

Performance

	Inception ⁽²⁾	12 months	6 months	3 months	1 month
Microcap	14.19%	-26.03%	5.97%	2.97%	-3.20%
Benchmark ⁽¹⁾	29.07%	13.29%	7.02%	3.51%	1.17%

⁽¹⁾ CPI + 7%

⁽²⁾ 2 July 2020

Global equities sold off in December, capping a challenging year. Equity markets are still grappling with rapid rate hikes as central banks globally focus on combating widespread inflationary pressures during 2022.

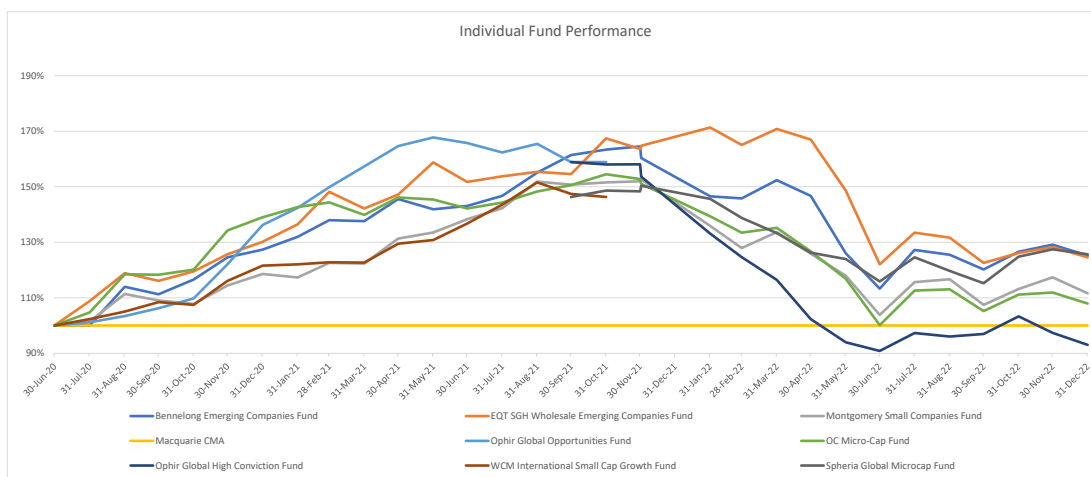
2022 was a year most investors would rather forget. The S&P 500 shed 19.4 percent during 2022 while the tech-heavy NASDAQ tumbled 33.1 percent, marking their worst yearly performances since the 2008 financial crisis and ending a three-year winning streak. Rising yields impact the discount rate used to value securities, particularly 'long-dated' growth sectors such as technology and biotech. Falling liquidity also affects the ability of smaller companies (often unprofitable) to raise equity capital; consequently, they have dragged lower than their larger market peers.

2023 presents a mixed bag of opportunities and threats, with equity strategists sitting in one of two camps for the year ahead:

- Recession, or
- Soft landing.

It will take some time before it becomes clear which scenario is correct, and we expect there to be similar volatility to what we have seen recently until the path is clear.

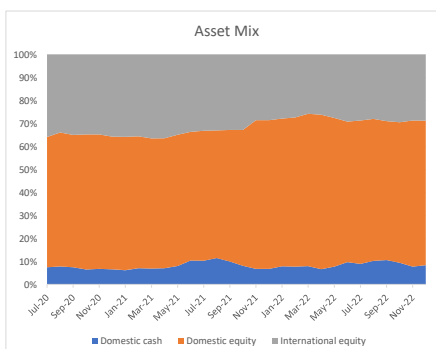
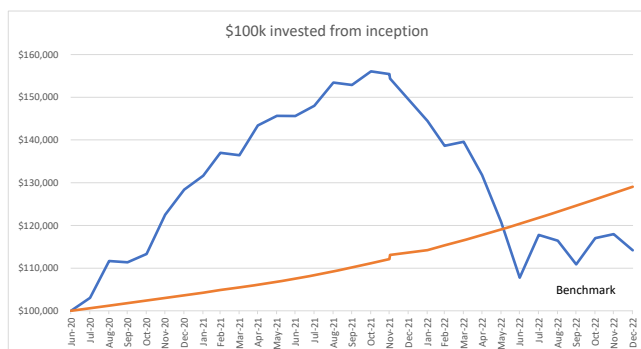
Considering the macro uncertainty and equity markets investors focus on macro themes, continuing to invest in managers who have a bias toward companies with earnings resilience, strong balance sheets, and growth potential independent of the economic cycle will provide the best chance of navigating through the volatility and rebounding quickly when the focus shifts back to company earnings. We continue to predominantly favour managers who invest with these attributes front of mind.


Monthly Portfolio Holdings - MICRO CAP

Name	Allocation	Return	Effect
Macquarie CMA	2.73%	0.00%	0.00%
Spheria Global Microcap Fund	18.20%	-1.38%	-0.25%
EQT SGH Wholesale Emerging Companies Fund	16.03%	-2.88%	-0.46%
OC Micro-Cap Fund	15.07%	-3.53%	-0.53%
Bennelong Emerging Companies Fund	18.49%	-3.04%	-0.56%
Ophir Global High Conviction Fund	14.03%	-4.43%	-0.62%
Montgomery Small Companies Fund	15.46%	-4.90%	-0.77%
	100%		-3.20%

Investment objective

The objective of the Portfolio is to provide an investment exposure to the capital appreciation opportunities that exist in micro cap markets around the world with the aim of outperforming a benchmark CPI + 7% after fees over rolling 5 year periods. The Portfolio predominantly invests in equities, such as Australian and International shares, through professional third-party investment managers, such as managed investment funds, however, it may also invest in liquid stable investments, such as fixed-interest and cash assets, dependent on market conditions.



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The investment tables above set out returns net of Investment manager fees. Past Performance is no indicator of future performance. Please read the PDS in conjunction with this update.