

# MyNorth Managed Portfolios

## DIRECT 70 PORTFOLIO

Monthly Update for Month Ending March 2025

### Investment objective

Aims to deliver capital growth with some income over the suggested minimum investment timeframe of 7 years through exposure across a range of asset classes and by using several investment managers.

### Key information

Code	NTH0495
Manager name	Lonsec Investment Solutions Pty Ltd
Inception date	15 November 2024
Benchmark	Morningstar Australian Multi-Sector Growth Average Category
Asset class	Diversified
Number of underlying assets	30
Minimum investment horizon	7 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'0.55%
Performance fee	'0.02%
Estimated net transaction costs	'0.03%
Estimated buy/sell spread	'0.06%/0.07%
Risk band/label	6/High
Minimum investment amount	\$25,000

### About the manager

**Lonsec Investment Solutions Pty Ltd**

Lonsec Investment Solutions is a specialist model portfolio manager with extensive expertise in portfolio construction, asset allocation and investment selection, with our best ideas encapsulated in a series of Lonsec managed portfolios to meet different client needs. Lonsec's research-driven approach to portfolio construction and building quality investment solutions is underpinned by four key beliefs: 1. Dynamic approach to portfolio management. 2. Investing in high quality products rated 'Recommended' or higher. 3. Risk management focus and a rigorous governance process. 4. Diversification across asset classes.

Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	3 Years (%)
Total return <sup>1</sup>	-1.05	-1.23	0.25	-	-	-
Income	1.11	0.32	1.00	-	-	-
Growth	-2.16	-1.55	-0.75	-	-	-
Benchmark <sup>2</sup>	-1.98	-2.41	-1.09	-	-	-

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

### Asset allocation



as at 31 March 2025

Growth assets	Allocation (%)
Australian Equities	26.0
International Equities	33.4
Property	8.0
Other	0.0
<b>Total</b>	<b>67.4%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	21.3
International Fixed Interest	6.5
Cash	4.8
<b>Total</b>	<b>32.6%</b>

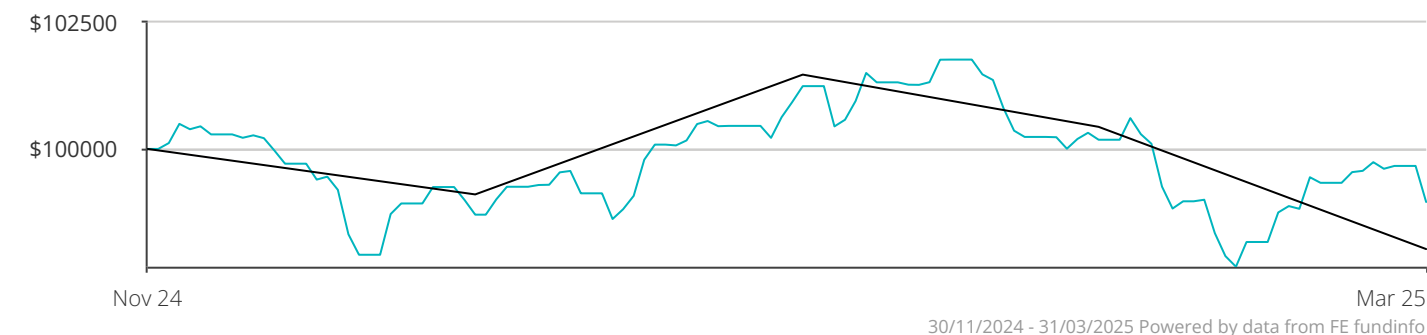
Asset allocation data sourced via Morningstar® from the underlying fund manager.

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 benchmark is calculated based on the average performance from peers in the same multi sector category, as compiled and sourced from Morningstar Direct™ in March 2025.

## Performance history

\$100,000 invested since 30/11/2024



■ Portfolio  
■ Benchmark

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

Holding	Asset class	Allocation (%)
PIMCO Diversified Fixed Interest Fund	Other	9.0
Vanguard All-World Ex-US Shares Index Etf Vanguard All-World Ex-US Sha	International Equities	8.0
Legg Mason Western Asset Australian Bond Fund - Class M	Australian Fixed Interest	7.0
Yarra Enhanced Income Fund - Class A	Australian Fixed Interest	7.0
Arrowstreet Global Equity No. 2 Fund (Hedged) - Class I	International Equities	6.0
Realm Short Term Income Fund	Australian Fixed Interest	6.0
ClearBridge RARE Infrastructure Income Fund - Hedged Class C Units	International Equities	5.0
Lazard Global Infrastructure Fund (Hedged) - S Class	International Equities	5.0
GQG Partners Global Equity Fund - Z Class	International Equities	4.0
Vanguard US Total Market Shares Index Etf Vanguard US Total Market Sha	International Equities	4.0
BHP Group Limited Ordinary Fully Paid	Australian Equities	3.1
Quay Global Real Estate (AUD Hedged) - Class M	Property	3.0
Vaneck Australian Property Etf Vaneck Australian Property Etf	Property	3.0
Westpac Banking Corporation Ordinary Fully Paid	Australian Equities	2.3
Macquarie Australian Small Companies No.1 Fund - Class W Units	Australian Equities	2.2
Commonwealth Bank Of Australia Ordinary Fully Paid	Australian Equities	2.2
Goodman Group Fully Paid Ordinary/Units Stapled Securities	Property	2.1
CSL Limited Ordinary Fully Paid	Australian Equities	2.1
Macquarie Group Limited Ordinary Fully Paid	Australian Equities	2.1
Wesfarmers Limited Ordinary Fully Paid	Australian Equities	2.0
Cash Account	Cash	2.0
GQG Partners Emerging Markets Equity Fund - Z Class	International Equities	2.0
Amcor PLC Cdi 1:1 Foreign Exempt NYSE	Australian Equities	1.6
Northern Star Resources Ltd Ordinary Fully Paid	Australian Equities	1.5
Aristocrat Leisure Limited Ordinary Fully Paid	Australian Equities	1.4
CAR Group Limited Ordinary Fully Paid	Australian Equities	1.4
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	Australian Equities	1.4
Origin Energy Limited Ordinary Fully Paid	Australian Equities	1.3

Holding	Asset class	Allocation (%)
Transurban Group Fully Paid Ordinary/Units Stapled Securities	Australian Equities	1.3
Woodside Energy Group Ltd Ordinary Fully Paid	Australian Equities	1.1

# Quarterly manager commentary

## Market Update

Stocks started the year where it left off, continuing its advancement as hopes of disinflation and pro-growth policies by the newly elected President Trump buoyed market. However, as the administration's policies materialised, US stocks fell sharply. President Trump showed his commitment to imposing tariffs on its trading partners, as well as aiming to reduce immigration. The market has assessed this as negative for US growth and inflation, stoking fears of a 'stagflationary' economy. Coupled with elevated valuations, the S&P 500 was one of the poorest performing index in the quarter, falling by 4.3% (local currency terms).

Europe, on the other hand, outperformed due to large spending plans announced by Germany and brightening sentiment. The Euro Stoxx 50 rose 7.2% as investors rotated away from its concentrated positioning in US large caps.

Despite ongoing US trade tariffs and policy uncertainty in the quarter, the MSCI Emerging Markets (EM) index gained 2.3% (in AUD terms). The market reacted favourably to China's release of DeepSeek, a lower-cost AI model, and the Chinese government's announcement of various stimulus measures aimed at supporting domestic consumption. A weaker dollar and falling US yields were also a tailwind for the region.

In Australia, the earnings outcome from the reporting season was mixed, with 58% of companies beating earnings expectations, down from 64% previously. The local stock market was also influenced by evolvments in the US and ended the quarter 2.8% lower.

Heightened policy uncertainty and fears of a weakening growth outlook supported fixed income returns. The Australian (Bloomberg AusBond Composite Index) and Global fixed income (Bloomberg Global Agg Index (AUD Hedged)) benchmark rose by 1.3% and 1.1%, respectively. Elsewhere, gold was the prime beneficiary of a declining growth outlook and rising uncertainty, with the metal achieving its single best quarter in almost 40 years.

## Portfolio Update

The portfolio delivered a return of 0.25% over the March quarter.

Equities fell over the quarter, as economic and policy uncertainty spiked, and the growth outlook deteriorated. Investors also rotated away from the most overvalued segments of the market in large growth stocks to value stocks. The portfolio has a bias to a select group stocks of large cap dividend stocks and is generally sensitive to market movement . The Global equities uses index managers as its core manager with satellite managers which were impacted by the market volatility. Listed Infratstructure and global property help up relatively well over the quarter. Pleasingly real asset managers in ClearBridge RARE Infrastructure Income Fund held its ground in performance in the quarter and generated a meaningful return above its benchmark.

Bond yields were volatile reflecting Trump's whip-sawing policies but broadly ended the quarter lower. Our fixed income managers achieved solid returns across the board, with all managers outperforming their benchmark.

## Portfolio changes during the quarter:

These are newly commenced portoflios

## Market Outlook

### Growth Outlook

The recent consumer sentiment survey from the University of Michigan revealed an ominous deterioration in unemployment and business condition expectations for the next 12 months to levels usually associated with prior recessions. Coupled with heightened uncertainty around trade and economic policy in the US, we have downgraded our assessment of the US economy. A slowing US economy will undoubtedly impact the rest of the word given its dominance in the global economy; however, we still see relative value in Emerging Markets as the Chinese government appears committed to materially stimulating domestic consumption.

### Inflation Outlook

Persistent inflationary pressures continue challenging the market's narrative of a near-term return to low and stable inflation. Despite some easing, underlying price dynamics - particularly in services - remain sticky. Additionally, recent Trump administration tariff announcements will likely put upward pressure on prices, adding another layer of complexity to the inflation outlook. Financial markets have entered a more complex and volatile phase. From now on, inflation expectations - and their leading indicators - will carry as much weight as realised inflation in shaping policy and market reactions. As a result, interest rate volatility is likely to remain more elevated than in previous cycles.

The Fed must contend with actual and projected inflation remaining above target as Trump administration tariffs and US deficit impacts are

intensifying. Against this backdrop, there is a growing likelihood that the Fed will maintain restrictive policy settings for longer than market expectations. All signs are the Fed are currently reluctant to reduce their key policy rate, even as US economic growth slows.

## Summary

We recognise that macroeconomic conditions are softening, and the direction of travel is concerning. However, we believe conditions could quickly reverse if the Trump administration substantially backed down from its current policy stance. A permanent reduction in trade impediments and a normalisation of US-China relations, while seemingly distant possibilities at the moment, remain mainly out of choice versus circumstance. Overall, we have moved to be slightly more cautious and are now slightly underweight growth.

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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