

# MyNorth Managed Portfolios

## PROSPERITY BALANCED

Quarterly Update for Month Ending June 2024

### Investment objective

Aims to outperform the RBA Cash Rate by a minimum of 2.4% p.a. over an investment timeframe of 5 years.

### Key information

<b>Code</b>	NTH0427
<b>Manager name</b>	Resonant Asset Management
<b>Inception date</b>	05 March 2024
<b>Benchmark</b>	RBA Cash Rate + 2.4% p.a.
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	44
<b>Minimum investment horizon</b>	5 years
<b>Portfolio income</b>	Default - Paid to Platform Cash
<b>Management fees and costs</b>	0.63%
<b>Performance fee</b>	0%
<b>Estimated net transaction costs</b>	0.06%
<b>Estimated buy/sell spread</b>	0.02%/0.02%
<b>Risk band/label</b>	5/Medium to high
<b>Minimum investment amount</b>	\$25,000

### About the manager

#### Resonant Asset Management

Resonant Asset Management is an established investment management and asset consulting company that delivers high calibre wealth management firms and their clients with diversified private label managed accounts. Resonant Asset Management's institutional grade expertise and rigorous process driven approach aims to deliver superior risk adjusted returns over the relevant investment time horizons to investors. Importantly, Resonant Asset Management partners closely with wealth management firms to keep financial advisers highly informed on the markets and their client's portfolios.

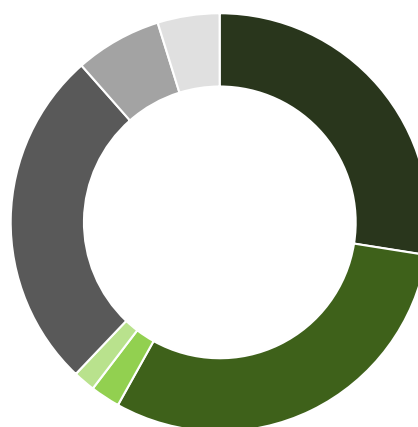
### Returns

as at 30 June 2024

	Since inception*	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	3 Years (%)
Total return <sup>1</sup>	2.37	1.41	0.64	-	-	-
Income	0.93	0.04	0.75	-	-	-
Growth	1.44	1.37	-0.11	-	-	-
Benchmark <sup>2</sup>	2.19	0.55	1.69	-	-	-

\* Since inception returns begin from the month end immediately following portfolio launch.

### Asset allocation



as at 30 June 2024

Growth assets		Allocation (%)
■	Australian Equities	27.5
■	International Equities	30.6
■	Property	2.3
■	Other	1.7
<b>Total</b>		<b>62.1%</b>
Defensive assets		Allocation (%)
■	Australian Fixed Interest	26.4
■	International Fixed Interest	6.7
■	Cash	4.8
<b>Total</b>		<b>37.9%</b>

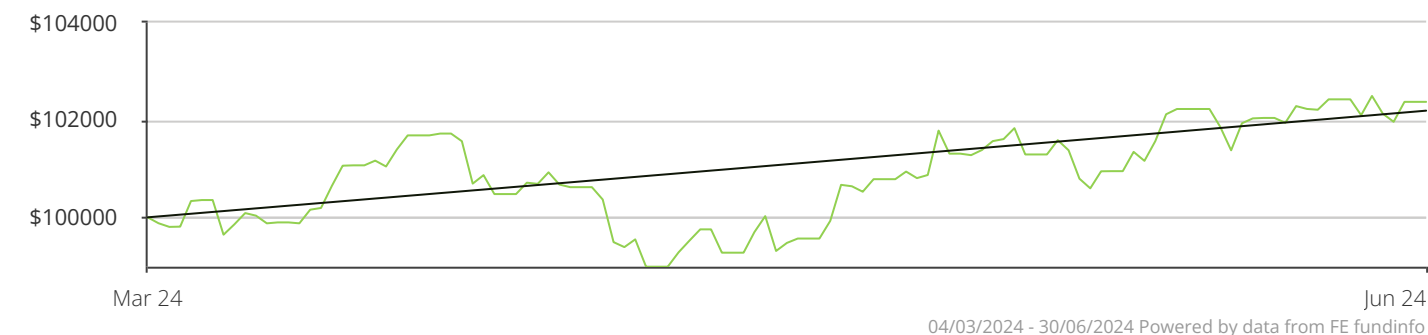
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<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 04/03/2024



- Portfolio
- Benchmark

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

Holding	Asset class	Allocation (%)
Vanguard Australian Government Bond Index Etf Vanguard Australian Gove	Australian Fixed Interest	11.4
Vaneck Msci International Quality (Hedged) Etf Vaneck Msci Internation	International Equities	8.8
Ishares Government Inflation Etf Ishares Government Inflation Etf	Australian Fixed Interest	8.6
Vaneck Msci International Quality Etf Vaneck Msci International Qualit	International Equities	7.8
Ishares Msci Japan Etf Ishares Msci Japan Etf	International Equities	4.1
Vaneck Australian Floating Rate Etf Vaneck Australian Floating Rate Et	Australian Fixed Interest	3.7
Pzena Emerging Markets Value Fund - P Class	International Equities	3.6
National Australia Bank Limited Ordinary Fully Paid	Australian Equities	2.7
Colchester Emerging Markets Bond Fund - Class I	International Fixed Interest	2.6
Arrowstreet Global Small Companies No. 2 Fund - Class I Units	International Equities	2.6
CSL Limited Ordinary Fully Paid	Australian Equities	2.4
Vanguard Global Value Equity Active Etf (Managed Fund) Vanguard Glb Va	International Equities	2.3
Ishares Core Corporate Bond Etf Ishares Core Corporate Bond Etf	Australian Fixed Interest	2.2
Activex Ardea Real Outcome Bond Fund (Managed Fund) Active X Ardea RL	International Fixed Interest	2.2
Goodman Group Fully Paid Ordinary/Units Stapled Securities	Property	2.1
BHP Group Limited Ordinary Fully Paid	Australian Equities	2.0
Perpetual Pure Equity Alpha Fund Class A	Cash	2.0
Vaneck 1-3 Month US Treasury Bond Etf Vaneck 1-3 Month US Treasury Bon	International Fixed Interest	1.9
First Sentier Wholesale Australian Small Companies Fund	Australian Equities	1.9
JPMorgan Global Macro Opportunities Fund - Class A Units	International Equities	1.9
Cash Account	Cash	1.8
QBE Insurance Group Limited Ordinary Fully Paid	Australian Equities	1.8
Aspect Diversified Futures Fund	Other	1.7
Ishares Core Cash Etf Ishares Core Cash Etf	Cash	1.4
Newmont Corporation Cdi 1:1 Foreign Exempt NYSE	Australian Equities	1.4
Macquarie Group Limited Ordinary Fully Paid	Australian Equities	1.3
Qantas Airways Limited Ordinary Fully Paid	Australian Equities	1.2
Qube Holdings Limited Ordinary Fully Paid	Australian Equities	1.2

Holding	Asset class	Allocation (%)
Cochlear Limited Ordinary Fully Paid	Australian Equities	1.2
Hub24 Limited Ordinary Fully Paid	Australian Equities	1.1
Technology One Limited Ordinary Fully Paid	Australian Equities	1.0
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	Australian Equities	1.0
Treasury Wine Estates Limited Ordinary Fully Paid	Australian Equities	0.9
Breville Group Limited Ordinary Fully Paid	Australian Equities	0.8
Origin Energy Limited Ordinary Fully Paid	Australian Equities	0.8
TPG Telecom Limited. Ordinary Fully Paid	Australian Equities	0.8
Nib Holdings Limited Ordinary Fully Paid	Australian Equities	0.7
Amcor PLC Cdi 1:1 Foreign Exempt NYSE	Australian Equities	0.7
Wisetech Global Limited Ordinary Fully Paid	Australian Equities	0.7
Steadfast Group Limited Ordinary Fully Paid	Australian Equities	0.7
Incitec Pivot Limited Ordinary Fully Paid	Australian Equities	0.7
Xero Limited Ordinary Fully Paid	Australian Equities	0.5
Santos Limited Ordinary Fully Paid	Australian Equities	0.4
Orora Limited Ordinary Fully Paid	Australian Equities	0.2

## Quarterly manager commentary

### Market Update

Q2 2024 saw US markets breach all-time highs. During the quarter, the S&P 500 closed at an all-time high 9 times, finishing the quarter at 5,460.48, a return of 3.9%. US Large cap growth continued to lead the way as the AI thematic rallied strongly. Results in Australia were more mixed, with the S&P/ASX 200 closing the quarter at 7767.47, a return of -1.64%.

Macroeconomic data in the US robust, despite the Federal Reserve maintaining interest rates at historically high levels. Market participants digested at times conflicting reports on inflation, employment and growth. Inflation numbers were stubborn during the first two months of the quarter, defying market expectations of continued softening in price growth while employment data showed a slight tick-up in the unemployment rate. The mixed macroeconomic data continued to create volatility in the bond market, with yield curves gyrating with each new release. The US 10-year yield began the quarter at 4.2% before rallying to 4.7% and then ending the quarter at 4.4%. Traders continue to increase bets on the likelihood of interest rate cuts in the latter quarter of 2024.

In Australia, the unemployment rate remains near historic lows, wage growth remains high and inflation continues to exceed analysts expectations. The May Weighted CPI numbers indicated that prices grew at 4.0%, an acceleration over previous months and a 0.2% increase above analyst expectations. The strength of macroeconomic data caused traders to begin pricing in the possibility of an additional RBA hike towards the end of the year, while the 10-year yield increased from 3.96% to 4.29% during the quarter as the entire yield curve shifted up.

### Portfolio Update

The portfolio delivered a return of 0.64% over the June quarter.

The key contributors over the quarter were:

- International Equities were up +3% this quarter with positive contributions from QUAL (Van Eck MSCI World Quality) and QHAL (Van Eck MSCI World Quality (Hedged)) which was driven primarily by their exposure to big tech and the AI thematic.
- Australian Equities performed well with Newmont Mining, NAB and HUB24 the main contributors to performance.

### Portfolio changes during the quarter:

There were minimal changes this quarter. We slightly trimmed our position in QUAL (Van Eck MSCI World Quality) replacing it with an increased position in QHAL (Van Eck MSCI World Quality (Hedged)). We also marginally reduced our position in Macquarie Group and introduced Origin Energy to the portfolio.

### Market Outlook

We remain constructive though cautious on equities. Developed market equity valuations continue to remain elevated, especially relative to current interest rates. Nonetheless, earnings growth is solid, especially in growth areas like US large cap tech.

The outlook for economic growth remains relatively robust in the US, driven by significant government spending in the lead up to the US election. This is having flow on effects to US macro data and consumer expenditure. In light of this, US inflation is likely to

remain high, reducing the probability of rate cuts until we see protracted evidence of a slowdown. This will typically continue to impact fixed income returns for the remainder of the year.

Looking forward, we see investment in unloved and undervalued pockets of global financial markets (such as Alternatives and Emerging Markets) as being the key to stronger returns, as well as investing in areas of strong fundamentals, where earnings look likely to continue to climb over the next few years.

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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