

## Portfolio Overview

### Dec / Jan Highlights

AMC +5.13%

### Dec / Jan Lowlights

PME -27.02%

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XRO -21.72%

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SEK -16.60%

## December / January Portfolio Update

By Rudi Filapek-Vandyck and the Vested Team,

### All-Weather Portfolio Performance Over the December / January Period

Winter has arrived, and it happened quickly and suddenly.

Financial markets are not governed by the same natural processes and seasonal patterns as is day-to-day life outside of markets, but drawing parallels helps investors understand how dynamics can change and endure.

And how a change in general context is best responded to with a change in strategy and expectations.

In simple terms: it's okay to walk barefoot and carry sunnies with you whole day outside, unless the temperature gets too hot (slip, slap, slop!), but when the season changes, like it has, it's probably best to wear a raincoat, or at least carry an umbrella with you.

General dynamics for the Australian share market have changed dramatically throughout December and January.

Up until that point, the All-Weather Model Portfolio had pretty much consistently performed positively and outperformed the major indices in Australia.

Then December saw portfolio rotation into laggards financials and cyclicals, with highly valued technology stocks in the US particularly on the nose.

Then came January.

January was wild. At times: extremely wild. On some days everything was up for sale.

Wall Street legend Bob Farrell has left a legacy of 10 market rules for investors. At times like these the mind wanders to rule number ten: Bull markets are more fun than bear markets.

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The FNArena/Vested Equities All-Weather Model Portfolio had anticipated a change in market dynamics in December, when it was decided to significantly raise the cash component; first to 16%, then to circa 30% in January.

Of course, when wild gyrations hit markets and virtually everything gets sucked into a volatile vortex, there's never enough in cash.

But investing is about looking forward, while also acknowledging we don't know how long this winter-season will last, or how far it will push prices down.

The strategy chosen is to raise cash mostly through reducing exposure, and to patiently re-allocate that cash back into the market.

New signals and insights from the running reporting season are carefully taken into consideration, though macro-influences leave little room for micro-considerations in markets.

At this point in time.

Always good to keep in mind that nothing is permanent in finance. The general view of the portfolio managers is that markets are gripped by fear and uncertainty, and the peak in inflation-anxiety is likely in the here and now, hence things might settle down in a while.

About 10% of the cash has already been re-allocated. Time will tell if our strategy is the correct one (we won't shy away from making changes if we think we need to).

We shall never pretend we know exactly how the current market process of re-adjustment will play out.

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In December, the portfolio gained 1.2%, which was less than banks and resources and thus the ASX-200 accumulation index gained 2.74%.

The real measure, of course, is that over three, six and twelve months the All-Weather Portfolio had performed significantly better closing off on calendar year 2021 with a total gain of 24.63%.

January, on the other hand, brought a completely different experience, with the Portfolio losing -9.49% in 31 days only – by far the worst monthly experience since inception.

By comparison, the ASX200 Accumulation index lost -6.35% over the month.

What happened next is the 'magic of maths' with the Portfolio now underperforming the index over one month, three months and six months comparison.

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Throughout the wild gyrations, the Portfolio has welcomed new additions Seek (ASX:SEK) and Healthco Healthcare and Wellness REIT (ASX:HCW) with a weighting of 3% each.

Unsurprisingly, Amcor (ASX:AMC) has proved one of the few bright spots in January with the search for safe-havens putting investor focus on the company's underappreciated share price, alongside defensive earnings and a solid looking dividend.

We've always thought of Amcor as a true All-Weather Performer and it is during times like these that other investors rediscover the company's built-in qualities.

The All-Weather stock for the December/January period was Amcor Ltd (ASX:AMC), who, despite not releasing any significant announcement for the month, rallied +5.13%.

Shortly after the end of January, Amcor released their FY22 H1 results, which highlighted that net sales jumped by 11.72% compared to the prior corresponding period. Top-line growth was bolstered by approx. ~\$650m spurred on by price increases which Amcor was able to pass through to consumers as higher costs with minimal churn.

## All Weather Portfolio Performance Since Transitioning to WealthO2

Period Ending 31/12/2021								
Name	Code	Type	1 mth	3 mths	6 mths	1 year	3 years	5 years
All Weather Portfolio	M00701	Capital	1.20%	4.26%	8.61%	23.53%	-	-
All Weather Portfolio	M00701	Income	0.00%	0.10%	0.43%	1.10%	-	-
All Weather Portfolio	M00701	TR	1.20%	4.36%	9.04%	24.63%	-	-
S&P/ASX Blended Equity and Bond - Conservative Index - Primary	CONSERVINDX	TR	0.90%	-0.45%	0.23%	2.66%	-	-
S&P/ASX 200 Accumulation Index - Secondary	XJO	TR	2.74%	2.09%	3.80%	16.74%	-	-
S&P/ASX Bank Bill Index - RiskFreeRateIndex	SPBDABBT	TR	0.00%	0.01%	0.01%	0.02%	-	-

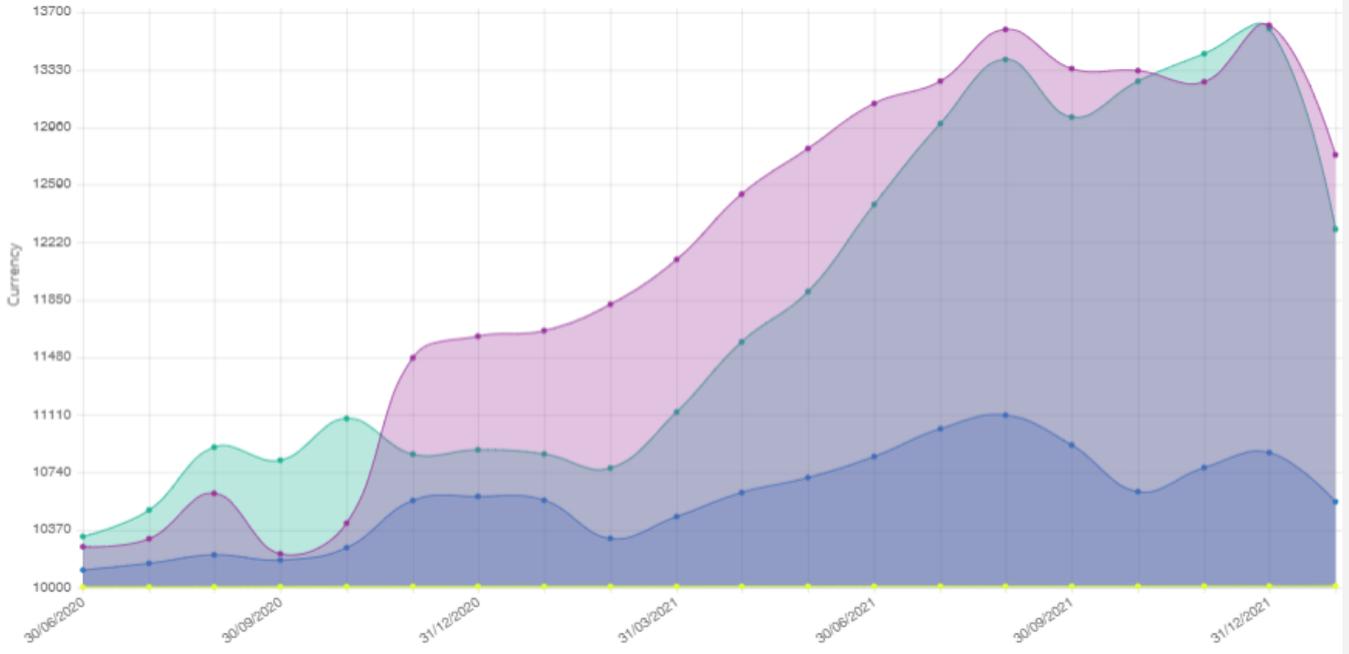
Period Ending 31/01/2022								
Name	Code	Type	1 mth	3 mths	6 mths	1 year	3 years	5 years
All Weather Portfolio	M00701	Capital	-9.49%	-7.28%	-5.64%	12.08%	-	-
All Weather Portfolio	M00701	Income	0.00%	0.10%	0.42%	1.10%	-	-
All Weather Portfolio	M00701	TR	-9.49%	-7.18%	-5.21%	13.18%	-	-
S&P/ASX Blended Equity and Bond - Conservative Index - Primary	CONSERVINDX	TR	-2.73%	-0.43%	-4.08%	0.09%	-	-
S&P/ASX 200 Accumulation Index - Secondary	XJO	TR	-6.35%	-4.27%	-3.70%	9.24%	-	-
S&P/ASX Bank Bill Index - RiskFreeRateIndex	SPBDABBT	TR	0.01%	0.02%	0.02%	0.03%	-	-

**PLEASE SEE THE NEXT PAGE FOR THE  
PRAEMIUM PLATFORM'S PAST PERFORMANCE**

GROWTH OF \$10,000 INVESTED SINCE 30/05/2020

Start Date  
30/05/2020

End Date  
31/01/2022



M00701 S&P/ASX Blended Equity and Bond - Conservative Index - Primary S&P/ASX 200 Accumulation Index - Secondary  
S&P/ASX Bank Bill Index - RiskFreeRateIndex

**All Weather Portfolio Performance Since on the Praemium Platform\*\*\***

<b>All-Weather Portfolio Performance on Praemium Platform (calendar years)</b>			
Calendar Year	All-Weather Model Portfolio (%)	ASX200 Accumulation Index (AXJOA) (%)	Relative Performance (%)
2015	7.77	2.56	5.21
2016	4.52	11.8	-7.28
2017	14.43	11.8	2.63
2018	1.34	-2.84	4.18
2019	22.08	23.4	-1.32
30/06/2020	-1.73	-10.42	8.69

<b>All-Weather Portfolio Performance on Praemium Platform (financial years July-June)</b>			
Calendar Year	All-Weather Model Portfolio (%)	ASX200 Accumulation Index (AXJOA) (%)	Relative Performance (%)
FY16	14.4	0.56	13.84
FY17	3.16	14.09	-10.93
FY18	17.28	13.01	4.27
FY19	7.38	11.55	-4.17
FY20	5.64	-7.68	13.32

<b>Average annual performance for the 5.5 years (Jan 2015 - June 2020)</b>		
All-Weather Model Portfolio (%)	ASX200 Accumulation Index (AXJOA) (%)	Relative Performance (%)
8.51	5.99	2.52

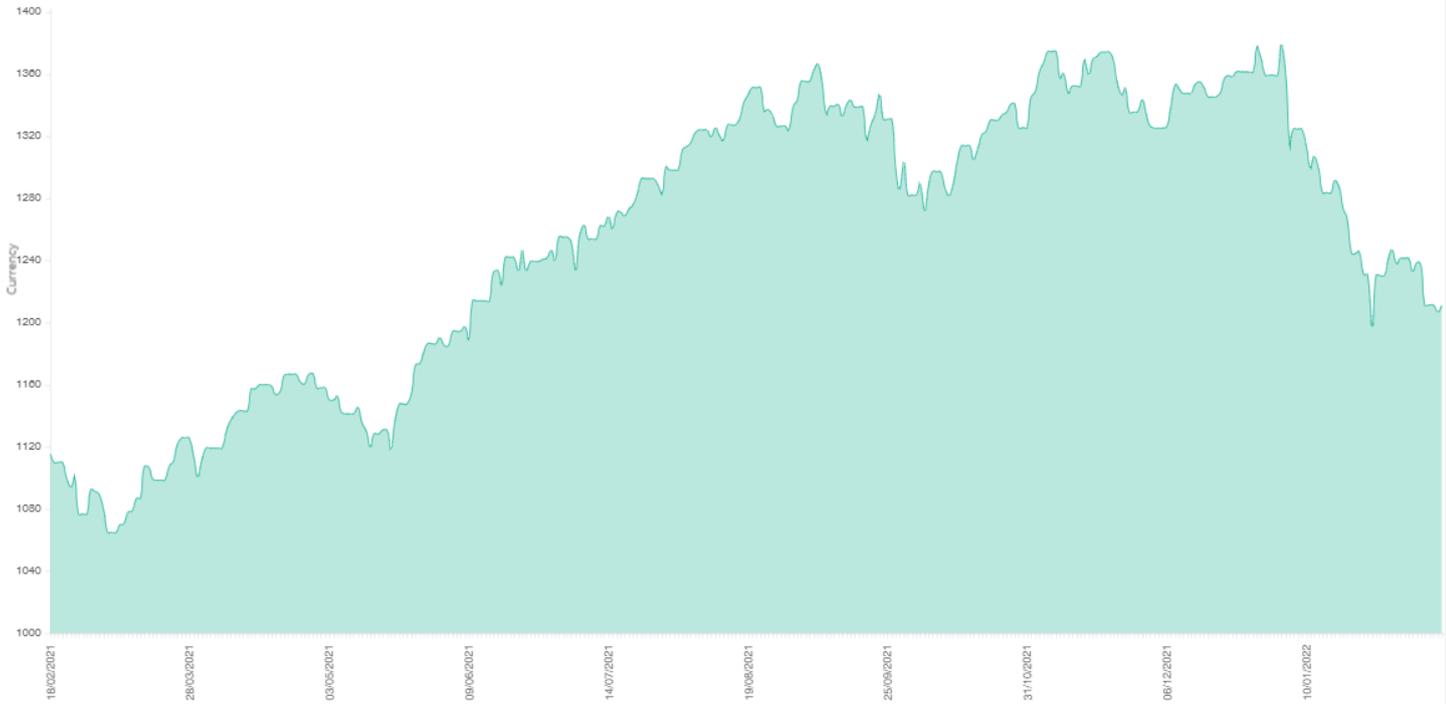
\*ASX 200 Accumulate Index

\*\*Returns unaudited and exclusive of fees and brokerage

\*\*\*There is an overlapping time period between the Praemium platform and the Wealth O2 Platform. If you require more specific information on past platform performance, please send an email to your advisor.

### 52 WEEKS RANGE

FIRST PRICE AT 18/02/2021  
LAST PRICE AT 15/02/2022



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