

# Resonant Asset Management

## Monthly Update & Performance Summary

### Balanced Model

October 2022

#### MARKET SUMMARY

The month of October was an interesting month across financial markets, with a wide range of factors impacting markets, both domestically and globally.

Locally the RBA signaled strongly a shift to 0.25% moves, rather than the 0.50% increases we've had to so far, one of the first central banks to shift to smaller increments. This led to a strong monthly return for government bonds, a welcome change and a sign of the improving outlook for bonds.

In addition, the shift to a steadier rate rise cycle drove the local equity market higher, up 6%. It also drove down the Australian dollar. Unhedged global equities rallied 8%, despite some nervousness around the global economy.

Within the Australian Equities market, financials and discretionary stocks performed strongly while metals & mining experienced some struggles through the month, as the China macroeconomic data continued to disappoint.

Looking ahead, we see some short-term headwinds particularly in global equities, as the Fed seeks to tackle persistent inflation with rate rises. We do however believe we are closer to the bottom of this bear cycle sell-off and are looking for opportunities to top up growth exposure in portfolios once the market has digested the risks to the global economy from excessive Fed tightening.

#### Portfolio Returns

October was one of the best single months ever for the SMA's, with all risk levels outperforming strongly, driven by both asset allocation and asset selection. Conservative SMA's returned +4.2% over the month, with higher risk levels generating greater returns, for example High Growth returned +6.9%.

In terms of return breakdown, the Australian Equities sleeve within the SMA's outperformed the ASX200 index by +1.3% to return +7.3% overall. The overweight to Australian bonds made at the last rebalance also paid off handsomely, as the asset class returned +1.2% more than any other defensive asset.



**IMAP**  
MANAGED ACCOUNT  
AWARD FINALIST  
INNOVATION



**Multi Asset  
Class**  
Finalist  
2019 IMAP MANAGED  
ACCOUNT AWARDS



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# Sterling Resonant Balanced

# 31 October 2022

## Product Information

Code	RN0002
Investment Horizon	5 years
Min. Investment	150000
Objective	BB AusBond BB + 2.4% p.a.
Structure	SMA

## Net Performance Summary

1 Year	-3.9%
3 Years (PA)	2.2%
5 Years (PA)	4.4%
CYTD	-6.6%
FYTD	3.5%
Inception (PA)	6.0%

## Investment Strategy

To invest in an actively managed diversified portfolio of direct securities, managed funds and ETF's across a broad range of asset classes. The portfolio is optimised to aim for the highest level of return whilst remaining in a balanced portfolio allocation set out below. As a result, asset allocations may vary depending on market conditions and correlations, however it is expected that over a full economic cycle, growth assets will average approximately 60%, while defensive assets will average approximately 40%. The portfolio invests a minimum of 20% in defensive assets (cash and fixed interest).

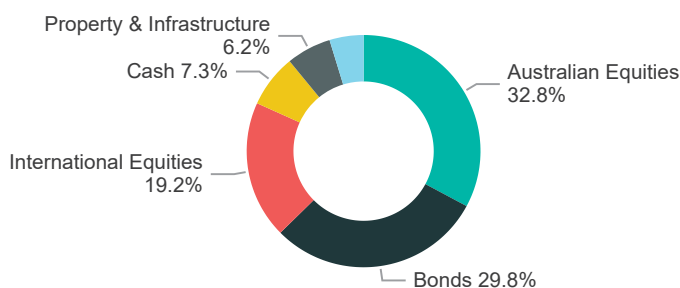
## Net Cumulative Performance



## Asset Allocation

AssetClass	Weight
Australian Equities	32.8%
Bonds	29.8%
International Equities	19.2%
Cash	7.3%
Property & Infrastructure	6.2%
Alternatives	4.7%

## Asset Allocation



**Notes on Returns:** The returns presented reflect the performance of Resonant's headline managed model portfolios only, they do not reflect individual investor returns. The managed model returns are shown net of any underlying investment product fees. The returns do not include any adviser fees or platform fees. The returns do not include the benefit of franking credits and are shown before tax. Please note the actual returns of individual investors will differ due to adviser fees, platform fees, franking credits, market timing and realised trading costs. Client specific circumstances such as the investor's tax rate and any client directed holdings or exclusions will also influence individual returns. The "inception date" used in this report, being 1st July 2016, reflects the date that Resonant's "Quantamental" investment process was implemented by Libero Capital, formerly a related entity of Resonant. Resonant was "spun out" of Libero Capital in 2017. In February 2018 Resonant launched a suite of SMA models on the Netwealth platform. The investment IP, models and processes of the Resonant models are identical to that of the Libero models. Performance figures are supported by time-stamped model uploads. These returns are calculated from data provided by third parties in accordance with GIPS compliant methodology. The returns are unaudited. The historical returns presented reflect the historical performance of Resonant's headline managed model portfolios only, not the performance of the Resonant-Sterling SMA's. While the holdings of the Resonant-Sterling models are identical to the holdings of Resonant's headline portfolios, performance may vary slightly due to differences in implementation and fees across investment platforms. We do not expect these differences to be material. Model returns do not reflect individual investor returns.

**Fees:** For the fees related to this product and their breakdown, please refer to the PDS.

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Our Financial Services Guide can be found at <https://www.resonantam.com.au/wp-content/uploads/resonant-financial-services-guide.pdf>

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**Peer Group Comparison:** Resonant conducts a quarterly rolling 5 year analysis of its returns vs industry peers of comparable asset allocation/risk. Peer returns and groupings are sourced from FE Analytics <https://investmentcentre.moneymanagement.com.au/investments/superannuation/fund-price-performance>. Resonant's headline models have consistently delivered outperformance vs the peer group average on a risk adjusted basis over a rolling 5 year period. This peer analysis has been provided to your adviser and can be provided to you directly from Resonant upon request.