

# PAC Capital High Growth



Morningstar Aus Msec Aggressive TR AUD (XIUSA04GJ2) (ticker 95248)

A\$AUD

31/03/2021

## Fund Strategy

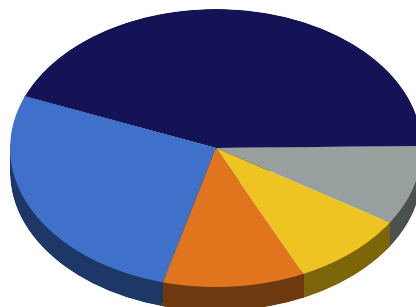
• **Portfolio Description** – A diversified portfolio of securities across growth assets such as Australian shares, property and international securities. Defensive/income-oriented assets may be increasingly used where market conditions warrant.

• **Investment Objective** – The P.A.C. High Growth Portfolio aims to achieve growth through investing in predominantly growth asset classes with a limited exposure to defensive asset classes.

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

## Portfolio Weights

- International Shares 43.92%
- Australian Shares 27.09%
- Alternatives 10.92%
- Australian Fixed Interest 9.04%
- Groups < 5% 9.04%



## Fund Performance

Performance as at 31 March 2021	1 Month	QTD	1 Year	3 Year	Inception
<b>Portfolio</b>	0.14	0.97	23.84	17.31	16.55
<b>Benchmark</b>	3.51	4.43	26.60	10.54	9.60
<b>Excess Return</b>	-3.36	-3.45	-2.76	6.76	6.96

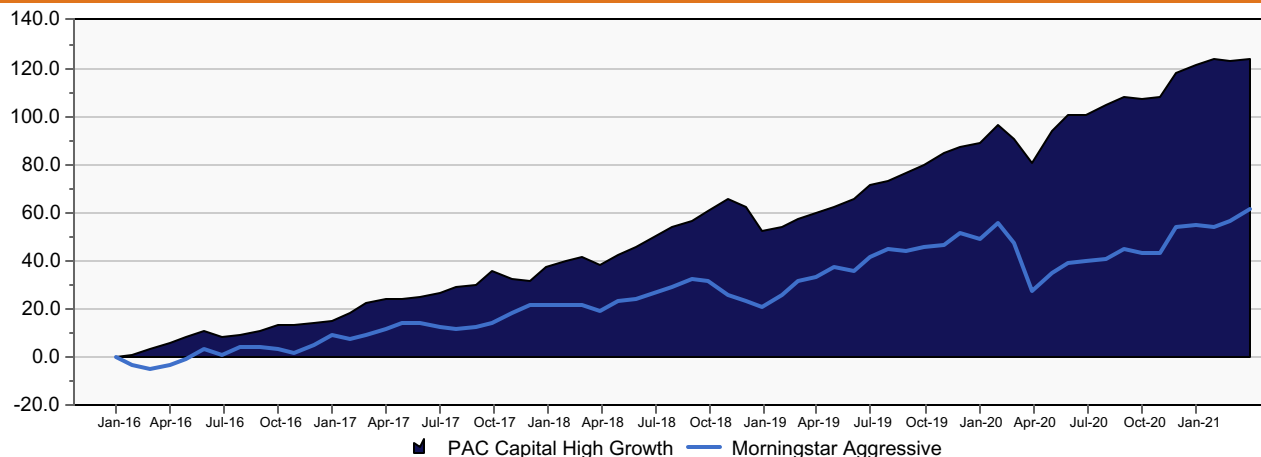
## Fund Performance

Global markets lifted in March, but maintained the volatility that characterised the month of February and has characterised much of the previous year. Investors continued to rotate out of technology stocks into value stocks as the yield on 10 Year Treasuries lifted, creating valuation headwinds for growth companies. Rising inflation and expectations and upward revisions on global growth forecasts were attributed to the rise in the treasury yield.

Over the month, the ASX 200 rose by 1.8%, the local bourse's biggest gain since November. In the US the Dow Jones Index rose 6.6% while the S&P500 rose 4.2% - the tech heavy NASDAQ underperformed returning 0.4%. In Europe, the German DAX Index surged by 8.9% and the UK FTSE Index rose by 3.6%.

The P.A.C. Capital High Growth Fund under-performed over the month returning 0.14% relative to the benchmark return of 3.51%. This was attributed to a greater allocation to global Technology companies relative to the benchmark, which came under pressure as the 10-Year Treasury yield continued to rise over the month.

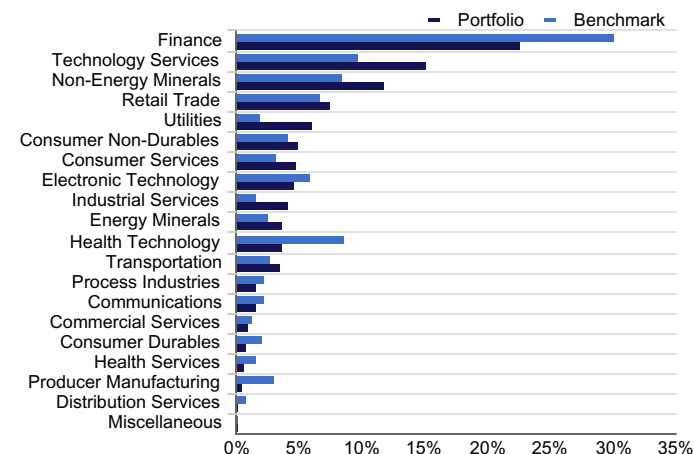
## Cumulative Performance



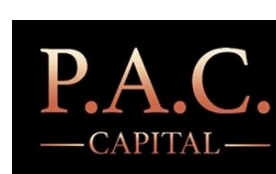
## Top Industry Funds

Fund	1 Month	YTD	1 Year	3 Year
Morningstar High Growth Fund - Clas...	4.1%	6.4%	27.9%	6.7%
BetaShares Diversified High Growth...	3.7%	6.1%	29.8%	
MLC Wholesale Horizon 6 - Share	3.7%	6.2%	33.3%	9.7%
AMP Capital High Growth Fund	3.1%	4.3%	29.6%	9.5%
FirstChoice WS Inv - FirstChoice Wh...	3.1%	6.9%	38.5%	9.2%
AustralianSuper High Growth	2.5%	3.6%	27.0%	10.0%
LIB - Vanguard Diversified High Gr...	2.2%	3.2%	20.5%	
CBUS Super High Growth				
IOOF WealthBuilder Growth -IOOF Mul...	1.6%	2.5%	14.5%	6.2%

## Sector Weights



# PAC Capital High Growth



Morningstar Aus Msec Aggressive TR AUD (XIUSA04GJ2) (ticker 95248)

A\$AUD

31/03/2021

## Commentary



### Clayton Larcombe

Managing Director  
Chief Investment Officer (CIO)

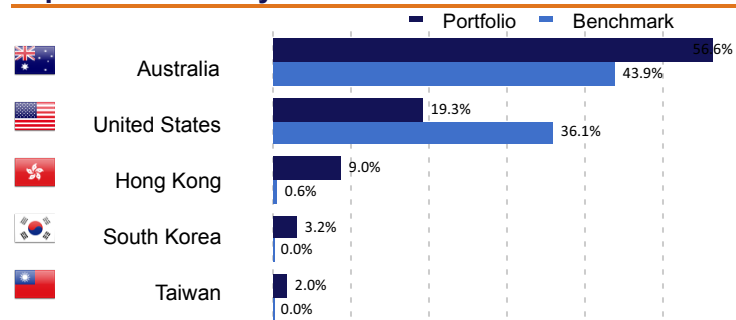
### What Worked

Infrastructure was the stand out exposure across the month of March. APA group rose 8.32%. APA is an Australian energy infrastructure business with its major asset being Australia's largest gas transmission pipeline network. APA is central to the Australian government's gas fired recovery plan and its strategy of using natural gas to help meet greenhouse gas emission reduction targets. Magellan Infrastructure Fund (MICH-ASX) was another stand out, with the fund returning 5.60%. Global Infrastructure stocks were buoyed by the Biden administrations announcement that they would seek a US\$2 trillion plus Infrastructure spending package.

### What didn't

Fortescue Metals Group came under pressure as the price of iron ore dropped, after notching 10 year highs early in the month. We believe that with the strong macro economic outlook, iron ore demand and prices may remain elevated for the foreseeable future. Especially as steel prices have also increased helping to maintain and buttress steel producers profit margins. We like that FMG is investing heavily to increase iron ore production and provides investors with a healthy dividend yield of 13%.

## Top 5 Countries by Domicile



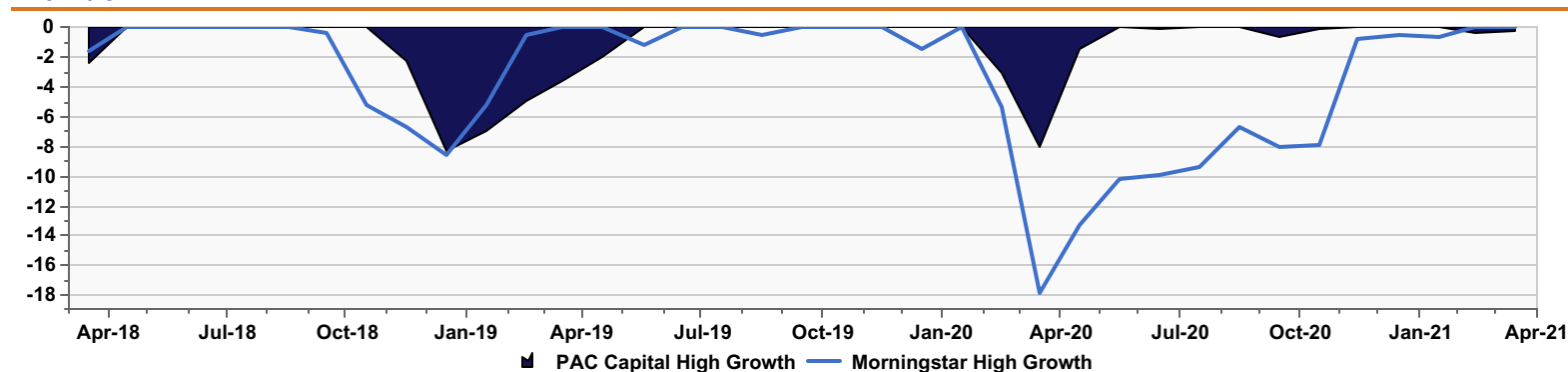
## Top Performers

	Return (%)	Ending Weight (%)
APA Group	8.32	1.0
Charter Hall Group	7.33	1.0
Magellan Infrastructure Fund C...	5.60	5.2
Magellan Global Equities Fund...	3.95	15.0
UBS Microcap Fund	3.61	2.1

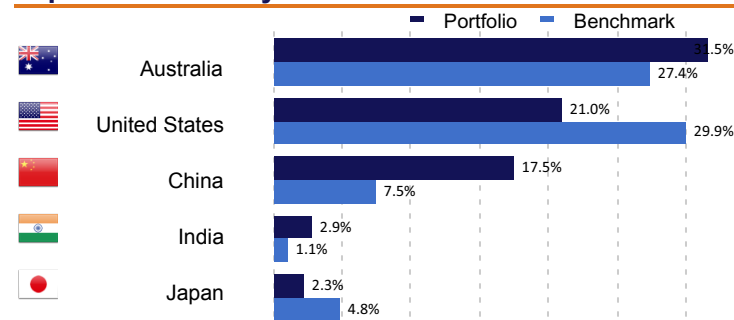
## Bottom Performers

	Return (%)	Ending Weight (%)
Woodside Petroleum Ltd	-2.79	1.0
VanEck Vectors Video Gaming an...	-3.51	5.5
BetaShares Global Gold Miners...	-4.01	4.8
BHP Group Ltd	-8.11	1.0
Fortescue Metals Group Ltd	-10.16	1.0

## Drawdown



## Top 5 Countries by Revenue



## Top 10 Positions

	Sector	Weight (%)
SPDR S&P ASX 200 Fund	Australian Shares	15.96
Magellan Global Equiti...	International Shares	15.03
Martin Currie Global E...	International Shares	8.98
Ellerston Asia Growth...	International Shares	8.97
VanEck Vectors Video G...	International Shares	5.49
BetaShares Global Cybe...	International Shares	5.45
Magellan Infrastructur...	Alternatives	5.16
Firetrail Absolute Ret...	Australian Shares	5.06
BetaShares Global Gold...	Alternatives	4.80
Legg Mason Brandywine...	International Fixed In...	4.53

## 3 Year Risk Statistics

Annualized Standard Deviation	9.04
Beta	0.46
Sharpe Ratio	1.15
Alpha	0.91
R-Squared	35.85

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 directors, give any warranty of reliability or accuracy or accepts any responsibility arising in any other way including by reason of negligence for errors or omissions. This disclaimer is subject to any requirement of the law.