

# PAC Capital Conservative



Benchmark: Morningstar Aus Msec Conservative TR AUD

A\$AUD

31/12/2020

## Fund Strategy

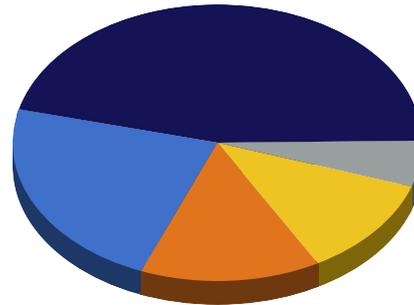
• **Portfolio Description** – A diversified portfolio of securities across both defensive/income-oriented assets, such as cash and fixed interest securities, and growth assets such as Australian equities, property and international equities. The mix of defensive and growth assets and the allocation between defensive and growth assets will vary according to market conditions.

• **Investment Objective** – The P.A.C. Conservative Portfolio aims to achieve a moderate amount of capital growth along with some income by investing in a diversified portfolio of growth and defensive assets.

• **Performance Objective** – to exceed the Morningstar Aus Multi-Sector Conservative TR Index (AUD).

## Portfolio Weights

- International Fixed Interest 46.19%
- Australian Shares 11.47%
- Australian Fixed Interest 22.85%
- Groups < 5% 5.37%
- International Shares 14.12%



## Fund Performance

Performance as at 31 December 2020	1 Month	YTD	1 Year	3 Year	5 Year
<b>Portfolio</b>	1.13	10.78	10.78	10.11	9.41
<b>Benchmark</b>	0.07	3.40	3.40	4.58	4.35
<b>Excess Return</b>	1.06	7.38	7.38	5.53	5.06

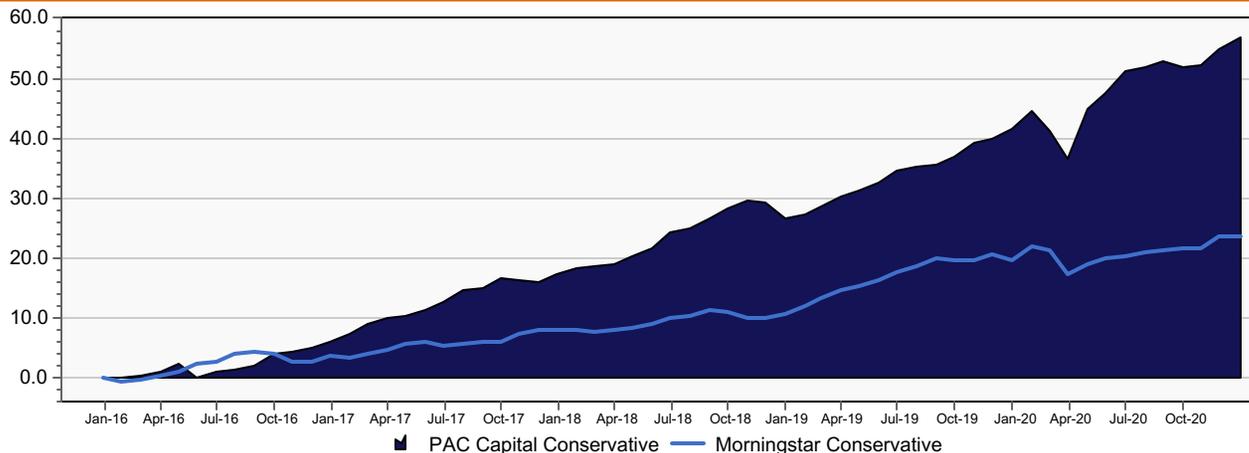
## Fund Performance

- P.A.C. Capital Conservative Fund returned 1.13%, outperforming the Morningstar Benchmark by 1.06%. As Global share markets ended what will go down as an unforgettable year on a largely positive note. In the US, the S&P 500 and Dow Jones Indices finished the year at record highs.
- Many of the uncertainties that have been weighing down investor sentiment were tempered over the month. Congress managed to agree on another round of stimulus measures, protests around the US Elections began to taper and the UK finally divorced itself from the European Union. Ballooning covid-19 infection rates in Europe and the US were largely shrugged off as positive vaccine news flow overshadowed rising casing numbers.

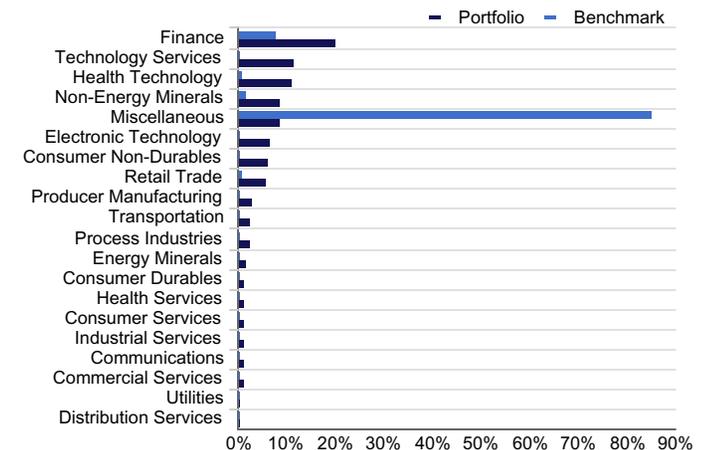
## Top Industry Funds

Fund	1 Month	YTD	1 Year	3 Year
FirstChoice WS Inv - FirstChoice WS...	1.3%	4.1%	4.1%	5.4%
MLC Wholesale Horizon 3 - Cons Grwt...	0.7%	2.8%	2.8%	4.5%
AustralianSuper Stable	0.5%	3.5%	3.5%	5.1%
CBUS Super Conservative	0.5%	3.9%	3.9%	5.0%
Vanguard Diversified Conservative I...	0.4%	5.1%	5.1%	5.8%
IOOF WealthBuilder Conservative -IO...	0.4%	2.9%	2.9%	3.2%
BetaShares Diversified Conservative...	-0.2%	0.5%	0.5%	
AMP Flexible Lifetime Investment-AM...	0.2%	1.6%	1.6%	3.5%
Morningstar Conservative Fund - Cla...	0.1%	2.7%	2.7%	3.4%

## Cumulative Performance



## Sector Weights



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## Commentary



### Clayton Larcombe

Managing Director  
Chief Investment Officer (CIO)

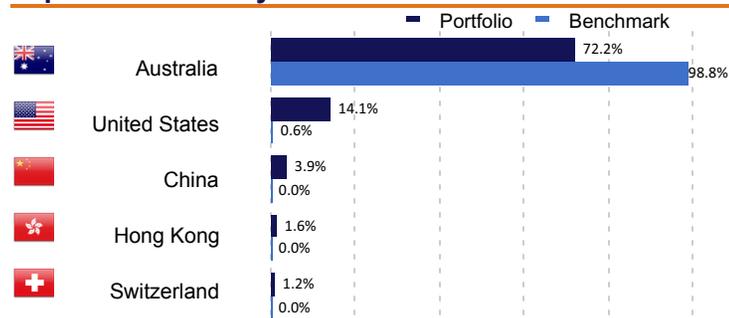
### What Worked

Beta Shares Global Cyber Security ETF (HACK) returned 11.36% (nominal) across the month. The fund provides exposure to the top global companies in the fast-growing Cybersecurity sector. Cyber security stocks rallied in December after 'Solarwinds' – a large US Cybersecurity company was hacked, impacting a large number of US companies and government agencies. This was the latest in a score of incidents underlining the tailwinds behind the sector.

### What Didn't

Our exposure to Chinese companies through Vaneck Vectors China New Economy ETF (CNEW) was the worst performer across the month, down 3.91%. CNEW gives exposure to the most fundamentally sound companies making up Chinas new economy. Namely, healthcare, technology, consumer discretionary and consumer staples.

## Top 5 Countries by Domicile



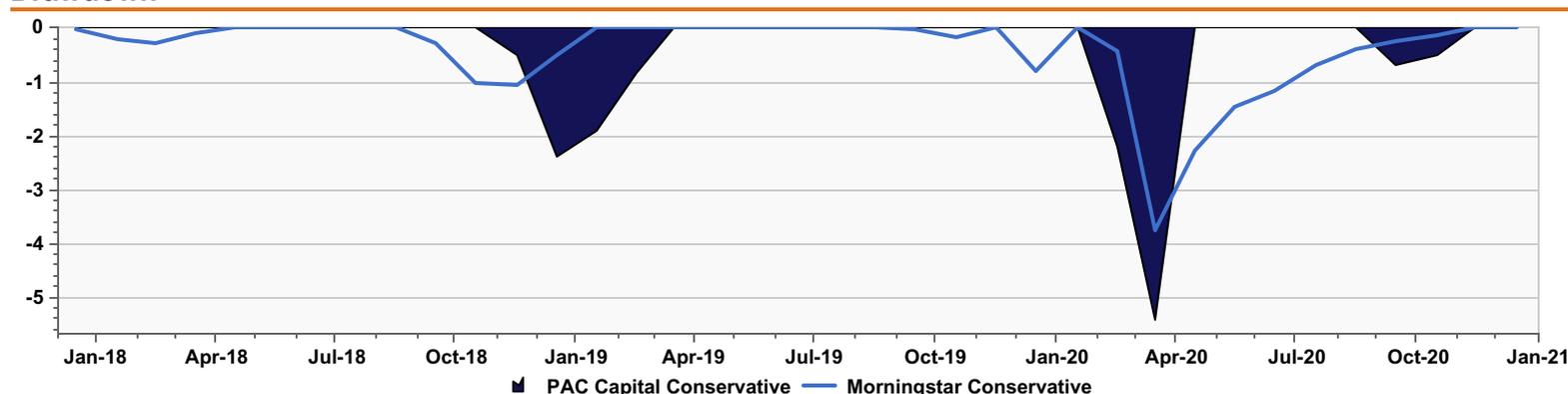
## Top Performers

	Return (%)	Ending Weight (%)
BetaShares Global Cybersecurit...	11.36	1.9
Firetrail Absolute Return Fund	4.31	2.1
VanEck Vectors Video Gaming an...	3.95	1.3
iShares Asia 50 ETF CDI	2.64	2.5
VanEck Vectors Small Companies...	2.24	2.5

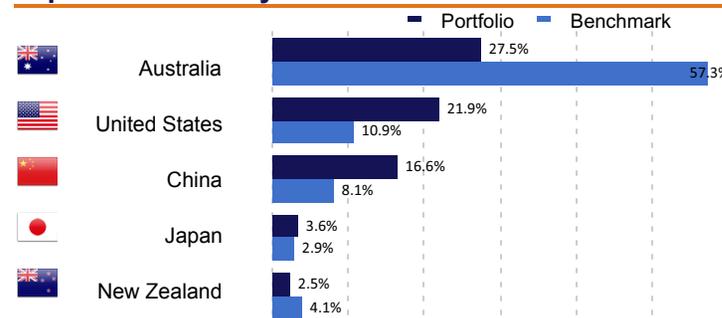
## Bottom Performers

	Return (%)	Ending Weight (%)
VanEck Vectors Global Healthca...	0.29	1.3
Ardea Real Outcome Fund Units	0.10	22.9
VanEck Vectors MSCI World ex A...	-0.51	4.9
Magellan Infrastructure Fund C...	-2.44	2.9
VanEck Vectors China New Econo...	-3.91	1.0

## Drawdown



## Top 5 Countries by Revenue



## Top 10 Positions

	Sector	Weight (%)
Legg Mason Brandywine...	International Fixed In...	23.17
Bentham Wholesale Synd...	International Fixed In...	23.02
Ardea Real Outcome Fun...	Australian Fixed Inter...	22.85
SPDR S&P ASX 200 Fund	Australian Shares	6.89
VanEck Vectors MSCI Wo...	International Shares	4.91
Magellan Infrastructur...	Alternatives	2.89
VanEck Vectors Small C...	Australian Shares	2.53
iShares Asia 50 ETF CD...	International Shares	2.52
Firetrail Absolute Ret...	Australian Shares	2.06
BetaShares Global Cybe...	International Shares	1.93

## 3 Year Risk Statistics

Annualized Standard Deviation	5.11
Beta	0.92
Sharpe Ratio	0.87
Alpha	0.40
R-Squared	29.67

Market values are calculated using the latest available Net Asset Value (NAV) for unlisted managed funds and the latest closing price for listed securities, for the report date. Data for each fund are provided by Factset Pacific, INC. ABN 18 084 544 865 342. The information contained in this statement is given in good faith and has been derived from sources believed to be accurate at the report request date. However, it is general information only and should not be considered a comprehensive statement on any matter nor relied upon as such. PWM Financial Services does not, nor do any of their related entities, employees, or