**AC Managed Equity Portfolio**

**June 2022 Quarterly Review**

**Portfolio Performance**

The AC Managed Equity Portfolio returned -9.10% compared to the benchmark S&P/ASX 200 (TR) return of -11.90% giving a relative performance of 2.80% for the period.

**Performance to 30 June 2022**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Return % | One Month | Three Month | Six Month | One Year | Three Year | Since Inception (29/10/2013) |
| Portfolio | -6.87 | -9.10 | -9.20 | -10.68 | 8.73 | 10.34 |
| Benchmark | -8.77 | -11.90 | -9.93 | -6.47 | 3.33 | 6.48 |
| **Relative Performance** | **1.90** | **2.80** | **0.73** | **-4.21** | **5.40** | **3.86** |

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**

As I predicted last quarter we saw the beginning of what may turn out to be a sustained bear market in equities over coming months as global interest rates rise, probably by more and faster than current consensus. The portfolio went into the quarter with a fair percentage in cash and supposedly defensive securities, so it was personally disappointing that it only outperformed the market by about 2%, falling by 9% rather than close to 12%. A couple of the bigger holdings contributed to this including Bellevue Gold, despite positive news. I put it down to end of financial year portfolio transitioning, so went "all in" at the end of the month, taking the weighting above 10% with the shares at 67c. I'd be surprised if it didn't recover towards 90c in the September quarter, with or without a better gold price.

Hub24 got down to below $18 a share late in the quarter. The portfolio sold out above $32, and this provided a chance to restore a 5% weight. Also topped up was Elders which had underperformed over the quarter. The portfolio went fully invested on July 3rd with the repurchase of a position in A2m,

**Top 5 stocks by weight as at 30 June 2022**

|  |  |
| --- | --- |
| **Company Name** | **Sector** |
| BELLEVUE GOLD LTD ORDINARY | Materials |
| ELDERS LIMITED ORDINARY | Consumer Staples |
| HUB24 LTD ORDINARY | Financials |
| WOODSIDE ENERGY ORDINARY | Energy |
| COMMONWEALTH BANK. ORDINARY | Financials |

**Market Outlook**

While we may well be in a bear market, as I wrote in a newsletter to clients its quite common to have significant bounces during bear markets. The correction in growth stocks in particular tempted me back into a fully weighted position by the end of June, anticipating a July/August rally. However, as supply chain disruptions, endemic inflation, labour unrest and probably difficult political financial decisions need to be taken, this will probably fade as we move into September. Fortunately, as the total portfolio is relatively small, exposures can be adjusted very quickly, usually same day.

**IMPORTANT INFORMATION**

Prepared by HUB24 Custodial Services Ltd (ABN 94 073 633 664, AFS licence No. 239 122) ("the Operator” of HUB24 Invest (the Service)) and (("the Promoter” of HUB24 Super (the Fund))". The information contained in this document is not intended to be a definitive statement on the subject matter nor an endorsement that this Portfolio is appropriate for you and should not be relied upon in making a decision to invest in this Service or Fund.

Financial commentary contained within this report is provided by Aldersley Capital Pty Ltd (ABN 14 002 972 901) a corporate authorised representative (No. 420193) of Andika Pty Ltd (ABN 41 117 403 326 and AFSL 297069), who is the Portfolio Manager of this Portfolio.

The information in this report is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. No representations or warranties express or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this report. In preparing this report, HUB24 has relied upon and assumed, without independent verification, the accuracy and completeness of all information available to HUB24. To the maximum extent permitted by law, neither HUB24 or its directors, employees or agents accept any liability for any loss arising in relation to this report.

The suitability of the Service or Fund to your needs and the suitability of a particular Investment Choice depends on your individual circumstances and objectives and should be discussed with your Adviser. Potential investors must read the FSG and IDPS Guide and/or Super PDS along with any accompanying materials.

Investment in securities and other financial products involves risk. An investment in a financial product may have the potential for capital growth and income, but may also carry the risk that the total return on the investment may be less than the amount contributed directly by the investor.

Past performance of financial products is not a reliable indicator of future performance. HUB24 and the Trustee do not assure or guarantee the performance of any financial products offered. Information, opinions, historical performance, calculations or assessments of performance of financial products or markets rely on assumptions about tax, reinvestment, market performance, liquidity and other factors that will be important and may fluctuate over time.

HUB24, its associates and their respective directors and other staff each declare that they may, from time to time, hold interests in Securities that are contained in this Service or Fund.