

Shaw SMA - International Equity Portfolio

Shaw and Partners Portfolio Strategies

Monthly Review – November 2018

Top Holdings

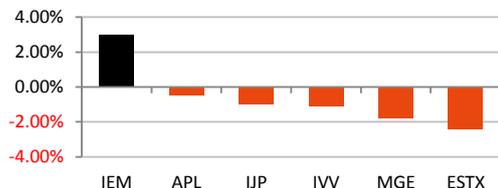
ASX Code	Security	Alloc: 97.11%
IVV	Ishares Core S&P 500	48.98%
APL	Antipodes Global Invest Comp	14.69%
ESTX	Euro Stoxx 50 ETF	13.24%
IEM	Ishares MSCI Emg Mrkt ETF	9.13%
IJP	Ishares MSCI Japan ETF	6.04%
MGE	Magellan Global Equities Fund	5.03%

Portfolio TWR Performance

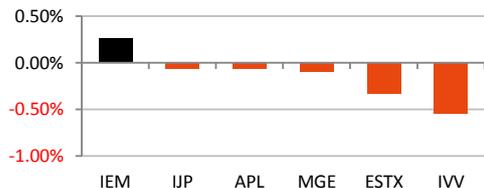
Return	1 Mth	3 Mth	6 Mth	1yr	Incep.*
Total TWR Portfolio	-0.83%	-5.52%	0.51%	2.10%	9.63%
Portfolio Objective	-1.46%	-6.48%	1.19%	3.58%	16.65%
Excess vs. Objective	0.63%	0.96%	-0.68%	-1.48%	-7.02%

*Annualised. Performance Period: 06-Sep-17 to 30-Nov-18

1 Month: Total Return



1 Month: Total Attribution



*Returns are gross of franking credits

Portfolio Details

Portfolio Name:	Shaw International Equity Portfolio
Portfolio Inception Date:	6-Sept-17
SMA Model code:	SP0007
Indicative # of securities:	5-30
Portfolio Return Objective:	MSCI International ACWI Ex Australia
Shaw Model Manager:	Martin Crabb

Investment Objectives

The primary objective of the Shaw International Equity Portfolio is to provide long term capital growth and income from an investment in international equity markets, over the longer term (5–7 years). It achieves this by investing in a portfolio of securities have superior earning growth capacity and the focus is on the total return of each stock/index as the prime objective.

Investment Strategy

Shaw's investment process combines quantitative and qualitative criteria and analysis to identify stocks/sectors/ markets which have above average earnings growth with positive valuation characteristics and have some dividend paying capacity.

The portfolio construction is based on macro-economic and thematic views of Shaw and Partners' Research in order to best meet the risk and return objectives of the investment strategy.

Portfolio Highlights

- Following the decision to allocate International Equity portfolios to Alliance Bernstein's Concentrated Global Growth strategy, we will be winding down the Shaw and Partners International Equity portfolio.
- Strong performance for Emerging Markets offset a 3.42% rise in the Australian dollar against the US dollar in November to see the international equity portfolio outperform the MSCI All Country World Index over the month by 0.63%. Performance over the quarter remains above index, but the strategy lags over a year and since inception.
- In Australian dollar terms, Japan was 1.01% lower, the US 1.11% lower, Europe-ex-UK was 2.44% lower and Emerging Markets were 2.98% higher. Our holdings in fund manager Antipodes performed relatively well, only down 0.46% and Magellan fell 1.82%.
- The international asset class has been the best performing SMA suite since inception, rising 9.67% annualised since inception. The overweight position we had taken in late 2017 and 2018 has been replaced recently with a more neutral position.

Martin Crabb | Chief Investment Officer

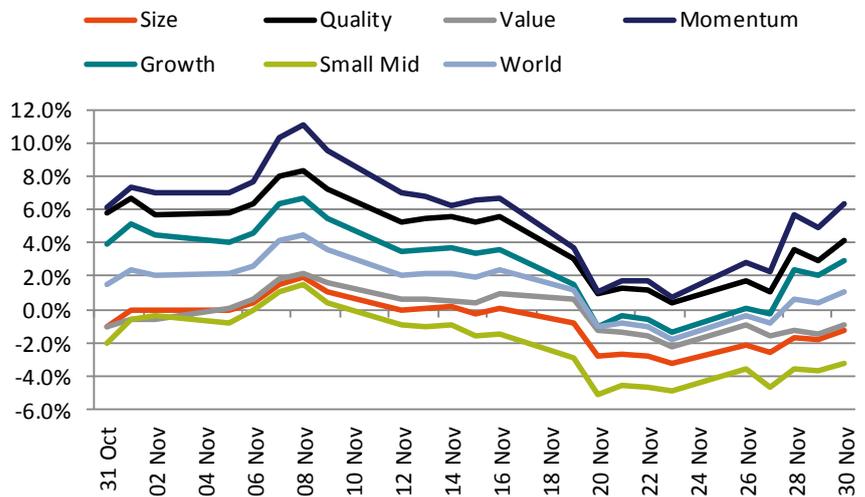
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Portfolio Performance

Returns were above index in November due to strong relative returns from Emerging Markets and Antipodes Global (APL). Most global equity factor returns moved into negative territory during the month before recovering.

Figure 1: Global Equity Factor Returns – rolling annual basis



Source: Shaw and Partners, FactSet

Portfolio Outlook and Strategy

Following the decision to allocate International Equity portfolios to Alliance Bernstein’s Concentrated Global Growth strategy, we will be winding down the Shaw and Partners International Equity portfolio.

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