

1940's Lifestage Fund – A

Quarterly report – 30 June 2021

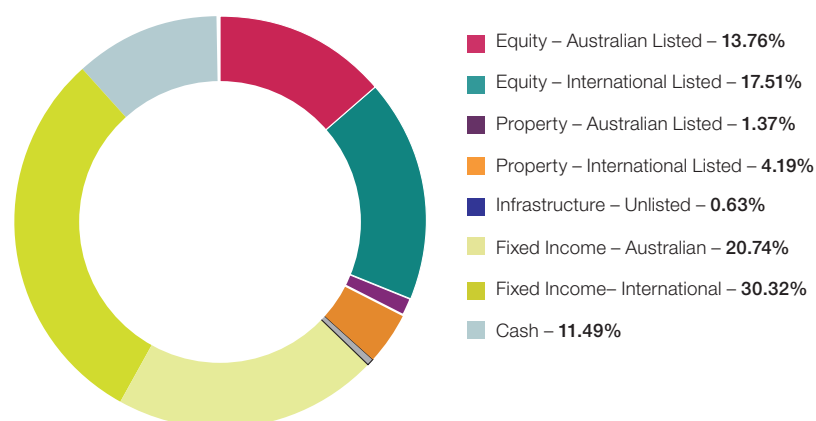
Fund overview

Inception date	1 October 2013
APIR code	BTA0452AU
Fund size (AUD millions)	\$145.28
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 30 June 2021	1 months	3 months	1 year	3 years	5 years	Since inception
	%	%	%	% pa	% pa	% pa
Total Net return	1.14	3.39	9.88	5.53	5.03	4.71
Growth return	(2.41)	(0.24)	3.85	0.65	0.38	0.04
Distribution return	3.55	3.63	6.03	4.88	4.66	4.67

Actual asset allocation⁴



Fund update

The 1940's Lifestage Fund produced a positive return over the June quarter, resulting in positive 12-month performance.

The June quarter started with a strong risk-on sentiment backed by upbeat quarterly earnings announcements, accelerating vaccine rollouts and continuous government fiscal stimulus. Markets traded more cautiously in May when the signal of rising inflation started to show in the US headline CPI numbers, driven by an increase in demand, supply chain bottlenecks and surging commodity prices. The US Federal Reserve reiterated its very dovish policy stance and the market moderated its long-term inflation expectations gradually over the quarter in line with the transitory inflation narrative.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned 8.5%, Global developed equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned 7.6% over the quarter. Unhedged International equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index returned 9.3% due to a stronger US Dollar over the quarter. Emerging markets in AUD terms returned 6.6%, as measured by the MSCI Emerging Markets AUD Index.

Driven by reflationary trades, the listed property sector posted strong gains over the quarter. Domestic listed property, as measured by the S&P/ASX 300 A-REIT Index, returned 10.7%. The global listed property sector returned 9.0% as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index.

Moderated inflation and long-term real growth expectations caused longer dated bond yields to decline over the month. Domestic yields, as measured by the Australian 10-year government bond yield declined 26bps to 1.53% over the quarter, and similarly the US 10-year treasury yields declined 27bps to 1.47%. As a result, domestic fixed interest, as measured by the Bloomberg Ausbond Composite 0+ Yr Index, returned 1.5%. International fixed interest markets, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged index returned 0.9%. Investment Grade credit spreads were mostly stable over the quarter.

Over the quarter, funds with higher allocations to growth assets outperformed those with a higher allocation to defensive assets, due to equity markets outperforming fixed interest assets.

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 – 39
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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