

# PAC Capital Growth



Morningstar Aus Msec rowth TR AUD (XIUSA04GJ1) (ticker 95247)

A\$AUD

31/05/2021

## Fund Strategy

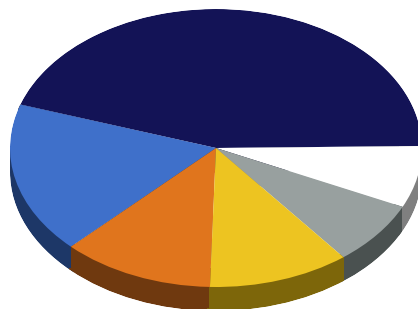
**Portfolio Description** – A diversified portfolio of securities across both defensive/income-oriented assets such as cash and fixed interest securities and growth assets such as Australian equities, property and international equities with the emphasis on growth assets. The mix of defensive and growth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

**Investment Objective** – The P.A.C. Growth Portfolio aims to achieve growth through investing in a diversified portfolio of growth and defensive asset classes a moderate exposure to defensive asset classes.

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

## Portfolio Weights

- International Shares 45.09%
- Australian Shares 17.63%
- Alternatives 11.88%
- International Fixed Interest 10.91%
- Groups < 5% 7.41%
- Australian Listed Property 7.06%



## Fund Performance

Performance as at 31 May 2021	1 Month	QTD	1 Year	3 Year	Inception
Portfolio	0.69	3.45	13.12	16.27	15.54
Benchmark	1.28	3.92	16.77	9.21	8.60
Excess Return	-0.59	-0.47	-3.65	7.06	6.94

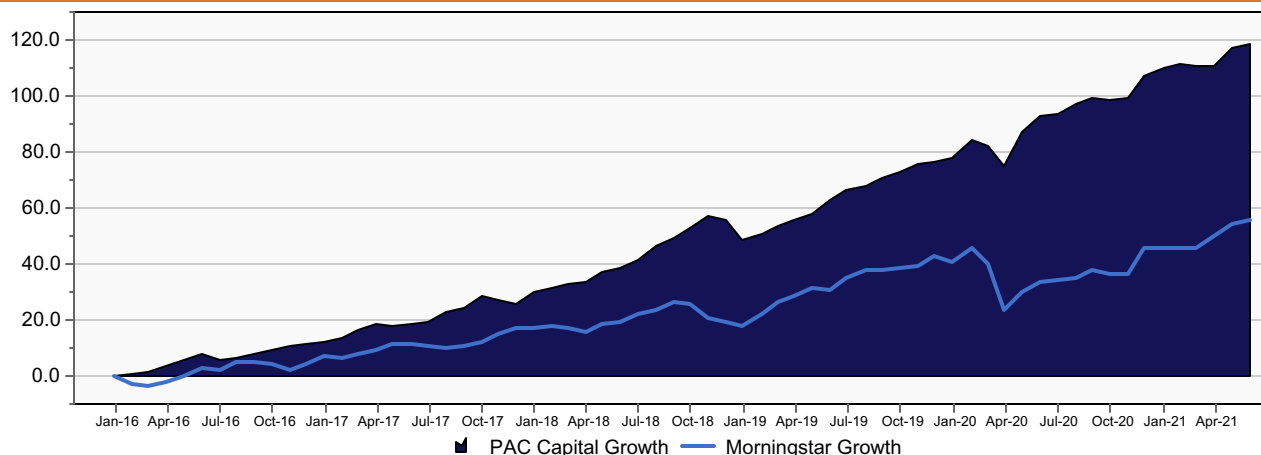
## Fund Performance

P.A.C. Capital Growth Fund underperformed relative to the Morningstar Benchmark in May. This 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, labeling 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 Feds 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 months 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.

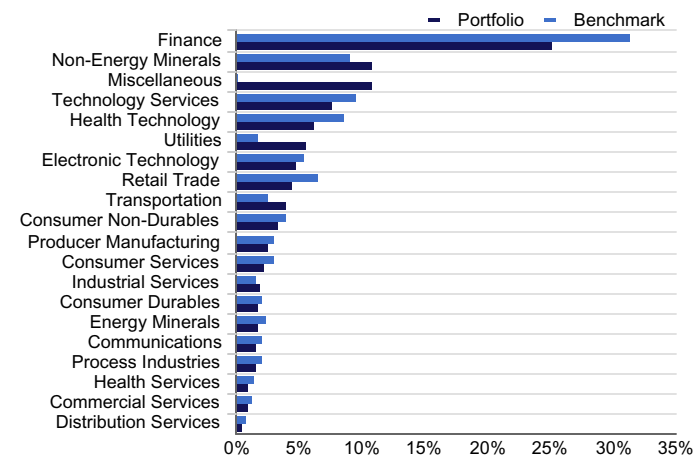
## Cumulative Performance



## Top Industry Funds

Fund	1 Month	YTD	1 Year	3 Year
CBUS Super TTR Growth				
Vanguard Diversified High Growth In...	1.7%	9.8%	25.1%	11.1%
MLC Wholesale Horizon 5 - Growth	1.5%	10.0%	24.1%	9.0%
AustralianSuper Balanced	1.4%	7.2%	19.7%	9.3%
Morningstar Growth Fund - Class A	1.4%	7.8%	16.6%	6.7%
FirstChoice WS Inv - FirstChoice WS...	1.3%	8.9%	23.1%	8.6%
AMP Flexible Lifetime Investment-AM...	1.1%	6.7%	17.1%	7.3%
IOOF WealthBuilder Balanced Growth...	0.7%	4.4%	10.8%	6.0%
BetaShares Diversified Growth ETF	0.2%	4.4%	15.4%	

## Sector Weights



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## Commentary



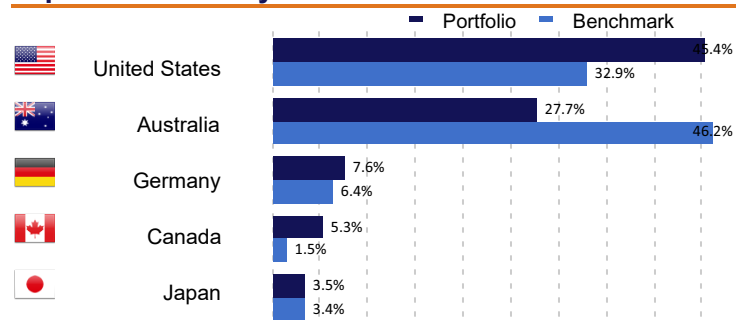
### Clayton Larcombe

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



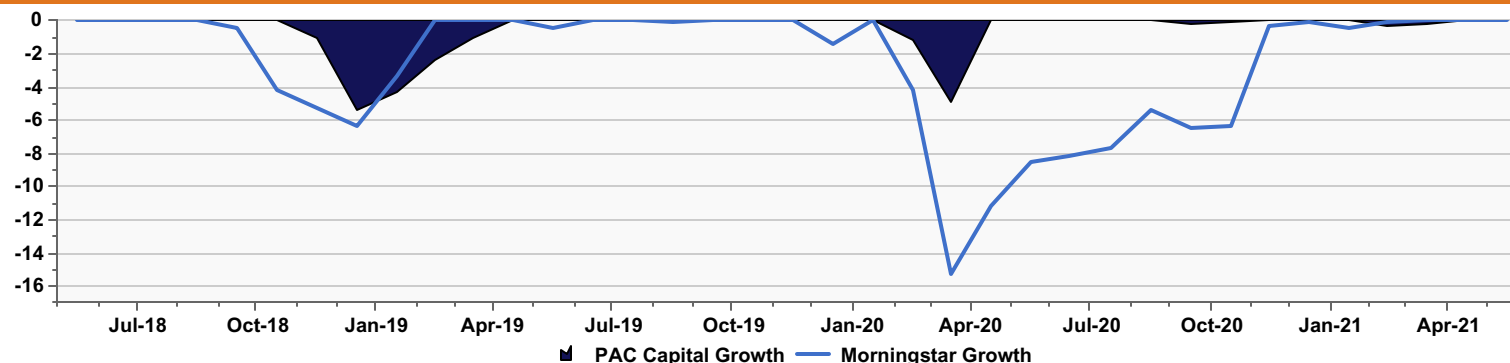
## Top Performers

	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	17.6

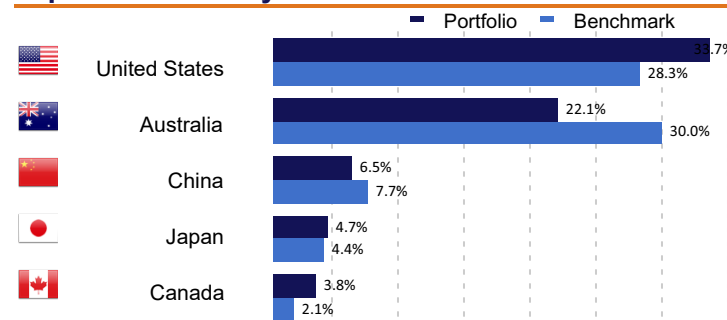
## Bottom Performers

	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

	Return (%)	Ending Weight (%)	Sector	Weight (%)
Vanguard MSCI Index In...			International Shares	25.03
Vanguard Australian Sh...			Australian Shares	17.63
Vanguard MSCI Index In...			International Shares	11.29
Vanguard Global Aggreg...			International Fixed In...	10.91
iShares Core MSCI Worl...			International Shares	8.77
Vanguard Australian Pr...			Australian Listed Prop...	7.06
Vanguard Global Infras...			Alternatives	6.96
BetaShares Global Gold...			Alternatives	4.92
Vanguard Australian Fi...			Australian Fixed Inter...	2.47

## 3 Year Risk Statistics

Annualized Standard Deviation	6.94
Beta	0.39
Sharpe Ratio	1.56
Alpha	1.01
R-Squared	30.49

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.