

Quarterly performance report

March 2020

Stalbridge Capital Global Opportunity – Retail Managed Portfolio

The Stalbridge Capital Global Opportunity – Retail Managed Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 31 March 2020 ¹					Top five holdings		%
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)			
Portfolio	-11.13	-8.75	1.52	5.14	CASH	AUD	8.60
Benchmark	-14.47	-16.51	-5.68	0.82	MSFT	Microsoft Corporation	7.13
+/- Return	3.34	7.76	7.20	4.32	CASH	USD	7.03
					CSL	CSL Limited	6.24
					ASML	ASML Holding	4.58

Portfolio and market returns

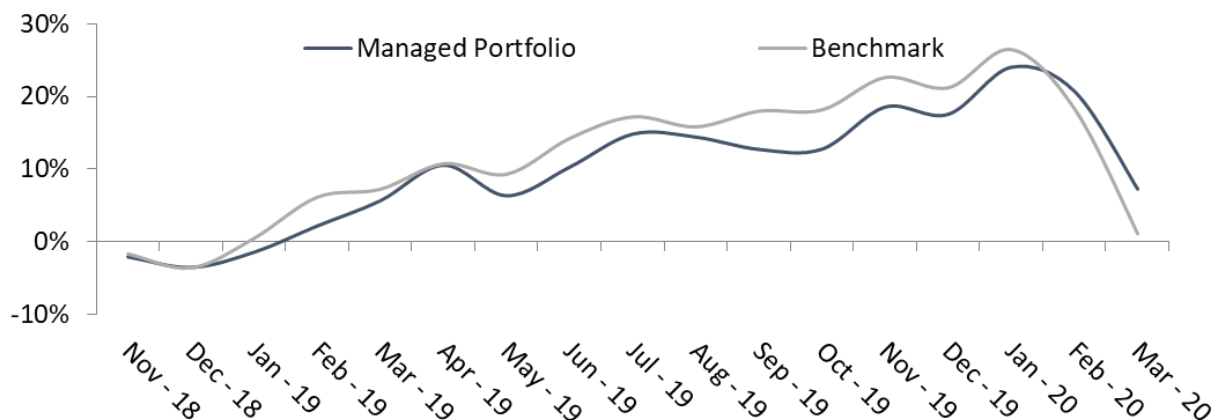
From Bull Market to Bear Market... to Bull Market???

2020's first quarter has been a rollercoaster; not just for financial markets, but – more importantly – for the global society and economy as well. Covid-19 has truly hit all aspects of life. The SC GOF portfolio was not immune (down 9% for the quarter), although outperformed most global markets on positive stock selection and a weaker AUD.

We aim to filter out irrelevant noise to focus on longer-term investment opportunities. We actively track today's market relative to past market dislocations – if history holds true, we are past the worst of this downturn. While the market re-test recent lows, we do not expect a protracted downturn a la the GFC or Great Depression. In the short term, however, we maintain a relatively high cash balance (16% of portfolio), as a hedge against such a downturn but more so in anticipation for extraordinary investment opportunities that will emerge as this crisis abates.

Over this past quarter, we remained nimble in the face of excessive market volatility. We monetized several positions originally put in place as hedges against a market downturn, downsized positions that have outperformed, and selectively added several new positions, with an eye to increase their size over time. Further, we keep an eye on a list of other potential investments, awaiting the time to deploy more cash when a positive market trend is more certain. There is light at the end of this tunnel.

Performance since inception¹



¹ The Portfolio's benchmark is 50% S&P/ASX 300 Accumulation Index & 50% MSCI ACWI Net Total Return Index. Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this Report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the Portfolio is 1 November 2018. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Investment objective & strategy

Stalbridge Capital aims to achieve superior returns with a below-average risk profile over a 3-5 year cycle. We seek out high-conviction investment ideas across both domestic and global market places, within investment themes that we expect will provide growth opportunities for select companies.

The portfolio is comprised of businesses deemed attractively valued given their underlying growth opportunities, with sustainable or improving market positions and operating performance, and led by quality management. The financial strength of each company should reflect its opportunities, including expectations for sustainable or improving profitability and returns on capital, cash generation, and balance sheet integrity.

The split between Australian and global companies is determined by evaluating company-specific investment opportunities against conditions across different global financial markets.

About Stalbridge Capital

Stalbridge Capital is an Australian-based investment management company focused on finding and developing investment opportunities in both domestic and global companies. Founded in 2018, they seek to provide solid capital growth for investors over the medium- to long-term.

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

Please speak
to your adviser

Key features

Investment universe	S&P/ASX 300 Accumulation Index and MSCI ACWI Total Return (in AUD); Up to 20% of the Managed Portfolio may be invested in securities outside the S&P/ASX 300 Accumulation Index and MSCI ACWI Total Return (in AUD)
Benchmark	50% S&P/ASX 300 Accumulation Index / 50% MSCI ACWI Total Return (in AUD)
Max investments	35
Min cash weighting	2%
Max equity weighting	98%
Rebalancing	Program adviser discretion
Min investment	\$50,000
Suggested timeframe	3-5 years

Portfolio management

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

More information

Further information about the Portfolio, including fees and costs, is outlined in the Stalbridge Capital Account Service Investment Mandate.

Advisers

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