

Monthly Update for Month Ending September 2024

### Investment objective

Aims to provide income, a moderate level of capital growth and capital volatility over an investment time frame of 3 years.

### Key information

<b>Code</b>	NTH0279
<b>Manager name</b>	Zenith Investment Partners
<b>Inception date</b>	05 August 2022
<b>Benchmark</b>	Morningstar Australia Balanced Target Allocation NR AUD
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	21
<b>Minimum investment horizon</b>	3 years
<b>Portfolio income</b>	Default - Paid to Platform Cash
<b>Management fees and costs</b>	'0.45%
<b>Performance fee</b>	'0%
<b>Estimated net transaction costs</b>	'0.12%
<b>Estimated buy/sell spread</b>	'0.00%/0.00%
<b>Risk band/label</b>	4/Medium
<b>Minimum investment amount</b>	\$500

### About the manager

#### Zenith Investment Partners

Zenith is an Australian research house, specialising in managed funds research and consulting. Established in 2002, Zenith works with clients to build out managed portfolios solutions, investment capability and governance. Zenith's portfolio idea generation arises from annual reviews of the strategic asset allocation, quarterly sector reviews and manager selection. Manager selection is a key value add. This input occurs through Zenith's market-renowned annual sector reviews ratings, ranking and themes, and analyst best ideas portfolios.

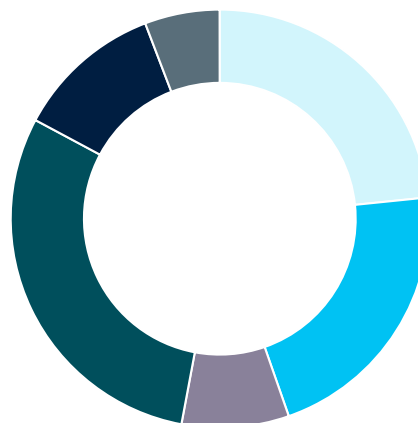
### Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return <sup>1</sup>	7.47	1.42	4.62	4.40	14.03	-	-
Income	3.14	0.04	1.19	1.85	3.56	-	-
Growth	4.33	1.38	3.43	2.55	10.47	-	-
Benchmark <sup>2</sup>	8.99	1.18	4.62	4.28	15.29	-	-

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

### Asset allocation



as at 30 September 2024

Growth assets		Allocation (%)
<span style="color: #00AEEF;">■</span>	Australian Equities	23.4
<span style="color: #0072B2;">■</span>	International Equities	21.3
<span style="color: #5A5A5A;">■</span>	Property	8.3
<span style="color: #A9A9C9;">■</span>	Other	0.0
<b>Total</b>		<b>53.0%</b>

Defensive assets		Allocation (%)
<span style="color: #004A5A;">■</span>	Australian Fixed Interest	29.9
<span style="color: #002D4A;">■</span>	International Fixed Interest	11.4
<span style="color: #4A4A4A;">■</span>	Cash	5.8
<b>Total</b>		<b>47.1%</b>

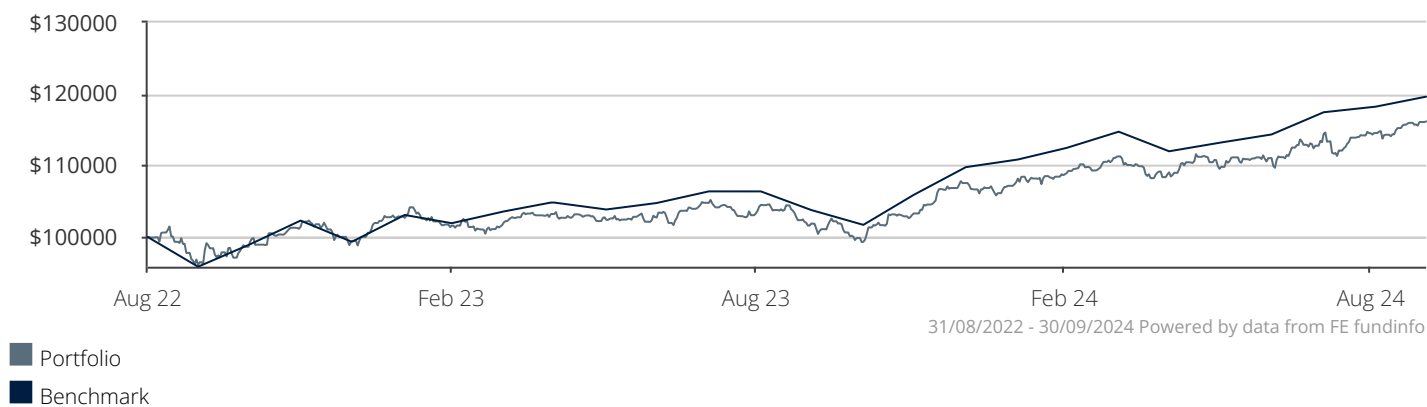
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<sup>1</sup> 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

<sup>2</sup> The applicable Benchmark for this portfolio is shown in the Key Information section.

## Performance history

\$100,000 invested since 31/08/2022



## Managed portfolio holdings<sup>3</sup>

Holding	Asset class	Allocation (%)
Ishares Core Composite Bond Etf	Australian Fixed Interest	21.4
Ishares S&P/ASX 20 Etf	Australian Equities	17.0
Betashares Australian Ex-20 Portfolio Diversifier Etf	Australian Equities	6.1
Vanguard International Fixed Interest Index (Hedged) Etf	International Fixed Interest	5.5
Ishares S&P Small-Cap Etf	International Equities	5.0
Ishares Msci Emerging Markets Etf	International Equities	4.8
Vanguard Msci Index International Shares Etf	International Equities	4.2
Vaneck Ftse Global Infrastructure (Aud Hedged) Etf	Property	4.0
Betashares Australian High Interest Cash Etf	Cash	3.9
Ishares Core Global Corporate Bond(Aud Hedged) Etf	International Fixed Interest	3.5
Betashares Australian Major Bank Hybrids Index Etf	Australian Fixed Interest	3.4
Vanguard Msci Index International Shares (Hedged) Etf	International Equities	3.0
Ishares Government Inflation Etf	Australian Fixed Interest	2.7
Betashares Australian Bank Senior Floating Rate Bond Etf	Australian Fixed Interest	2.5
Ishares Global High Yield Bond (Aud Hedged) Etf	International Fixed Interest	2.4
Spdr S&P/ASX 200 Listed Property Fund	Property	2.3
Vaneck Ftse International Property (Aud Hedged) Etf	Property	2.1
Cash Account	Cash	2.0
Betashares Global Quality Leaders Etf	International Equities	1.5
Betashares Ftse 100 Etf	International Equities	1.5
Betashares Japan Etf-Currency Hedged	International Equities	1.3

## Quarterly manager commentary

### Market Update

Share markets rose during the September quarter, helped by interest rate cuts from major central banks and a late boost from China's stimulus measures.

Global share markets benefitted from a mix of lower inflation, steady economic growth, and the prospect of more interest rate cuts across major economies. A notable shift occurred during the quarter as investors rotated out of large tech companies focused on artificial intelligence (AI) and began looking for opportunities in other, previously overlooked sectors. US tech giants Alphabet (Google's parent company) and Microsoft were two of the notable detractors as concerns grew about their high share prices and a concentrated share market.

Australia's share market performed strongly, outperforming many other developed markets. This was largely due to the surge in mining stocks on the back of the Chinese stimulus package. In addition, the market was broadly supported by favourable inflation data in August, helped by government subsidies that reduced electricity costs and lowered annual inflation. Australia's banking sector, led by Commonwealth Bank, had another solid quarter, despite concerns that the major banks' share prices might be overvalued.

The RBA kept the cash rate steady at 4.35%, a level it has held since November 2023.

### Portfolio Update

There were no changes to the portfolio in July and August. Underweight position to US Global Shares, and overweight positions in Global Shares ex-

US, Global Small Caps, and Emerging Markets Shares were maintained throughout the quarter. This is due to current and projected growth and inflation regime being positive for risk assets, such as those we have overweighted to.

In September, our overweight position in Global IG Credit was reduced to a slightly negative position, given the tightness in IG credit spreads. On the back of this, Australian Floating Rate Credit was increased to an overweight to tactically reduce our exposure to duration. At this time, the portfolio also assumed an overweight position in Listed Infrastructure, based on the lower level of real yields and reasonable valuations.

Throughout the quarter, we maintained a slight overweight to growth assets, funded through underweight positions in Bonds and Cash.

The portfolio delivered a return of 4.62% over the June quarter.

#### **Portfolio changes during the quarter:**

Decreased Global IG Credit by 2, Increased Australian Floating Rate Credit by 1, Increased Infrastructure by 1

#### **Market Outlook**

Recent data shows the US economy growing steadily, with the labour market stabilising and inflation nearing target levels. This allows the US Federal Reserve to make precautionary rate cuts to support a 'soft landing', which is favourable for shares. In Australia, we expect the Reserve Bank to lower interest rates in early 2025, as inflation continues to drop closer to target. This should support Australian equities despite a subdued economy.

Globally and domestically, this combination of reasonable growth and lower inflation may lead to a broader market recovery, particularly benefiting small and mid-cap stocks, as well as emerging markets - areas to which your portfolio has active exposures.

<sup>3</sup> 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.

#### **Important Information**

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