ROSEVALLEY FUNDS

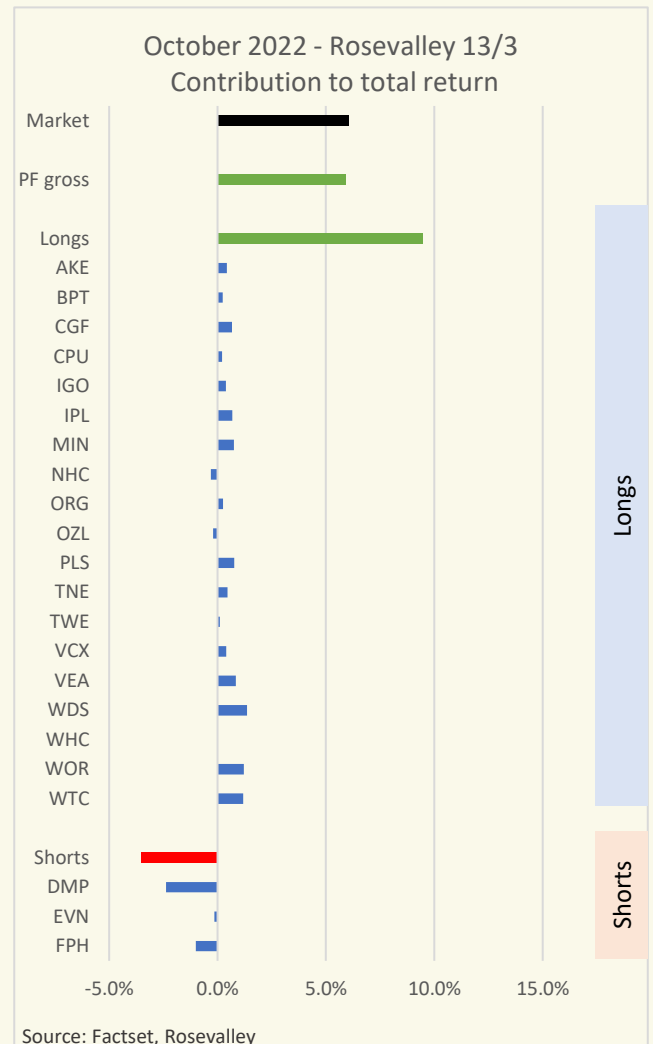# Portfolio Report October 2022

The Rosevalley Behavioural Finance Funds

The Rosevalley Behavioural Finance Funds are high-conviction funds that take the theoretical and empirical evidence developed over the past 30 years in Behavioural Finance, and systematically build portfolios from these learnings. The portfolios are constructed on a benchmark-unaware basis, but performance is compared to the ASX-200 accumulation index.

First-time readers of this report, please refer to the blue box at the end for added context and history

Market commentary

	October 2022
MSCI World	7.2%
S&P 500	8.1%
DJIA	14.0%
FTSE100	3.0%
DAX	9.4%
Hang Seng	-14.7%
ASX-200	6.0%
Rosevalley 13/3	5.9%
Rosevalley 10/0	6.6%

October 2022 - Rosevalley 13/3
Contribution to total return

Source: Factset, Rosevalley

Performance as of October 2022								
Portfolio		1 month	3 months	6 months	1 year	Since inception annualized (1 Oct 2018)	Since inception annualized (14 Aug 2018)	Since inception annualized (1 Aug 2018)
Rosevalley 13/3	Gross	5.9%	19.5%	5.5%	6.4%	15.4%		
	Net	5.8%	18.5%	3.8%	3.2%	11.9%		
Rosevalley 15/5	Gross	5.2%	19.1%	5.7%	1.1%		14.1%	
	Net[1]							
Rosevalley 10/0	Gross	6.6%	16.7%	6.8%	11.6%			18.4%
	Net	7.0%	17.4%	7.4%	11.3%			9.4%
ASX-200		6.0%	0.7%	-5.4%	-2.0%	6.4%	6.2%	6.2%

Source: Rosevalley, Factset. Note returns are not audited. [1]Rosevalley 15/5 was not actively traded during the month, so no net numbers are available.

Portfolio performance

Longer term performance

October 2022 - Rosevalley 10/0
Contribution to total return

Source: Factset, Rosevalley

Execution

This month the usual sources of gross-net difference were favourable for the portfolio: the gross-net gap was -20 bps (vs. an expected -58 bps).

Rosevalley 13/3 Execution		
	Model	Realized
Gross performance	5.94%	5.94%
difference between trade price and end-of-previous-month price	0.01%	-0.02%
trading costs	-0.15%	-0.06%
borrow costs	-0.13%	-0.20%
Reported net performance	5.67%	5.79%

November Portfolio Manager model overrides

The portfolios for November have one stock substitution for the 13/3 and 15/5 portfolio.

	13/3	15/5
Longs taken out	LTR	LTR
Replaced by	TNE	TWE
Comments	All changes driven by sector concentration considerations.	

See the appendices for full detail on the list for November.

Rosevalley 13/3
Since inception
Growth of $10,000

$18,059

$12,906

$7,000

Source: Factset, Rosevalley. Note Rosevalley numbers are not audited

— Rosevalley 13/3   — ASX200
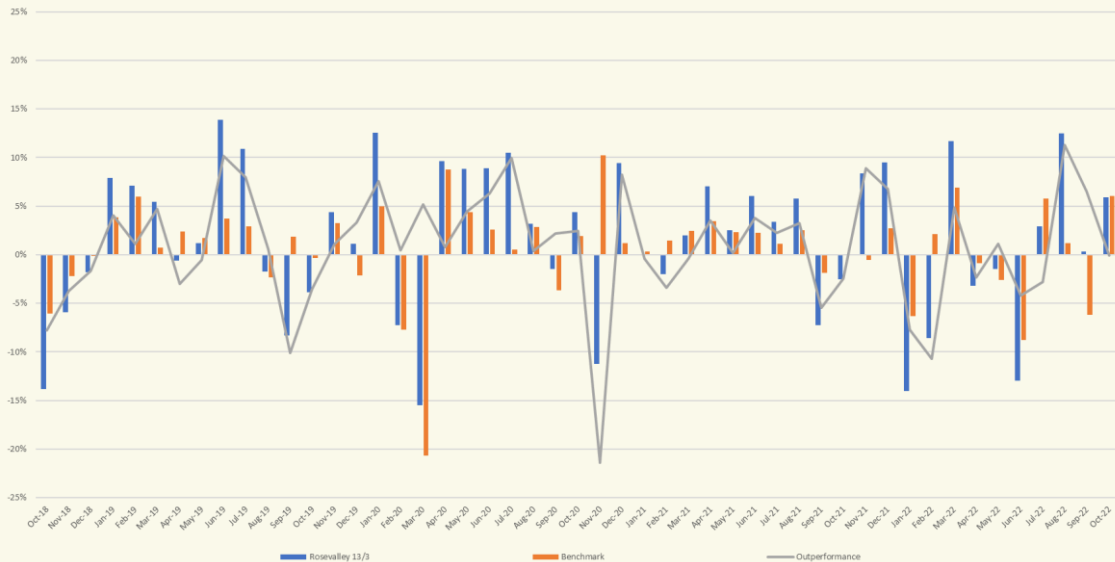
Rosevalley 13/3

Source: Factset, Rosevalley

■ Rosevalley 13/3   ■ Benchmark   — Outperformance

Rosevalley Funds: The Behavioural Finance Approach

Over the past 30 years Behavioural Finance has emerged as a serious alternative to the Efficient Market Hypothesis. Whereas the Efficient Market Hypothesis starts with the assumption that people (investors) are rational and profit-maximizing, Behavioural Finance builds upon empirical observations of how people actually behave, and goes on to explain securities prices from this principle. Along the development of Behavioural Finance, it has been able to explain many peculiarities that had remained puzzles under the Efficient Market Hypothesis.

Rosevalley Funds portfolios are built around the theoretical and empirical underpinnings of Behavioural Finance, and at heart take advantage of the way human beings behave in the real world.

ROSEVALLEY FUNDS   Behavioural Finance Funds