

Lonsec Core Plus (FirstChoice Managed Account Range: Balanced) - Super

Portfolio performance - March 2022

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (% pa)	3 yr (% pa)	5 yr (% pa)
Portfolio Total Return*	0.83	-4.33	-2.85	4.19	4.78	5.34
Peer Group Benchmark**	0.61	-2.84	-1.04	4.52	5.50	5.39
Excess Return*	0.22	-1.49	-1.81	-0.33	-0.72	-0.05

*Performance prior to 1 December 2021 is based on a notional portfolio. Past performance is not a reliable indicator of future performance. Performance is calculated before taxes and is net of admin fees, investment fees and indirect costs. For full details of fees, please refer to the relevant platform provider. Performance is notional in nature and the actual performance of individual portfolios may differ to the performance of the Managed Portfolios. Totals presented in this report may not sum due to rounding. **Peer Group Benchmark is based on the FE UT Peer Group Multi-Asset Balanced Index.

Market review

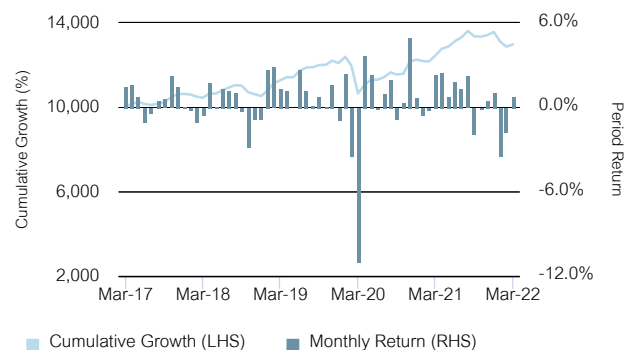
The Australian market closed out the month with the S&P/ASX 300 up 6.9% in March and all 11 sectors finishing positively. The Technology sector (11.8%) led the index and rebounded from a February selloff, with Energy (+10.1%), Materials (+9.3%), Financials (+8.5%) and Utilities (+7.6%) all performing strongly. The Energy and Materials sector continued their stellar year-to-date performances as commodity prices continued to soar.

The Australian dollar drove global markets returns in March as the MSCI World ex Australia NR Index (AUD Hedged) returned 2.9% while the MSCI World ex Australia NR Index (AUD) fell -0.9%. The Australian dollar continued to climb in the month of March closing 3.4% higher relative to the greenback and 4.9% in trade-weighted terms. Rising commodity prices were again the primary driver of AUD support over the month of March. Geopolitical uncertainty continued to be the core focus for investors as upward price pressure on energy and commodities hastens the pace of inflation across the globe.

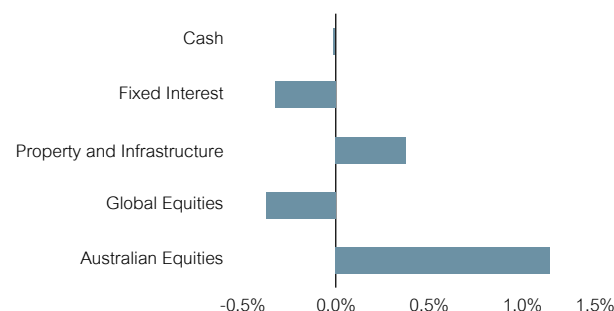
March was a positive month for both the local A-REIT market and the broader Global real estate equities market with the S&P/ASX 200 A-REIT Index (AUD) and the FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged) advancing 1.3% and 4.9%, respectively. The strong monthly move in global REITs was attributable to the climb in the AUD.

March saw Fixed Income markets deliver another terrible result with the Bloomberg AusBond Composite 0+ Year Index's falling 3.8% over the month. International bond markets continued to sell off during March with the Bloomberg Barclays Global Aggregate Index (AUD Hedged) Index falling -2.1%. With inflation remaining elevated across the world, central banks have begun to raise rates, most notably, in March the US Federal Reserve issued its first-rate hike since COVID began, resulting in yields surging around the world.

Cumulative performance (5 years)



Performance contribution



Performance contribution measures the absolute contribution of each constituent asset class to the total performance of the portfolio.

Top 3 contributors to performance

	%
CFS First Choice Wholesale PersSuper - CFS Index Australian Share	0.68
FirstChoice Wholesale Super - First Sentier Wholesale Concentrated Australian Share	0.38
CFS FC W PSup-CFS Index Global Listed Infrastructure Securities	0.21

Bottom 3 contributors to performance

	%
CFS FC W PSup - T. Rowe Price Wholesale Global Equity	-0.17
CFS FC W PSup-PIMCO Wholesale Global Bond	-0.13
FirstChoice WS Pers Super - CFS WS Index Global Share	-0.11

Portfolio changes

	%
There were no changes to the portfolio for the past 1 month	

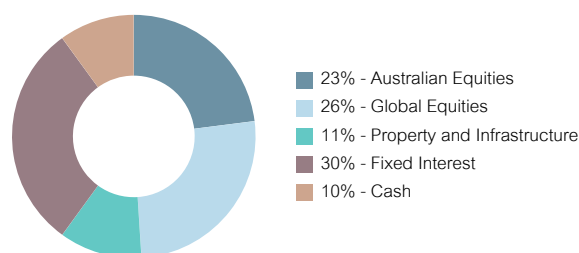
We strongly recommend that potential investors read the product disclosure statement or investment statement.

Lonsec Investment Solutions Pty Ltd • ACN 608 837 583 • A Corporate Authorised Representative (CAR 1236821) of Lonsec Research Pty Ltd
• ABN 11 151 658 561 • AFSL 421 445 • This information must be read in conjunction with the Warning, Disclaimer, and disclosure at the end of this document.
This report supersedes all prior reports.

Portfolio structure

Strategy/Asset class	Fund	%
Australian Equities		23
Diversification & Growth	CFS FirstChoice WS Pers Super - Bennelong WS ex-20 Australian Equities	6
Market Exposure	FirstChoice Wholesale Super - First Sentier Wholesale Concentrated Australian Share	6
Market Exposure (Passive)	CFS First Choice Wholesale PersSuper - CFS Index Australian Share	11
Global Equities		26
Risk Control	FirstChoice WS Pers Super - Acadian WS Global Managed Volatility Equity	5
Alpha	CFS FC W PSup - T. Rowe Price Wholesale Global Equity	5
Market Exposure	CFS FirstChoice MFS Wholesale Global Equity Super	6
Market Exposure (Passive)	FirstChoice WS Pers Super - CFS WS Index Global Share	10
Property and Infrastructure		11
Global Listed Property	CFS FC W PSup-CFS Index Global Property Securities	2
Listed Infrastructure	CFS FC W PSup-CFS Index Global Listed Infrastructure Securities	3
Domestic Listed Property	CFS FC WS PersSuper - Pandal WS Property Investment	6
Fixed Interest		30
Global Fixed Interest	CFS FC W PSup-Colchester Wholesale Global Government Bond	6
Global Fixed Interest	CFS FC W PSup-PIMCO Wholesale Global Bond	9
Income & Capital Stability	CFS FirstChoice PSup Perpetual Wholesale Diversified Income	6
Income & Capital Stability	CFS FC WS Super -Macquarie Income Opportunities	6
Diversified Fixed interest	CFS FirstChoice Wholesale Personal Super - Schroder Wholesale Absolute Return Income	3
Cash		10
Cash	CFS FC WS PersSuper - First Sentier Wholesale Strategic Cash	10
Total		100

Asset allocation breakdown



Portfolio Commentary

The portfolio returned 0.83% over the month of March, outperforming the relevant peer group benchmark. The Australian Equities and Property and Infrastructure allocations contributed with the CFS Index Australian Share Fund and First Sentier Wholesale Concentrated Australian Share Fund leading performance. The Fixed Interest and Global Equities allocations detracted from portfolio performance in March. Inflation remained elevated in March with central banks across the world beginning to raise rates which resulted in yields surging and poor performance across the sector. The T. Rowe Price Wholesale Global Equity and CFS WS Index Global Share Fund were major detractors to portfolio performance over the month. Global equities underperformance was mainly driven by falls in the ex-US and emerging markets segments, given their higher exposure to fallout from the Russia/Ukraine conflict. However, a 2 cent appreciation of the Australian dollar during March was a further drag on unhedged returns from global holdings.

Outlook

The global economy has arguably entered a transition period, with over a decade of accommodative monetary policy finally coming to an end. More “normal” inflationary pressures have been exacerbated by pandemic-related disruptions to supply-chains and the invasion of Ukraine, which is a key exporter of grain and various hard commodities.

From a market perspective, periods of transition are always challenging, being characterised by increased uncertainty and market volatility. Such conditions require a difficult balance between defence (focused on capital preservation) and offence (focused on growth). Our portfolios remain well-diversified, and we hold assets such as property and infrastructure within the portfolios to assist in managing risk. We continue to assess the threats of rising inflation, tightening monetary policy and potential expansion of the Russia/Ukraine conflict as new information comes to hand.

We strongly recommend that potential investors read the product disclosure statement or investment statement.

Lonsec Investment Solutions Pty Ltd • ACN 608 837 583 • A Corporate Authorised Representative (CAR 1236821) of Lonsec Research Pty Ltd
 • ABN 11 151 658 561 • AFSL 421 445 • This information must be read in conjunction with the Warning, Disclaimer, and disclosure at the end of this document.
 This report supersedes all prior reports.

Portfolio at a glance

Designed for

The portfolio is designed to provide investors with a balance of income and capital growth over the medium to long term through exposure across a range of asset classes and by using several investment managers.

Investment objective

2.4% p.a. above cash

Suggested minimum investment timeframe

5 years

Investment strategy

The portfolio seeks to generate competitive income and capital returns with lower downside risk than the market. This is achieved by diversifying the portfolio by asset class, investment strategy, fund manager and sources of return.

Investment universe

The portfolio invests across a diversified range of Australian equities, global equities, property and infrastructure, fixed interest assets and alternative assets.

Target exposure

Growth assets	Defensive assets
60%	40%



IMPORTANT NOTICE: This document is published by Lonsec Investment Solutions Pty Ltd ACN 608 837 583, a Corporate Authorised Representative (CAR 1236821) (LIS) of Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec Research). LIS creates the model portfolios it distributes using the investment research provided by Lonsec Research but LIS has not had any involvement in the investment research process for Lonsec Research. LIS and Lonsec Research are owned by Lonsec Holdings Pty Ltd ACN: 151 235 406. Please read the following before making any investment decision about any financial product mentioned in this document.

Disclosure at the date of publication: Lonsec Research receives a fee from the relevant fund manager or product issuer(s) for researching financial products (using objective criteria) which may be referred to in this document. Lonsec Research may also receive a fee from the fund manager or product issuer(s) for subscribing to research content and other Lonsec Research services. LIS receives a fee for providing the model portfolios to financial services organisations and professionals. LIS' and Lonsec Research's fees are not linked to the financial product rating(s) outcome or the inclusion of the financial product(s) in model portfolios. LIS and Lonsec Research and their representatives and/or their associates may hold any financial product(s) referred to in this document, but details of these holdings are not known to the Lonsec Research analyst(s).

Warnings: Past performance is not a reliable indicator of future performance. Returns are prepared and reported using model asset allocations, actual returns may vary depending on platform fees or allocations, and individual holdings. Any express or implied rating or advice presented in this document is limited to general advice and based solely on consideration of the investment merits of the financial product(s) alone, without taking into account the investment objectives, financial situation and particular needs ("financial circumstances") of any particular person. Before making an investment decision based on the rating or advice, the reader must consider whether it is personally appropriate in light of his or her financial circumstances or should seek independent financial advice on its appropriateness. If the financial advice relates to the acquisition or possible acquisition of a particular financial product, the reader should obtain and consider the Investment Statement or the Product Disclosure Statement for each financial product before making any decision about whether to acquire the financial product.

Disclaimer: LIS provides this document for the exclusive use of its clients. It is not intended for use by a retail client or a member of the public and should not be used or relied upon by any other person. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information not verified by LIS. The information contained in this document is current as at the date of publication. Financial conclusions, ratings and advice are reasonably held at the time of publication but subject to change without notice. LIS assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, LIS and Lonsec Research, their directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it.

Copyright © 2022 Lonsec Investment Solutions Pty Ltd ACN: 608 837 583 (LIS). This report may also contain third party supplied material that is subject to copyright. The same restrictions that apply to LIS copyrighted material, apply to such third party content.