

Resonant Asset Management

Monthly Update & Performance Summary

January 2023

MARKET SUMMARY

Festivities came late to financial markets this year with the seasonal equity market rally starting on January 3rd. The month of January proving to be very positive for equity assets both locally and globally. Soft inflation data and dovish central bank commentary helped elevate both share markets and long duration government bonds, a reversal of much of the price action of 2022.

In January, the best performing asset class was Australian Equities (+6.3%), with global equities (+4.8%) and domestic bonds (+2.6%) not far behind. The biggest surprise was a rebound in the more speculative growth/tech sector of the stock market, after suffering a torrid 2022.

What comes next? Markets currently sit at a critical juncture for growth orientated assets, as the macro picture remains mixed. Strong employment data and some significant contributors to inflation (notably services, travel and flights) contrast against weak retail sales and softness in the prices of goods and energy markets. We remain cautiously optimistic that central banks should be able to negotiate the transitioning inflationary environment without causing too much damage to the wider economy, however a degree of ongoing volatility in asset prices is likely in the short term.

The key over the next few months will be dynamic portfolio management with a strong risk focus. We are currently positioned conservatively across the portfolios, with one eye on taking opportunities in equities as they arise.

Portfolio Returns

Resonant portfolios performed extremely strongly in January 2023, from 3.3% (Conservative) to 4.5% (High Growth). All multi-asset portfolios are now firmly in positive territory on a rolling one-year basis, and close to making new all-time highs.

This has been driven by asset allocation (overweight Australian Equities, underweight International Equities, tactical addition of domestic government bond exposure in late 2022), and asset selection (overweight Europe, Japan, and "Value" stocks).



IMAP
MANAGED ACCOUNT
AWARD FINALIST
INNOVATION



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



Innovation
Finalist
2019 IMAP MANAGED
ACCOUNT AWARDS

Product Information

Code	RN0001
Investment Horizon	4 years
Min. Investment	200000
Objective	BB AusBond BB + 1.6% p.a.
Structure	SMA

Net Performance Summary

1 Year	0.2%
3 Years (PA)	1.3%
5 Years (PA)	3.7%
CYTD	3.3%
FYTD	6.8%
Inception (PA)	4.6%

Investment Strategy

To invest in an actively managed diversified portfolio of direct Australian equity 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 the conservative 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 40%, while defensive assets will average approximately 60%. The portfolio invests a minimum of 40% in defensive assets (cash and fixed interest)

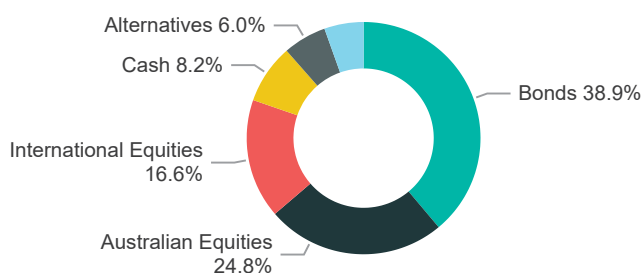
Net Cumulative Performance



Asset Allocation

AssetClass	Weight
Bonds	38.9%
Australian Equities	24.8%
International Equities	16.6%
Cash	8.2%
Alternatives	6.0%
Property & Infrastructure	5.4%

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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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.