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**AC Managed Equity Portfolio**

**June 2020 Quarterly Review**

## Portfolio Performance

The AC Managed Equity Portfolio returned 28.69% compared to the benchmark S&P/ASX 200 (TR) return of 16.48% giving a relative performance of 12.21% for the period.

## Performance to 30 June 2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Return % | One Month | Three Month | Six Month | One Year | Three Year | Since Inception (29/10/2013) |
| Portfolio | 3.67 | 28.69 | 22.13 | 16.41 | 15.51 | 11.97 |
| Benchmark | 2.61 | 16.48 | -10.42 | -7.66 | 5.18 | 5.63 |
| **Relative Performance** | **1.06** | **12.21** | **32.55** | **24.07** | **10.33** | **6.34** |

The table above sets out the investment performance returns (AFTER investment management fees, but BEFORE administration fees, performance based fees and taxes) for the Portfolio. The performance returns have been calculated on a daily basis taking into account brokerage costs, and are accumulated for the period shown. Returns are shown as annualised if the period is over 1 year, or as total returns otherwise.

## Quarterly Review

The portfolio had a highly selective stance, quite a few gold producers and an ETF gold exposure, plus disruptive companies likely to benefit from covid responses, such as Kogan. Despite holding up to 30% cash during the month, the portfolio still added 3.67% in a positive month for the benchmark for a pleasing +16.41% for the year versus -7.6% for the market benchmark.

## Top 5 stocks by weight as at 30 June 2020

|  |  |
| --- | --- |
| **Company Name** | **Sector** |
| ETFS METALS. ETFS GOLD | Financials |
| XPLOREWLTH LIMITED ORDINARY | Financials |
| BELLEVUE GOLD LTD ORDINARY | Materials |
| BETA AUST STR BEAR TMF UNITS | Unidentified |
| NORTHERN STAR ORDINARY | Materials |

## Market Outlook

The covid 19 pandemic is still gaining ground in most countries. The USA situation is complicated, because the White House presents such an optimistic framework which many people take literally. The whole health process has become politicised there. The FED, along with most other governments, has increased money supply and used every trick in the book to try and keep the economies of the world ticking over. In fact many companies are better off, for the moment. This extreme level of government intervention is unprecedented. It’s hard to chart a course through these coming months. Technological changes and many lifestyle changes are throwing up positive opportunities. However, looking at the broader picture, the greater the diversion from the real world this stockmarket travels in this breathtaking rally, the greater the eventual shock will be. History tells that markets are capable of defying gravity for much longer than most professionals predict. The coming quarter is probably more of the same, a few stocks doing really well, most marking time, increasing speculation by bored millennials who have discovered online trading and so far found it profitable confusing the picture.

## IMPORTANT INFORMATION

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