NORTH PROFESSIONAL

North Professional Conservative

Quarterly Update for 31 March 2026

Description

The Fund invests in a diversified mix of growth and defensive assets across a variety of asset classes including shares, property, infrastructure, fixed interest, cash and alternatives. Investments are spread across both Australian and overseas markets and investment styles to minimise the risk of underperformance should one particular asset class, region or investment style be out of favour within a particular investment timeframe. North Professional Conservative growth assets (such as shares and property) will have an average allocation of 35%, with the difference in defensive assets.

Investment Objective

The Fund aims to outperform the return of the indices of the underlying asset classes in which it invests, in proportion to the Fund's strategic asset allocation (SAA) weights, before fees and taxes, over the suggested minimum investment timeframe. The Fund aims to pay distributions half-yearly. You should be aware that although the Fund aims to pay distributions, the amount of each distribution may vary, or no distribution may be payable in a distribution period.

Target Investor

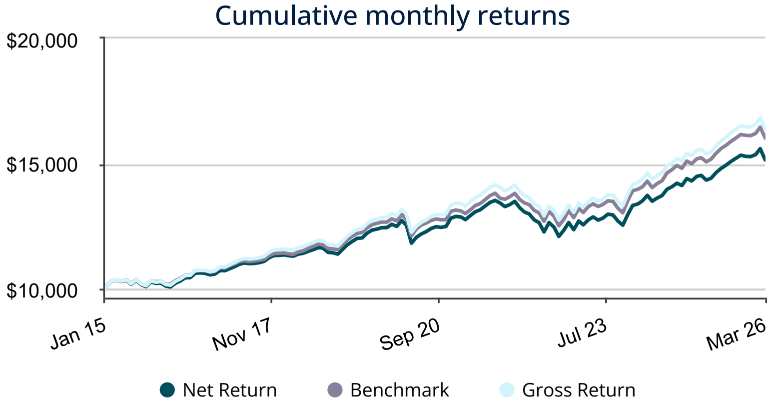
This product is intended for a consumer who is seeking capital preservation and potentially some income distributions. It has a medium risk/return profile and is intended for use up to a standalone solution of an investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a minimum investment timeframe of 3 years and who is unlikely to need to withdraw their money on less than one week's notice.

Key Information

APIR code	IPA0176AU
Manager name	AMP Investments (National Mutual Funds Management Ltd)
Portfolio managers	**Stephen Flegg** Head of Portfolio Management **Stuart Eliot** General Manager, Investments
Inception date	19 January 2015
Distribution frequency	Half-yearly
Minimum investment horizon	3 years
Investment management fee	0.62% pa
Total indirect costs	0.11% pa
Performance fee	0.03% pa
Buy/Sell spread	0.09% / 0.08%
Risk level (1-7)	4. Medium
Total fund size (millions)	$137m

Refer to the current PDS or other offer document for the relevant Fund available at northonline.com.au/managedfunds for the latest ongoing annual fees and costs.

Cumulative monthly returns



Performance Summary (%)

	3m	1yr	3yr*	5yr*	SI*
Gross Return	-0.71	6.31	6.63	3.94	4.50
Net Return	-0.87	5.60	5.90	3.22	3.78
Benchmark	-0.59	6.29	6.45	4.01	4.30
Excess Return (Net)	-0.28	-0.69	-0.55	-0.79	-0.52

*Performance for periods greater than one year is annualised
Net returns are calculated before tax and after all fees and costs, with all distributions reinvested. Past performance is not a reliable indicator of future performance. For further details, please refer to the **'What you need to know'** section below.

Asset Allocation (%)

Current Allocation

●	Defensive	63.4%
●	Growth	36.6%

Growth assets			
Asset Class	**Target**	**Current**	**Tilt**
Global shares	14.0	14.4	0.4
Australian shares	11.0	11.5	0.5
Global listed infrastructure	4.0	4.9	0.9
Emerging market shares	3.0	3.1	0.1
Global listed property	2.0	2.3	0.3
Alternatives	0.0	0.4	0.4
Defensive assets			
Asset Class	**Target**	**Current**	**Tilt**
Australian bonds	20.0	21.7	1.7
Investment grade credit	13.0	14.7	1.7
Cash	22.0	14.6	-7.4
Global bonds	7.0	7.6	0.6
Diversified credit	4.0	4.9	0.9

Note: Alternatives has a 50% allocation to growth and 50% allocation to defensive. Allocation data may not add to 100% due to rounding.

Fund Commentary

Performance

The March quarter was marked by heightened volatility, with diversified fund investors experiencing modest negative returns. Markets eased as geopolitical tensions escalated in the Middle East, leading to surging global energy prices, disruptions to shipping routes, and a softer global economic outlook. While headlines at times suggested severe market stress, actual market movements for the period were more contained. Global shares declined by around 3.3%, while Australian shares fell by around 2%. Global and Australian fixed income markets were slightly negative as yields rose, falling by around 0.25% and 0.34% respectively.

The Fund produced a small negative return for the quarter, trailing the strategic benchmark for the period. Equity exposures, both Global and Australian, were the primary contributors to the weaker outcome, partially offset by positive returns from global listed infrastructure and cash. Longer-term performance remains robust and in line with the Fund's return expectations.

Outlook

Heightened geopolitical uncertainty can draw attention to short term market movements, but as always, we encourage investors to remain focused on their long-term objectives. While downturns can feel uncomfortable, history shows that sharemarkets have consistently recovered from periods of stress and gone on to reach new highs over time. Although the path and economic impact of developments in the Middle East, including the effect of higher oil prices, remains uncertain, our current assessment is that conditions point towards eventual de-escalation. Market positioning suggests investors remain relatively cautious toward equities. More broadly, recent events underscore the importance of ongoing structural adjustments in global energy markets, reinforcing efforts to reduce reliance on fossil fuel supplies concentrated in geopolitically sensitives regions.

Portfolio management

At quarter end, the Fund's asset allocation can be summarised as:

Australian shares – We expect Australian equities to generate a solid return premium relative to risk-free assets over the medium to long-term, supported by franking credits and a robust earnings yield. The sector composition, which is dominated by banks and mining, remains less compelling to us compared to some offshore markets. Ongoing uncertainty surrounding China continues to weigh on the market. Accordingly, our current positioning in Australian shares is neutral versus the benchmark.

International shares – We believe global share markets are well positioned for growth over the medium to long-term. While we anticipate higher volatility moving forward, we believe our active managers will have considerable opportunity to add value. We maintain an overweight position in international shares relative to the benchmark.

Listed property & listed infrastructure – The different return drivers for Listed property & listed infrastructure (relative to equities) provides diversification and enhanced consistency of returns. Our current positioning for these assets is neutral versus the benchmark.

Defensive assets – With increased yields on offer, we have continued to strategically increase our allocation to bonds. Selected areas in credit offer compelling risk-adjusted returns, which we remain excited about allocating capital to through our line-up of quality active managers. Our credit exposure has been increasing, and we expect this trend to continue in the near-term. We are overweight credit, neutrally positioned in bonds and underweight cash.

Manager in focus: Lazard Asset Management

Australian Equities manager, Lazard, adopt a fundamental, high conviction, relative value approach to investing, targeting absolute returns over the long-term. Stock selection is founded on deep fundamental research. Risks, including from a benchmark-perspective, also form a significant consideration in building their portfolio. Lazard also believe ESG considerations can affect a security's valuation and financial performance, thus have integrated ESG into their research approach and investment decision process.

Stock story: Viva Energy Group

Viva Energy is a leading Australian energy company that supplies around a quarter of Australia's fuel requirements. Held by our underlying manager Lazard, the company produces, imports and delivers fuels, lubricants, chemicals, and bitumen, and serves industries such as automotive, mining, aviation and marine. The shares performed strongly over the quarter, driven by surging energy prices due to the conflict in the Middle East, which typically supplies around 20% of the world's fuel requirements.

We're here to support you
If you have any questions about this update, please contact your Account Manager (if you are an adviser) or our Investor Services team via email at ampinvestments@amp.com.au or on 133 267, Monday to Friday between 8.30am and 5.30pm (Sydney time).

We have updated the Fund's Benchmark. The Benchmark is now a combination of the indices of the underlying asset classes which the fund invests weighted by the Fund's long-term benchmark. The Benchmark is rebalanced daily for all periods from Inception to 28 June 2019 and rebalanced quarterly for all periods from 29 June 2019 forward.