



oracle
ADVISORY GROUP

QUARTERLY UPDATE

ISSUE 29 - SEPTEMBER 2021



**TAX ACCOUNTING
UPDATE >>**

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**MORTGAGE BROKING
UPDATE >>**

Tax Accounting Update

Did you know the same home-office deductions can also apply to investors and share traders?



The last two years have certainly changed the way we work. From a technology front, I think it's safe to say, we have come a long way. The terms "Zoom" and "Teams Meeting" seem to have worked their way into daily life! Also the way the ATO views our home office setups has also changed.

If you (like myself and our team) you have worked from home during the pandemic, you may be entitled to claim additional deductions in your 2021 & 2022 tax returns.



**Written by
Jeff Bell**

Oracle Accounting
General Manger & Accountant

For this tax year and next, the ATO have brought in a new way to claim, and in doing so have given us 3 alternate methods to calculate home office expenditures:

1. THE NEW "SHORTCUT" METHOD

A deduction of 80 cents per hour of work from home in the 2021 year, to cover all home office expenditure.

2. THE FIXED RATE METHOD

A deduction of 52 cents per hour of work from home to cover light/power/heating, plus a portion of work-related phone, internet, computer & depreciation costs.

3. THE OCCUPANCY EXPENSES METHOD

This applies only to some taxpayers who work permanently from home, and on an ongoing basis. This method is not applicable to people who have been sent home to work because of Covid-19, and as such I will not go into any greater detail in this article.

RECORD KEEPING

Imperative to each method is keeping adequate records. It's important that you can substantiate the number of hours you have worked from home to put in a valid claim for a tax deduction. Most people do this by keeping either a work diary or by summing up the days they have worked from home during a given period and multiplying this out by the average hours of work they are contracted to complete.

LOGGING YOUR TIME

To substantiate your phone, internet, and PC usage a similar tact is encouraged. It can be extremely useful to log the time you spend, or the calls you make, for work purposes. This will allow you to determine what percentage of your telephone bill, for example, is work-related. Your log should last for at least 4 consecutive weeks to arrive at a suitable work-usage percentage. This data can then be passed along to your accountant at tax time to maximise your tax return.

DID YOU KNOW?

Did you know the same home-office deductions can also apply to investors and share traders?

Utilisation of your home office setup for investment purposes can also constitute a tax deduction using one of the three methods above. If you are not sure whether this applies to you personally, we encourage you to speak with your advisor or one of our accountants.

Mortgage Broking Update

Your circumstances can change, resulting in your home loan being less suitable than it was originally.

A home loan health check can reveal if your paying too much.



**Written by
Dean Hukins**

Oracle Finance Broker

LENDING NEWS

The Reserve Bank of Australia announced that the cash rate will stay at the record low of 0.10 per cent for the 11th month in a row despite calls for regulator intervention.

HOME LOAN CHANGES JUNE 2021

- First home buyers – up 47.4%
- Non first home buyers – up 55.6%
- Investors – up 98.3%

APRA HOME LENDING RULES TIGHTENED

To curb financial risk stemming from growing levels of household debt, the banking regulator APRA has announced tougher serviceability tests for home loans. This will make it harder for some borrowers to get a mortgage. It is estimated that the increase will reduce borrowing capacity for the typical borrower by around 5%, but shouldn't have any impact on mortgage interest rates.

CBA Head of Australian economics Gareth Aird stated that he does not believe this move will materially shift the property price outlook in 2022, forecasting a 7% rise in national dwelling prices next year.

Other tightening measures are being discussed for 2022. These discussions include applying loan to value caps on new loans as well as restricting debt-to-income to six times income.

If you would like to discuss your options further, then call 1300 550 990 and ask for a member of our Lending Team.

ADVANTAGES OF A LENDING SPECIALIST

AVOID COSTLY LENDER'S MORTGAGE INSURANCE

Lenders typically consider a loan to carry a higher risk where loan-to-valuation-ratio is above 80%. Lender's mortgage insurance is usually required when the loan-to-valuation-ratio is above 80% of a property's valuation. The purpose of Lender's mortgage insurance is to protect lenders should the borrower fail to make loan repayments.

How can you avoid paying Lender's mortgage insurance?

- **Save for a higher deposit** - reducing the loan-to-valuation-ratio.
- **Family Pledge (Guarantor) Loans** – a close relative, such as a parent or sibling, may be able to act as a guarantor, using the equity in their property to help you secure yours and keep your total LVR below 80%. In some instances, you won't need a deposit at all.
- **Obtain approval to purchase a property under various Federal Government schemes** - including the First Home Loan Deposit Scheme 10,000 places to June 2022, New Home Guarantee 10,000 places to June 2022 and Family Home Guarantee 10,000 places to June 2025.

HOME LOAN HEALTH CHECK

Your circumstances can change, resulting in your home loan being less suitable than it was originally. A home loan health check can reveal if your paying too much.

It is advisable to get this check done annually, or if circumstances change. A home loan health check is quick and easy and can ultimately save you thousands of dollars.

A better payment structure could also be introduced, making your repayments more manageable.

Checking the state of your current loan could uncover the possibility of taking out additional finance, which can consolidate any other debts you may have, or help build a property portfolio.

RESULTS BY ORACLE LENDING TEAM

- Owner Occupied - 1.79%
- Investment - 2.35% interest only
- Refinance cashback \$3,000

Oracle Market Update



**Written by
Peter Durbin**

Chief Investment Officer

Last quarter, I spoke about the debate raging between transitory and permanent inflation. The discussion had been somewhat theoretical, but the real-life case for permanent inflation showed up with enthusiasm this quarter with input costs soaring globally:

- **Coal prices have more than doubled since April on the back of lower production and lower supplies and increased demand from the post-pandemic recovery.**
- **Liquefied natural gas (LNG) prices have soared from \$2 to over \$34/million British thermal unit due to supply shortages and strong demand in the post-pandemic recovery.**
- **Freight costs have increased in some areas by more than 6 times in the past 18 months due to a global container shortage. There have been significant increases in shipping costs as the world catches up from the covid-19 slow down, not to mention the increased level of online shopping from stay-at-home orders.**

All of these commodities are costs to suppliers that sell goods that eventually end up in your home. These costs are passed down through the value chain and it inevitable that the consumer will end up paying more. That's called inflation. Excessive money printing by many Countries is also likely to contribute to the pressure on inflation.

At the other end of the spectrum, the iron ore price finally fell from its unsustainable high level of over US\$230/ton. This fall was in response to the Chinese Communist Party's curb on steel production as well as a soft real estate sector. With far fewer residential buildings now able to be built (or needed), steel demand from China (and therefore iron ore demand) will be lower.

Locally, the September month ended a streak not seen in decades. August marked the 11th consecutive month of share market gains, the longest rally in 80 years, rising approximately 30% in that time. This strong run was unlikely to last forever with its ending being partly be blamed on rising bond yields, which returned to June levels (about 1.6%) late in the month.

Higher yields on government bonds make equities relatively less attractive, as investors could earn a higher risk-free return elsewhere. This has a two-pronged effect of taking money out of equities markets and hence lowering share prices.

This has a material effect on higher growth companies as these future profits discounted at a higher rate, lowering their value today.

The September quarter, saw most of our Australian companies report their earnings for the past year. Overall, the market reported strongly, with many positive surprises recorded.

This suggests that even now, 18 months on from the height of the Covid crisis, companies have been very conservative in what guidance they provide to the market, preferring to under-promise and over-deliver, far exceeding expectations, leading to big moves in share prices.

This theme continued through out the reporting season, with companies providing cautious outlooks in their remarks. We were broadly pleased with how our companies reported and made very few material changes, as we are satisfied with our current positioning.

Oracle Global Equities Portfolio Update



Nick Cummings
Portfolio Manager

During July and August, the market reacted positively to corporate earnings and vaccine rollouts while during September the market gave most of the previous two months gains back selling off on news of Evergrande's debt problems (Chinese Property Developer) and rising bond yields.

The Global Equities Portfolio ended the third quarter with a gain of **1.61%**. Our benchmark, the MSCI AC World Net Ex Australia Index, returned **2.87%** over the same time.

Notable contributors to performance for the quarter were AON (Insurance Broker), Medpace (Contracted Research Organisation) and Costco (Global Discounted Retailer). The main detractors from performance were Tencent (Technology/Gaming Conglomerate), Skechers (Global Shoe Brand) and Nintendo (Gaming/IP).

During the quarter, there has been a lot of financial press regarding China and we thought it would be prudent to inform our clients how we think about investing in this country.

Broadly, investors in China can think about the task in two frameworks: China is in the too hard basket (avoid it) or they can confront the difficulties and differences to western markets and aim to manage risk through weighting and security selection. At Oracle, we think about it in the second framework.

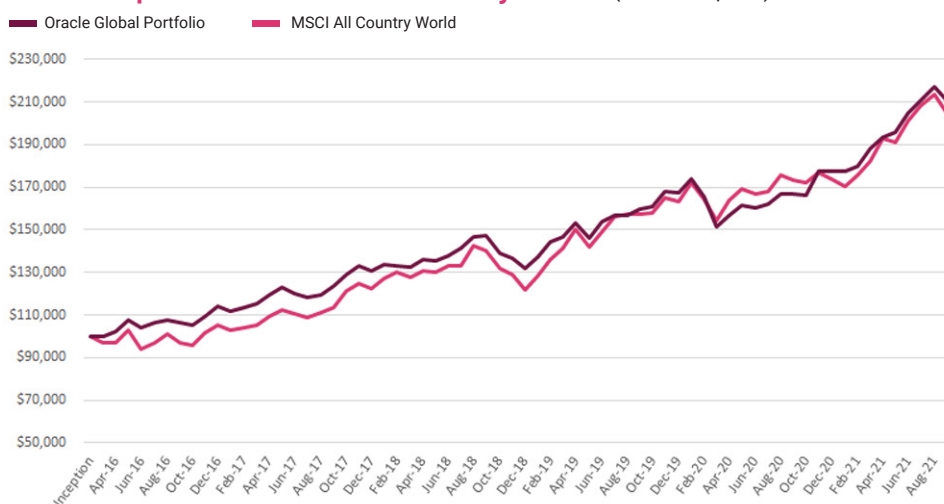
Recently, the Chinese government highlighted how much control and power they have in all aspects of the economy from technology to education and to property. This has resulted in large losses for investors in Chinese stocks over the last six months and forced many to reevaluate their thinking and positioning.

Portfolio Performance

Rolling	Global Equities Portfolio	Benchmark (MSCI All Country World Index)	Outperformance
1 month	-4.13%	-3.02%	-1.11%
3 month	1.61%	2.87%	-1.27%
6 month	12.29%	12.09%	0.20%
1 year	18.07%	26.37%	-8.30%
2 year p.a	13.91%	14.80%	-0.89%
3 year p.a	13.43%	12.71%	0.72%
Since Inception p.a (1 March 2016)	13.67%	14.29%	-0.62%

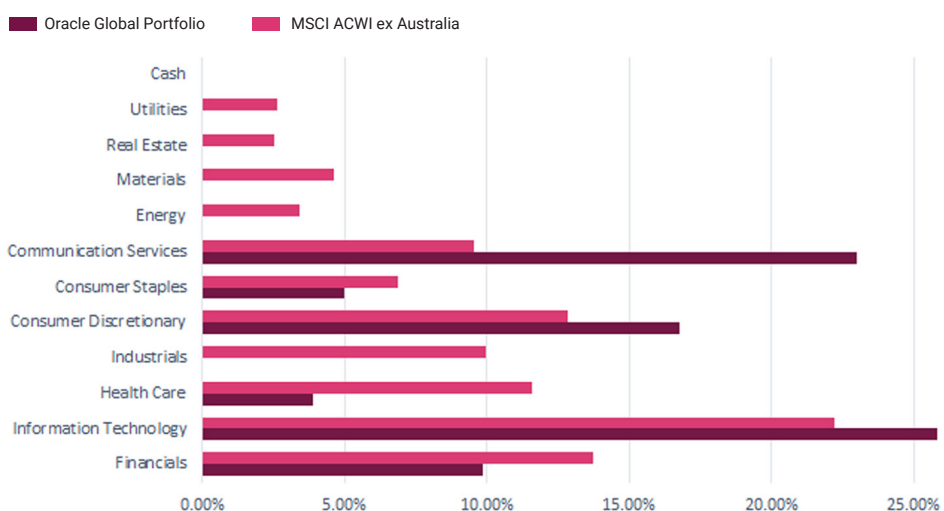
Comparative Performance

Global Equities vs MSCI All Country World (since inception)



Market Segments

Oracle Global Portfolio v MSCI ACWI ex Australia



Continued over the page

Oracle Global Equities Portfolio Update

We believed that investors have been put on the back foot due to the change in rhetoric from the government and the speed of implementation of their proposed changes. The Chinese government has banned minors from gaming and has opened technology platforms to third parties. This has scared investors, who are more accustomed to protracted global legal battles over five to ten years (think Facebook and Google currently). This is simply a reality of the Chinese political system and investment landscape. Change can happen at a rapid pace from a regulatory perspective which isn't always a negative.

Oracle believes China is rebalancing power after two decades of innovation and disproportionate wealth creation, however we don't believe they are setting out to destroy Chinese capital markets or businesses permanently. As a result, we continue to allocate some capital to China (cognizant of the consumption growth and technological tailwinds) and manage our exposure at a Portfolio level.

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The portfolio aims to outperform its benchmark over a rolling 3-year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	MSCI ACWI ex Australia in A\$ (unhedged)
Investment Universe	Primarily large cap international securities listed on major international exchanges. Portfolio may invest in listed ETFs.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 March 2016

Top 10 Contributors	Portfolio Position	12 month Performance
Google	9.27%	79.98%
AON	3.55%	41.89%
Skechers	3.04%	38.73%
Microsoft Corporation	6.72%	34.35%
PayPal Holdings	4.70%	31.51%
Costco	4.97%	28.97%
Facebook	7.31%	28.82%
Berkshire Hathaway	6.31%	27.32%
Lowe's Companies	5.29%	27.29%
Cooper Companies	3.87%	21.60%

Portfolio Characteristics

	Portfolio	Index
PE Multiple	29.3	17.8
EPS Growth	28.42%	39.03
Return on Equity (ROE)	24.7%	17.9
Dividend Yield	0.6%	1.7

Oracle Australian Equities Portfolio Update



Luke Durbin
Portfolio Manager

The Australian Equities Portfolio returned **0.66%** for the June 2021 quarter, underperforming the benchmark S&P/ASX 200 Accumulation Index by **-1.05%**.

This quarter, we saw a range of results for the Australian Equities Portfolio and the broader Australian share market in general. August's reporting season was eagerly awaited, as the results would be investor's first chance to analyse the full-year effect that Covid-19 has had on Australian companies. In total, 171 companies reported full-year results, with 82% of companies reporting a profit. We saw cash levels reach record highs which permitted many companies to issue dividends and/or share buybacks. Total dividends announced totalled an impressive \$40.9 billion.

Overall, the August 2021 reporting season was very positive, however, it is worth noting that caution still exists, with 19% of all ASX200 companies not issuing a dividend. The positive performance seen through July and August ended abruptly in September, with the market putting an end to its 11-month streak of consecutive gains, finishing the month down 1.85%. This is a streak not seen in 80 years.

The month of September, saw the concerns surrounding Chinese property developer Evergrande's potential collapse instil uncertainty into equity markets, followed by global bond yields rising as inflation expectations guide sentiment once again.

The largest contributions over the quarter came from companies such as Sydney Airport and Domino's pizza and Carsales.com.

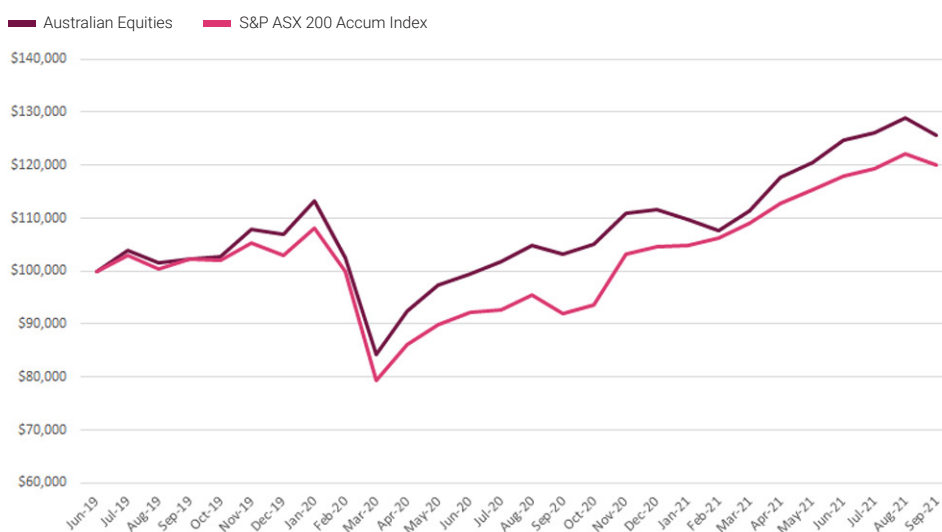
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Portfolio Performance

Rolling	Australian Equities Portfolio	Benchmark (S&P ASX 200 Accumu Index)	Outperformance
1 month	-2.56%	-1.85%	-0.71%
3 month	0.66%	1.71%	-1.05%
6 month	12.88%	10.14%	2.74%
1 year	21.76%	30.56%	-8.80%
2 year p.a	10.82%	8.27%	2.55%
Since Inception p.a (1 July 2019)	10.68%	8.44%	2.24%

Comparative Performance

Australian Equities vs S&P ASX 200 Accum Index (since inception)



Portfolio Characteristics

	Portfolio	Index
Price Earning Multiple	25.5X	23.7x
Earning per share Growth - 3 year	5.7%	-0.3%
Earning per share Growth - 1 year	7.0%	1.5%
Return on Equity (ROE)	15.0%	9.5%
Dividend Yield	1.3%	2.3%
Dividend Growth	0.0%	-3.9%
Gearing (Net Debt/EBITDA)	2x	2.3x

Oracle Australian Equities Portfolio Update

In early September, we purchased a small position in Domino's Pizza Enterprises. The company has a long track record of expanding their network globally and consistently increasing their same store sales. Domino's plan to expand their network in Australia and worldwide, and management are expecting to more than double their store count over the next 5-8 years. Domino's exhibits many of the characteristics we look for in an investment including a talented management team, a demonstrated ability to grow earnings per share, and the ability to expand returns on capital. We will look to increase our stake Domino's when the opportunity presents itself.

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with tax effective income, dividends and capital growth. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
Investment Strategy	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of a high return on equity, growth potential and their ability to consistently deliver dividends to investors.
Benchmark	S&P/ASX 200 Accumulation Index
Investment Universe	Companies listed on the ASX that have a market capitalisation similar to those in the S&P/ASX 200 Accumulation Index.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 July 2019

Top 10 Contributors	Portfolio Position	3 month Performance
Sydney Airport	1.0%	42.3%
Domino's Pizza Enterprises Ltd	0.5%	33.2%
Carsales.Com Ltd	5.0%	28.2%
Macquarie Group Ltd	4.9%	16.3%
Resmed Inc CHESS Depositary Interests	4.0%	13.7%
James Hardie Industries	1.5%	11.0%
Endeavour Group Ltd	1.2%	11.0%
Charter Hall Group	1.4%	10.5%
Aristocrat Leisure Ltd	5.0%	9.0%
Sonic Healthcare Ltd	2.7%	5.9%

Oracle Emerging Companies Portfolio Update



Jack Magann
Portfolio Manager

Australian small and mid-caps continued their strong run from the June quarter into the September quarter on the back of a strong reporting season by companies in the index. We saw the market sentiment change at the end of September with fear of rising rates, inflation and concerns about the Chinese property markets bringing weakness into the markets globally. Despite these factors, the Oracle Emerging Companies portfolio performed strongly, **returning 9.39%** for the quarter, outperforming the Small Ordinaries index which returned **3.44%** for the quarter.

It was our larger company holdings that provided outperformance for the quarter on the back of reporting strong full year results. These companies included Macquarie Telecom Group, IDP Education, Pinnacle Investments and Smartgroup Corporation. Pleasingly, Macquarie Telecom and Pinnacle Investments reported record results for Fiscal Year 2021.

Macquarie Telecom announced plans to build a new data centre at their Macquarie Park Data Centre Campus. This will more than double the current storage capacity of the Macquarie Park Campus. IDP Education, a tertiary student placement and English testing business, is benefitting from the Northern Hemisphere reopening. This strong demand in the Northern Hemisphere is a positive sign when Australia reopens their borders. Smartgroup received a takeover offer from a consortium of private companies, at a significant premium to their share price.

Touching on a couple of reduced positions for the quarter, Energy One Limited, a supplier of energy trading and risk management software which prices power in the energy trading market. Despite the share price being reduced, we were pleased with the full year results the company released.

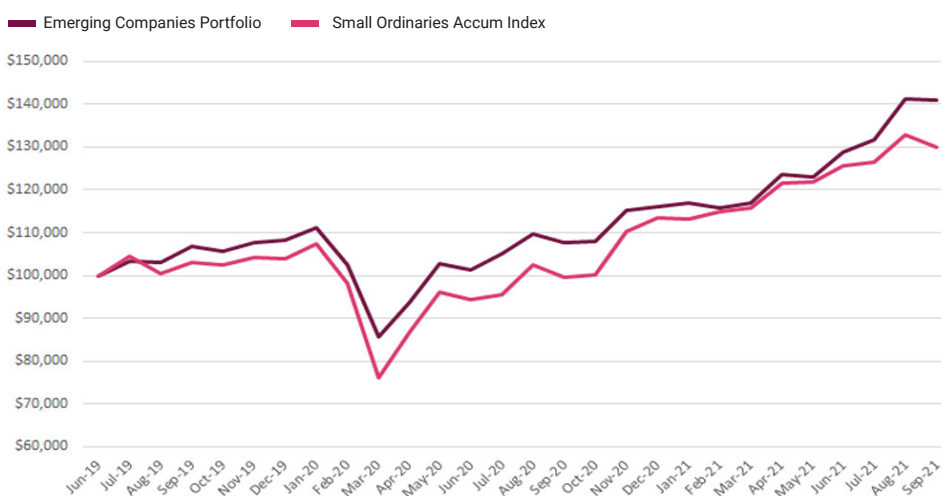
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Portfolio Performance

Rolling	Emerging Companies Portfolio	Benchmark (S&P/ASX Small Ordinaries Accumulation Index)	Outperformance
1 month	-0.15%	-1.89%	1.74%
3 month	9.39%	1.79%	7.60%
6 month	20.43%	10.42%	10.01%
1 year	30.83%	30.86%	-0.03%
2 year p.a	14.91%	8.55%	6.36%
Since Inception p.a (1 July 2019)	16.46%	8.77%	7.69%

Comparative Performance

Emerging Companies vs Small Ordinaries Accum Index (since inception)



Portfolio Characteristics

	Portfolio	Index
Price Earning Multiple	30.7	21.4
Earning per share Growth (3 year)	9.8%	2.8%
Earning per share Growth (1 year)	8.8%	-0.3%
Return on Equity (ROE)	13.5	7.9
Dividend Yield	2.1	1.6
Dividend Growth	17.0%	1.6%
Gearing (Net Debt/EBITDA)	1.07	2.3

Oracle Emerging Companies Portfolio Update

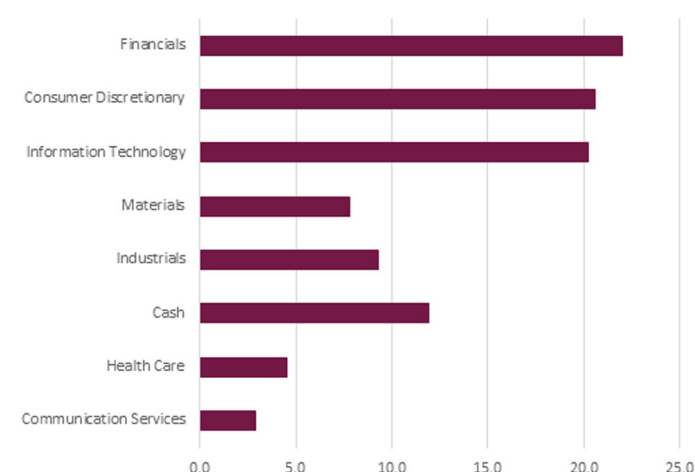
Energy One announced an acquisition of a Belgium business which expands their operations to 17 countries in Europe, up from 11. Kip McGrath Education, the school tutoring business, is executing their strategy well with the transition to their online and corporate centres. We believe Fiscal Year 2022 will be the year that this transition really takes hold, and we are looking forward to this being seen in their financial results.

Looking to the future, we are confident that the portfolio is in a solid position to perform well. We were pleased with the results of the companies reported in August and are confident this will continue into the current financial year. We are also seeing opportunities with IPO's and capital raises at present and we are looking to capitalise on these placements with our cash balance sitting over 10%.

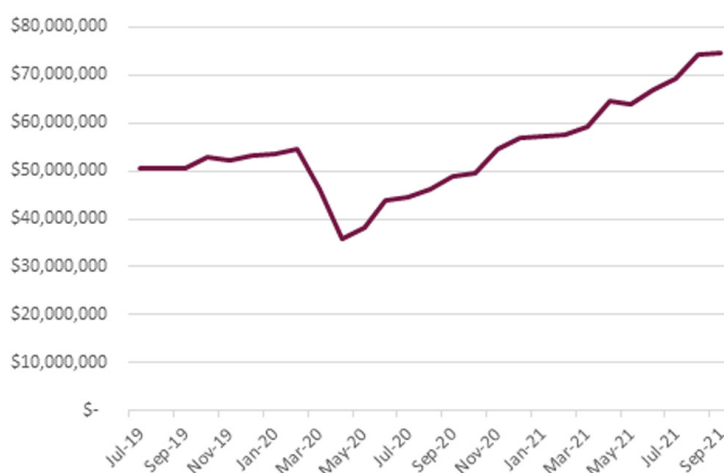
Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
Investment Strategy	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of high return on equity and earnings growth and as likely to provide attractive returns to investors.
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment Universe	All companies listed on the ASX plus managed funds. The Portfolio will include a range of mid-sized capitalization companies.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 July 2019

Top 10 Contributors	Portfolio Position	3 month Performance
Macquarie Telecom	3.9%	46.2%
Idp Education Ltd.	2.4%	39.0%
PTB Group Ltd.	1.4%	36.4%
Pinnacle Investment Management	4.9%	31.3%
Australian Ethical Investment	3.9%	31.0%
Webjet Limited	0.9%	29.1%
Smartgroup Corporation	2.8%	28.7%
Lovisa Holdings	3.4%	24.6%
MNF Group Ltd.	2.9%	24.3%
Dicker Data	4.5%	14.0%

Market Segments



Funds Under Management (since inception)



Oracle Fixed Interest Portfolio Update



Peter Durbin
Portfolio Manager

The fixed income portfolio achieved a return of **1.61%** for the September quarter.

The portfolio was very active again this quarter. We took the opportunity to sell several bonds that had reached our calculation of their fair value and added the following bonds to the portfolio:

	Cost	Market
Emeco 6.25% maturing July 2026	\$100.00	\$102.00
ANZ Capital Notes 6 BBSW + 3.00% maturing September 2030	\$100.00	\$102.49
Edith Cowan University 2.74% maturing July 2033	\$100.00	\$101.40
NBN 2.20% maturing December 2030	\$98.50	\$99.00
Jervois Mining 12.50% maturing July 2026	\$133.50	\$146.50
Dexus Finance 2.6% maturing August 2032	\$99.90	\$100.20
Macquarie Bank Capital Notes 3 BBSW + 2.9% maturing September 2028	\$100.00	\$100.70
Nufarm Finance 6m BBSW + 1.90% maturing April 2037	\$86.46	\$87.30
Pacific National 3.80% maturing September 2031	\$99.80	\$100.00
Westpac Capital Notes 8 3m BBSW + 2.90% maturing December 2049	\$100.00	\$101.69
Suncorp Capital Notes 4 3m BBSW + 2.90% maturing August 2028	\$100.00	\$100.00
Waypoint REIT 2.40% maturing September 2028	\$99.70	\$100.00
Qantas 3.15% maturing September 2028	\$99.90	\$99.90
Latitude Group 3m BBSW + 1.32% maturing October 2036	\$100.00	\$100.46

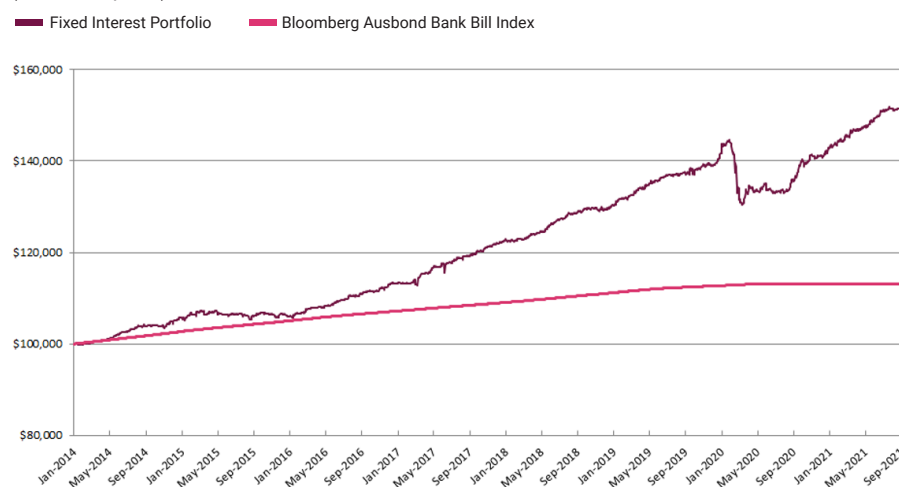
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Portfolio Performance

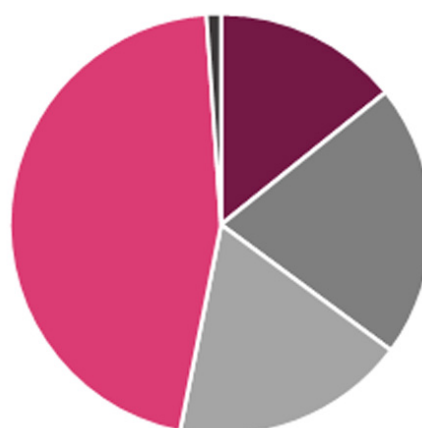
Rolling	Fixed Interest Portfolio	Benchmark (Bloomberg Ausbond Bank Bill Index)	Outperformance
1 month	0.07%	0.00%	0.07%
3 month	1.61%	0.01%	1.60%
6 month	4.32%	0.01%	4.31%
1 year	11.85%	0.04%	11.81%
2 year p.a	5.03%	0.31%	4.72%
3 year p.a	5.45%	0.79%	4.67%
Since Inception p.a (1 March 2014)	5.54%	1.64%	3.91%

Portfolio Performance

(since inception)



Bond Type by Weight



- Subordinated Debt 14.20%
- Hybrid 20.96%
- Cash 17.97%
- Senior Debt 45.76%
- Preferred Equity 1.11%

Oracle Fixed Interest Portfolio Update

Whilst the gains on these bonds may appear modest, they each contribute to the total return of the portfolio. It is also worth noting that these gains are over a very short period of time and represent a higher percentage when viewed on an annualised basis.

We also observe that it often takes several months for a bond to achieve our calculation of fair value and so we continue to monitor their progress on an ongoing basis, to determine an appropriate time to realise a capital gain.

It is also worth observing that the size of the gain does not always align with the size of the actual income. For example, some of the lower yielding bonds have also achieved acceptable growth in value.

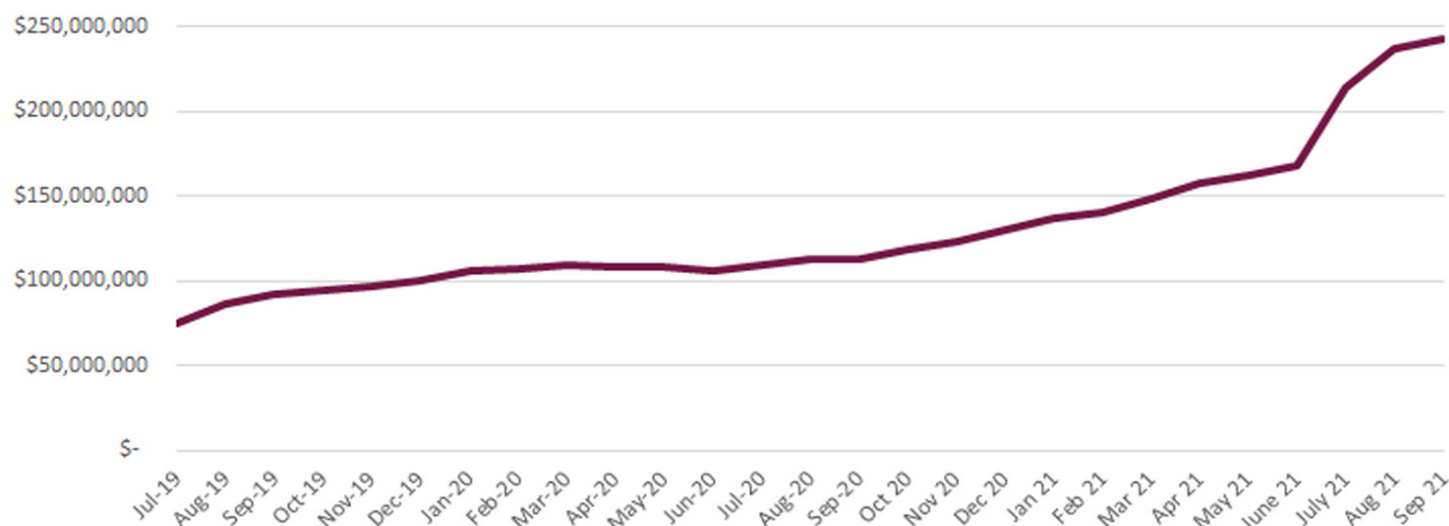
As detailed above, the portfolio continues to be very active, in an effort to achieve a solid return in a very low interest rate environment.

Top 10 Contributors	Weight	3 month Performance
Newcastle Coal Infrastructure Group	0.91%	12.41%
Jervois Mining	0.60%	11.64%
Macquarie Bank	0.92%	8.10%
Lend Lease	1.85%	5.27%
ANZ	5.46%	4.54%
Transurban	4.32%	4.30%
Westpac	5.90%	4.25%
Australian Secure Capital	0.51%	3.93%
Adani Abbot Point Terminal	1.10%	3.73%
Avanti Finance	2.05%	3.70%

Portfolio Overview

Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide a return comprised of a secure and predictable income stream with moderate capital growth. The Portfolio aims to outperform the Bloomberg AusBond Bank Bill Index on an annual basis.
Investment Strategy	To invest in credit securities from companies with strong management, and balance sheets that display characteristics such as sufficient liquidity and low levels of gearing. Diversification is achieved mainly through investment in securities across a range of industries.
Benchmark	Bloomberg AusBond Bank Bill Index
Investment Universe	The Portfolio will primarily comprise of Australian Fixed Income including corporate bonds, listed sub-debt, listed hybrids, term deposits and cash. Dependent on market conditions the Portfolio may also invest in international corporate bonds and government bonds.
Recommended Investment Period	3 years
Minimum Initial Investment	\$25,000
Inception Date	20 January 2014

Funds Under Management



Oracle Property Securities Portfolio Update



Luke Durbin
Portfolio Manager

In the September quarter the property asset class was again the best performing for Australian investors, posting **4.8%** growth on top of the **10.7%** returned in the June quarter. The Oracle Property Securities Portfolio outperformed the benchmark index by **0.4%**, returning **5.2%** for the quarter.

Performance during the quarter was driven by a large gain in real estate property manager and developer Centuria Capital Group and a takeover offer of ALE Property Group, which owns a portfolio of pubs. Arena REIT, which manages and develops social infrastructure properties, and National Storage REIT both had excellent months as well. All four of these names are overweight positions and it is pleasing to see our strategy of owning specialised properties is driving out performance over time.

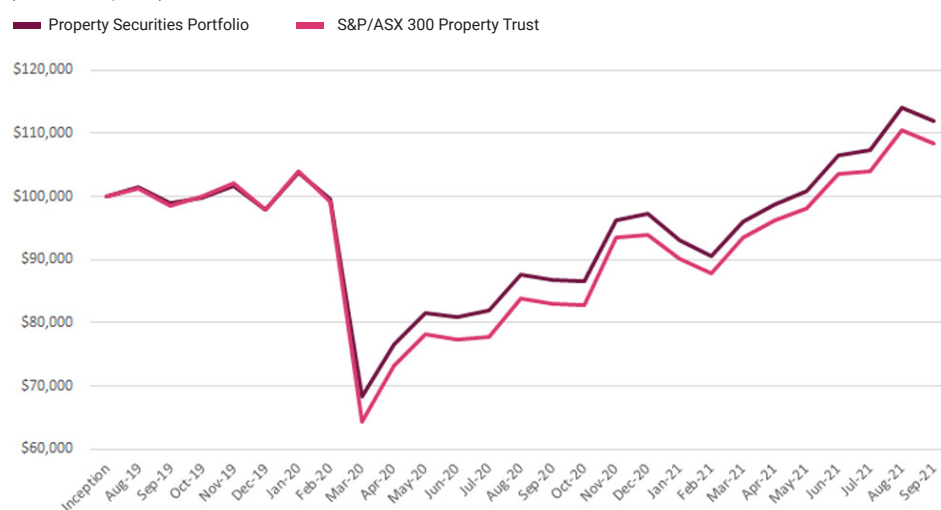
We introduced a new position into the portfolio via an institutional capital raising - Elanor Commercial Property Fund. Elanor is a real estate investment trust which primarily focuses on office space in metropolitan regions, leased to high quality tenants such as the Australian government, NAB, Bunnings, and Coles. We were attracted to Elanor Commercial Property Fund, because it targets regions outside of Sydney and Melbourne such as Brisbane, Perth and Adelaide. The capital raising was used to fund the purchase of a property in Surfers Paradise, Queensland. Elanor Commercial Property Fund is expected to pay an 8.5% distribution yield based on guidance provided by the company. We believe this is attractive income for investors.

Portfolio Performance

Rolling	Property Securities Portfolio	Benchmark (S&P/ASX 300 Property Trust Accum Index)	Outperformance
1 month	-1.72%	-1.94%	0.22%
3 month	5.18%	4.80%	0.38%
6 month	16.68%	16.06%	0.62%
1 year	28.95%	30.69%	-1.74%
2 year p.a	6.44%	4.90%	1.54%
Since Inception p.a (1 August 2019)	5.38%	3.81%	1.57%

Comparative Performance

Property Securities vs S&P/ASX 300 Property Trust Accum Index (since inception)



Portfolio Characteristics

	Portfolio	Index
Price/Funds From Operations multiple	17.5x	17.5x
Funds From Operations per share Growth - 3 year avg	-0.4%	-0.4%
Return on Equity (ROE)	14.5%	14.7%
Return on Equity (ROE) - 3 year avg	9.7%	10.4%
Dividend Yield	4.9%	4.9%
Dividend Growth	3.6%	3.6%
Gearing (Debt/Equity)	41%	39%
Weighted Average Lease Expiry (years)	6.7	6.2

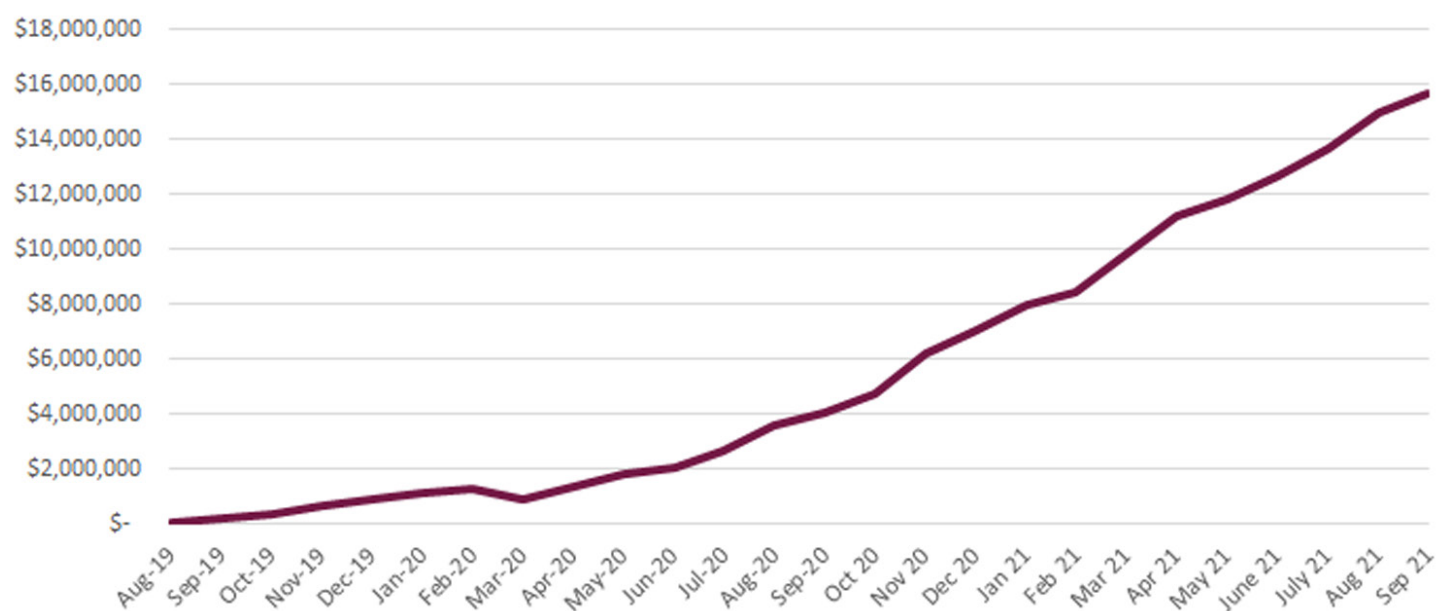
Oracle Property Securities Portfolio Update

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and income. The portfolio aims to outperform its benchmark over a rolling 3 year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	S&P/ASX 300 Property Trust Accumulation Index
Investment Universe	Listed ASX Securities that invest in and or Manage Property Investments. Portfolio may invest in listed ETFs.
Recommended Investment Period	3-5 years
Minimum Initial Investment	\$25,000
Inception Date	1 August 2019

Top 10 Contributors	Portfolio Position	3 month Performance
Centuria Capital Group	21.6%	21.6%
ALE Property Group	18.9%	18.9%
Arena REIT	18.1%	18.1%
National Storage REIT	16.5%	16.5%
Abacus Property Group	12.8%	12.8%
Scentre Group	12.3%	12.3%
Charter Hall Group	9.9%	9.9%
Centuria Office REIT	8.8%	8.8%
Ingenia Communities	8.4%	8.4%
Vicinity Centres	7.8%	7.8%

Funds Under Management

(since inception)



Oracle Ethical Diversified Portfolio Update

The Oracle Ethical Diversified Portfolio is collectively managed by:



Nick Cummings

Portfolio Manager



Luke Durbin

Portfolio Manager



Jack Magann

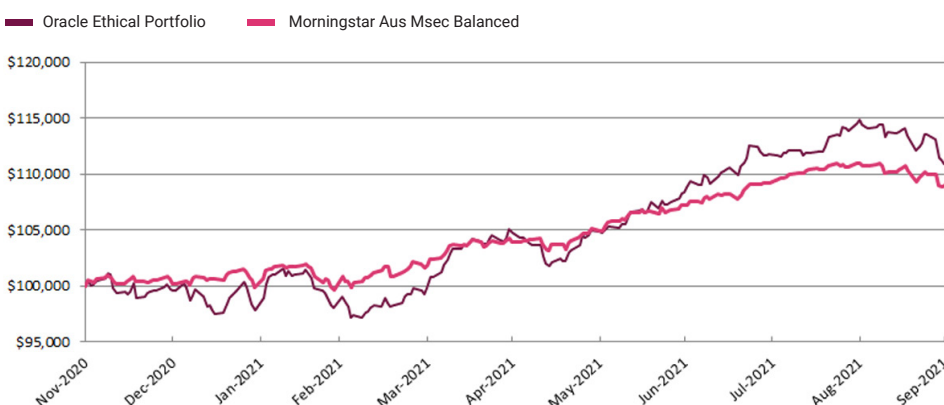
Portfolio Manager

Portfolio Performance

Rolling	Ethical Portfolio	Benchmark (Morningstar Balanced)	Comparative Performance
1 month	-3.24%	-1.81%	-1.43%
3 month	1.29%	1.65%	-0.36%
6 month	11.74%	6.97%	4.77%
Since Inception p.a (1 November 2020)	6.09%	4.04%	2.05%

Comparative Performance

Ethical Diversified VS Morningstar Balanced (since inception)



For the September Quarter the Ethical Portfolio returned **1.29%**. This compares to the benchmark Morningstar Aus Msec Balanced, which returned **1.65%**. This represents underperformance of **0.38%**. We are pleased we our outperformance of **2.0%** since inception in November 2020.

Performance was aided by excellent quarters from IDP Education Australian Ethical Investments, Lovisa and Costco. Detractors for the quarter were Fortescue Metals Group, Tencent and Rockwool.

The main economic news during the quarter especially relevant for Australian investors was the fall in iron price. In our view, this was inevitable, but the speed of the decline caught everyone by surprise. Despite the bumper profits earned and dividends paid only 2 months ago, the iron ore price began to slide. We began lightening our load, eventually selling the entirety of our exposure (being Fortescue

Metals Group and Mineral Resources) in early September. We do not anticipate iron ore to return to these historically high levels.

Despite being down 9% for the month, Rockwool produced a very good quarterly report with sales up 35% and operating earnings up 92%. The company also upgraded their guidance as core geographies, particularly in Europe, have seen increased demand for not just construction in general, but non-combustible insulation, which is Rockwool's bread and butter. As such, it remains a core holding in the portfolio.

A new company in the portfolio Vertex Pharmaceuticals reported a solid quarter increasing sales and earnings by 18%. Their cystic fibrosis treatments are approved in more geographies (most recently the EU), and more age groups (this time ages 6-11). It exciting to be partnering

with companies who are at the forefront of medical innovation, bringing life changing treatments to people suffering with such a debilitating syndrome. We expect financial rewards to continue to flow to this company.

We continue to search the globe for new ideas, paying particular attention to Environmental, Social, and Governance opportunities that are contributing to a better world. Also companies that meet the same quality standards we apply across all our portfolios. We look forward to sharing these in our December report.

Oracle Ethical Diversified Portfolio Update

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term growth and to outperform the Consumer Price Index + 3% over the medium term (5 years).
Investment Strategy	To invest across a broad range of investment sectors and to provide a balance between capital growth and capital preservation. Oracle use an active bottom up stock selection process, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting both our investment criteria of strong earnings growth and ethical criteria of positive social, environmental and governance factors.
Investment Universe	Listed ASX Securities, cash, ETF's, corporate bonds, short term money market securities, international securities, listed sub-debt, listed hybrids and listed property investments.
Recommended Investment Period	5 years
Minimum Initial Investment	\$50,000
Inception Date	1 November 2020

Top 10 Contributors	3 month Performance
IDP Education	40.8%
Australian Ethical Investments	34.6%
Lovisa	28.53%
Costco	14.4%
Steadfast	9.7%
Lowes	6.8%
Alphabet	6.2%
Charter Hall Group	6.1%
eInvest Future Impact Small Caps Fund	5.2%
Lend Lease 2031 Green Bond	4.5%

Selected Investment Holdings	Sector	Weighting
LendLease 2027 Green Bond	Environmental Real Estate Projects	3.6%
Wesfarmers 2028 Sustainability Bond	Renewable Energy Targeted Bond	3.0%
Perennial Ethical Fund	Ethical Fund	2.5%
Franklin Electric	Water Pumping Systems	2.1%
Lend Lease 2031 Green Bond	Environmental Real Estate Projects	2.4%
ROCKWOOL	Environmental Building Products	1.6%
Northland Power	Renewable Energy Utility	1.5%
Boralex	Renewable Energy Utility	1.5%
Vertex Pharmaceuticals	Cystic Fibrosis Treatment	1.2%
Australian Ethical	Ethical Fund Manager	1.1%

Diversified Managed: Capital Stable Portfolio

The Capital Stable Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are forgoing the potential for higher returns over the long term for relative security.

Asset Class	Neutral
Cash	10%
Fixed Income	60%
Property Securities	5%
Aus Emerging Companies	0%
Aus Equities	15%
Global Equities	10%

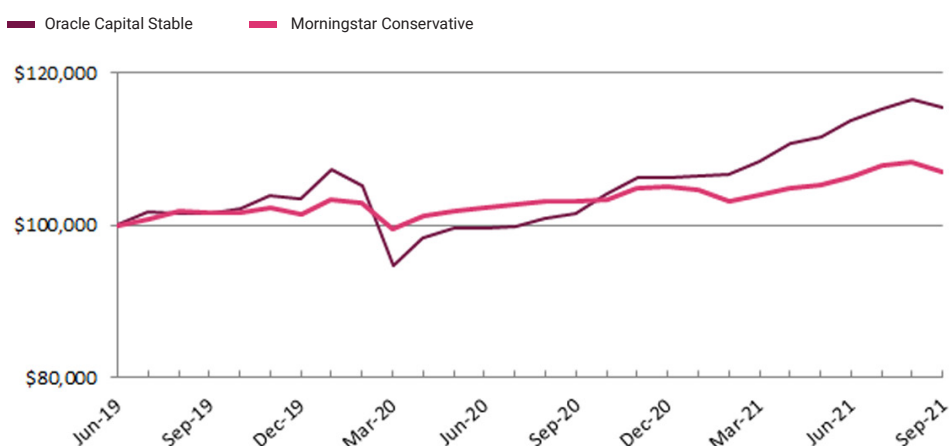
Investment Fee (% per annum)	
Capital State Portfolio	0.6%

Portfolio Performance

Rolling	Oracle Capital Stable	Benchmark (Morningstar Aus Msec Conservative)	Comparative Performance
1 month	-0.84%	-1.19%	0.35%
3 month	1.48%	0.64%	0.85%
6 month	6.59%	3.00%	3.59%
1 year	13.63%	3.75%	9.88%
2 year p.a	6.03%	2.60%	3.43%
Inception p.a. (1 July 2019)	6.56%	3.10%	3.46%

Comparative Performance

Oracle Capital Stable vs Morningstar Capital Stable (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year
Oracle Capital Stable	-0.84%	1.48%	13.63%
Australian Super Stable	-	0.90%	8.33%
VicSuper	-0.75%	0.69%	4.09%
AMP MySuper Capital Stable	-1.48%	0.21%	11.29%
UniSuper Conservative	-	-	5.58%
CARE Super Capital Stable	-	2.10%	7.94%
First State Super - Flexible Income Plan - Capital Stable	-0.77%	0.81%	4.70%
REST Capital Stable	-	0.98%	8.27%
Macquarie Master Capital Stable	-	0.40%	6.90%
Media super Stable	0.60%	2.58%	7.09%
Hostplus Capital Stable	-0.27%	1.06%	8.10%

Diversified Managed: Conservative Portfolio

The Conservative Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are foregoing the potential for higher returns over the long term.

Asset Class	Neutral
Cash	5%
Fixed Income	50%
Property Securities	5%
Aus Emerging Companies	0%
Aus Equities	25%
Global Equities	15%

Investment Fee (% per annum)	
Conservative Portfolio	0.65%

Portfolio Performance

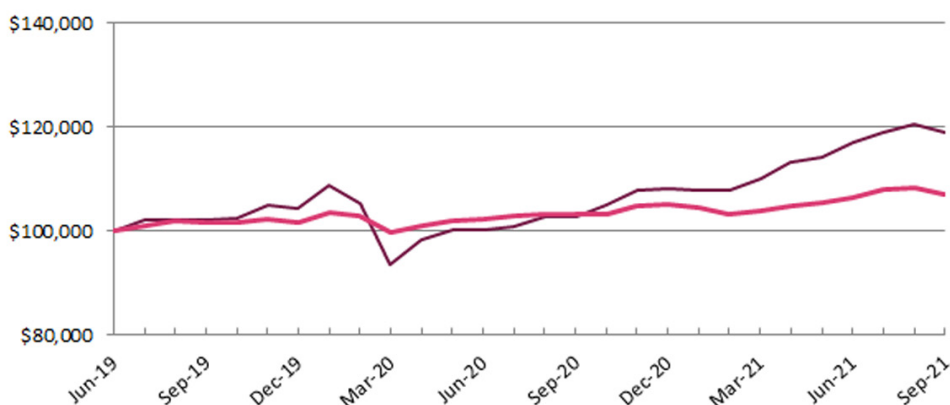
Rolling	Oracle Conservative	Benchmark (Morningstar Aus Msec Conservative)	Comparative Performance
1 month	-1.31%	-1.19%	-0.12%
3 month	1.47%	0.64%	-0.18%
6 month	8.06%	3.00%	5.06%
1 year	15.52%	3.75%	11.77%
2 year p.a	7.31%	2.60%	4.71%
Inception p.a. (1 July 2019)	7.76%	3.10%	4.66%

Comparative Performance

Oracle Conservative vs Morningstar Aus Msec Conservative

(since inception)

Oracle Conservative Morningstar Conservative



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year
Oracle Conservative	-1.31%	1.47%	15.52%
Australian Super Conservative Balanced	-	1.28%	14.18%
Aware Super Conservative Growth	-0.75%	0.69%	4.09%
CBUS Conservative	0.58%	1.45%	6.96%
UniSuper Conservative Balanced	-	-	9.20%
CARE Super Conservative Balanced	-	2.76%	10.90%
Morningstar Msec Conservative	-0.71%	0.62%	4.26%
Vanguard Diversified Conservative Index	-1.53%	-	7.16%
IOOF WealthBuilder Conservative	-	0.80%	5.10%
HESTA Conservative	-	-	8.72%
Hostplus Conservative Balanced	-0.28%	1.54%	8.10%

Diversified Managed: Balanced Portfolio

The Balanced Portfolio suits investors who require a balanced portfolio, diversified across all major asset classes, seek capital growth over the medium to long term with a moderate level of income, accept a moderate degree of volatility associated with a relatively higher exposure to growth assets and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	4%
Fixed Income	36%
Property Securities	6%
Aus Emerging Companies	9%
Aus Equities	20%
Global Equities	25%

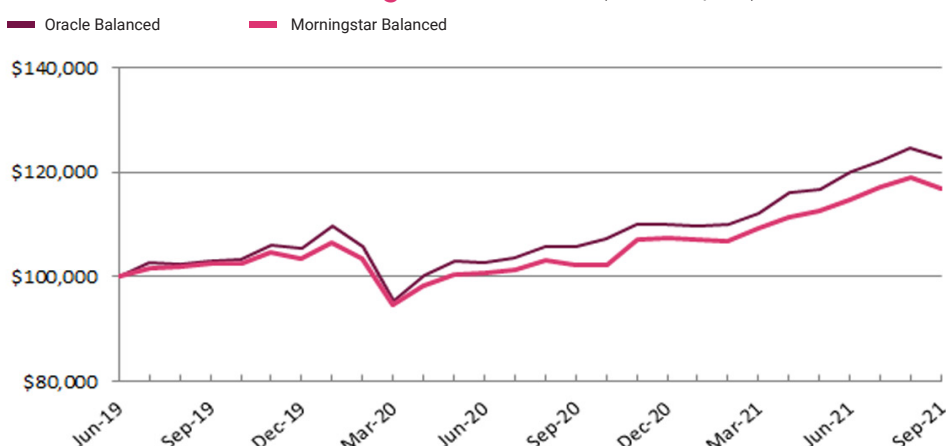
Investment Fee (% per annum)	
Balanced Portfolio	0.7%

Portfolio Performance

Rolling	Oracle Balanced	Benchmark (Morningstar Aus Msec Balanced)	Comparative Performance
1 month	-1.64%	-1.81%	0.17%
3 month	2.27%	1.65%	0.62%
6 month	11.58%	6.97%	3.08%
1 year	19.41%	14.23%	3.42%
2 year p.a	8.56%	6.69%	2.10%
Inception p.a. (1 July 2019)	9.35%	7.14%	2.21%

Comparative Performance

Oracle Balanced vs Morningstar Balanced (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year
Oracle Balanced	-1.64%	2.27%	17.65%
Australian Super Balanced	-	1.73%	20.43%
Aware Super Balanced Growth	-0.26%	2.53%	12.69%
Cbus Conservative Growth	-	1.86%	12.17%
UniSuper Balanced	-	-	18.40%
CARE Super Balanced	-	5.36%	17.39%
AMP Capital Balanced Growth Fund	-2.45%	0.86%	18.57%
REST Balanced	-	1.57%	12.87%
MorningstarMsec Balanced	-	1.20%	14.10%
HESTA Balanced Growth	-	-	19.03%
Hostplus Balanced	1.65%	4.44%	23.85%

Diversified Managed: Growth Portfolio

The Growth Portfolio suits investors who seek the potential for a relatively high level of growth and a modest level of income, accept a higher level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	2%
Fixed Income	24%
Property Securities	10%
Aus Emerging Companies	11%
Aus Equities	19%
Global Equities	34%

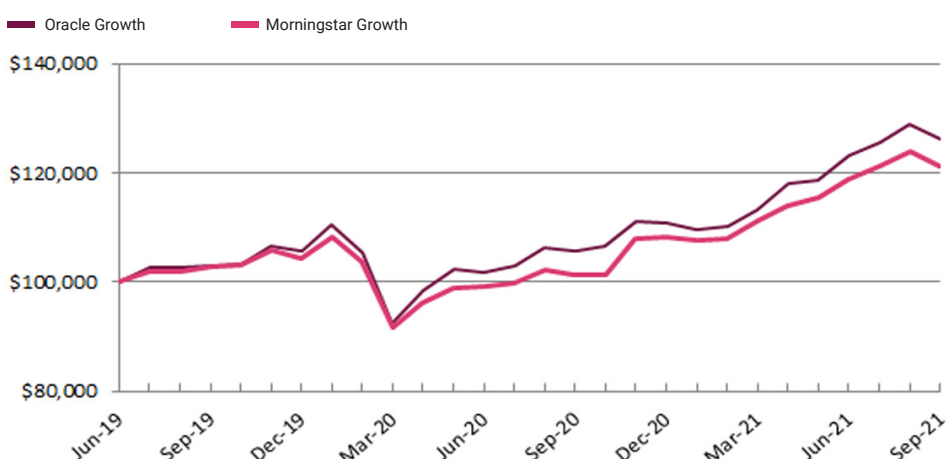
Investment Fee (% per annum)	
Growth Portfolio	0.75%

Portfolio Performance

Rolling	Oracle Growth	Benchmark (Morningstar Aus Msec Growth)	Comparative Performance
1 month	-2.06%	-2.12%	0.06%
3 month	2.61%	2.19%	0.42%
6 month	11.58%	9.11%	2.47%
1 year	19.41%	19.84%	-0.43%
2 year p.a	9.63%	8.56%	1.07%
Inception p.a. (1 July 2019)	10.36%	8.97%	1.39%

Comparative Performance

Oracle Growth vs Morningstar Growth (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year
Oracle Growth	-2.06%	2.61%	19.41%
Vanguard Growth Index Fund	-2.19%	-	19.29%
Aware Super Growth	-0.56%	2.67%	18.19%
VicSuper Growth	-	-	18.91%
UniSuper Growth	-	-	22.63%
CARE Super Growth	-	4.82%	20.63%
Morningstar Msec growth	-2.12%	2.19%	19.84%
First State - Flexible Income Plan - Growth	-0.86%	2.70%	18.68%
Cbus Growth (MySuper)	-	2.43%	18.28%
Betashares Diversified All Growth ETF	-2.47%	2.26%	-
Media Super Growth	1.82%	5.69%	18.97%

Diversified Managed: High Growth Portfolio

The High Growth Portfolio suits investors who seek a relatively high level of growth on investment capital, accept a high level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	2%
Fixed Income	0%
Property Securities	10%
Aus Emerging Companies	20%
Aus Equities	24%
Global Equities	44%

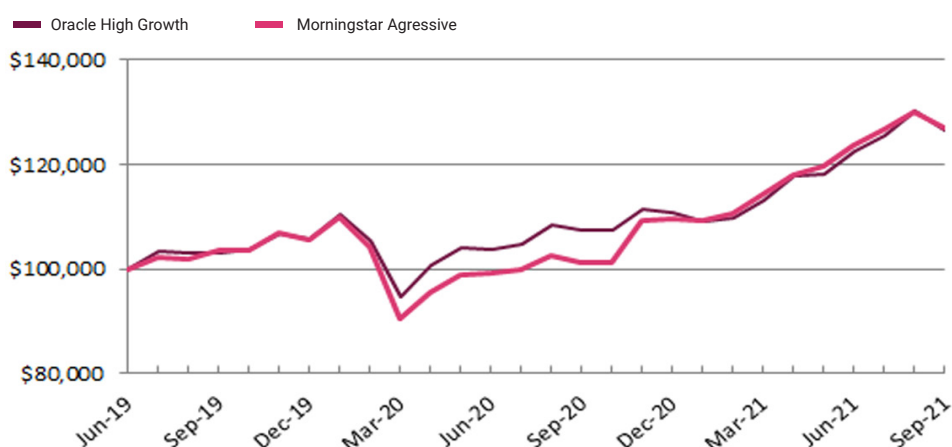
Investment Fee (% per annum)	
High Growth Portfolio	0.85%

Portfolio Performance

Rolling	Oracle High Growth	Benchmark (Morningstar Aus Msec Aggressive)	Comparative Performance
1 month	-2.63%	-2.40%	-0.24%
3 month	3.26%	2.66%	0.60%
6 month	14.25%	10.95%	3.30%
1 year	22.23%	25.47%	-3.23%
2 year p.a	11.70%	10.79%	0.91%
Inception p.a. (1 July 2019)	12.41%	11.17%	1.24%

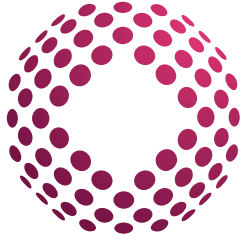
Comparative Performance

Oracle High Growth vs Morningstar Aggressive (since inception)



Industry Funds Comparative Performance

Fund	1 month	3 month	1 year
Oracle High Growth	-2.63%	3.26%	22.23%
Australian Super High Growth	-	1.73%	24.35%
Aware Super High Growth	-0.43%	3.36%	23.60%
Qsuper Aggressive	-	1.47%	14.86%
UniSuper High Growth	-	-	26.80%
Vanguard High Growth Index Fund	-2.46%	-	25.87%
AMP Capital High Growth Fund	-2.62%	0.97%	23.49%
REST High Growth	-	2.67%	22.02%
Cbus High Growth	-	3.25%	12.17%
HESTA High Growth	-	-	24.92%
BetaShares Diversified High Growth ETF	2.71%	8.45%	29.85%
Morningstar Msec Aggressive	-2.40%	2.66%	25.47%



oracle

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Investment Manager

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Promoter

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