MyNorth Managed Portfolios

ISHARES ENHANCED STRATEGIC AGGRESSIVE PORTFOLIO

North

Monthly Update for Month Ending September 2024

Investment objective

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

Key information

Code	NTH0362
Manager name	BlackRock
Inception date	01 August 2023
Benchmark	Morningstar Australia Aggressive Target Allocation NR AUD
Asset class	Diversified
Number of underlying assets	15
Minimum investment horizon	5 years
Portfolio income	Default - Reinvest
Management fees and costs	'0.37%
Performance fee	'0%
Estimated net transaction costs	'0.1%
Estimated buy/sell spread	'0.00%/0.00%
Risk band/label	6/High
Minimum investment amount	$500

About the manager

BlackRock

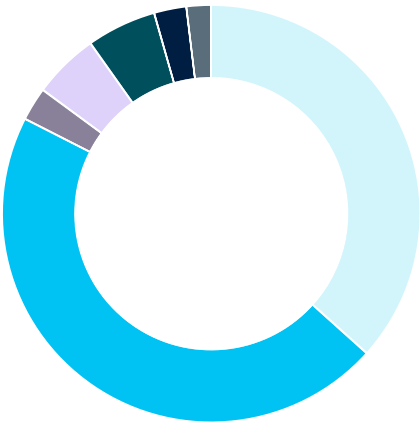
BlackRock is a global investment manager that has served Australian clients for over three decades, with a commitment to helping more people plan for their financial future. BlackRock delivers tailored holistic investment solutions, thought leadership and investment technology capabilities to help clients 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[1]	13.14	1.91	4.70	5.54	20.00	-	-
Income	2.47	0.01	0.65	1.10	3.00	-	-
Growth	10.67	1.90	4.05	4.44	17.00	-	-
Benchmark[2]	14.87	1.69	5.72	5.39	21.84	-	-

Asset allocation



as at 30 September 2024

	Growth assets	Allocation (%)
	Australian Equities	36.7
	International Equities	45.9
	Property	2.6
	Other	5.1
	Total	**90.3%**

	Defensive assets	Allocation (%)
	Australian Fixed Interest	5.4
	International Fixed Interest	2.5
	Cash	1.9
	Total	**9.8%**

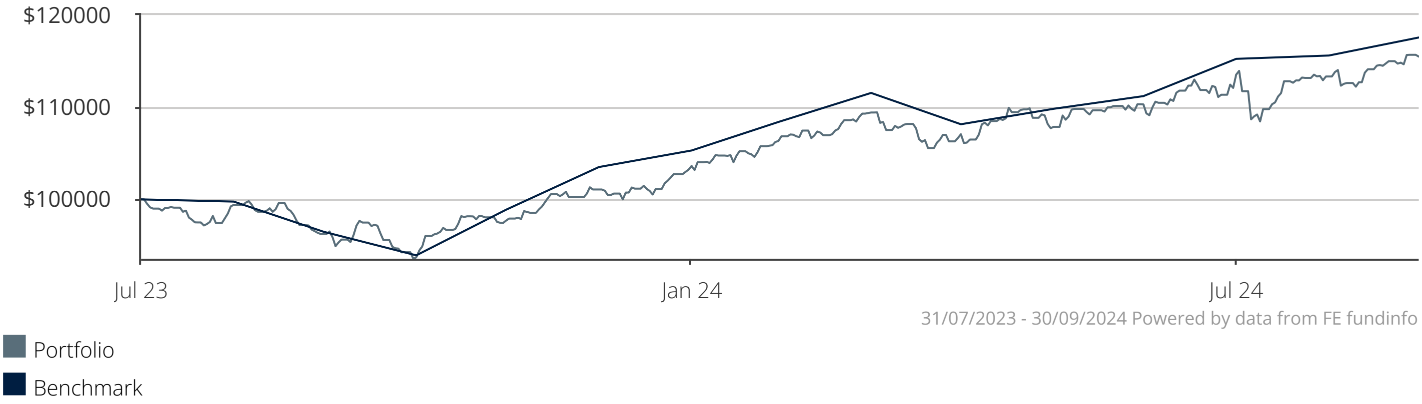
Asset allocation data sourced via Morningstar® from the underlying fund manager.

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 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[3]

Holding	Asset class	Allocation (%)
Ishares Core S&P/ASX 200 Etf Ishares Core S&P/ASX 200 Etf	Australian Equities	33.0
Ishares S&P 500 Etf	International Equities	19.6
Ishares S&P 500 Aud Hedged Etf Ishares S&P 500 Aud Hedged Etf	International Equities	8.4
Ishares Msci Emerging Markets Etf Ishares Msci Emerging Markets Etf	International Equities	8.0
Ishares Europe Etf Ishares Europe Etf	International Equities	6.9
iShares Core FTSE Global Infrastructure (AUD Hedged) ETF	Other	5.0
Ishares Government Inflation Etf Ishares Government Inflation Etf	Australian Fixed Interest	3.0
Ishares Physical Gold Etf Ishares Physical Gold Etf	Australian Equities	3.0
Ishares Core Composite Bond Etf Ishares Core Composite Bond Etf	Australian Fixed Interest	2.5
Ishares Ftse Gbl Property EX Aus (Aud Hedged) Etf Ishares Ftse Gbl Pro	Property	2.5
Ishares Msci Japan Etf Ishares Msci Japan Etf	International Equities	2.3
Cash Account	Cash	2.0
Ishares Global High Yield Bond (Aud Hedged) Etf Ishares Global High Yi	International Fixed Interest	1.5
Ishares Msci Eafe Etf Ishares Msci Eafe Etf	International Equities	1.3
Ishares Core Global Corporate Bond(Aud Hedged) Etf Ishares Core Glb Co	International Fixed Interest	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.