

# PAC Capital Balanced



Morningstar Aus Msec Balanced TR AUD (XIUSA04GJ0) (ticker 95245)

A\$AUD

31/05/2021

## Fund Strategy

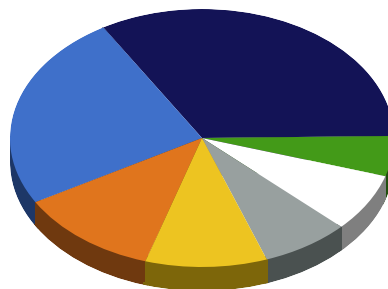
**Portfolio Description** – A diversified portfolio of securities across both defensive/income-oriented assets such as cash and fixed interest securities and growth assets such as Australian equities, property and international equities with an emphasis on growth assets over defensive assets. The mix 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. Balanced 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 Balanced TR Index (AUD)

## Portfolio Weights

- International Shares 33.65%
- International Fixed Interest 24.87%
- Alternatives 11.91%
- Australian Shares 10.10%
- Australian Fixed Interest 7.43%
- Australian Listed Property 7.08%
- Groups < 5% 4.96%



## Fund Performance

Performance as at 31 May 2021	1 Month	QTD	1 Year	3 Year	Inception
Portfolio	0.36	2.81	10.81	12.73	12.73
Benchmark	1.00	3.04	12.11	7.79	7.27
Excess Return	-0.64	-0.22	-1.30	4.94	5.46

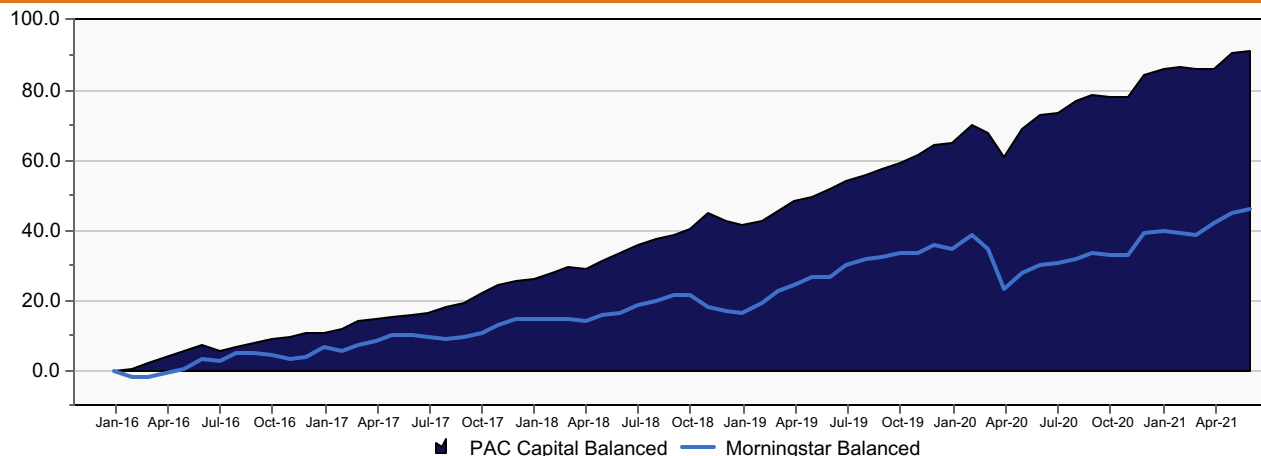
## Fund Performance

P.A.C. Capital \_ Fund underperformed relative to the Morningstar Benchmark in May. Under-performance was primarily attributed to the funds underweight position in Australian Equities which outperformed global equities throughout the month.

US equities begun May with a bout of volatility after US economic data showed evidence of inflation and treasury Secretary Janet Yellen stated that interest rates would need to rise. Later in the month the Fed downplayed inflation concerns, labelling higher prices as “transitory”. European shares lifted after the EU commission announced plans to ease Covid-19 restrictions. In the US the S&P500 increased by 0.6%, while the tech-heavy Nasdaq fell by 1.5%. In Europe the German Dax rose by 1.9% and the UK FTSE rose by 0.8%. In Australia the federal budget was released in mid-May with a ‘big-spend’ agenda. the ASX200 was up for the 11th straight month by 1.9%.

The bond market reacted to the Fed's backtracking on rate hikes by strengthening over May. The yield on the benchmark 10-year US treasury note fell from a high of 1.7035% to 1.5934% at month end. The USD steadily declined over May, with the U.S. Dollar Index down 1.58% for the month. Gold was helped by the weak US Dollar, and increased by 7.7% in May and rising back above US\$1900/ounce, now trading at a 5 month high.

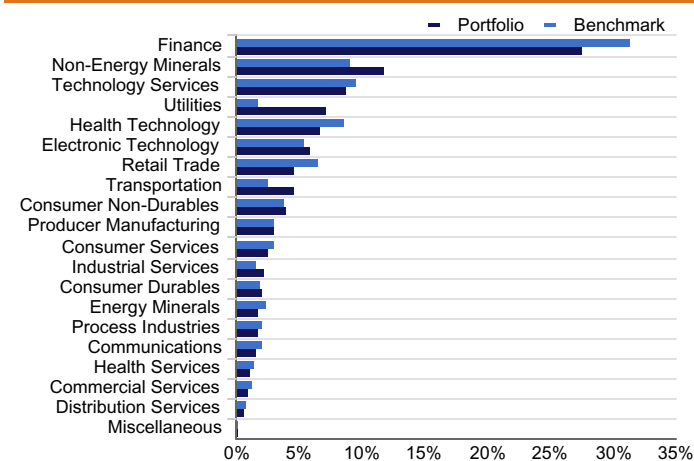
## Cumulative Performance



## Top Industry Funds

Fund	1 Month	YTD	1 Year	3 Year
Lifeplan Education Bond MLC Balance...				
CBUS Super Conservative Growth				
AMP Capital Balanced Growth Fund-CI...	1.2%	7.1%	18.3%	8.4%
Morningstar Balanced Fund - Class A	1.1%	5.1%	11.6%	5.5%
AustralianSuper Conservative Balanc...	1.1%	4.9%	13.9%	7.4%
Vanguard Diversified Balanced Index...	1.1%	4.1%	13.1%	8.0%
FSI Wholesale Balanced	1.0%	3.8%	11.6%	6.8%
IOOF WealthBuilder Moderate -IOOF M...	0.7%	3.2%	8.2%	4.7%
BetaShares Diversified Balanced ETF	0.1%	2.3%	10.5%	

## Sector Weights



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## Commentary



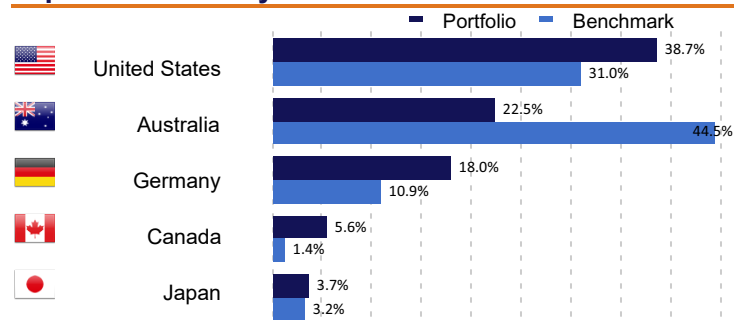
### Clayton Larcombe

Managing Director  
Chief Investment Officer (CIO)

### What worked

Betashares Global Gold Miners ETF returned 10.87% for the month. The fund aims to track the largest global gold mining companies hedged into Australian Dollars. Gold is likely to continue to benefit from inflationary pressures and ballooning USD debt which should continue to put downward pressure on the US Dollars. Given MNRS is hedged into AUD, we expect the fund to continue to benefit on two fronts from both a rising gold price and depreciating USD.

## Top 5 Countries by Domicile



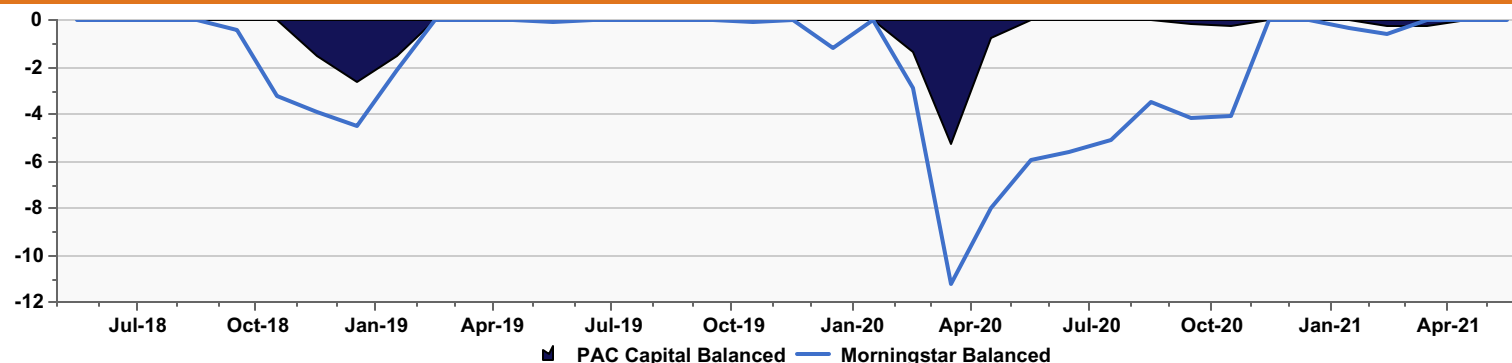
## Top Performers

	Return (%)	Ending Weight (%)
BetaShares Global Gold Miners...	10.87	4.9
Northern Star Resources Ltd	7.61	0.0
Charter Hall Group	2.93	0.0
SPDR S&P ASX 200 Fund	1.83	0.0
Vanguard Australian Shares Ind...	0.76	10.1

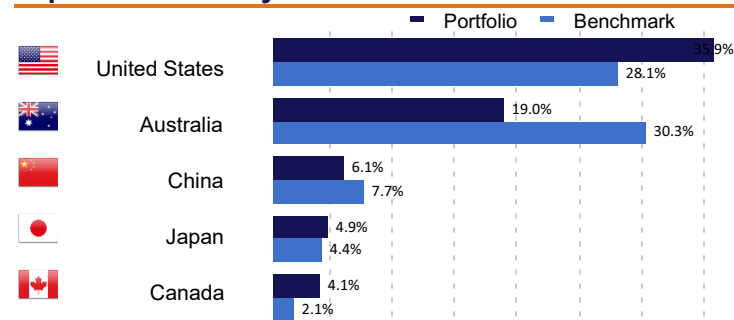
## Bottom Performers

	Return (%)	Ending Weight (%)
VanEck Vectors Video Gaming an...	-2.15	0.0
UBS Microcap Fund	-2.93	0.0
Woodside Petroleum Ltd	-3.67	0.0
Fortescue Metals Group Ltd	-3.85	0.0
APA Group	-5.98	0.0

## Drawdown



## Top 5 Countries by Revenue



## Top 10 Positions

	Sector	Weight (%)
Vanguard MSCI Index In...	International Shares	25.10
Vanguard Global Aggreg...	International Fixed In...	24.87
Vanguard Australian Sh...	Australian Shares	10.10
Vanguard MSCI Index In...	International Shares	8.55
Vanguard Australian Fi...	Australian Fixed Inter...	7.43
Vanguard Australian Pr...	Australian Listed Prop...	7.08
Vanguard Global Infras...	Alternatives	6.98
BetaShares Global Gold...	Alternatives	4.94

## 3 Year Risk Statistics

Annualized Standard Deviation	5.01
Beta	0.48
Sharpe Ratio	1.71
Alpha	0.80
R-Squared	51.67

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 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.