

# WealthSolutions

## SMA International Growth 100 Quarterly Report

As of 30/06/2017

### Second quarter 2017

#### Market update

Political uncertainty was a major theme across global markets this quarter, with both good and bad outcomes. Emmanuel Macron's victory in the French elections and Angela Merkel's Christian Democratic Party's strong performance in local elections have helped ease concerns over a seemingly populist anti-globalisation movement in Europe.

British equities and the Sterling initially responded well to Theresa May's call for a snap election in May to strengthen the nation's position in Brexit negotiations. However, this momentum dissipated when the election produced a hung parliament and May's Brexit plan still lacked detail at quarter end.

North Korea's nuclear missile program is also stirring the pot but it is not expected to affect equity markets as long as the US and China continue to cooperate on the matter.

China is increasingly conscious of its financial fragility caused by high levels of corporate debt, the complex nature of its wealth management products, and links to the shadow banking system. To overcome this, the central bank and three regulators (banking, securities and insurance) have joined forces to address the complex and opaque shadow banking sector, and introduced aggressive restrictions on permissible financial activities. This is the right move in the long run to defuse overleveraging and systemic financial risk in China's economy, although we are watching closely for short term negative repercussions.

#### Model update

Although financial markets were a little weak in the month of June, a majority of global equity markets performed strongly over the past 12 months.

Since model inception on 16th May 2017, we have introduced a new manager into the portfolio, the CLAL Antipodes Global Fund on 14th June. The Fund is managed by Antipodes Global Investment Partners, a Sydney based boutique investment firm that seeks both to achieve good investment returns and to build portfolios with a capital preservation focus. Antipodes replaces the Platinum International fund within the model.

**Justin McLaughlin**  
Chief Investment Officer

## SMA International Growth 100

As of 30/06/2017

## Portfolio objective

The SMA International Growth 100 model is a portfolio of actively managed assets designed to achieve significant returns over the long term.

Performance<sup>^</sup>

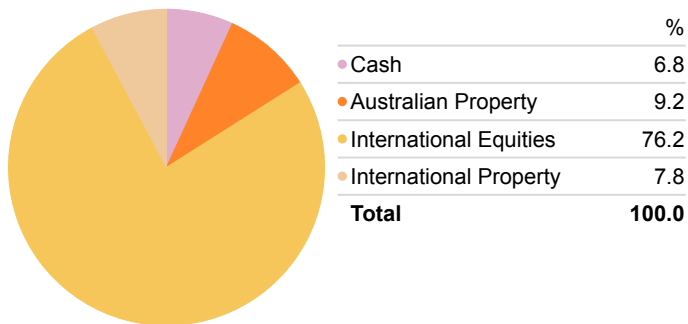
	Since inception (%p.a.)**	2 years (%p.a.)	1 year (%)	6 months (%)	3 months (%)	1 month (%)
Total Return	-2.7					-2.7
Volatility						

\*\*Inception Date: 16/05/2017

<sup>^</sup> Performance data is after fund manager fees, but before any other applicable fees or taxes and assumes the reinvestment of dividends. Past performance is not indicative of future performance. Due to the flexibility of rebalancing and variations between accounts, performance shown is indicative only and assumes rebalancing occurs at the end of each calendar month, and also assumes that there are no deposits, withdrawals nor exceptions to regular rebalancing in the model portfolio.

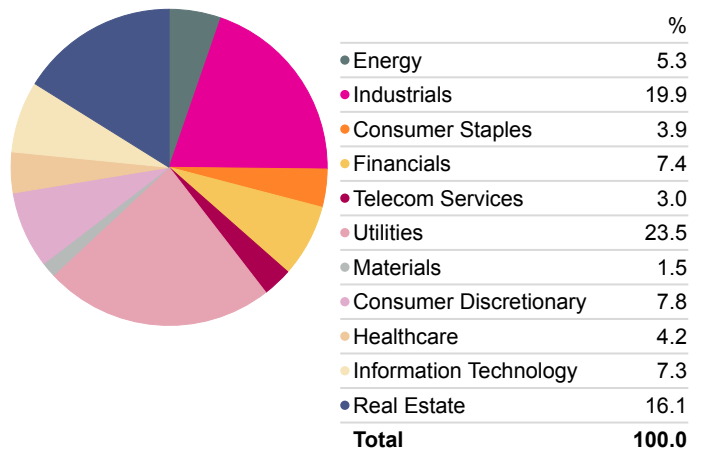
## Asset class breakdown

Portfolio Date: 30/06/2017



## Equities: Industry exposure

Portfolio Date: 30/06/2017



## Underlying funds

	APIR Code	Global Broad Category Group	Portfolio Weighting %
CFML Colonial Infrastructure	NRM0036AU	Equity	25.00
CFML Antipodes Global Fund	CVW1890AU	Alternative	21.00
CFML RARE Emerging Markets	NRM0038AU	Equity	20.00
CFML MFS International Shares	NRM0032AU	Equity	13.00
CFML Listed Property	NRM0034AU	Equity	7.00
Platinum European Fund	PLA0001AU	Equity	7.00
Resolution Capital Gbl Ppty Secs UH SII	IOF0184AU	Equity	7.00

## Performance of current underlying funds

Portfolio Date: 30/06/2017

	5 Yr (%pa)	3 Yr (%pa)	2 Yr (%pa)	1 Yr (%)	6 Mth (%)	3 Mth (%)	1 Mth (%)
CFML Colonial Infrastructure	17.75	14.37	12.25	7.33	7.58	4.93	-4.25
CFML Antipodes Global Fund							-2.14
CFML RARE Emerging Markets	12.41	9.15	4.31	12.57	10.79	1.64	-0.57
CFML MFS International Shares	18.85	14.75	10.05	17.61	9.01	6.56	-1.73
CFML Listed Property	13.48	11.92	8.28	-5.28	-2.27	-3.09	-4.76
Platinum European Fund	16.64	11.52	9.59	28.47	12.22	8.75	-3.88
Resolution Capital Gbl Ppty Secs UH SII	14.30	13.31	7.90	1.38	0.63	4.33	-2.14

Please note: The CFML Antipodes Global Fund was established 8th May 2017.

## Top holdings of the underlying infrastructure, property and equity funds

## CFML Colonial Infrastructure - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
National Grid PLC	Utilities	7.39
Enbridge Inc	Energy	6.63
Transurban Group	Industrials	6.48
East Japan Railway Co	Industrials	6.44
Atlantia SpA	Industrials	6.12
Kinder Morgan Inc P	Energy	5.78
NextEra Energy Inc	Utilities	5.37
American Electric Power Co Inc	Utilities	4.90
Dominion Energy Inc	Utilities	4.79
American Tower Corp	Communication Services	4.58

## Resolution Capital Gbl Pty Secs UH SII - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
Sun Hung Kai Properties Ltd	Real Estate	6.76
Mitsui Fudosan Co Ltd	Real Estate	5.52
Simon Property Group Inc	Real Estate	5.35
Equinix Inc	Real Estate	4.95
Prologis Inc	Real Estate	4.54
Kilroy Realty Corp	Real Estate	4.05
Dexus	Real Estate	3.67
Mitsubishi Estate Co Ltd	Real Estate	3.54
Alexandria Real Estate Equities Inc	Real Estate	3.51

## CFML MFS International Shares - Top Holdings

Portfolio Date: 31/05/2017

	Sector	Portfolio Weighting %
Thermo Fisher Scientific Inc	Healthcare	2.98
Bayer AG	Healthcare	2.93
Nestle SA	Consumer Defensive	2.67
Honeywell International Inc	Industrials	2.46
Medtronic PLC	Healthcare	2.33
Reckitt Benckiser Group PLC	Consumer Defensive	2.26
Svenska Cellulosa AB B	Consumer Defensive	2.16
Visa Inc Class A	Financial Services	2.16
Accenture PLC A	Technology	2.13
Stryker Corp	Healthcare	2.11

## Top holdings of the underlying infrastructure, property and equity funds

### CFML RARE Emerging Markets - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
Bharti Infratel Ltd	Communication Services	5.89
Power Grid Corp Of India Ltd	Utilities	5.79
Malaysia Airports Holdings Bhd	Industrials	5.77
PT Jasa Marga (Persero) Tbk Class B	Industrials	5.05
Gujarat State Petronet Ltd	Utilities	4.71
NTPC Ltd	Utilities	4.68
Infraestructura Energetica Nova SAB de CV	Utilities	4.26
Companhia De Saneamento Basico Do Estado De Sao Paulo	Utilities	3.56
Light SA	Utilities	3.47

### Platinum European Fund - Top Holdings

Portfolio Date: 31/05/2017

	Sector	Portfolio Weighting %
Raiffeisen Bank International AG	Financial Services	5.96
IHS Markit Ltd A	Industrials	4.25
Hypoport AG	Financial Services	3.54
Total Spain		3.22
Applus Services SA	Industrials	3.22
Erste Group Bank AG	Financial Services	3.19
Mediobanca SpA	Financial Services	3.10
Scout24 AG	Technology	2.88
OTP Bank PLC	Financial Services	2.78

### CFML Antipodes Global Fund - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
Hyundai Motor Co	Consumer Cyclical	3.89
Baidu Inc ADR	Technology	3.13
Gilead Sciences Inc	Healthcare	3.00
KB Financial Group Inc	Financial Services	2.86
ING Groep NV	Financial Services	2.60
Samsung Electronics Co Ltd	Technology	2.53
Microsoft Corp	Technology	2.48
Office Depot Inc	Consumer Cyclical	2.45
Telecom Italia SpA	Communication Services	2.43

## Top holdings of the underlying infrastructure, property and equity funds

### CFML Listed Property - Top Holdings

Portfolio Date: 30/06/2017

	Sector	Portfolio Weighting %
Scentre Group	Real Estate	19.59
Westfield Corp	Real Estate	13.95
Goodman Group	Real Estate	11.39
Stockland Corp Ltd	Real Estate	9.58
Dexus	Real Estate	8.70
GPT Group	Real Estate	7.82
Vicinity Centres	Real Estate	7.64
Mirvac Group	Real Estate	7.18
Investa Office Fund	Real Estate	2.46
Charter Hall Group	Real Estate	2.32

#### Important Information

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