

Monthly Update for Month Ending September 2024

### Investment objective

To match or outperform the benchmark over a rolling three-year period

### Key information

<b>Code</b>	NTH0358
<b>Manager name</b>	BlackRock
<b>Inception date</b>	01 August 2023
<b>Benchmark</b>	Morningstar Australia Conservative Target Allocation NR AUD
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	16
<b>Minimum investment horizon</b>	3 years
<b>Portfolio income</b>	Default - Reinvest
<b>Management fees and costs</b>	'0.34%
<b>Performance fee</b>	'0%
<b>Estimated net transaction costs</b>	'0.09%
<b>Estimated buy/sell spread</b>	'0.00%/0.00%
<b>Risk band/label</b>	3/Low to medium
<b>Minimum investment amount</b>	\$500

### About the manager

#### BlackRock

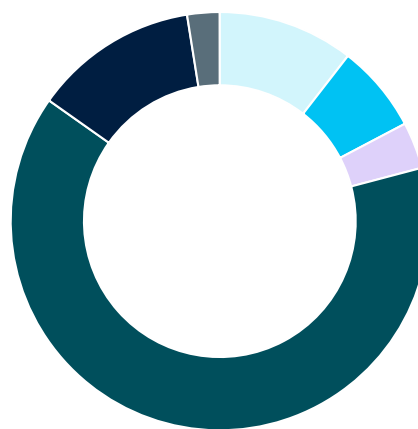
BlackRock is a global investment manager that has served Australian clients for over three decades, with a commitment to helping more people plan for their financial future. BlackRock delivers tailored holistic investment solutions, thought leadership and investment technology capabilities to help clients build resilient portfolios. The Australian investment team has been managing portfolios for Australian investors since 1992, leveraging the firm's global capabilities to consistently deliver investment outcomes for clients.

### 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>	6.72	0.90	3.67	3.23	9.78	-	-
Income	2.84	0.05	0.68	1.24	3.27	-	-
Growth	3.88	0.85	2.99	1.99	6.51	-	-
Benchmark <sup>2</sup>	6.09	0.59	2.95	2.62	7.93	-	-

### Asset allocation



as at 30 September 2024

Growth assets		Allocation (%)
<span style="color: #00AEEF;">■</span>	Australian Equities	10.5
<span style="color: #00AEEF;">■</span>	International Equities	6.8
<span style="color: #4F4F4F;">■</span>	Property	0.0
<span style="color: #A0A0A0;">■</span>	Other	3.6
<b>Total</b>		<b>20.9%</b>
Defensive assets		Allocation (%)
<span style="color: #004A4A;">■</span>	Australian Fixed Interest	63.9
<span style="color: #002060;">■</span>	International Fixed Interest	12.7
<span style="color: #4F4F4F;">■</span>	Cash	2.5
<b>Total</b>		<b>79.1%</b>

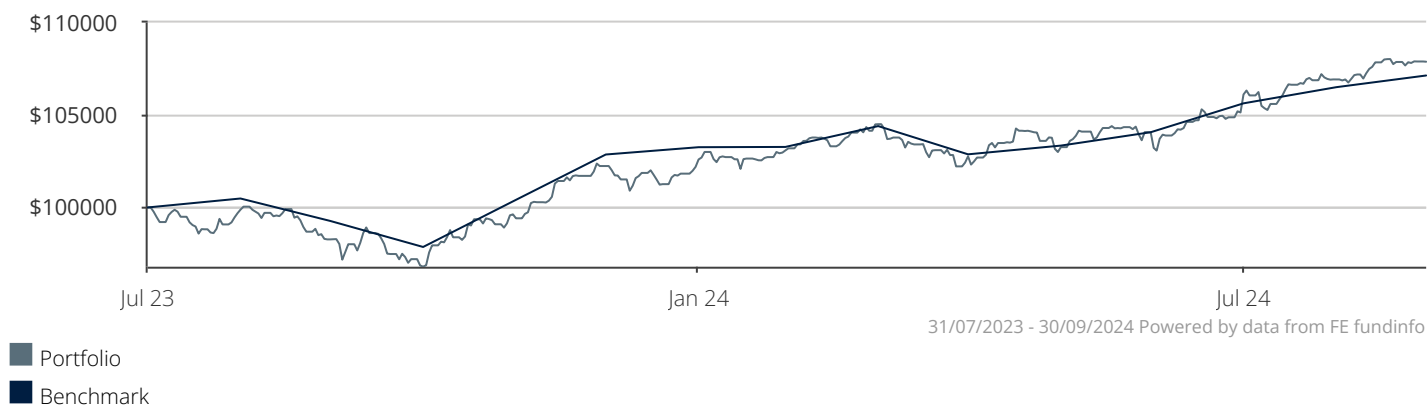
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<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 31/07/2023



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

Holding	Asset class	Allocation (%)
Ishares Core Composite Bond Etf Ishares Core Composite Bond Etf	Australian Fixed Interest	42.0
Ishares Government Inflation Etf Ishares Government Inflation Etf	Australian Fixed Interest	10.3
Ishares Enhanced Cash Etf Ishares Enhanced Cash Etf	Australian Fixed Interest	8.4
Ishares Core S&P/ASX 200 Etf Ishares Core S&P/ASX 200 Etf	Australian Equities	7.2
Ishares S&P 500 Etf	International Equities	4.1
Ishares Core Global Corporate Bond(Aud Hedged) Etf Ishares Core Glb Co	International Fixed Interest	4.0
Ishares Treasury Etf Ishares Treasury Etf	Australian Fixed Interest	3.7
Ishares Global Aggregate Bond Esg (Aud Hedged) Etf Ishares Global Aggr	International Fixed Interest	3.6
iShares Core FTSE Global Infrastructure (AUD Hedged) ETF	Other	3.5
Ishares Global High Yield Bond (Aud Hedged) Etf Ishares Global High Yi	International Fixed Interest	3.5
Ishares Physical Gold Etf Ishares Physical Gold Etf	Australian Equities	3.0
Cash Account	Cash	2.5
Ishares Europe Etf Ishares Europe Etf	International Equities	1.7
Ishares J.P. Morgan Usd Emerging Markets (Aud Hedged) Etf Ishares J.P.	International Fixed Interest	1.5
Ishares Msci Emerging Markets Etf Ishares Msci Emerging Markets Etf	International Equities	1.0

## Quarterly manager commentary

### Market Update

Global equities, as measured by the MSCI All Country World Index (unhedged), finished Q3 up 2.6% driven by the start of the US Federal Reserve (Fed) easing cycle, resilient economic data, and significant government stimulus measures in China, with stocks rebounding from turmoil in early August following a surprise policy hike by the Bank of Japan and US recession concerns.

Equity performance diverged across geographies and gains broadened out across sectors, with Emerging market equities posting strong returns following major monetary and fiscal stimulus announcements from Chinese government authorities. Meanwhile, Australian equities (as represented by the ASX 300) outperformed their developed peers, while US equities (as represented by the S&P 500) benefitted from a cut in interest rates by the Fed. Japanese equities, as represented by the Nikkei 225 Index, were an outlier and declined -3.5% in Q3 (in local currency terms), having encountered heightened volatility in early August.

Global bonds rose strongly over the quarter as bond yields declined alongside rate cuts by central banks across several developed economies. The Bloomberg Barclays Global Aggregate index (hedged) finished Q3 up 4.0%, while the Australian composite bond index gained 3.0% across the period. Riskier parts of the fixed income market, namely corporate credit and emerging market debt indices, also performed well over the quarter.

### Portfolio Update

The Model Portfolios delivered positive returns in Q3, supported by the positive gains across asset classes. Developed market equities were amongst the largest positive contributors to total returns amid bullish investor sentiment, while Emerging market equities also added value. Within Developed market equities, Australian and US equities rallied strongly while Japanese equities underperformed in Q3. The exposure to hedged US equities was particularly additive over the quarter. Unhedged US equities also delivered positive returns but to a lesser extent as the appreciation of the Australian dollar offset some of the strong US equity gains. Meanwhile, the allocation to Global Listed Infrastructure, Global Listed Property and Gold further contributed positively over the quarter. Fixed income securities also delivered positive returns, with both Global and Australian bonds adding value, as the broad decline in yields pushed bond prices higher across the period.

Tactical positioning relative to the strategic asset allocation modestly detracted from performance, as the preference for US equities and Australian fixed income was offset by reduced exposure to Emerging market equities. Over the long-term horizon, the strategy has broadly continued to outperform the Morningstar multi-sector peer group median, with both the strategic and tactical asset allocation delivering value over time.

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

On the 20 August 2024, the Model Portfolios underwent a quarterly tactical rebalance. Following a pro-risk stance in the first half of this year which worked well, this rebalance saw the portfolios reduce risk amid elevated market volatility to bring the overall equity exposure closer to neutral. We recalibrated regional equity tilts and took some profits off year-to-date winners like US equities, while we slightly increased our exposure to European and Australian equities amid improving earnings fundamentals. The portfolios also modestly increased global fixed income as moderating inflation and an economic slowdown could embolden global central banks to adopt a less restrictive monetary policy stance. Additionally, the portfolios reduced exposure to Australian inflation-linked bonds in favour for nominal bonds. While Australian inflation remains above the Reserve Bank of Australia's target band, recent data prints have shown further progress in the disinflationary trend.

### **Market Outlook**

The investment environment is likely to remain volatile in the coming years as markets adjust to a structurally higher inflation and policy rate environment. We expect dispersion across asset classes, sectors and countries to stay elevated and see value in the portfolio's ability to be more nimble and dynamic in response to new market shocks. Additionally, we believe the portfolio can benefit from being well-diversified and granular across a range of asset classes, geographies and styles, while also having a robust and disciplined dynamic investment process.

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.

#### **Important Information**

NMMT Limited (ABN 42 058 835 573 AFS License 234653), is the responsible entity of MyNorth Managed Portfolios (ARSN 624 544 136) (Scheme). To invest in the Scheme, investors will need to obtain the current Product Disclosure Statement (PDS) which is available at [northonline.com.au](http://northonline.com.au). The PDS contains important information about investing in the Scheme and it is important investors consider their circumstances and read the PDS before making a decision about whether to acquire, continue to hold or dispose of interests in the Scheme. This quantitative report has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Although the information is from sources considered reliable, AMP doesn't guarantee that it's accurate or complete. You shouldn't rely upon it and should seek professional advice before making any financial decision. Except where liability under any statute can't be excluded, AMP doesn't accept any liability for any resulting loss or damage to the reader or any other person. MyNorth Managed Portfolios are not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (all such entities, collectively, "Morningstar Entities"). The Morningstar Entities make no representation or warranties regarding the advisability of investing in managed portfolios generally or in the MyNorth Managed Portfolios in particular, or the ability of the Morningstar Benchmarks to accurately represent the asset class or market sector that it purports to represent. The Morningstar Entities and their third party licensors do not guarantee the accuracy and/or the completeness of the Morningstar Benchmarks, and the Morningstar Entities and their third party licensors shall have no liability for any errors, omissions, or interruptions included therein. The S&P/ASX 20 TR Index, S&P/ASX 200 TR Index, S&P/ASX 200 A-REIT TR Index, S&P/ASX 200 Industrials TR Index, S&P/ASX 300 TR Index, S&P/ASX 300 TR Index excluding S&P/ASX 20 TR Index, S&P/ASX Small Ordinaries TR Index, S&P/ASX 100 TR Index ("Index") is a product of S&P Dow Jones Indices LLC, its affiliates and/or their licensors and has been licensed for use by NMMT Limited. Copyright © 2021 S&P Dow Jones Indices LLC, its affiliates and/or their licensors. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit [www.spdji.com](http://www.spdji.com). S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.