## Objective

The Model aims to outperform the Bloomberg AusBond Bank Bill Index +3%, after fees and costs, over rolling 7-year periods.

Fund Description

The Pekada Polaris – Income Bias Portfolio (the Model) is built and monitored using deep fundamental research on both asset allocation and fund manager selection. Asset allocation considerations include long term forecast returns for each asset class, as well as volatility and correlation. We then find exceptional managers that we believe work together to deliver on the Model's objectives. The composition of the Model will change from time to time, based on economic and market conditions, ongoing research, as well as a result of continuous monitoring of both current and potential fund managers.

Growth of $100,000 Total Return
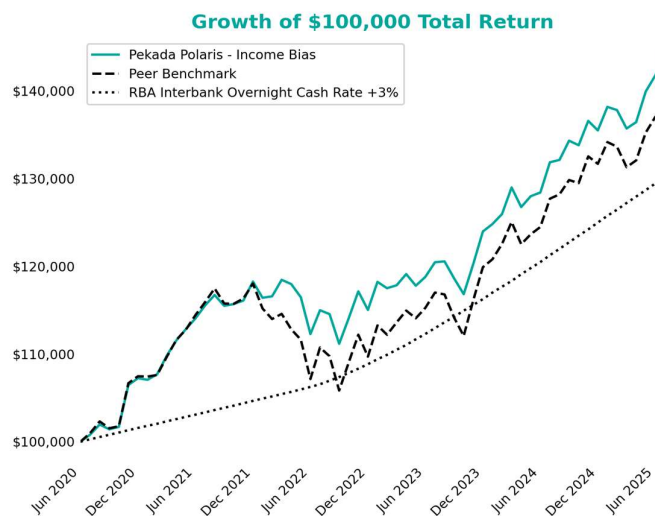
Performance to 31 July 2025	1 mth	1 yr	Inception p.a.#
Growth Performance	1.18%	4.07%	3.05%
Income Performance	0.31%	5.04%	4.37%
Total Return	1.49%	9.11%	7.42%
Peer Benchmark * - Total Return	0.84%	8.19%	6.57%
Outperformance to peers	0.65%	0.92%	0.85%

Performance vs Volaility
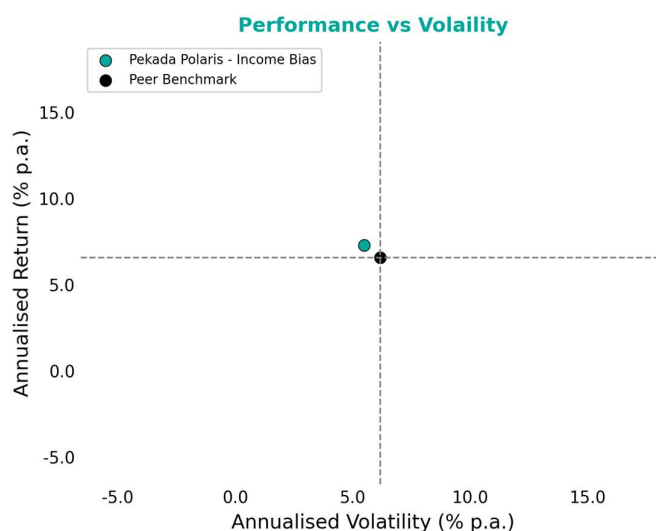
Past performance is not a reliable indicator of future performance.
*Returns of the portfolio are calculated net of applicable investment manager fees and model management fees. Returns may not match your actual return. Portfolio inception date is 03/06/2020, with simulated performance up until the launch date of 03/05/2023, where all performance is live after this date.
Above performance charts use data since inception.
Data Source: FE fundinfo

FE fundinfo

Portfolio Composition

FUND WEIGHTINGS

Below are the target holding weights of Funds within the Model as at 31/07/2025. Note: these weights may differ to live weights due to market movement.

Alternatives

Ironbark GCM Global Macro Fund	3.00%

Alternatives - Equities

L1 Capital Long Short Fund	2.00%

Australian Credit

Realm High Income Fund - Wholesale Units	8.00%
Alexander Credit Income Fund	7.50%

Australian Equities

Vanguard Australian Shares High Yield Fund - Wholesale	7.50%
Ausbil Active Dividend Income Fund – Wholesale	7.00%
Plato Australian Shares Income Fund	7.00%

Australian Fixed Interest

Vanguard Australian Fixed Interest Index Fund	9.00%

Australian REITs

Vanguard Australian Property Securities Index Fund	3.00%

Cash

Netwealth Netcash	1.00%

Diversified Credit

Perpetual Diversified Income Fund	7.00%

Global Credit

Bentham Global Income Fund	3.00%

Global Equities

Plato Global Shares Income Fund	10.50%
Vanguard International Shares Index Fund	9.50%

Global Fixed Interest

Vanguard International Fixed Interest Index Fund (Hedged)	7.00%

Global Infrastructure

ClearBridge RARE Infrastructure Income Fund (Hedged)	4.00%

Global REITs

Resolution Capital Global Property Securities Fund (Managed Fund)	4.00%

FUND & ASSET CLASS ATTRIBUTION

The below attribution measures break down the total performance of the Model, showing the best and worst contributors and their exact contribution.

Top 3 Fund Contributors	1 Month
Plato Global Shares Income Fund	0.35%
Vanguard International Shares Index Fund	0.30%
Vanguard Australian Shares High Yield Fund - Wholesale	0.18%

Bottom 3 Fund Detractors	1 Month
Resolution Capital Global Property Securities Fund (Managed Fund)	-0.04%
Vanguard International Fixed Interest Index Fund (Hedged)	-0.02%
Bentham Global Income Fund	-0.01%

Asset Class Contributors	1 Month
Global Equities	0.65%
Australian Equities	0.42%

Asset Class Detractors	1 Month
Global REITs	-0.04%
Global Fixed Interest	-0.02%

Asset Allocation

Asset Class	SAA	DAA	Difference
Alternatives	0.0%	3.0%	3.0%
Alternatives - Equities	11.0%	2.0%	-9.0%
Australian Credit	0.0%	15.5%	15.5%
Australian Equities	19.0%	21.5%	2.5%
Australian Fixed Interest	20.0%	9.0%	-11.0%
Australian REITs	3.0%	3.0%	0.0%
Cash	5.0%	1.0%	-4.0%
Diversified Credit	0.0%	7.0%	7.0%
Global Credit	0.0%	3.0%	3.0%
Global Equities	19.0%	20.0%	1.0%
Global Fixed Interest	15.0%	7.0%	-8.0%
Global Infrastructure	4.0%	4.0%	0.0%
Global REITs	4.0%	4.0%	0.0%

Market Commentary

Global equity markets continued to move higher through July with the unhedged MSCI ACWI ex-Australian index up 3.4% in Australian dollar terms (+2.2% in local currency). The weaker Australian dollar also benefited emerging market equities, contributing 40 basis points to its return of 3.8%.

Domestic shares also performed strongly. Healthcare led the way following a difficult period, with the sector clouded in policy uncertainty. Energy was strong on the back of higher oil prices and a takeover bid for Santos. It is noteworthy that both sectors remain in the red over the past twelve months. At the opposite end of the spectrum, Financials lost ground in July as the major banks gave back some of their gains. Overall, the MSCI Australia Growth index underperformed its Value equivalent, while the opposite was true at the global level thanks to strong performance by megacap tech stocks. Outcomes across the fixed income markets were relatively muted in July, as higher yields weighed on returns.

Domestic fixed interest finished marginally in the red, after the RBA surprised markets at its July board meeting and held the cash rate at 3.85%, preferring to wait for the quarterly inflation data. Yields subsequently eased throughout the month after the release of weak jobs data and better-than-expected consumer inflation data.

Portfolio Commentary

The Model returned +1.49% in July, outperforming the peer group benchmark by +0.65%. Absolute returns were more subdued in July compared to previous months but continue to see strong relative outperformance across the Model.

Global equities had another strong month as investor sentiment remains resilient to macro uncertainty. The Plato Global Shares Income Fund (+3.36%) led the way, beating the +3.14% rise in the global equity benchmark. The Vanguard International Share Index Fund (+3.12%) and the Ironbark GCM Global Macro Fund (+2.33%) both delivered good absolute returns despite falling flat against the benchmark. Australian equities also performed well, with the Vanguard Australian Shares High Yield Fund (+2.44%) and the L1 Capital Long Short Fund (+2.39%) both delivering strong relative returns.

Another contributor to July's performance was the Model's A-REIT exposure, with the Vanguard Australian Property Securities Index Fund (+3.33%) up slightly against the ASX A-REIT benchmark (+3.28%).

In contrast, the Model's more defensive holdings had a mixed month, with notably subdued returns from global fixed income. The Bentham Global Income Fund (-0.22%) and the Vanguard International Fixed Interest Find (-0.35%) both suffered compared to the Model's Australian fixed income exposure, aligning with the view that Australia bonds remain more attractive relative to their global peers. Finally, the Model's real assets exposure weighed on performance, with the Resolution Capital Global Property Securities Fund posting a -1.03% return.