

Monthly Update for Month Ending September 2024

### Investment objective

To deliver a rate of return that exceeds inflation CPI by at least 3% per annum over a rolling 7-year period.

### Key information

<b>Code</b>	NTH0447
<b>Manager name</b>	Activam Group Pty Ltd
<b>Inception date</b>	27 May 2024
<b>Benchmark</b>	Consumer Price Index (CPI) + 3.0%
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	26
<b>Minimum investment horizon</b>	7 years
<b>Portfolio income</b>	Default - Reinvest
<b>Management fees and costs</b>	'0.84%
<b>Performance fee</b>	'0.1%
<b>Estimated net transaction costs</b>	'0.04%
<b>Estimated buy/sell spread</b>	'0.14%/0.15%
<b>Risk band/label</b>	5/Medium to high
<b>Minimum investment amount</b>	\$500

### About the manager

#### Activam Group Pty Ltd

Activam) is an investment firm that specialises in providing multi-asset portfolio management and investment consulting services to wealth advice practices, institutional investors, superannuation funds, and charities. The portfolios that Activam offers are managed accounts (SMAs and MDAs) and model portfolios. The Activam investment

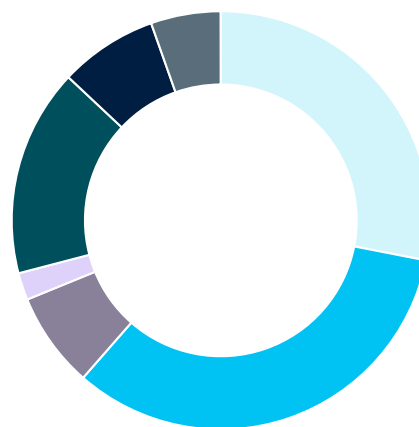
### Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	3 Years (%)
Total return <sup>1</sup>	5.51	1.59	4.72	-	-	-
Income	1.78	0.05	1.69	-	-	-
Growth	3.73	1.54	3.03	-	-	-
Benchmark <sup>2</sup>	2.77	0.98	0.98	-	-	-

\* 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	28.1
International Equities	33.4
Property	7.4
Other	2.1
<b>Total</b>	<b>71.0%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	16.1
International Fixed Interest	7.6
Cash	5.4
<b>Total</b>	<b>29.1%</b>

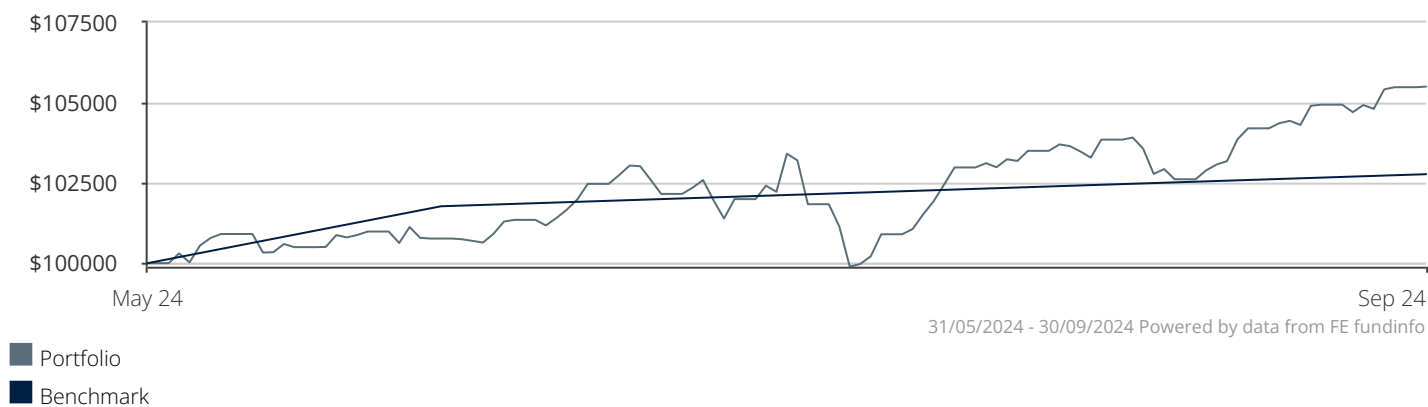
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<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> 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 31/05/2024



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

Holding	Asset class	Allocation (%)
AMP International Equity Index Fund Hedged	International Equities	11.0
Australian Equity Index Fund	Australian Equities	9.6
PIMCO Global Bond Fund INST	International Fixed Interest	6.0
Arrowstreet Global Equity No. 2 Fund (Hedged) - Class I	International Equities	5.9
Ironbark Royal London Concentrated Global Share - Class M	International Equities	5.9
DNR Capital Australian Equities High Conviction Fund - W-Class	Australian Equities	5.1
Perpetual Diversified Income Fund - Class S units	Australian Fixed Interest	4.5
Daintree Core Income Trust	International Fixed Interest	4.5
Pandal Property Securities Fund	Property	4.1
Yarra Enhanced Income Fund - Class B	Australian Fixed Interest	4.0
Pandal Focus Australian Equities Fund	Australian Equities	3.6
UBS Australian Small Companies Fund	Australian Equities	3.4
OC Premium Small Companies Fund	Australian Equities	3.4
Macquarie Hedged Index Global Infrastructure Securities Fund	International Equities	3.1
Yarra Global Small Companies Fund	International Equities	3.0
Australian Fixed Interest Index Fund	Australian Fixed Interest	3.0
Metrics Master Income Trust Ordinary Units Fully Paid	Australian Fixed Interest	3.0
GQG Partners Emerging Markets Equity Fund - Z Class	International Equities	2.9
Spheria Australian Microcap Fund	Australian Equities	2.6
T.Rowe Price Global Equity - M Class (Hedged)	International Equities	2.5
Hyperion Australian Growth Companies Fund - Class M	Australian Equities	2.1
Resolution Capital Global Property Securities Fund (Hedged) Series II	Property	2.1
Global X Physical Gold Global X Physical Gold	Other	2.0
Pandal Short Term Income Securities Trust	Australian Fixed Interest	2.0
Cash Account	Cash	1.0

## Quarterly manager commentary

### Market Update

The September 2024 quarter witnessed strong yet mixed performance across major asset classes. Australian shares emerged as standout performers, with the S&P/ASX 300 rising 7.8% over the three months, supported by strong corporate earnings and economic momentum from China's policy measures. Australian small-cap stocks also delivered impressive returns of 6.5%, driven by renewed investor interest in interest rate-sensitive sectors, such as real estate and infrastructure, which benefited from shifting monetary policies globally.

### Equities

Australian equities outpaced most global markets during the quarter. Chinese economic stimulus provided indirect support to Australian markets, particularly in September, when China introduced aggressive measures to bolster its property sector and stabilise growth. These interventions boosted emerging markets, resulting in the MSCI Emerging Markets Index gaining 4.7% over the quarter. However, international shares outside Australia delivered 2.3%, impacted by volatility surrounding global recession fears and mixed central bank decisions.

## Real Assets and Infrastructure

Real assets and infrastructure were among the top-performing sectors during the quarter. Australian property trusts surged by 14.5%, outshining their global peers, which rose by 13.5%. Strong local demand, coupled with falling bond yields, favoured these sectors. Infrastructure investments also recorded robust gains globally, as the FTSE Developed Core Infrastructure Index (hedged) advanced by 13.3%. This reflected investor confidence in the resilience of core assets amidst fluctuating economic data.

## Fixed Income and Cash

Fixed income assets delivered solid returns, with the Bloomberg Global Aggregate Index (hedged) rising 4.0% for the quarter. As central banks, including the Federal Reserve and the European Central Bank, initiated rate cuts, bond yields fell, lifting returns. Australian fixed interest gained 3.0% for the period, providing stable performance amid slowing domestic growth. Cash investments generated modest gains, with the AusBond Bank Bill Index rising by 1.1%.

## Drivers of Performance

Several key themes shaped asset class performance during the quarter:

- **Monetary Easing:** Central banks globally began easing interest rates, alleviating pressure on risk assets and boosting sectors sensitive to borrowing costs.
- **China's Economic Stimulus:** China's targeted policies stimulated its economy, benefiting commodities and supporting broader emerging market equities.
- **Global Volatility:** Early concerns over US recession risks and mixed inflation data created intermittent volatility, though these fears eased as economic data stabilised towards the quarter's end.

Overall, the quarter showcased a favourable backdrop for equities, real assets, and bonds, with Australian markets capitalising on local strengths and international developments. The alignment of monetary policy with growth objectives globally sets the stage for cautious optimism moving forward.

## Market Outlook

Activam maintains a cautiously optimistic view on global equities, with a preference for mid- and small-cap stocks due to their favourable valuations, lower capital costs, and growth potential. International equities offer opportunities as inflation moderates and recession fears ease, though geopolitical risks, including the US election, present some headwinds.

In Australia, equities appear slightly overvalued, with rate cuts expected next year, but key commodities like iron ore may benefit from further Chinese stimulus.

Private equity is showing renewed promise, supported by high-profile transactions and improving financial sector earnings, with lower interest rates expected to drive further activity.

Activam also prefers lower-duration credit and absolute return strategies in the fixed income space, given the potential for elevated long-term bond yields due to rising government debt levels.

Gold remains a favoured safe-haven asset amid heightened geopolitical tensions and economic uncertainties.

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

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