

Quarterly performance report

Adansonia Global Opportunities Managed Portfolio

January 2020

The Adansonia Global Opportunities Managed Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 31 December 2019

	1 mth (%)	3 mths (%)	6 mths (%)	1 yr (%)	Annualised since incep (%pa)
Portfolio	-1.35	6.84	12.55		33.69
Benchmark	-0.82	4.29	8.94		24.69
+/- Return	-0.53	2.55	3.61		9.00

Top five holdings (%)

Alphabet Inc	9.9%
Apple Inc	9.9%
JP Morgan Chase & Co	9.9%
Visa Inc	9.5%
Microsoft Corporation	9.2%

Past performance is not a reliable indicator of future performance.

- 1 The inception date of the managed portfolio was 30/01/2019. Performance information displayed prior to the inception date was for the same investment strategy as the named portfolio but managed via a separate account.
- 2 Benchmark is the MSCI World Total Return Index (AUD). Returns are calculated using the exit price (including sell spread), net of fees, assuming reinvestment of distributions and excludes franking credits and are calculated from the Fund's inception date. Individual returns will vary depending on date of initial investment.

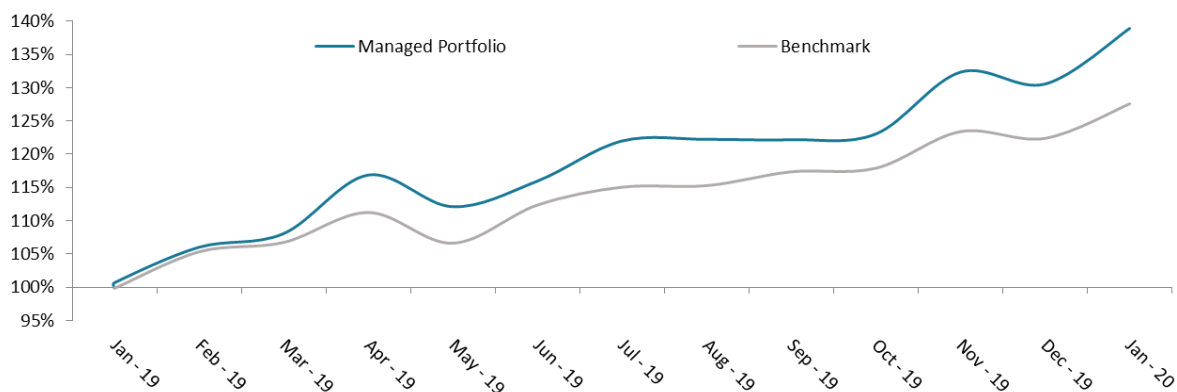
Performance and portfolio review

For the December 2019 Quarter, the portfolio returned a gross 6.84%, outperforming the MSCI World Total Return Index (A\$) by 2.55%. Since inception, the portfolio has returned a gross 30.51%, versus the MSCI World Total Return Index (A\$) up 22.43%.

Continued pressure from the US-China trade dispute, a slowing global economy and low inflation levels had raised recession fears heading into the Fourth Quarter. However, data during the Quarter generally showed that the level of economic contraction was starting to stabilise. Moreover, manufacturing PMI's in November suggested that industrial activity was strengthening in most regions and that the downturn may be bottoming out. This was reflected in the yield curve which changed dramatically. After the US Federal Reserve cut interest rate by 0.25% in October, the US yield curve closed at its steepest level in 2019, with the 10 year bond yielding 35bps more than the 2 year bond, signalling less anxiety over the impact of the trade dispute and an improved outlook on global growth versus several months ago.

Over the Quarter, the portfolio increased its weighting to Financials, adding to an existing position in JP Morgan Chase and Co after yet another solid earnings result and opened a new position in Bank of America Corp. Both companies are attractively priced, particularly versus Australian banks and earnings are anticipated to grow above market consensus, benefiting from strong loan growth in the US and reduced concerns about Net Interest Margin contraction by the aforementioned steepening of the yield curve. At the end of the Quarter, the portfolio held 14 stocks and 3.7% in cash.

Portfolio since inception¹



¹ The Managed Portfolio investment objective is to outperform the MSCI World Total Return Index (AUD). Returns are calculated net of management, performance, administration/custody and transaction fees, but excluding any adviser fees from the Managed Portfolio's inception date of 30 January 2019 and assumes reinvestment of all income (but not franking credits). Returns are based on the theoretical performance of a portfolio which implemented the Managed Portfolio from the inception date based on simplifying assumptions and stock weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Past performance is not a reliable indicator of future performance and may not be achieved in the future. Each client should also take into account their own taxation situations. All information provided in this Report is correct as at the date of this Report.

Investment objective & strategy

To outperform the MSCI World Total Return Index (AUD) over a 5-year investment horizon.

Adansonia employs a structured and disciplined investment process with a 5-year plus investment horizon that seeks fundamental value, recognising that growth is a key determinant of a company's valuation.

The investment strategy marries top-down investment idea generation with bottom-up valuation support and explores both revenue and margin drivers of listed equities. The results of which provide more robust valuations and insight into the investment outlook.

The portfolio is not managed to a benchmark and does not have set limits on country or sector exposures. However, the portfolio favours investing in listed equities in developed economies covered by the MSCI World Index with typically no more than 20% of holdings outside the index

About Adansonia Capital

Adansonia Capital is a privately-owned Australia-based investment management company whose core focus is to generate superior long-term investment returns via a global investment approach, with an emphasis on capital preservation.

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

Contact

Investors

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Key features

Investment Universe	Listed global equities and cash
Benchmark	MSCI World Total Return Index (AUD)
Number of investments	10-30
Min cash weighting	2%
Maximum individual security weights	15%
Rebalancing	Program adviser discretion
Min investment	A\$50,000
Suggested timeframe	5 years +

Portfolio Management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Managed Portfolio on the instructions of Adansonia Capital as the Program Adviser

More information

Further information about the Managed Portfolio, including the fees, costs and risks, is outlined in the Adansonia Global Opportunities Managed Portfolio Investment Mandate