitions

Definitions at www.wilsonsadvisory.com.au/disclosures.

Disclaimer

All figures and data presented in this research are accurate at the date of the report, unless otherwise stated.

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