



PROVENANCE

BRISBANE | SYDNEY

PORTFOLIO VALUATION REPORT

PRIVATE & CONFIDENTIAL

PREPARED FOR:

Prof Margaret Sankey

Director of Bahgar Pty Ltd

ATF Sankey Superannuation Fund

DATE: 01 July 2021 to 30 June 2022

PREPARED BY:

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Sankey Superannuation Fund:	Units	Price	Market Value
General Default			
NAB Everyday (x7431) - as at 7/2/19 (Approx.)	500	\$1.00	\$500
NAB i-Saver Cash (x0615) - as at 7/2/19 (Approx)	500	\$1.00	\$500
St George CMA - as at 7/2/19	10	\$1.00	\$10
Account Total			\$1,010
064321 (Magellan) - Bahgar Pty Ltd <Sankey Superannuation Fund>			
Magellan Infrastructure Fund	38,585	\$1.33	\$51,178
Account Total			\$51,178
239060-32613 (La Trobe) - La Trobe 12 month Term Account			
La Trobe Australian Credit Fund - 12 Month Term Account	55,000	\$1.00	\$55,000
Account Total			\$55,000
300111812 (PIMCO) - Bahgar PL ATF Sankey SF			
PIMCO Income Fund - Wholesale Class	52,064	\$0.92	\$48,029
Account Total			\$48,029
400176419 (Challenger) - SANKEY SUPERANNUATION FUND			
Bentham Global Income Fund	74,883	\$1.01	\$75,302
Account Total			\$75,302
6290883 (Commsec Adv) - BAHGAR PTY LTD <SANKEY SUPER FUND A/C>			
Commonwealth Bank. - Cap Note 3-Bbsw+3.00% Perp Non-Cum Red T-04-27	500	\$99.89	\$49,945
National Aust. Bank - Cap Note 3-Bbsw+3.50% Perp Non-Cum Red T-12-27	400	\$100.50	\$40,200
Account Total			\$90,145
966108169 (Macq Cash) - BAHGAR PTY LTD ATF SANKEY SUPERANNUATION FUND			
Macquarie Bank CMA	221,379	\$1.00	\$221,379
Account Total			\$221,379
Shaw Stockbroking (Holdings updated 11/03/2021)			
ANZ Banking Grp Ltd - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-03-24	347	\$103.38	\$35,873
Australia and New Zealand Banking Group Limited - ANZ	3,550	\$22.03	\$78,207
Australian Ethical Investment Limited - AEF	5,000	\$4.66	\$23,300
BHP Billiton Limited - BHP	2,364	\$41.25	\$97,515
Challenger Limited - CGF	5,800	\$6.84	\$39,672
Commonwealth Bank of Australia - CBA	1,524	\$90.38	\$137,739
Commonwealth Bank. - Cap Note 3-Bbsw+2.80% Perp Non-Cum Red T-12-22	290	\$99.96	\$28,988
Commonwealth Bank. - Cap Note 3-Bbsw+3.70% Perp Non-Cum Red T-04-24	250	\$102.20	\$25,550
Commonwealth Bank. - Cap Note 3-Bbsw+3.90% Perp Non-Cum	300	\$99.91	\$29,973

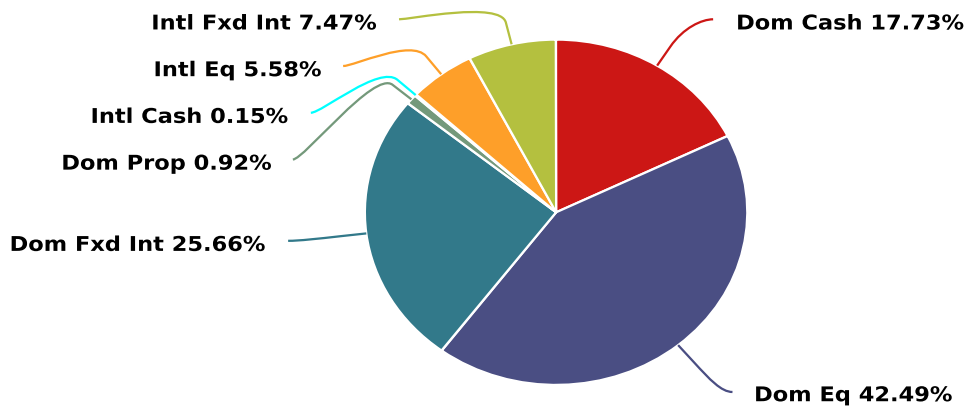
Red T-03-22			
Insignia Financial - Ordinary Fully Paid	1,610	\$2.69	\$4,331
Lend Lease Group - LLC	300	\$9.11	\$2,733
Magellan Global Fund - Option Expiring 01-Mar-2024 Ex At Disc To Est Nav	14,444	\$0.01	\$72
Magellan Global Fund - Ordinary Units Fully Paid Closed Class	23,837	\$1.34	\$31,942
National Aust. Bank - Cap Note 3-Bbsw+2.20% 20-09-28 Cum Red T-09-23	350	\$100.50	\$35,175
National Australia Bank Limited - NAB	3,267	\$27.39	\$89,483
Regis Healthcare Ltd - Ordinary Fully Paid	4,700	\$1.85	\$8,695
SCA Property Group - Fully Paid Units Stapled Securities	3,500	\$2.75	\$9,625
Suncorp Group Ltd - Cap Note 3-Bbsw+4.10% Perp Non-Cum Red T-06-22	50	\$100.70	\$5,035
Telstra Corporation Limited - TLS	6,500	\$3.85	\$25,025
Westpac Banking Corp - Cap Note 3-Bbsw+3.05% Perp Non-Cum Red T-09-22	190	\$99.71	\$18,945
Westpac Banking Corp - Cap Note 3-Bbsw+3.40% Perp Non-Cum Red T-03-27	128	\$100.15	\$12,819
Westpac Banking Corporation - WBC	3,104	\$19.50	\$60,528
Account Total			\$801,225

TOTAL FOR: SANKEY SUPERANNUATION FUND

\$1,343,268

GRAND TOTAL

\$1,343,268



Asset Allocation	Value	Weight
Defensive Assets		
Domestic Cash	\$238,163.36	17.73%
Domestic Fixed Interest	\$344,674.01	25.66%
International Cash	\$2,021.23	0.15%
International Fixed Interest	\$100,377.52	7.47%
Total for Defensive Assets:	\$685,236.11	51.01%
Growth Assets		
Domestic Equity	\$570,720.06	42.49%
Domestic Property	\$12,358.00	0.92%
International Equity	\$74,953.35	5.58%
Total for Growth Assets:	\$658,031.41	48.99%
Grand Total:	\$1,343,267.52	100.00%



Total Portfolio holding *Agreed target of: Balanced*

Asset Allocation	Weight	Target Weight	Variance
Defensive Assets			
Domestic Cash	17.73%	5.00%	12.73%
Domestic Fixed Interest	25.66%	19.00%	6.66%
International Cash	0.15%	0.00%	0.15%
International Fixed Interest	7.47%	16.00%	-8.53%
Total for Defensive Assets:	51.01%	40.00%	11.01%
Growth Assets			
Domestic Equity	42.49%	23.00%	19.49%
Domestic Property	0.92%	6.00%	-5.08%
International Equity	5.58%	26.00%	-20.42%
International Property	0.00%	5.00%	-5.00%
Total for Growth Assets:	48.99%	60.00%	-11.01%
Grand Total:	100.00%	100.00%	0.00%

Margaret *Agreed target of: Balanced*

Asset Allocation	Weight	Target Weight	Variance
Defensive Assets			
Domestic Cash	0.00%	5.00%	-5.00%
Domestic Fixed Interest	0.00%	19.00%	-19.00%
International Fixed Interest	0.00%	16.00%	-16.00%
Total for Defensive Assets:	0.00%	40.00%	-40.00%
Growth Assets			
Domestic Equity	0.00%	24.00%	-24.00%
Domestic Property	0.00%	6.00%	-6.00%
International Equity	0.00%	25.00%	-25.00%
International Property	0.00%	5.00%	-5.00%
Total for Growth Assets:	0.00%	60.00%	-60.00%
Grand Total:	0.00%	100.00%	-100.00%

Bahgar Pty Ltd *Agreed target of:*

Asset Allocation	Weight	Target Weight	Variance
Grand Total:			

Sankey Superannuation Fund *Agreed target of: Balanced*

Asset Allocation	Weight	Target Weight	Variance
Defensive Assets			
Domestic Cash	17.73%	5.00%	12.73%

Asset Allocation	Weight	Target Weight	Variance
Domestic Fixed Interest	25.66%	19.00%	6.66%
International Cash	0.15%	0.00%	0.15%
International Fixed Interest	7.47%	16.00%	-8.53%
Total for Defensive Assets:	51.01%	40.00%	11.01%
Growth Assets			
Domestic Equity	42.49%	23.00%	19.49%
Domestic Property	0.92%	6.00%	-5.08%
International Equity	5.58%	26.00%	-20.42%
International Property	0.00%	5.00%	-5.00%
Total for Growth Assets:	48.99%	60.00%	-11.01%
Grand Total:	100.00%	100.00%	0.00%



OVERVIEW

Margaret Sankey

- Total Life Cover = \$0
- Total TPD Cover = \$0
- Total Trauma Cover = \$0
- Total Income Protection Cover = \$0

CURRENT INSURANCE DETAILS

Product		Effective Date	1 Mth	6 Mths	1 Year	3 Years	5 Years	7 Years
SANKEY SUPERANNUATION FUND								
064321 (Magellan) - Bahgar Pty Ltd <Sankey Superannuation Fund>								
Magellan Infrastructure Fund	Total Return	30 Jun 2022	-4.59%	-2.31%	6.55%	1.53%	5.45%	7.58%
	Volatility				13.60%	14.63%	12.46%	11.47%
239060-32613 (La Trobe) - La Trobe 12 month Term Account								
La Trobe Australian Credit Fund - 12 Month Term Account	Total Return	30 Jun 2022	0.36%	1.92%	4.10%	4.55%	4.86%	5.00%
	Volatility				0.09%	0.12%	0.14%	0.13%
300111812 (PIMCO) - Bahgar PL ATF Sankey SF								
PIMCO Income Fund - Wholesale Class	Total Return	30 Jun 2022	-3.81%	-10.74%	-10.37%	-0.99%	1.05%	N/A
	Volatility				5.50%	7.34%	5.85%	N/A
400176419 (Challenger) - SANKEY SUPERANNUATION FUND								
Bentham Global Income Fund	Total Return	30 Jun 2022	-2.53%	-2.41%	-1.16%	3.00%	3.07%	3.77%
	Volatility				3.29%	6.72%	5.45%	5.12%

Product		Effective Date	1 Mth	6 Mths	1 Year	3 Years	5 Years	7 Years
SANKEY SUPERANNUATION FUND								
064321 (Magellan) - Bahgar Pty Ltd <Sankey Superannuation Fund>								
Magellan Infrastructure Fund	Income	30 Jun 2022	1.83%	1.88%	4.01%	3.95%	3.91%	5.26%
	Growth		-6.42%	-4.18%	2.54%	-2.41%	1.54%	2.32%
	Total Return		-4.59%	-2.31%	6.55%	1.53%	5.45%	7.58%
239060-32613 (La Trobe) - La Trobe 12 month Term Account								
La Trobe Australian Credit Fund - 12 Month Term Account	Income	30 Jun 2022	0.36%	1.92%	4.10%	4.55%	4.86%	5.00%
	Growth		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total Return		0.36%	1.92%	4.10%	4.55%	4.86%	5.00%
300111812 (PIMCO) - Bahgar PL ATF Sankey SF								
PIMCO Income Fund - Wholesale Class	Income	30 Jun 2022	0.43%	1.88%	3.52%	3.77%	3.81%	N/A
	Growth		-4.24%	-12.62%	-13.89%	-4.75%	-2.76%	N/A
	Total Return		-3.81%	-10.74%	-10.37%	-0.99%	1.05%	N/A
400176419 (Challenger) - SANKEY SUPERANNUATION FUND								
Bentham Global Income Fund	Income	30 Jun 2022	0.38%	1.57%	3.05%	4.40%	4.42%	4.47%
	Growth		-2.92%	-3.98%	-4.21%	-1.40%	-1.35%	-0.70%
	Total Return		-2.53%	-2.41%	-1.16%	3.00%	3.07%	3.77%
Shaw Stockbroking (Holdings updated 11/03/2021)								
Australian Ethical Investment Limited - AEF	Income	30 Jun 2022	0.00%	0.22%	0.83%	3.26%	1.30%	2.36%
	Growth		-16.19%	-66.21%	-44.46%	37.82%	-45.24%	-30.90%
	Total Return		-16.19%	-65.99%	-43.62%	39.58%	-35.02%	-17.84%
Telstra Corporation Limited - TLS	Income	30 Jun 2022	0.00%	1.44%	2.93%	2.63%	2.92%	2.75%
	Growth		-0.77%	-7.89%	2.39%	0.17%	-2.19%	-6.47%

Product		Effective Date	1 Mth	6 Mths	1 Year	3 Years	5 Years	7 Years
Regis Healthcare Ltd - Ordinary Fully Paid	Total Return		-0.77%	-6.46%	5.32%	2.79%	0.98%	-2.54%
	Income	30 Jun 2022	0.00%	1.88%	4.15%	2.56%	2.76%	2.50%
	Growth		-18.14%	-1.07%	-5.85%	-11.84%	-13.99%	-14.02%
Westpac Banking Corporation - WBC	Total Return		-18.14%	0.81%	-1.70%	-8.58%	-9.21%	-8.52%
	Income	30 Jun 2022	0.00%	2.86%	4.72%	3.30%	4.03%	4.06%
	Growth		-18.31%	-8.67%	-23.98%	-11.75%	-8.56%	-6.99%
National Australia Bank Limited - NAB	Total Return		-18.31%	-5.81%	-19.26%	-7.57%	-3.03%	-1.12%
	Income	30 Jun 2022	0.00%	2.53%	5.38%	4.10%	4.47%	4.20%
	Growth		-12.38%	-5.03%	5.18%	0.73%	-1.53%	-2.82%
SCA Property Group - Fully Paid Units Stapled Securities	Total Return		-12.38%	-2.50%	10.56%	4.77%	3.19%	2.05%
	Income	30 Jun 2022	2.69%	2.69%	6.03%	5.24%	5.61%	5.38%
	Growth		-7.41%	-7.41%	9.13%	4.35%	4.66%	3.79%
Commonwealth Bank of Australia - CBA	Total Return		-4.71%	-4.71%	15.16%	9.20%	9.43%	8.24%
	Income	30 Jun 2022	0.00%	1.73%	3.80%	4.10%	4.25%	4.05%
	Growth		-13.40%	-10.51%	-8.43%	3.16%	1.76%	0.71%
BHP Billiton Limited - BHP	Total Return		-13.40%	-8.78%	-4.63%	7.03%	5.75%	4.61%
	Income	30 Jun 2022	0.00%	5.01%	9.95%	6.73%	8.60%	6.10%
	Growth		-7.53%	-0.60%	-14.45%	-0.35%	12.12%	6.44%
Magellan Global Fund - Option Expiring 01-Mar-2024 Ex At Disc To Est Nav	Total Return		-7.53%	4.41%	-4.51%	6.43%	17.95%	10.89%
	Income	30 Jun 2022	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Growth		-28.57%	-58.33%	-81.48%	0.00%	0.00%	0.00%
Challenger Limited - CGF	Total Return		-28.57%	-58.33%	-81.48%	0.00%	0.00%	0.00%
	Income	30 Jun 2022	0.00%	1.76%	4.09%	3.20%	1.98%	3.80%
	Growth		-5.39%	4.75%	27.14%	0.39%	-12.51%	0.10%
Insignia Financial - Ordinary Fully Paid	Total Return		-5.39%	6.51%	31.23%	3.57%	-9.24%	3.88%
	Income	30 Jun 2022	0.00%	3.26%	5.02%	4.11%	3.35%	3.95%
	Growth		-18.98%	-25.69%	-36.56%	-20.53%	-22.78%	-15.97%
Magellan Global Fund - Ordinary Units Fully Paid	Total Return		-18.98%	-22.43%	-31.53%	-14.26%	-14.63%	-6.87%
	Income	30 Jun 2022	2.49%	4.07%	6.03%	0.00%	0.00%	0.00%

Product		Effective Date	1 Mth	6 Mths	1 Year	3 Years	5 Years	7 Years
Closed Class								
	Growth		-8.84%	-25.56%	-26.37%	0.00%	0.00%	0.00%
	Total Return		-6.35%	-21.49%	-20.34%	0.00%	0.00%	0.00%
Australia and New Zealand Banking Group Limited - ANZ	Income	30 Jun 2022	0.00%	2.62%	5.14%	4.01%	4.31%	3.94%
	Growth		-12.02%	-19.92%	-21.41%	-7.99%	-5.17%	-5.40%
	Total Return		-12.02%	-17.30%	-16.27%	-3.30%	0.03%	-0.17%
Lend Lease Group - LLC	Income	30 Jun 2022	0.00%	0.47%	1.53%	2.33%	2.40%	2.82%
	Growth		-15.41%	-14.78%	-18.22%	-11.85%	-11.36%	-7.15%
	Total Return		-15.41%	-14.31%	-16.70%	-8.88%	-7.62%	-2.96%

PERFORMANCE CASH BASIS

from: 01/07/2021 to 30/06/2022

(CALCULATED GROSS OF FEES/TAXES ON ALL CASH PRODUCTS AND NET OF FEE/TAXES ON NON CASH PRODUCTS)

Position	Market Value At Start	Net Amount	Market Value At End	Total Cost At End	Total Income	Income And Growth	Percent Return
SANKEY SUPERANNUATION FUND							
St George CMA - as at 7/2/19	\$10.00	\$0.00	\$10.00	\$10.00	\$0.00	\$0.00	0.00%
NAB Everyday (x7431) - as at 7/2/19 (Approx.)	\$500.00	\$0.00	\$500.00	\$500.00	\$0.00	\$0.00	0.00%
NAB i-Saver Cash (x0615) - as at 7/2/19 (Approx.)	\$500.00	\$0.00	\$500.00	\$500.00	\$0.00	\$0.00	0.00%
Total:	\$1,010.00	\$0.00	\$1,010.00	\$1,010.00	\$0.00	\$0.00	0.00%
064321 (Magellan) - Bahgar Pty Ltd <Sankey Superannuation Fund>							
Magellan Infrastructure Fund	\$49,916.77	\$0.00	\$51,178.48	\$35,000.00	\$2,072.00	\$3,333.71	6.93%
Total for 064321 (Magellan) - Bahgar Pty Ltd <Sankey Superannuation Fund>:	\$49,916.77	\$0.00	\$51,178.48	\$35,000.00	\$2,072.00	\$3,333.71	6.93%
239060-32613 (La Trobe) - La Trobe 12 month Term Account							
La Trobe Pooled Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$2,493.63	\$2,493.63	0.00%
La Trobe Australian Credit Fund - 12 Month Term Account	\$55,000.00	\$0.00	\$55,000.00	\$55,000.00	\$0.00	\$0.00	0.00%
Total for 239060-32613 (La Trobe) - La Trobe 12 month Term Account:	\$55,000.00	\$0.00	\$55,000.00	\$55,000.00	\$2,493.63	\$2,493.63	4.65%
300111812 (PIMCO) - Bahgar PL ATF Sankey SF							
PIMCO Income Fund - Wholesale Class	\$55,780.95	\$0.00	\$48,028.68	\$55,000.00	\$2,080.44	(\$5,671.83)	-10.38%
Total for 300111812 (PIMCO) - Bahgar PL ATF Sankey SF:	\$55,780.95	\$0.00	\$48,028.68	\$55,000.00	\$2,080.44	(\$5,671.83)	-10.38%
400176419 (Challenger) - SANKEY SUPERANNUATION FUND							
Bentham Global Income Fund	\$78,611.82	\$0.00	\$75,302.01	\$77,175.04	\$2,455.76	(\$854.05)	-1.10%
Total for 400176419 (Challenger) - SANKEY SUPERANNUATION FUND:	\$78,611.82	\$0.00	\$75,302.01	\$77,175.04	\$2,455.76	(\$854.05)	-1.10%
6290883 (Commsec Adv) - BAHGAR PTY LTD <SANKEY SUPER FUND A/C>							
Commonwealth Bank. - Cap Note 3-Bbsw+3.00% Perp Non-Cum Red T-04-27	\$51,160.00	\$0.00	\$49,945.00	\$0.00	\$0.00	(\$1,215.00)	-2.37%
National Aust. Bank - Cap Note 3-Bbsw+3.50% Perp Non-	\$42,000.00	\$0.00	\$40,200.00	\$0.00	\$0.00	(\$1,800.00)	-4.29%

Position	Market Value At Start	Net Amount	Market Value At End	Total Cost At End	Total Income	Income And Growth	Percent Return
Cum Red T-12-27							
Total for 6290883 (Commsec Adv) - BAHGAR PTY LTD <SANKEY SUPER FUND A/C>:	\$93,160.00	\$0.00	\$90,145.00	\$0.00	\$0.00	(\$3,015.00)	-3.24%
966108169 (Macq Cash) - BAHGAR PTY LTD ATF SANKEY SUPERANNUATION FUND							
Macquarie Bank CMA	\$499,707.96	(\$278,329.17)	\$221,378.79	\$221,378.79	\$371.37	\$371.37	0.08%
Total for 966108169 (Macq Cash) - BAHGAR PTY LTD ATF SANKEY SUPERANNUATION FUND:	\$499,707.96	(\$278,329.17)	\$221,378.79	\$221,378.79	\$371.37	\$371.37	0.08%
Shaw Stockbroking (Holdings updated 11/03/2021)							
Australian Ethical Investment Limited - AEF	\$126,836.32	\$0.00	\$23,300.00	\$1,007.50	\$0.00	(\$103,536.32)	-81.63%
Australia and New Zealand Banking Group Limited - ANZ	\$99,932.50	\$0.00	\$78,206.50	\$86,141.54	\$0.00	(\$21,726.00)	-21.74%
ANZ Banking Grp Ltd - Cap Note 3-Bbsw+4.70% Perp Non-Cum Red T-03-24	\$37,111.65	\$0.00	\$35,872.86	\$35,012.30	\$0.00	(\$1,238.79)	-3.34%
BHP Billiton Limited - BHP	\$114,819.48	\$0.00	\$97,515.00	\$47,280.00	\$0.00	(\$17,304.48)	-15.07%
Commonwealth Bank of Australia - CBA	\$152,201.88	\$0.00	\$137,739.12	\$72,712.53	\$0.00	(\$14,462.76)	-9.50%
Commonwealth Bank. - Cap Note 3-Bbsw+2.80% Perp Non-Cum Red T-12-22	\$29,391.50	\$0.00	\$28,988.40	\$28,420.00	\$0.00	(\$403.10)	-1.37%
Commonwealth Bank. - Cap Note 3-Bbsw+3.90% Perp Non-Cum Red T-03-22	\$30,600.00	\$0.00	\$29,973.00	\$30,000.00	\$0.00	(\$627.00)	-2.05%
Commonwealth Bank. - Cap Note 3-Bbsw+3.70% Perp Non-Cum Red T-04-24	\$26,100.00	\$0.00	\$25,549.75	\$25,000.00	\$0.00	(\$550.25)	-2.11%
Challenger Limited - CGF	\$31,378.00	\$0.00	\$39,672.00	\$24,650.00	\$0.00	\$8,294.00	26.43%
Insignia Financial - Ordinary Fully Paid	\$6,874.70	\$0.00	\$4,330.90	\$13,363.00	\$0.00	(\$2,543.80)	-37.00%
Lend Lease Group - LLC	\$3,438.00	\$0.00	\$2,733.00	\$2,917.75	\$0.00	(\$705.00)	-20.51%
Magellan Global Fund - Ordinary Units Fully Paid Closed Class	\$43,144.97	\$0.00	\$31,941.58	\$40,999.64	\$0.00	(\$11,203.39)	-25.97%
Magellan Global Fund - Option Expiring 01-Mar-2024 Ex At Disc To Est Nav	\$404.43	\$0.00	\$72.22	\$866.64	\$0.00	(\$332.21)	-82.14%
National Australia Bank Limited - NAB	\$85,660.74	\$0.00	\$89,483.13	\$78,286.27	\$0.00	\$3,822.39	4.46%
National Aust. Bank - Cap Note 3-Bbsw+2.20% 20-09-28 Cum Red T-09-23	\$35,574.00	\$0.00	\$35,175.00	\$35,000.00	\$0.00	(\$399.00)	-1.12%
Regis Healthcare Ltd - Ordinary Fully Paid	\$9,165.00	\$0.00	\$8,695.00	\$17,061.00	\$0.00	(\$470.00)	-5.13%
SCA Property Group - Fully Paid Units Stapled Securities	\$8,820.00	\$0.00	\$9,625.00	\$8,505.00	\$0.00	\$805.00	9.13%
Suncorp Group Ltd - Cap Note 3-Bbsw+4.10% Perp Non- Cum Red T-06-22	\$5,124.50	\$0.00	\$5,035.00	\$5,000.00	\$0.00	(\$89.50)	-1.75%

Position	Market Value At Start	Net Amount	Market Value At End	Total Cost At End	Total Income	Income And Growth	Percent Return
Telstra Corporation Limited - TLS	\$24,440.00	\$0.00	\$25,025.00	\$21,677.76	\$0.00	\$585.00	2.39%
Westpac Banking Corporation - WBC	\$80,114.24	\$0.00	\$60,528.00	\$65,353.67	\$0.00	(\$19,586.24)	-24.45%
Westpac Banking Corp - Cap Note 3-Bbsw+3.05% Perp Non-Cum Red T-09-22	\$19,307.80	\$0.00	\$18,944.90	\$19,000.00	\$0.00	(\$362.90)	-1.88%
Westpac Banking Corp - Cap Note 3-Bbsw+3.40% Perp Non-Cum Red T-03-27	\$13,376.00	\$0.00	\$12,819.20	\$13,094.40	\$0.00	(\$556.80)	-4.16%
Total for Shaw Stockbroking (Holdings updated 11/03/2021):	\$983,815.71	\$0.00	\$801,224.56	\$671,349.00	\$0.00	(\$182,591.15)	-18.56%
Total for SANKEY SUPERANNUATION FUND:	\$1,817,003.21	(\$278,329.17)	\$1,343,267.52	\$1,115,912.83	\$9,473.20	(\$185,933.32)	-11.76%
Grand Total:	\$1,817,003.21	(\$278,329.17)	\$1,343,267.52	\$1,115,912.83	\$9,473.20	(\$185,933.32)	-11.76%

DISCLAIMER

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MARKET AND ECONOMIC OVERVIEW

Overview

- At the half-way mark, 2022 is shaping up to be a miserable year for financial markets. Major asset classes would have to rally hard in the next six months to offset weakness in the first half of the year.
- Global shares shed nearly 8% of their value in June alone, extending losses in the first half of the year to more than 18%.
- The bellwether S&P 500 Index in the US endured its worst H1 performance since the early 1960s, returning – 20.0%.
- Local shares have struggled too. The S&P/ASX 200 Index declined nearly 9% in June alone and is down 9.9% in the calendar year to date.
- Bond markets have also generated negative returns, owing to persistently high inflation in key regions and rising official interest rates.
- Government bond yields continued to rise in June – both in Australia and elsewhere – in anticipation of further increases to interest rates by central banks.

Australia

- Official interest rates were raised by 0.50 percentage points, following May's hike in borrowing costs.
- Policymakers explained that near-zero interest rates are no longer appropriate given rising inflation and the strong rebound in the economy following the Covid pandemic.
- The Governor of the Reserve Bank of Australia made an unusual television appearance, effectively telling Australians to expect much higher interest rates in the months ahead.
- The Treasury is forecasting a further pick-up in inflation, from the 5.1% annual rate seen in the March quarter. Like elsewhere, food and energy prices are rising particularly strongly.
- The latest survey of households suggests Australians are expecting inflation to reach nearly 7%, eroding their purchasing power.
- The local labour market remains quite strong, with firms continuing to hire following the relaxation of Covid-related restrictions. More than 200,000 jobs have been created in Australia in 2022-to-date, although wage growth is currently not keeping up with inflation.

New Zealand

- GDP growth slowed sharply in the March quarter, to an annual pace of 1.2%. The Reserve Bank of New Zealand and the Treasury are both forecasting an extended slowdown in the remainder of this year and throughout 2023, owing to the impact of higher interest rates.
- A recession is not currently anticipated, although officials are projecting almost zero growth in employment for the next year and a half, at least.

- Consensus forecasts suggest official borrowing costs will be raised by a further 0.50 percentage points when the central bank convenes in mid-July. Higher borrowing costs are expected to dampen house price growth and consumer sentiment, thereby lowering demand and reducing inflation.

United States

- It has become increasingly clear that the Federal Reserve – the US central bank – is serious about combating inflation.
- Official borrowing costs were raised by 0.75 percentage points in June; the biggest single move in interest rates since 1994.
- Following the announcement, policymakers suggested further rate hikes of that magnitude would be rare going forward.
- Later in the month, however, Jay Powell – Chair of the Federal Reserve – noted “the process [of tightening policy settings] is highly likely to involve pain, but the worst pain would be from failing to address this high inflation and allowing it to become persistent”. Consequently, investors are now anticipating another 0.75 percentage point interest rate hike when the Federal Reserve meets again in late July.
- Much higher official interest rates seem likely to dampen economic growth. Indeed, whilst official forecasts remain encouraging, increasing numbers of economists are suggesting a recession in the world’s largest economy is probable in 2023.
- All of this is important; the anticipated path of US interest rates and the economic outlook are currently setting the tone for financial markets worldwide.

Europe

- The European Central Bank has still not raised interest rates from zero, but appears to be under increasing pressure to do so. Inflation is now above 7% in both Germany and France – the two largest economies in the Eurozone – and has risen above 10% in Spain. Accordingly, it seems almost certain that borrowing costs will be raised in the near term.
- Like elsewhere, persistently high inflation is eroding consumer confidence and dampening economic growth prospects.
- The war in Ukraine shows no signs of ending any time soon, suggesting food and energy prices could remain elevated for a prolonged period.
- The Swiss National Bank raised official interest rates by 0.50 percentage points; the first upward move in 15 years. Switzerland is not in the Eurozone and therefore has a separate policy agenda than the European Central Bank. Nonetheless, the move affirms that policymakers in the region are becoming increasingly concerned about pricing pressures.
- In the UK, the pace of inflation quickened to 9.1%. Even more alarmingly, the Bank of England suggested inflation could rise to 11% in October, when utility bills are set to rise again.
- Economic growth has turned negative in the UK – raising the prospect of a recession later this year. Consumer confidence is at its lowest level for more than 40 years, since records began.

Asia/EM

- Overall activity levels are rising in China as lockdowns and other virus-related restrictions are being lifted. This is supporting a rebound in confidence levels among small firms.
- That said, while output is increasing, there is no sign of any improvement in profitability among Chinese industrial firms. According to the Bureau of National Statistics, industrial profits in May were 6.5% below 2021 levels, owing to ongoing production and logistics issues and rising costs.
- In Japan, the latest consumer confidence and retail sales data were both below consensus forecasts, suggesting overall weakness in the economy probably persisted in the June quarter.

AUSTRALIAN DOLLAR

- The Australian dollar struggled in June, partly reflecting weakness in the prices of bulk commodities including iron ore and coking coal.
- The 'Aussie' depreciated by around 4% against the US dollar, closing June below 69 US cents; a two-year low.
- The AUD declined by a more modest 1.3% against a trade-weighted basket of other major currencies.

AUSTRALIAN EQUITIES

- The unpredictable economic background continued to affect sentiment and dictated Australian equity market movements in June. Pressure mounted early in the month, as higher-than-expected inflation prints in the US and Europe sparked speculation that interest rates would continue to be raised worldwide.
- The associated drop in consumer sentiment helped drive the S&P ASX 200 Accumulation down as much as 11% in mid-June. A rally later in the month helped recover some of these losses, although the S&P/ASX 200 Index was still down 8.8% in the month as a whole; the worst month of performance since March 2020.
- The Materials sector (-12.4%) struggled the most as global growth forecasts were downgraded. Despite positive growth policy commentary from Chinese officials, Iron ore prices declined 2.3% in June. A combination of heavy rainfall and weaker steel margins in China weighed on iron ore demand from the world's largest steel producer.
- Following the Reserve Bank of Australia's decision to increase official cash rates to 0.85%, the market continued to extrapolate potential implications of higher borrowing costs on Australia's highly-leveraged housing sector. This hampered sentiment towards the Financial sector, which returned -11.9%. The 'big four' banks – Commonwealth Bank, ANZ Bank, Westpac and National Australia Bank – fell sharply, between 12% and 18%.
- Tight global supplies continued to support energy stocks, including Woodside Energy (+7.0%), Ampol (+2.6%) and Viva Energy (+1.8%).
- Consumer Staples stocks also fared relatively well, supported by steady performances by supermarket giants Coles (+1.6%) and Woolworths (+2.7%), and hospitality and retailer Endeavour (+4.3%).
- Small cap companies underperformed their larger peers, as 'risk off' sentiment prevailed. Overall, the S&P/ASX Small Ordinaries Accumulated Index returned -13.1%.
- Lake Resources (-49.4%) and Champion Iron (-29.1%) were among the worst performers in the small cap sector.

LISTED PROPERTY

- Global property securities struggled in June and registered negative returns. The FTSE EPRA/NAREIT Developed Index closed the month 4.6% lower in Australian dollar terms.
- Property securities were down in the month as rising interest rates and sustained inflation continued to dominate attention.
- Although there is no immediate risk of recession in key regions, predictions of slower growth in 2023-24 has eroded sentiment towards property stocks. This is unfortunate, as firms in many property sub-sectors continue to enjoy reasonable pricing power and have provided reassuring operational updates recently.
- The best performing regions in June included Japan (+0.1%), Singapore (-0.8%) and Hong Kong (-1.4%).
- Property markets throughout Asia have shown strong defensive characteristics over the last few months and continued to do so in June. Countries such as Japan, Hong Kong and Singapore have benefitted from their unique economic positioning, which has led to resilient performance amidst wider market sell-offs.
- At the other end of the scale, laggards over the month included Sweden (-26.4%), Germany (-18.2%) and France (-17.1%).

GLOBAL EQUITIES

- Disappointing returns in June rounded out a miserable first half of the year for major share markets.
- Collectively, the MSCI World Index shed 7.8% in June as investors focused on the deteriorating economic outlook in key regions.
- Weakness in the US set the tone, with the S&P 500 Index and NASDAQ both declining by around 8% over the month. The S&P 500 Index is now down 20.0% in the year to date, while the NASDAQ is down nearly 30%. Technology shares tend to be quite sensitive to interest rate movements, and have therefore been hampered by the sharp rise in borrowing costs this year.
- Various other market sectors were down sharply in June too. Cruise lines, for example, were hampered by rising fuel prices and a deterioration in consumer sentiment.
- Returns were poor in Europe too. The German and Italian markets were both down more than 10%, while the French and Spanish markets closed around 8% lower. The UK's FTSE 100 was a relative outperformer, down 'only' 5.8%.
- Asian markets were the best performers. The Japanese and Singaporean markets lost a little ground, but Chinese shares appreciated. The CSI 300 Index jumped 9.6% as Covid-related restrictions started to be lifted. A lockdown was removed in Shanghai, a city with a bigger population than the whole of Australia.
- Finally, shares in Hong Kong marked the 25th anniversary of Chinese rule with a solid performance. The Hang Seng returned 3.0% in June, clawing back further lost ground from earlier in the year. Like on the Chinese mainland, sentiment has improved following the gradual relaxation of strict Covid-related mobility and travel restrictions.

GLOBAL AND AUSTRALIAN FIXED INTEREST

- Government bond yields remained volatile in June, typically rising sharply early on before drifting a little lower as the month progressed. In June as a whole, yields moved meaningfully higher in most major regions, which resulted in another month of negative performance from fixed income.
- Like in the equity market, developments in the US continued to set the tone. A 0.75 percentage point uplift in the Federal Funds rate and affirmation that officials will continue to tighten policy settings quite significantly in the months ahead pushed yields higher in the US and elsewhere.
- Following weakness in June, US Treasuries recorded their lowest H1 return since the 1700s. This underlines just how extraordinary bond market moves have been in the past few months.
- Over the Atlantic, the European Central Bank indicated it would cease its bond purchase program, removing a key pillar of support for local financial markets. Thereafter, investors are expecting interest rates to be raised. A 0.25 percentage point move is most likely as officials start to move official borrowing costs above zero. Caution is required; raising interest rates too much and too quickly would risk strangling growth in some of the weaker countries in the Eurozone, in particular.
- In Australia, government bond yields skyrocketed as investors revised their interest rate forecasts following television comments by the Governor of the Reserve Bank of Australia.

GLOBAL CREDIT

- The prospect of a slowdown in economic growth rates as interest rates are lifted in key regions eroded sentiment towards credit markets. A deterioration in consumer sentiment does not augur well for profitability among companies whose revenues are reliant on discretionary spending.
- Moreover, higher official interest rates will increase the cost of debt for firms when new bonds are issued. Higher repayment costs could become an issue for the most indebted companies, or those that experience a material drop in revenues and profitability.
- Credit spreads widened in both the investment grade and high yield sub-sectors against this background, as investors priced in the likelihood of an uptick in defaults worldwide.

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