



Smart Portfolio All Markets

Quarterly Performance Update

AS AT 30 SEPTEMBER 2021

Portfolio Snapshot

Sharpe ratio	2.17
Long exposure Q3 end	11%
Cash allocation Q3 end	89%
Q3 average days positions held	13

These calculations are unaudited and intended to illustrate the performance of the investment portfolio using the portfolio configuration details disclosed in page 2 of this update

Performance Commentary

The September quarter delivered mixed results as Jaaims navigated through the volatile market conditions.

Sentiment remained mixed at the beginning of the quarter which turned definitively bearish from August which continued until the close of the quarter with only 11% of funds allocated to equities. This was no doubt driven by the AI picking up negative sentiment from the inflationary concerns out of the US, rapid decrease in the price of Iron Ore in Australia and the Evergrande debt crises. The average days held per trade increased from 10.3 to 13 days with a total of 202 positions being realised for the quarter.

In the Australian Market, Jaaims completed a total of 41 trades compared to 30 trades in the previous quarter, with positions mainly spread across the mining, technology and agriculture sectors. The Australian market was clearly the profit centre for Jaaims returning 2.54% with Ioneer Ltd (INR) 40%, Lynas Rare Earths Ltd Sims Ltd (LYC) 33.74%, Carsales Ltd (CAR) 22.32% and Select Harvests Limited (SHV) 20.08% being standout performers amongst the positions taken.

Surprisingly, the US market was the worst performer delivering its first loss of 0.80%. A total of 131 trades was completed compared to 97 in the previous quarter with most of the losses realised in July. Standout performers in the US were Synopsys, Inc (SNPS) 19.71%, Quanta Services, Inc (PWR) 13.91%, Verisk Analytics, Inc. (VRSK) 11.71% and Morgan Stanley (MS) 11.06% amongst a sea of red trades.

Finally European markets remained quiet with a total of 30 trades completed however the European markets did record the highest success rate, with over 50% of trades profitable. Most notable performers were J Sainsbury plc (SBRY) +19.15%, Merck KGaA (MRK) 10.05% and E.ON SE (EOAN) 7.89%. Europe has traditionally been Jaaims weakest market however the AI appears to have found a balance with market sentiment and fundamentals to deliver its best market result since inception.

Market Analysis

The third quarter saw fresh challenges for the local and global economy as lockdowns suppressed local growth for a second time.

The Delta outbreak during the quarter saw more than half of Australia's population enter lockdown, leading the

Portfolio Performance

3 Months	2.22%
6 Months	1.32%
12 Months	13.53%
Since inception	26.56%

These calculations are unaudited and intended to illustrate the performance of the investment portfolio. Returns are calculated on a realised basis and not mark-to-market. Distributions are reinvested, after ongoing fees and expenses but excluding taxation.

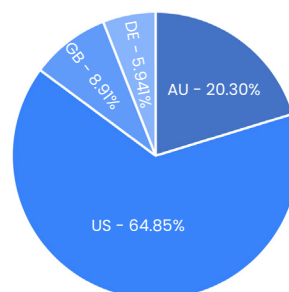
Best Performers

Ioneer Ltd (AU)	40.00%
Lynas Rare Earths Ltd (AU)	33.74%
Carsales.com Ltd (AU)	26.14%
Select Harvests Limited (AU)	22.32%
Pinnacle Investment Management (AU)	20.08%

Worst Performers

Affiliated Managers Group Inc. (US)	- 10.87%
Glencore PLC (GB)	- 10.47%
Regis Healthcare Ltd (AU)	- 8.09%
Applied Materials Inc. (US)	- 7.30%
United Rentals Inc. (AU)	- 5.53%

Ratings Issued by Market



Australia	41
Germany	12
Great Britain	18
United States	131
Q3 Total	202

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Organisation for Economic Co-operation and Development (OECD) to downgrade its economic outlook for Australia. In September, the OECD shaved 1.1 percentage points off its May forecast which was the biggest such downgrade of any country measured by the think tank. Reserve Bank of Australia's Governor Philip Lowe responded proportionally and somewhat supported the view announcing that he expected GDP to decline materially in the September quarter, with the unemployment rate inching higher over coming months.

The S&P/ASX 200 did continue its upwards momentum and did hit record highs on August 13, with the Australian share-market racking up its 11th straight monthly gain that month – the longest winning streak in almost 80 years. However, the ASX 200 pulled back in September and finished the quarter flat at 0.02%, down on its Q2 performance, as big iron ore stocks like Rio Tinto, Fortescue, and BHP weighed the index down as the iron ore price tumbled. The price of iron ore fell from a record \$233 a tonne in May to \$94 on September 25. Unsurprisingly, the Australian materials sector recorded a

10% fall in Q3, according to S&P Global.

The quarter was also marked by global watchfulness over Evergrande, one of China's largest property developers and the world's most indebted property firm with \$300 billion in liabilities.

MSCI's index of emerging markets recorded a 9% drop in Q3, breaking a five-quarter winning streak as Evergrande worries, China's crackdown on businesses, and slowing growth weighed on risk appetite.

In the US, rising bond yields nudged the market towards cyclical overgrowth stocks. US Treasury yields rose to a three-month high in late September, touching 1.516%.

September also saw the major US indexes post their first monthly losses since March. The S&P 500 slumped nearly 4%, the Dow dropped 2.3%, and the Nasdaq fell 4.9% after a tech sell-off.

Investment Strategy

The Smart Portfolio is a multi-strategy growth portfolio targeting an annual return of 10 percent per annum over a rolling five-year period. The algorithm is designed to identify stocks within trending sectors during periodic growth cycles supported by strong sentiment. This approach enables the algorithm to increase and decrease exposure when opportunities are scarce whilst protecting downside and mitigating exposure risk commonly associated with ETFs and managed funds.

Portfolio Configuration

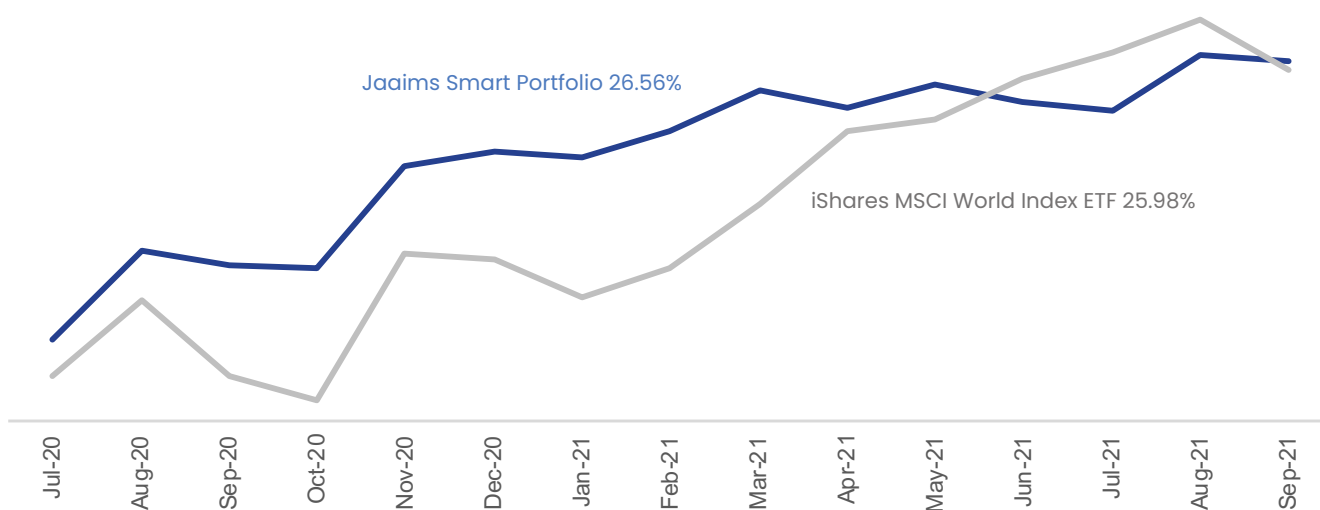
Funds allocation	100%
Funds at inception	\$250,000
Position allocation	\$6,810 or 2.2% of funds
Markets	AU, DE, GB & US
Broker	Interactive Brokers
Currency allocation	AU - 25% DE - 2% GB - 6% US - 67%

Month-on-month Performance

Portfolio Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020							6.02%	6.24%	-1.03%	-0.13%	6.84%	0.80%	19.90%
2021	-0.30%	1.60%	2.57%	-1.06%	1.41%	-1.17%	-0.64%	3.28%	-0.40%				5.55%

Benchmark performance



Important Information

This performance update is for discussion purposes only and is being made available to you on a confidential basis to provide summary information regarding the Jaaims Smart Portfolio. Unless otherwise stated, all financial figures presented in this performance update are unaudited. This performance update may not be reproduced or used for any other purpose. You should not construe the contents of this performance update as legal, tax, investment, or other advice. All returns are net of fees and in AUD. Calculations are based on our Professional subscription using our smart portfolio trading all markets with an average position size of \$6,810 per trade or 2.2% of funds per trade and utilising multi-currency accounts and retail brokerage rates provided by Interactive Brokers which delivered a realised return of 26.56% from inception to 30 September 2021. Distributions are reinvested, after ongoing fees and expenses but excluding taxation. Actual performance will vary depending on position size and markets selected by the user. Past performance is not a reliable indicator of future performance. Inception date is 1 July 2020.