

1940's Lifestage Fund – A

Quarterly report – 31 March 2022

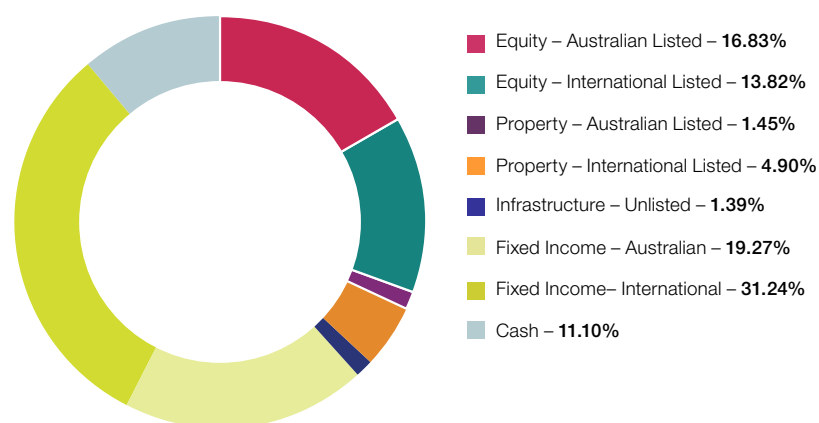
Fund overview

Inception date	1 October 2013
APIR code	BTA0452AU
Fund size (AUD millions)	\$128.03
Investment objective ¹	To provide returns (after fees) equivalent to CPI plus 2.0% pa over a 10 year period.
Recommended investment timeframe	3 years
Distribution frequency	Quarterly
Management costs (%) pa ²	0.52
Buy/sell spread (%)	0.16 / 0.16

Performance review³

Period ending 31 March 2022	1 months	3 months	1 year	3 years	5 years	Since inception
	%	%	%	% pa	% pa	% pa
Total Net return	(0.23)	(3.49)	1.77	3.71	4.12	4.09
Growth return	(0.50)	(3.75)	(2.43)	(1.06)	(0.42)	(0.22)
Distribution return	0.26	0.25	4.20	4.77	4.54	4.32

Actual asset allocation⁴



Fund update

The 1940's Lifestage Fund produced a negative return over the March quarter, the 12-month rolling performance remained positive.

Both equities and bond markets experienced significant volatility over the quarter. The US Federal Reserve turned increasingly hawkish and started hiking interest rates by 25bps in March. The market expects more aggressive rate hikes into the year, and balance sheet reduction or 'quantitative tightening' as a result of inflationary pressures and tight labour markets. Sentiment was further exacerbated following the ramifications of Russia's invasion of Ukraine.

Strong commodity prices provided a tailwind to domestic equities and the Australian Dollar. The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned 2.1%. International Equities, as measured by the MSCI World ex Australia Net Return Index, returned -5.0% on AUD hedged basis and -8.4% on unhedged basis. Emerging market equities underperformed with the MSCI Emerging Markets Net Total Return Index returning -9.9% over the quarter, led by the continuing poor sentiment towards China following growing concerns about forced delisting of the US-listed Chinese companies and the new surge of COVID cases and restrictions across multiple regions in China. Domestic listed property as measured by the S&P/ASX 300 A-REIT Index returned -6.7% and global listed property as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned -3.5% over the quarter.

Bond markets experienced some of the worst drawdowns over the past 30 years, driven by monetary tightening and higher inflation expectations. The US 10-year treasury yield moved 83bps higher to 2.34%, and the Australian 10-year government bond yield moved 117bps higher to 2.84% over the quarter. Credit spreads also widened as market volatility surged. As a result, domestic fixed interest, as measured by the Bloomberg Ausbond Composite 0+ Yr Index, returned -5.9%. International fixed interest markets, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged index, returned -5.0%.

Over the quarter both growth and defensive oriented portfolios had negative results.

Asset allocation ranges

Asset class	Investment managers	SAA ranges %
Equity – Australian Listed	BlackRock; FIL Limited; First Sentier Investors Realindex; Nikko AM; Pental; Platypus; Solaris; Vinva	0 – 28
Equity – International Listed	Ardevora; BlackRock; First Sentier Investors Realindex; Hermes; Pental; River & Mercantile; T.Rowe Price; Wellington	0 – 26
Property – Australian and International Listed	Aberdeen, Altis, BlackRock; Heitman; Pental; PCC, LLC; Principal	0 – 19
Infrastructure – Unlisted	First Sentier Investors, Roc Capital, JPM	0 – 17
Fixed Income – Australian	AMP; Janus Henderson; Pental	7 – 37
Fixed Income – International	Angelo, Gordon & Co; ICG; Kapstream; Mellon; PIMCO; Sound Point; TCW; TwentyFour; Wellington; Western Asset	12 – 42
Cash	BlackRock; Pental	0 – 28

Footnotes

- 1 CPI Inflation: The Australian 'Consumer price index – All groups' measured on a non-seasonally adjusted basis is the total or 'headline' consumer price index. Percentage changes are calculated from the indices published in ABS Cat No 6401.0.
- 2 The Management Costs included in this fact sheet are inclusive of the Management Fee and any Performance Fees and includes the effect of GST (net of RITC). They do not include other indirect costs. Refer to the Product Disclosure Statement and online disclosures for further information.
- 3 Past performance is not a reliable indicator of future performance. Performance returns are calculated net of management fees and costs.
- 4 Allocations may not equal 100% due to rounding.

For more information

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