

Enhanced Strategic Model Portfolios – All Growth

November 2023

Key Takeaways

Re-calibrate cross-country exposures to capitalise on the recent market pullback

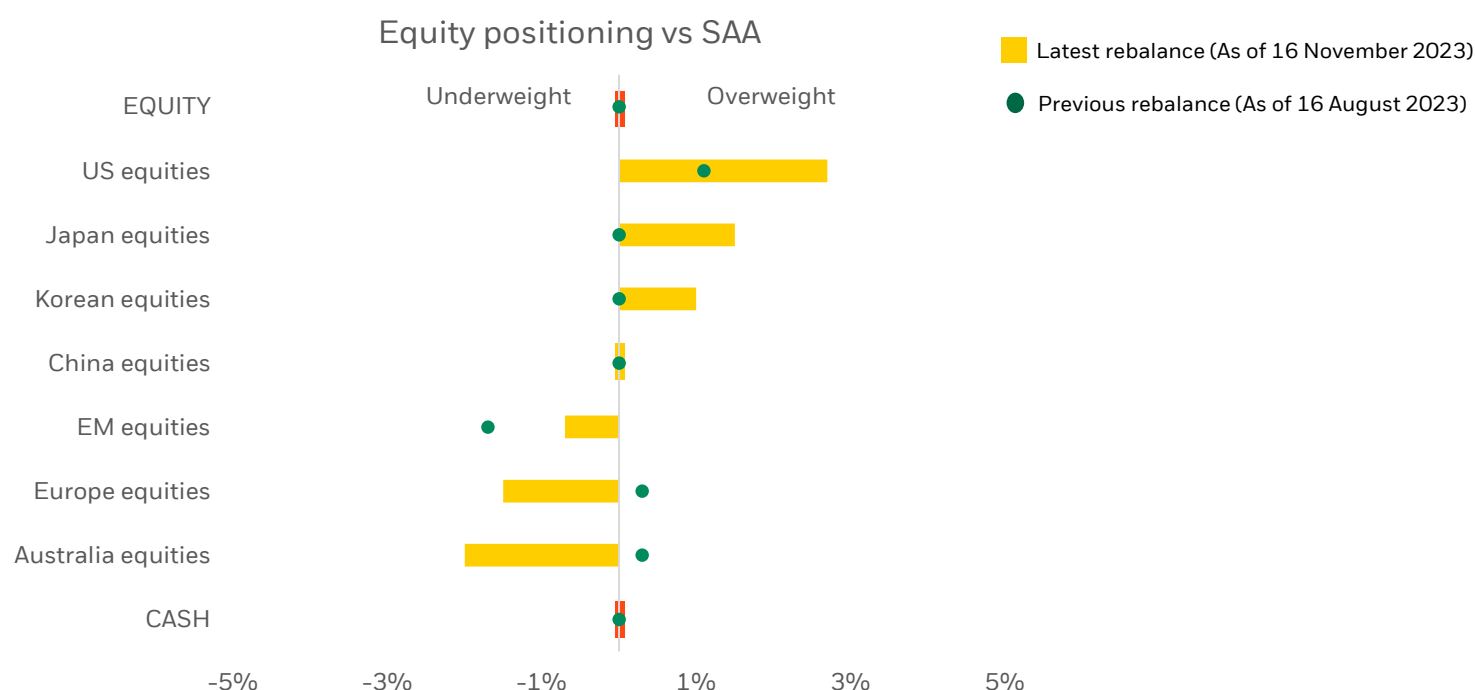
Lean further into Japanese and US equities while moving away from Australian and European equities

Add exposure to Korean equities given more favourable trading signals and an upturn in the export cycle

KEY TRADES IN OUT-OF-CYCLE REBALANCE

- **Re-calibrate cross-country exposures:** We see the recent pullback in markets and ongoing resiliency in fundamentals as an opportunity to lean more meaningfully pro-risk in certain markets towards year-end. Specifically, valuations appear more attractive following the market correction over the third quarter and, in our view, creates a buyable dip in certain markets.
- **Prefer Japanese and US equities over Australian and European equities:** Within equities, we prefer Japanese and US equities over that of Australian and European equities. Shareholder-friendly reforms and upward revision in earnings expectations create a structural tailwind for Japanese equities, while a relatively less fragile economic backdrop and favorable trading signals leads us to favour US equities over that of European and Australian equities.
- **Add allocation to South Korean equities:** Positive momentum signals create a favourable backdrop for Korean equities, while fundamentals remain supported by a bottoming in the export cycle with both tech and non-tech exports rebounding.

PORTFOLIO POSITIONING CHANGES



ASSET ALLOCATION

Portfolio Constituents & Weights – 16 November 2023		All Growth
Indirect Cost Ratio (% p.a.)		0.22%
Equity		98.00%
International Equity		63.50%
IVV	iShares S&P 500 ETF	20.80%
IHVV	iShares S&P 500 (AUD Hedged) ETF	9.40%
IVE	iShares MSCI EAFE ETF	1.00%
IEU	iShares Europe ETF	10.00%
IJP	iShares MSCI Japan ETF	4.50%
WVOL	iShares Edge MSCI World Minimum Volatility ETF	6.00%
IEM	iShares MSCI Emerging Markets ETF	6.80%
IZZ	iShares China Large-Cap ETF	4.00%
IKO	iShares MSCI South Korea ETF	1.00%
Australian Equity		34.50%
IOZ	iShares Core S&P/ASX 200 ETF	34.50%
Fixed Income		0.00%
International Fixed Income		0.00%
AESG	iShares Global Aggregate Bond ESG (AUD Hedged) ETF	0.00%
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	0.00%
IHHY	iShares Global High Yield Bond (AUD Hedged) ETF	0.00%
IHEB	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF	0.00%
Australian Fixed Income		0.00%
IAF	iShares Core Composite Bond ETF	0.00%
IGB	iShares Treasury ETF	0.00%
ILB	iShares Government Inflation ETF	0.00%
Cash		2.00%
ISEC	iShares Enhanced Cash ETF	0.00%
BAUBIL	AusBond Bank Bill Index	2.00%

Source: BlackRock, as of latest rebalance on 16 November 2023.
Notes: Indirect Cost Ratio only includes the underlying sub-fund fees, but excludes investment management, platform and transaction fees.

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