

Stalbridge Capital Global Opportunity – Retail Managed Portfolio

Performance Report as at 30 June 2020



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.



**STALBRIDGE
CAPITAL**

The Stalbridge Capital Global Opportunity – Retail Managed Portfolio is a Managed Discretionary Account (MDA).

Fund performance as at 30 June 2020¹

	1mth (%)	3 mths (%)	1yr (%)	3yr (%)	Annualised Since incep (%pa)
Portfolio	0.56%	15.13%	11.97%	n/a	13.59%
Benchmark	1.02%	11.36%	-1.37%	n/a	7.45%
Excess Return	-0.45%	3.76%	13.34%	n/a	6.14%

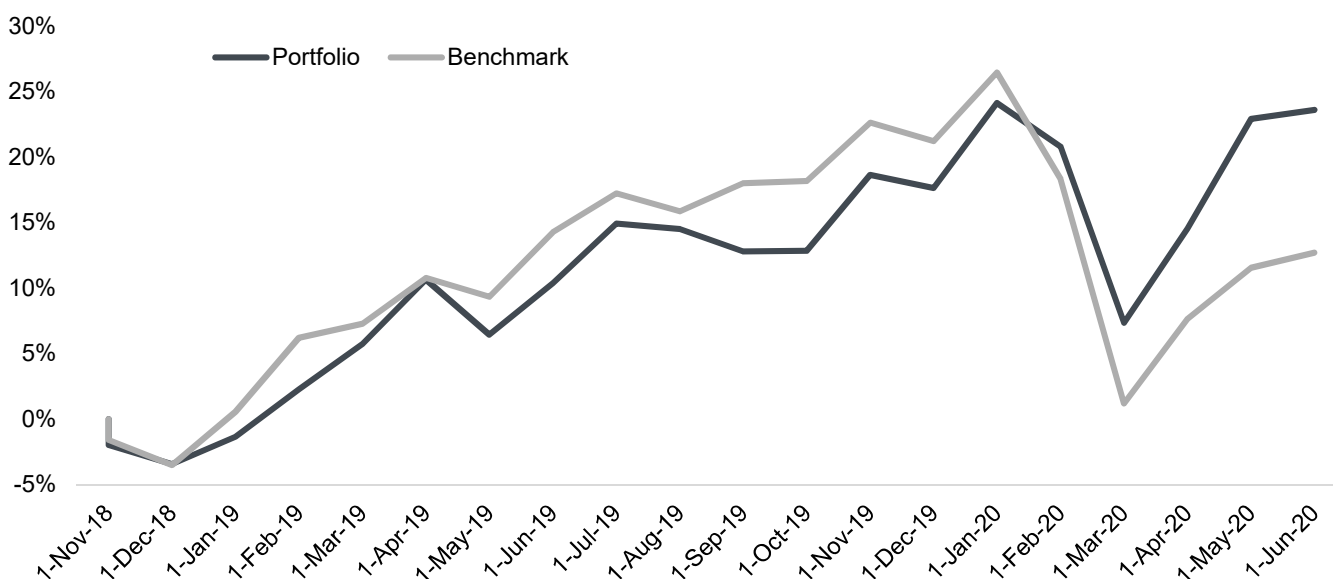
Past performance is not a reliable indicator of future performance.

The Portfolio's benchmark is 50% S&P/ASX 300 Accumulation Index & 50% MSCI ACWI Net Total Return Index in AUD. All information provided in this Report is correct at the date of this report but without independent verification. Portfolio 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. Each client should also take into account their own taxation situations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Top 5 Holdings

		%
MSFT	Microsoft	7.10%
CSL	CSL Ltd	5.24%
SBM	St Barbara Ltd	5.03%
NVDA	NVIDIA Corp	5.02%
PYPL	PayPal Holdings	4.98%

Performance since inception



Portfolio and market returns

Too far, too fast???

Insert your favourite market cliché: “This too shall pass.” “Dead cat bounce.” “Something for both the bulls and the bears.” “Wall St. vs. Main St.” We adopted “Don’t fight the Fed” early on in this crisis, viewing the enormous largess from the world’s central banks as more than enough to offset the tremendous downturn in markets we experienced in March.

After increasing our cash position during the market onslaught, we were able to buy several quality companies at prices we did not think we would see. Additionally, we saw an opportunity when oil futures turned negative – a condition we viewed as unsustainable. We made a calculated short-term investment in an oil company, which has since been sold after a 20% increase in just two months. SC GOF benefitted from these moves, rising over 15% in the quarter and +5% YTD through June, well ahead of global equity markets.

We remain concerned, however, that the upturn in markets may have been too hasty, and see as likely another market reversal, although not to March lows – the upcoming earning season could be the impetus for such a pullback. While we have some cash on hand, we stand ready to raise more – our Sell list sits ready on our desk. However, we would expect to quickly put any cash raised back to work in short order, as we see anything but a modest downturn as another buying opportunity. Our Buy list isn’t far out of reach, either.

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 cash weighting

98%

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 advice from Stalbridge Capital as the Investment Sub-Adviser.

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.

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

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.

Contact

Investors please speak to your adviser

For Advisers: T 1300 988 878
E info@masonstevens.com.au
W masonstevens.com.au

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