MyNorth Managed Portfolios

MERCER CORESERIES ENHANCED 70 GROW

Monthly Update for Month Ending December 2025

Investment objective

The portfolio aims to deliver a return above the CPI + 3.0%, after fee, on a rolling seven-year period

Key information

Code	NTH0582
Manager name	Mercer
Inception date	01 September 2025
Benchmark	Consumer Price Index (CPI) + 3.0%
Asset class	Diversified
Number of underlying assets	14
Minimum investment horizon	7 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs[4]	'0.73%
Performance fee	'0.01%
Estimated Transaction Costs	'0.04%
Risk band/label	5/Medium to high
Minimum investment amount	$500

About the manager

Mercer

Mercer is a multi-national investment manager, using specialised investment tools and strategies to provide robust and diversified portfolios for their clients. The team manages approximately $200 billion worldwide, with approximately $33 billion invested in Australia and New Zealand. With Australian operations commencing in 1972, Mercer's primary driver in portfolio construction is risk management - spreading investments across investment types and different risks to mitigate periods of market volatility and protecting investments from loss. Using a multi-dimensional framework, Mercer uses active management in asset classes offering the greatest opportunity for skilled investment managers to add value while using passive management to manage risk or constructing a portfolio to deliver close to market returns.

Returns

as at 31 December 2025

	Since inception*	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	3 Years (%)
Total return[1]	2.32	0.45	1.65	-	-	-
Income	1.23	0.30	1.23	-	-	-
Growth	1.09	0.15	0.42	-	-	-
Benchmark[2]	2.10	-	-	-	-	-

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

Asset allocation

as at 31 December 2025

Growth assets	Allocation (%)
Australian Equities	28.6
International Equities	32.5
Property	3.8
Other	0.2
Total	**65.1%**

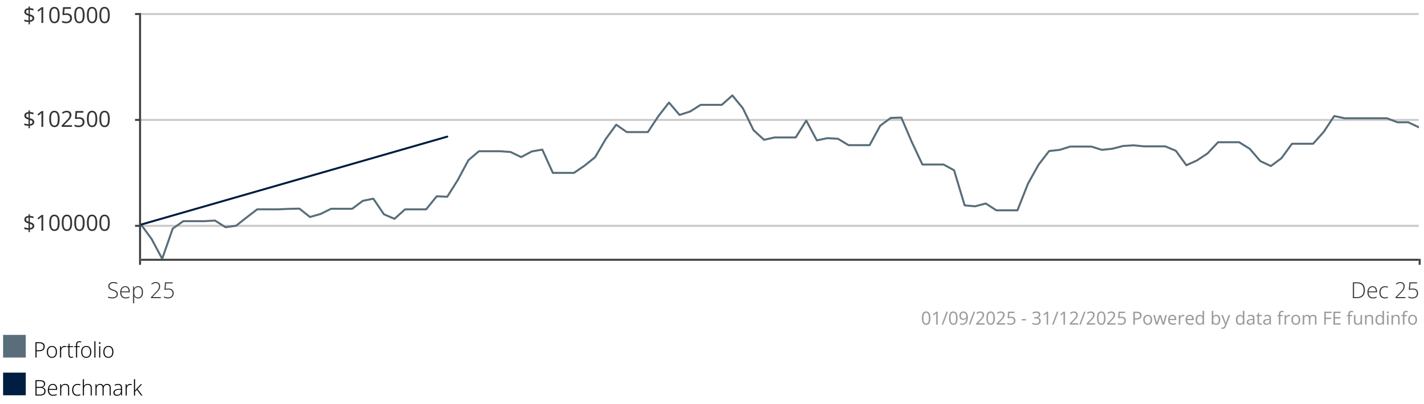
Defensive assets	Allocation (%)
Australian Fixed Interest	15.5
International Fixed Interest	12.6
Cash	6.9
Total	**35.0%**

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 Benchmark is based on the Consumer Price Index (CPI) published by the Australian Bureau of Statistics (ABS) as of the current reporting period.
4 The investment management fee is subject to a minimum. Refer to the MyNorth Grow Managed Portfolios PDS for more details.

Performance history

$100,000 invested since 01/09/2025



Managed portfolio holdings[3]

Holding	Asset class	Allocation (%)
AMP Australian Equity Index Fund	Australian Equities	27.0
Macquarie True Index Australian Fixed Interest	Australian Fixed Interest	11.0
AMP International Equity Index Fund	International Equities	10.0
AMP International Equity Index Fund Hedged	International Equities	10.0
AMP International Fixed Interest Index Fund Hedged	International Fixed Interest	10.0
Perpetual Diversified Real Return Fund - Class Z	Other	7.5
Perpetual Diversified Income Fund - Class S units	Australian Fixed Interest	6.0
Bell Global Emerging Companies Fund - Class B	International Equities	3.5
Lazard Global Infrastructure Fund (Hedged) - S Class	International Equities	3.5
Macquarie Hedged Index Global Real Estate Securities Fund	Property	3.5
Skerryvore Global Emerging Markets All-Cap Equity Fund - Class M	International Equities	3.0
Longwave Australian Small Companies Fund (Class P)	Australian Equities	2.0
Macquarie Cash	Cash	2.0
Cash Account	Cash	1.0

Quarterly manager commentary

Market Update

In Q4 2025, global equities rose, helped by AI enthusiasm, monetary policy easing and fiscal stimulus measures, while trade tensions eased as the year progressed. 2025 was a strong year for risk assets as markets shrugged off tariff concerns with focus shifting towards positive earnings growth momentum particularly from large cap US equities. Global government bonds showed mixed trends across economies and maturities. In the US, the yield curve steepened, with 2-10-year spread widening over Q4. Progress on disinflation and continued gradual weakness in the US labour market led the Fed to cut interest rates in December with markets pricing more rate cuts to come. Commodity prices rose over Q4, led by metals. Silver and gold rallied, up 51% and 12%, respectively. Silver outperformed gold due to strong industrial demand and supply shortages. Gold remained favored as a safe haven and appears to be driven by strong retail demand. Copper saw the largest gains among industrial metals, driven by strong expected demand from the AI datacentre build out.

In Australia, the Reserve Bank of Australia (RBA) held rates steady at 3.6% at their December meeting, in line with market expectations. Although market expectations have recently shifted toward rate hikes in 2026, our view is that the RBA is unlikely to pivot that quickly. It is more likely that the RBA will remain on hold into 2026. Australian shares fell -0.9% over the quarter, as stronger than expected labour market data and higher inflation both suggested that future interest rate cuts in Australia may not eventuate. The materials sector was the best performing sector over the quarter, higher by 12.9% driven by higher commodity prices, followed by the energy sector, which increased marginally, by 0.9%

Portfolio Update

Australian shares fell -0.9% over the quarter, as stronger than expected labour market data and higher inflation both suggested that future interest rate cuts in Australia may not eventuate. The materials sector was the best performing sector over the quarter, higher by 12.9% driven by higher commodity prices, followed by the energy sector, which increased marginally, by 0.9%.

International shares (hedged) rose 3.5% over the quarter, supported by a strong US Q3'25 earnings season and Fed rate cuts. Healthcare was the best performing sector over the quarter, up 10.8%, as pharmaceuticals performed strongly following solid earnings reports. This was followed by the materials sector, which rose 5.2%, as metal prices moved higher over the quarter. The consumer discretionary sector was the worst performing sector for the quarter but still saw gains, up 1.4%.

Emerging markets fund, Skerryvore Global Emerging Markets Fund, underperformed its benchmark over the quarter, returning 3.5%. The largest positive contributors to return were Brazilian pharmacy chain Raia Drogasil and global electrical equipment and automation company, WEG. The strength of the manager lies in the team's genuinely long-term view, their unconstrained absolute return mind-set, and singular focus on identifying and investing in companies with sustainable, enduring business models.

International listed infrastructure was higher, up 0.8%; while international listed property was flat.

The Lazard Global Listed Infrastructure Fund outperformed its benchmark over the quarter, returning 5.3%. Stock selection within Toll Roads and Utilities contributed to relative performance. Infrastructure assets generally offer stable returns and protect against inflation, which typically benefits portfolios during periods of economic uncertainty and rising inflation.

Australian government bonds were down -1.3% over the quarter. Australian 10-year government bond yields rose by 44bps over the quarter, as markets priced in interest rate hikes in 2026 following stronger labour market data and higher inflation. International government bonds were up 0.5% over the quarter.

Perpetual Diversified Income Fund outperformed its benchmark over the quarter returning 1.1% with income return a key contributing factor to performance, primarily driven by investing in Residential Mortgage-Backed Securities and offshore bank allocations. The manager aims to provide the portfolio with exposure to short duration Australian credit exposure and reduces the fund's sensitivity to bond yield movements.

Portfolio changes during the quarter:
No portfolio changes.

Market Outlook
We expect the international economy to stay fairly strong going into 2026. US consumer spending should remain solid; helped by steady income growth, strong share markets, and generally healthy household finances. Outside the US, we see a small pickup in growth. Emerging Markets and Japan are expected to keep performing well. China's growth will likely stay below its potential because of ongoing weakness in the property sector. The Fed is likely to cut rates further, but probably not as much as markets expect. The Bank of Japan is expected to keep raising rates, while the Bank of England will likely start easing policy as inflation moves closer to its target. Australian economic growth is likely to pick up in 2026; driven by recent RBA interest rate cuts, improving consumer confidence, and solid income growth. Although market expectations have recently shifted toward rate hikes in 2026, our view is that the RBA is unlikely to pivot that quickly. It is more likely that the RBA will remain on hold into 2026, taking a data dependent approach and assessing each new inflation and employment release. Nonetheless, mounting evidence suggests that most of the easing cycle is already behind us. Headline inflation will continue to rise in 2026 as government energy rebates expired in December, although this should be a short-term impact that the RBA should not be concerned about. Finally, the situation in Venezuela is not expected to impact international markets significantly. Typically, heightened geopolitical risks increase investor concerns and push oil prices higher. However, Venezuela's oil output has declined as its infrastructure has deteriorated, despite the country holding the world's largest oil reserves. If output is restored and increased, higher supply could instead put downward pressure on oil prices.

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.