BLACKMORE CAPITAL
EQUITY INVESTORS

Blended Australian Equities Portfolio

Monthly Update | April 2018

Portfolio details

Inception date:	February 2014
Investment minimum:	$25,000
Investment time horizon:	5+ years
Management fee:	0.6%
Maximum holding limit:	12%
Number of stocks:	20 - 40
Dividend yield:	4.4%*

** Gross yield inc franking for the previous 12 months*

Portfolio objective

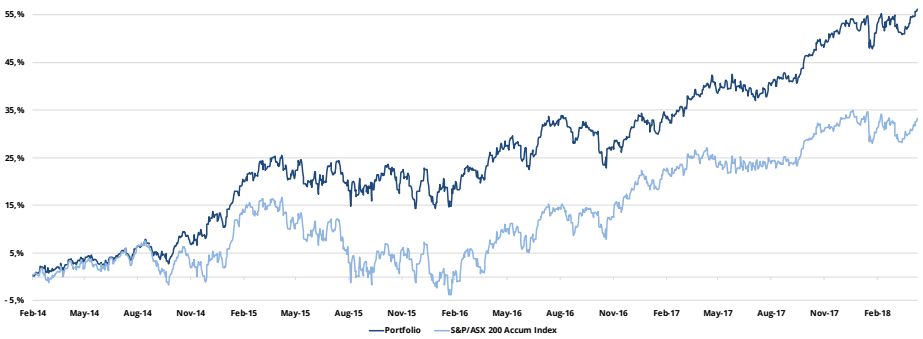
The portfolio seeks to generate long-term capital appreciation by investing in Australian listed equities. The portfolio aims to do so with lower volatility and greater downside protection relative to the S&P/ASX 200 Accumulation Index benchmark.

Risk Metrics

	Portfolio metrics	ASX 200 Acc. Index
Risk adjusted return	0.9	0.5
Annualised volatility	10.9%	13.4%
Beta	0.8	1.0
Correlation	0.9	1.0
Max drawdown	-9.0%	-17.6%

Source: Bloomberg

Cumulative return from inception



Source: Praemium Ltd

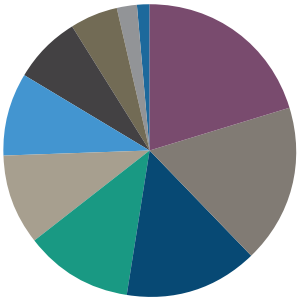
Portfolio returns

	FY15	FY16	FY17	FY18	Inception (Annualised)
Portfolio performance	15.4%	6.2%	11.2%	12.0%	11.3%
ASX 200 Accum Index	5.7%	0.6%	14.1%	8.3%	7.1%
Relative performance	9.7%	5.6%	-2.9%	3.7%	4.2%

Figures shown are before fees and inclusive of franking credits

Source: Praemium Ltd

Portfolio sector exposure



20.7%	Materials
17.8%	Cash
15.0%	Consumer Staples
12.3%	Industrials
10.2%	Energy
9.2%	Financials
7.6%	Healthcare
5.5%	Consumer Disc
2.2%	Info Tech
1.3%	Real Estate

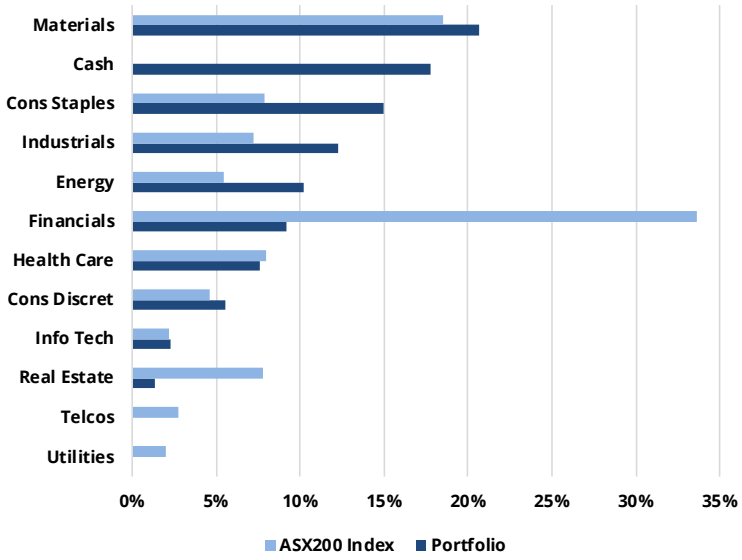
Source: Bloomberg

Top 5 holdings

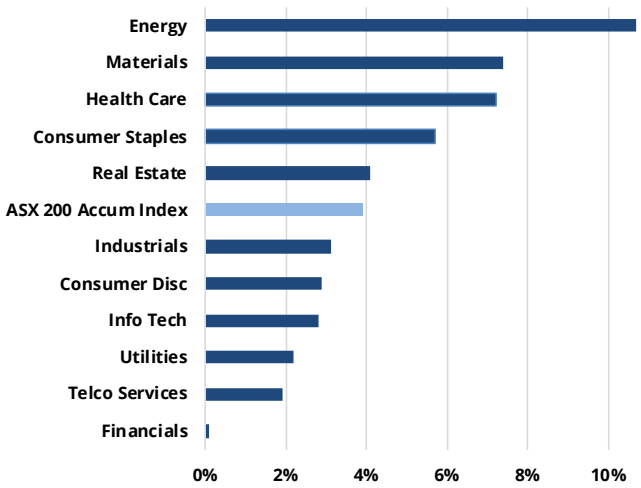
Stock	Weight
BHP	7.2%
WOW	5.1%
BXB	5.1%
ORG	4.6%
WES	4.6%

Source: Praemium Ltd

Relative sector weights - April 2018



Sector returns - April 2018



Source: IRESS Ltd

Past performance is not an indication of future performance

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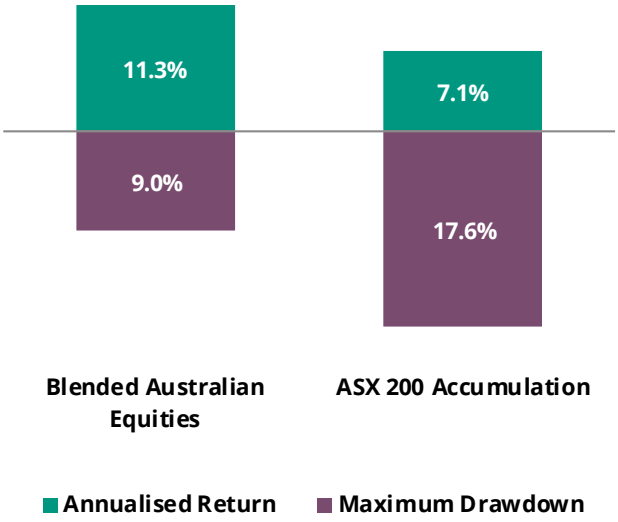
Benefits of Active Management

Performance and Risk (%) Comparison since Inception

A key benefit of active portfolio management is the recognition that return, and risk are inseparable. A core portfolio objective of the Blended Australian Equity Portfolio is to generate returns that exhibit lower volatility and greater downside protection relative to the ASX 200 benchmark index. The accompanying chart illustrates the value of understanding the interlocking nature of return and risk.

The chart below shows both the annualised return (green bar) generated by the Blended Australian Equities Portfolio compared with ASX 200 Accumulation Index, and the maximum loss/drawdown (purple bar) in the value of the portfolio compared to the ASX 200 Accumulation Index since the inception of the portfolio in February 2014. Maximum drawdown measures the magnitude of the worst loss an investor would have incurred by investing in the portfolio or benchmark. Drawdown is a useful measure of risk management, as it indicates the portfolio's response to periods of market stress as well as the relative sensitivities to market risk.

Return and Drawdown since Inception



Our investment stance is predicated by two central tenets:

- At a portfolio level we want to broadly participate when equity markets rise, but importantly we want the portfolio to be able to decline less when the market declines; and
- With a portfolio buttressed by a solid cash position, we can be more assertive in participating when the market is low, thus providing a better chance in participating meaningfully in a subsequent market recovery.

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Performance of the Blackmore Capital Blended Australian Equities Portfolio is based on a model portfolio and is gross of investment management and administration fees, but net of transaction costs. The total return performance figures quoted are historical and do not allow the effects of income tax or inflation. Total returns assume the reinvestment of all portfolio income. Past performance is not a reliable indicator of future performance.
The performance comparison since inception is for illustrative purposes only. Performance is calculated on a gross basis. Actual performance will vary depending on the amount of fees charged by the relevant platform that a client uses to implement the portfolio. The comparison with the S&P/ASX 200 Accumulation Index is for illustrative purposes only. Index returns do not allow for transaction, management, operational or tax costs. An index is not managed and investors cannot invest directly an in index. There is no guarantee these objectives will be met.

Portfolio holdings may not be representative of current or future recommendations for the portfolio. The securities listed may not represent all of the recommended portfolio's holdings. Future recommended portfolio holdings may not be profitable. This document is for general information only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this document, readers should consider whether the information is suitable for their needs. This may involve seeking advice from a qualified financial adviser. Blackmore Capital Pty Ltd (ABN 72 622 402 895) (Blackmore Capital) is the provider of the Blackmore Capital Blended Australian Equities Portfolio. Blackmore is a Corporate Authorised Representative (CAR) of Artesian Venture Partners Pty Ltd (AFSL 284492). To subscribe, contact Blackmore Capital via email invest@blackmorecapital.com.au. Any opinions or recommendations contained in this document are subject to change without notice. Blackmore Capital are under no obligation to update or keep information contained in this document current.