

PAC Capital Conservative



Benchmark: Morningstar Conservative

\$AUD

31/10/2020

Fund Strategy

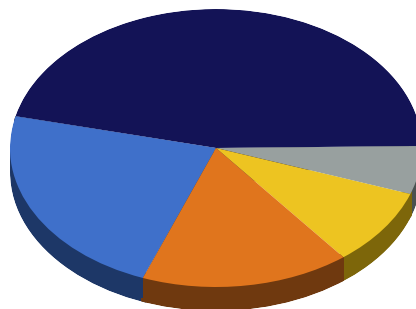
Portfolio Description – A diversified portfolio of securities across both defensive/income-oriented assets, such as cash and fixed interest securities, and growth assets such as Australian equities, property and international equities. The mix of defensive and growth assets and the allocation between 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 46.53%
- Australian Shares 8.89%
- Australian Fixed Interest 22.83%
- Groups < 5% 5.42%
- International Shares 16.33%



Fund Performance

Performance as at 30 October 2020	1 Month	YTD	1 Year	3 Year	Inception
Portfolio	-0.49	6.49	8.20	8.99	8.85
Benchmark	0.12	1.79	1.74	4.30	4.16
Excess Return	-0.61	4.70	6.46	4.69	4.69

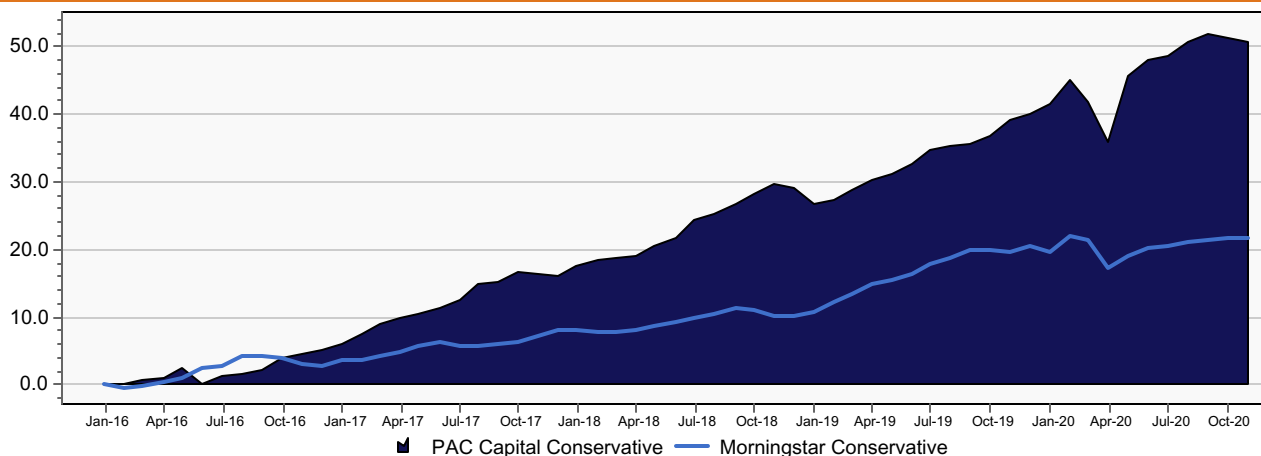
Fund Performance

- Two themes dominated October, these were the re-surgng Coronavirus around the world and the US elections. Australian shares outperformed global markets rattled by the virus while US shares were dragged down by mixed earnings reports and a stalemate on further stimulus measures
- P.A.C. Capital Balanced fund returned -0.49% under-performing the Morningstar Benchmark across the month by 0.61%
- We attribute under-performance to underweight position in Aussie shares relative to the benchmark. The outlook for Australia is improving relative to rest of world, with Covid-19 under control and labour market conditions improving over the September quarter -- we are beginning to add more exposure to Australian Shares.

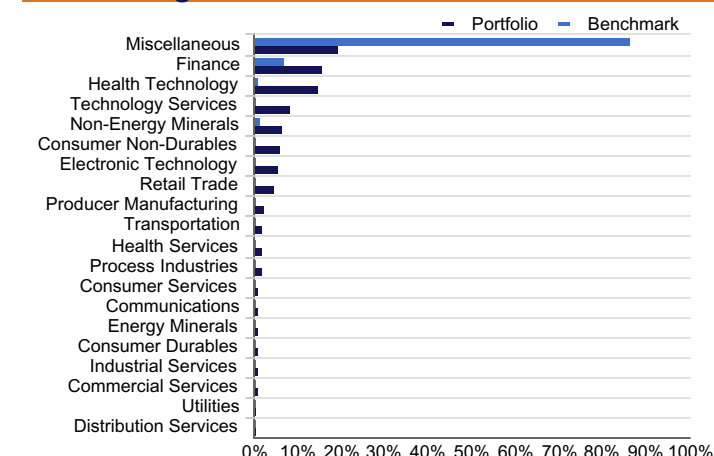
Top Industry Funds

Fund	1 Month	YTD	1 Year	3 Year
BetaShares Diversified Conservative...	0.8%	-2.0%		
MLC Wholesale Horizon 3 Conservativ...	0.5%	-2.4%	-1.1%	3.3%
Morningstar Conservative Fund - Cla...	0.2%	1.0%	1.1%	3.1%
IOOF WealthBuilder Conservative -IO...	0.2%	1.1%	1.3%	2.9%
AustralianSuper Stable	0.2%	0.9%	1.6%	4.6%
FirstChoice WS Inv - FirstChoice WS...	0.1%	-2.8%	-1.4%	3.5%
Vanguard Diversified Conservative I...	0.1%	1.6%	2.2%	
AMP Flexible Lifetime Investment-AM...	0.0%	-1.2%	-0.9%	2.7%

Cumulative Performance



Sector Weights



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Commentary



Clayton Larcombe

Managing Director
Chief Investment Officer (CIO)

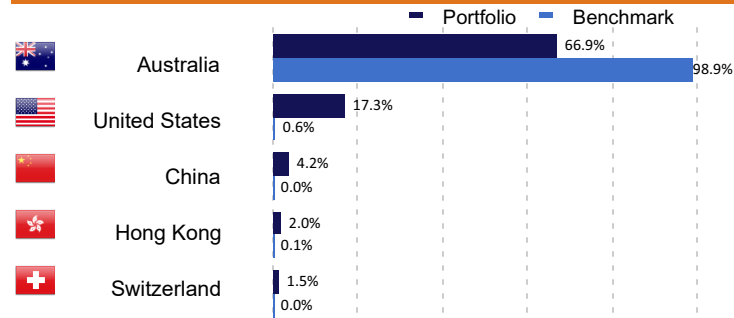
What Worked

Our exposure to Emerging Markets through IAA, CNEW and IEM was the biggest contributor to performance across the month. China – the biggest Emerging Market began to relax some internal movement restrictions and their success in controlling the virus means it will likely be the only major economy to grow its GDP across 2020. We remain optimistic about China's recovery and maintain our overweight position to emerging market equities.

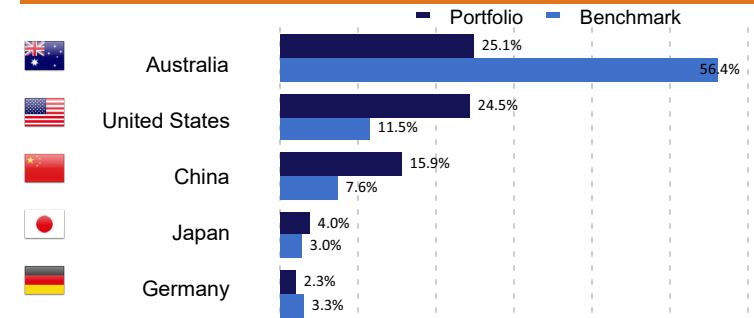
What didn't

Gold was our worst performing asset class with VanEck Gold Miners ETF (GDX) down -4.33% for the month. Gold continues to trade between tight range and we remain optimistic on the asset class going forward given global uncertainty, inflationary fears and monetary expansion.

Top 5 Countries by Domicile



Top 5 Countries by Revenue



Top Performers

	Return (%)	Ending Weight (%)
iShares Asia 50 ETF CDI	7.94	2.6
VanEck Vectors China New Econo...	5.53	1.0
iShares MSCI Emerging Markets...	5.22	1.3
SPDR S&P ASX 200 Fund	1.77	6.9
VanEck Vectors Video Gaming &...	0.87	1.3

Bottom Performers

	Return (%)	Ending Weight (%)
SPDR MSCI World Quality Mix Fu...	-1.41	2.4
VanEck Vectors MSCI World ex A...	-1.48	4.9
iShares Global Healthcare ETF...	-2.78	1.2
VanEck Vectors Gold Miners ETF	-4.33	2.9

Top 10 Positions

	Sector	Weight (%)
Bentham Syndicated Loa...	International Fixed In...	23.45
Legg Mason Brandywine...	International Fixed In...	23.09
Ardea Real Outcome Fun...	Australian Fixed Inter...	22.83
SPDR S&P ASX 200 Fund	Australian Shares	6.89
VanEck Vectors MSCI Wo...	International Shares	4.87
VanEck Vectors Gold Mi...	Alternatives	2.89
iShares Asia 50 ETF CD...	International Shares	2.60
SPDR MSCI World Qualit...	International Shares	2.43
Firetrail Absolute Ret...	Australian Shares	2.00
BetaShares Global Cybe...	International Shares	1.68

3 Year Risk Statistics

Annualized Standard Deviation	5.62
Beta	1.08
Sharpe Ratio	0.77
Alpha	0.33
R-Squared	34.13

Drawdown

