MyNorth Managed Portfolios

MLC PREMIUM HIGH GROWTH 98 PORTFOLIO

Monthly Update for Month Ending September 2024

Investment objective

To outperform the benchmark over a rolling 7 year period.

Key information

Code	NTH0420
Manager name	MLC Asset Management Services Limited
Inception date	27 March 2024
Benchmark	CPI + 4.5% p.a.
Asset class	Diversified
Number of underlying assets	38
Minimum investment horizon	7 years
Portfolio income	Default - Reinvest
Management fees and costs	'0.95%
Performance fee	'0.08%
Estimated net transaction costs	'0.03%
Estimated buy/sell spread	'0.13%/0.14%
Risk band/label	6/High
Minimum investment amount	$25,000

About the manager

MLC Asset Management Services Limited

MLC Asset Management Services Limited (MLC Asset Management) has over 35 years' experience designing and managing multi-asset class portfolios. The team has more than 200 years of experience in designing and managing all aspects of a portfolio including asset allocation, investment manager selection, risk management and implementation. The team utilises an investment approach to structure portfolios with the aim of delivering reliable returns across a range of potential market environments whilst managing new risks and capturing new opportunities.

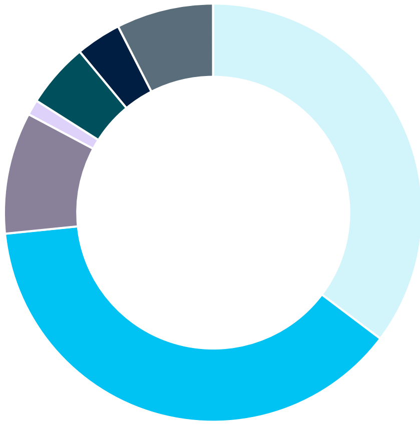
Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	3 Years (%)
Total return[1]	3.99	1.90	4.86	3.98	-	-
Income	2.66	0.21	2.38	2.67	-	-
Growth	1.33	1.69	2.48	1.31	-	-
Benchmark[2]	5.66	1.36	1.36	3.53	-	-

* Since inception returns commence from the month end of the portfolio's launch.

Asset allocation



as at 30 September 2024

Growth assets	Allocation (%)
Australian Equities	35.3
International Equities	38.1
Property	9.4
Other	1.2
Total	**84.0%**

Defensive assets	Allocation (%)
Australian Fixed Interest	5.0
International Fixed Interest	3.5
Cash	7.5
Total	**16.0%**

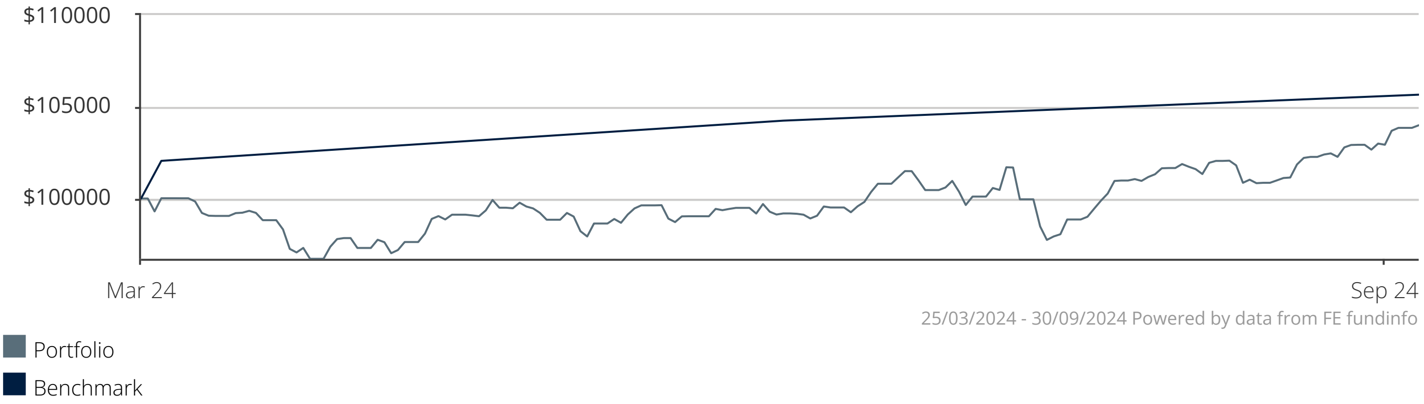
Asset allocation data sourced via Morningstar® from the underlying fund manager.

1 The managed portfolio performance represents total return for the periods. Returns have been calculated using the time-weighted method, they assume distributions are reinvested and are after investment management fees and indirect costs. Total and growth returns include accrued distributions, while income return includes paid distributions only. Returns do not take into account tax payable. Individual client returns may vary based on the contributions, withdrawals, and timing differences within the managed portfolio

2 Benchmark is based on the Consumer Price Index (CPI) published by the Australian Bureau of Statistics (ABS) as of the current reporting period.

Performance history

$100,000 invested since 25/03/2024



Managed portfolio holdings[3]

Holding	Asset class	Allocation (%)
Arrowstreet Global Equity No. 2 Fund (Hedged) - Class I	International Equities	14.6
MLC Real Return Assertive Fund	Other	11.9
Polaris Global Equity No.2 Fund	International Equities	7.8
Walter Scott Emerging Markets No.2 Fund - Class I Units	International Equities	7.7
Antares ex-20 Australian Equities Fund - Class D	Australian Equities	7.4
Resolution Capital Global Property Securities Fund - Class C	Property	6.4
Interemede Global Equities Fund - Class I	International Equities	5.8
Resolution Capital Glbl Listd Infra C (Hdgd)	International Equities	4.0
Fairview Equity Partners Emerging Companies Fund	Australian Equities	3.8
Bentham Professional Global Income Fund P class	International Fixed Interest	3.0
Janus Henderson Diversified Credit Fund	Other	2.9
Cash Account	Cash	2.6
BHP Group Limited Ordinary Fully Paid	Australian Equities	2.0
Commonwealth Bank Of Australia Ordinary Fully Paid	Australian Equities	1.8
ANZ Group Holdings Limited Ordinary Fully Paid	Australian Equities	1.4
Wesfarmers Limited Ordinary Fully Paid	Australian Equities	1.4
CSL Limited Ordinary Fully Paid	Australian Equities	1.4
Macquarie Group Limited Ordinary Fully Paid	Australian Equities	1.2
National Australia Bank Limited Ordinary Fully Paid	Australian Equities	1.1
Medibank Private Limited Ordinary Fully Paid	Australian Equities	0.9
Scentre Group Fully Paid Ordinary/Units Stapled Securities	Property	0.9
QBE Insurance Group Limited Ordinary Fully Paid	Australian Equities	0.9
Brambles Limited Ordinary Fully Paid	Australian Equities	0.8
Goodman Group Fully Paid Ordinary/Units Stapled Securities	Property	0.8
Santos Limited Ordinary Fully Paid	Australian Equities	0.7
South32 Limited Ordinary Fully Paid	Australian Equities	0.7
Woolworths Group Limited Ordinary Fully Paid	Australian Equities	0.7
Bluescope Steel Limited Ordinary Fully Paid	Australian Equities	0.6

Holding	Asset class	Allocation (%)
Xero Limited Ordinary Fully Paid	Australian Equities	0.6
RIO Tinto Limited Ordinary Fully Paid	Australian Equities	0.6
Aurizon Holdings Limited Ordinary Fully Paid	Australian Equities	0.6
Transurban Group Fully Paid Ordinary/Units Stapled Securities	Australian Equities	0.6
Fisher & Paykel Healthcare Corporation Limited Ordinary Fully Paid For	Australian Equities	0.5
JB Hi-Fi Limited Ordinary Fully Paid	Australian Equities	0.5
Woodside Energy Group Ltd Ordinary Fully Paid	Australian Equities	0.5
Telstra Group Limited Ordinary Fully Paid	Australian Equities	0.5
Westpac Banking Corporation Ordinary Fully Paid	Australian Equities	0.5

Quarterly manager commentary

Market Update
Global Share prices delivered divergent returns in September, with strong gains in US and Chinese markets and strength in the AUD. The Federal Reserve's 0.5% cut to US cash interest rates was the primary driver of Wall Street's share gains. The Chinese central bank's announcement of co-ordinated stimulus measures, including lower interest rates on September 24th generated a dramatic +23% gain in share prices.

US shares reached record highs in September given lower interest rate settings by the central bank. The Federal Reserve positively surprised by delivering a larger than expected 0.5% interest rate cut in September given the lower inflation results as well as to support the employment market. European share prices drifted lower given subdued business surveys and despite the central bank again cutting interest rates by 0.25% in September. Chinese shares skyrocketed higher with the central bank announcing interest rate cuts and more generous reserve requirements for banks to support lending. The motivation for these new measures was China's recent subdued economic activity and continuing weakness in apartment construction and prices.

Australian shares made strong gains in September primarily on the back of China's stimulus measures. Notably the resources sector made robust returns of 11.5% in September on optimism that China's stimulus measures will boost key commodity prices such as iron ore and metals. There were also sharp gains for the information technology and real estate sectors with hopes that global interest rates are on a continued downward trend. Australia's sedate economic performance and milder inflation is also constructive for lower cash interest rates eventually. Recent retail spending has also been disappointing given the 'cost of living' pressures. The ABS monthly CPI indicator showed annual inflation at 2.7% in August which is the lowest in the past 3 years.

Global government bond yields fell sharply given better US inflation results and expectations for lower interest rates later this year. The continued political turmoil in the Middle East also added to the 'safe haven' status of government bond markets. Credit market spreads essentially traded sideways in September with the continued strong investor appetite for yields.

Portfolio Update
The Portfolio generated a strong positive return for the September quarter. Global shares achieved solid gains over the quarter despite concerns over the conflicts in the Middle East and Ukraine. Optimism on 'Artificial Intelligence' (AI) prospects, milder inflation outcomes, and both the American and European central banks cutting interest rates were the key drivers for higher global share prices.

The best performing fund in absolute terms over the quarter was the Resolution Capital Global Listed Infrastructure Fund (13.2%), outperforming its benchmark by 1.6%. Brambles and JB Hi-Fi were the biggest contributors for the Direct Australian shares portfolio for the quarter with both releasing a better-than-expected FY24 results and JB HI-Fi also announcing a special dividend.

Portfolio changes during the quarter:
14/08/2024 - We have initiated a position in the Resolution Capital Global Listed Infrastructure Fund – (Hedged). The allocation to infrastructure assets was funded from a reduction in alternatives, domestic shares, and selectively global shares.

27/08/2024 - We initiated a position in Westpac (WBC). Our 'direction and quality' measures see us incrementally narrow the Direct shares portfolio's 'Banking super-sector' underweight exposure.

We also exited our position in Worley Ltd (WOR). WOR has drifted lower in recent months after we added it to the portfolio. Despite WOR being classified as Industrial, it has strong correlation with Contracting/Oil, where we do retain a positive Energy exposure via other names.

Market Outlook
We continually review the Model Portfolios to ensure they remain appropriately structured to meet their objectives and are well-positioned for the future market environment.

Maintaining growth asset exposure – Australian shares continues to have a meaningful representation in large-cap direct shares. The sharp expansion in valuation multiples, particularly in the likes of Financials, however has created an element of caution coming out the other side of August reporting season. We maintain exposure to small and mid-caps and see these allocations aligning with superior earnings growth and over time stronger capital growth.

Foreign currency diversification – We continue to see Emerging Market (EM) shares as not operating on the same economic cycle as the broader Developed Market's (DM) and over a medium time horizon offer a more diversified, superior risk-reward opportunity under a range of potential market scenarios. While holding both hedged and unhedged global shares continues to be an important diversifier, we've maintained a structurally lower DM foreign currency exposure due to the increasing valuation appeal of, and constructive medium-term terms of trade outlook for the AUD, particularly versus the USD.

Active fixed income – We believe active management is appropriate to effectively navigate a potentially more turbulent interest rate and yield curve environment. We see actual and perceived central bank interest rate activity as continuing to drive bouts of elevated bond and credit market volatility.

Fixed income - We see favourable risk-reward attributes with high quality credit (Janus Henderson Diversified Credit). We consider the global credit fund (Bentham Global Income) as a 'mid risk' asset, providing a clear step down on the risk spectrum versus global equities, with a very attractive risk-reward.

Alternatives - MLC's Real Return Fund remains our preferred method of providing further diversification and versatility in downside protection via its high quality, dynamic real return attributes, particularly given the healthy allocation to genuine alternative assets.

Real Assets – we are pleased to advise the addition of Global Listed Infrastructure (GLI) which took place in August 2024. A medium-term outlook of more sticky inflation, and gradually easing bond yields, support solid underlying cash flows within the Infrastructure sector. The GLI allocation is off to a strong start, being amongst the more constructive portfolio contributors over the September quarter.

3 A significant percentage of assets comprising this portfolio are only available through the managed portfolios and therefore can't be transferred out of the MyNorth Managed Portfolio Scheme. For more information relating to restrictions that may apply to asset transfers, refer to the 'Transferring assets in and out of your Portfolio' in Part 1 of the MyNorth Managed Portfolios PDS.