

# FLACK

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**Flack Group Model Portfolios Report  
August 2022**

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The Australian share market finished relatively unchanged in August, whereas global markets experienced some significant swings to end lower by around -4.4%. During the month the ASX200 gained +0.1% whilst the World MSCI 100 lost -4.3%, the Dow lost -4.1% and the NASDAQ -4.6%.

Consistent with these market movements the two active Flack SMAs showed little change, with the Dynamic Australian Share Model gaining +0.5% while the Diversified Markets Model lost -0.7%, as outlined below.

Over the last quarter we have been testing a modification of our stock selection methodology to add extra downside protection to the models.

From September we will be adding the use of a combination of technical analysis momentum indicators to gauge likely near-term price movements. Using weekly price data, we have added a combination of a weekly Coppock Indicator and a Relative-Strength Indicator to assist in entry and exit decisions prior to performing rebalance calculations.

Back testing indicates crossing points of RSI plots with different-period RSI moving averages appear to be particularly valuable for the timing of decisions as well as using the positive slope on each of these moving averages prior to inclusion of assets in the rebalance calculations.

The use of weekly data to pick up shorter-term trends for asset selection purposes, combined with monthly data for long-term trend analysis and undervaluation assessments, appears to be a suitable combination to fit the timing of the rebalance calculations.

# Dynamic Australian Share (DAS) Model Performance

The DAS Model showed only minor change overall, with an increase of +0.5% slightly bettering the +0.1% of the ASX 200.

These small overall movements for the Model belie the level of volatility that was experienced by individual assets over the extended period. These ranged from -17.3% to +18.2%, which emphasise the need to adopt a longer term view of overall performance if high volatility assets are to be included in the Model.

Back testing has indicated the addition of the added stock selection process outlined above will lead to less volatility in the future particularly smoothing out the downside risk.

## Returns



## Percentage returns

	1 mth	3 mths	6 mths	1 yr	Since inception*
Calnan Flack Dynamic Australian Share Model	0.57%	4.17%	-16.42%	-30.57%	-10.13%
S&P/ASX 300 Accumulation Index	1.18%	-2.41%	0.59%	-3.67%	6.45%

\*Inception date 11/03/2021. Prior to this date a similar model was managed under a different mandate, longer-term historical performance with the previous mandate is available upon request. Past performance is not an indicator of future performance. No allowance has been made for taxation and fees are not taken into account. Returns quoted are for the model portfolio.

## Holdings

AEF	AUSTRALIAN ETHICAL INVESTMENT
ALU	ALTIVUM
CAR	CARSALES.COM
CSL	CSL
HUB	HUB24
IEL	IDP EDUCATION
LIC	LIFESTYLE COMMUNITIES
NAN	NANOSONICS
NXT	NEXTDC
PME	PRO MEDICUS
REA	REA GROUP
RMD	RESMED INC
TNE	TECHNOLOGY ONE

\*All returns and holdings as at 31st of August 2022.

# Dynamic Diversified Markets (DDM) Model Performance

The minor overall fall of the DDM Model -0.7% recorded is consistent with the Australian market movements and significantly better than falls around -4.4% in global markets over the month. Individual asset price movements showed relatively minor volatility, ranging between -3% and +3%.

No particular distinction was obvious between the performance of the technology-based assets ATEC, FANG and NDQ and the others representing general national markets F100 (UK), GEAR (Aus), IEU (Europe), IIND (India), IJR (S&P500 small cap), IVV (S&P 500), IXI (Global Consumer Staples), IXJ (Global Healthcare), MVE (ASX MidCap) and VGS (MSCI International Shares).

## Returns



## Percentage returns

	1 mth	3 mths	6 mths	1 yr	Since inception*
Calnan Flack Dynamic Diversified Markets Model	-2%	-2.6%	-8.18%	-18.22%	-5.83%
RBA Cash Rate +2%	0.31%	0.82%	1.37%	2.41%	2.33%

\*Inception date 27/04/2021. Prior to this date a similar model was managed under a different mandate, longer-term historical performance with the previous mandate is available upon request. Past performance is not an indicator of future performance. No allowance has been made for taxation and fees are not taken into account. Returns quoted are for the model portfolio.

## Holdings

ATEC BETASHARES S&P/ASX AUSTRALIAN TECHNOLOGY ETF  
F100 BETASHARES FTSE 100 ETF  
FANG ETFS FANG+ ETF  
GEAR BETASHARES GEARED AUSTRALIAN EQUITY FUND (HEDGE FUND)  
IEU ISHARES EUROPE ETF  
IIND BETASHARES INDIA QUALITY ETF.  
IJR ISHARES S&P SMALL-CAP ETF  
IVV ISHARES S&P 500 ETF  
IXI ISHARES GLOBAL CONSUMER STAPLES ETF  
IXJ ISHARES GLOBAL HEALTHCARE ETF  
MVE VANECK S&P/ASX MIDCAP ETF  
NDQ BETASHARES NASDAQ 100 ETF  
VGS VANGUARD MSCI INDEX INTERNATIONAL SHARES ETF

\*All returns and holdings as at 31st of August 2022.

Performance of your investment in the fund is not guaranteed, past performance is not a reliable indicator of future performance. Percentage returns quotes have been calculated using the Time Weighted Return (TWR) method for the Model Portfolio. Performance is calculated using the closing prices of the Model Portfolio and will include any distributions, income entitlements but excludes franking credits, taxes and fees. Investor performance may differ from the Model Portfolio performance. This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation, and needs. No person should act on the basis of any matter contained in this document without obtaining specific professional advice. This is not an offer document and does constitute a recommendation, offer or a solicitation of an offer to buy or sell securities. This material has been prepared as general information only and is only intended to provide a summary of the subject matter covered.

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