

Monthly Update for Month Ending September 2024

Investment objective

Aims to outperform its benchmark over a rolling seven-year period.

Key information

Code	NTH0215
Manager name	Mercer
Inception date	29 November 2021
Benchmark	Morningstar Australian Multi-Sector Conservative Average Category
Asset class	Diversified
Number of underlying assets	20
Minimum investment horizon	7 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'0.58%
Performance fee	'0%
Estimated net transaction costs	'0.08%
Estimated buy/sell spread	'0.02%/0.03%
Risk band/label	3/Low to medium
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.

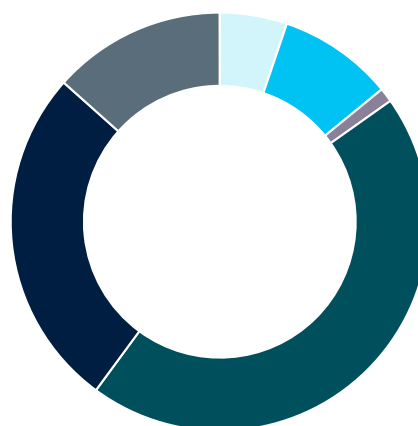
Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return ¹	1.42	0.72	3.06	2.75	8.50	-	-
Income	2.28	0.10	1.06	1.87	3.16	-	-
Growth	-0.86	0.62	2.00	0.88	5.34	-	-
Benchmark ²	1.46	0.76	2.66	2.74	8.99	-	-

* 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		5.2
International Equities		8.9
Property		1.1
Other		0.0
Total		15.2%
Defensive assets		Allocation (%)
Australian Fixed Interest		44.9
International Fixed Interest		26.5
Cash		13.4
Total		84.8%

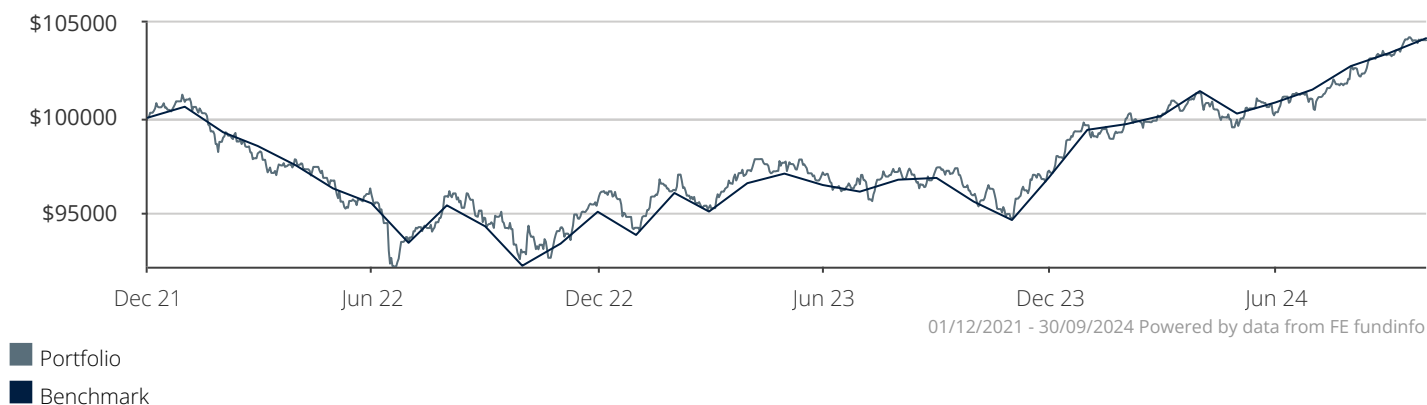
Asset allocation data sourced via Morningstar® from the underlying fund manager.

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 benchmark is calculated based on the average performance from peers in the same multi sector category, as compiled and sourced from Morningstar Direct™ in September 2024.

Performance history

\$100,000 invested since 01/12/2021



Managed portfolio holdings³

Holding	Asset class	Allocation (%)
Pendal Sustainable Australian Fixed Interest Fund	Australian Fixed Interest	20.1
Vanguard International Fixed Interest Index (Hedged) Etf Vanguard Intl	International Fixed Interest	17.1
Betashares Australian High Interest Cash Etf Betashares Australian Hig	Cash	10.4
Vanguard Australian Corp Fixed Interest Index Etf Vanguard Australian	Australian Fixed Interest	7.5
Vanguard Australian Government Bond Index Etf Vanguard Australian Gove	Australian Fixed Interest	7.5
Vaneck Australian Subordinated Debt Etf Vaneck Australian Subordinated	Australian Fixed Interest	6.4
PIMCO Global Bond Fund - Wholesale Class	International Fixed Interest	4.0
Regnan Credit Impact Trust	Australian Fixed Interest	3.9
Betashares Australia 200 Etf Betashares Australia 200 Etf	Australian Equities	3.6
Capital Group Global Corporate Bond Hedged	International Fixed Interest	3.0
Invesco Wholesale Senior Secured Income Fund	International Fixed Interest	3.0
Vanguard Msci Index International Shares (Hedged) Etf Vanguard Msci In	International Equities	2.9
Vanguard Msci Index International Shares Etf Exchange Traded Fund Unit	International Equities	2.5
Cash Account	Cash	2.0
GMO Quality Trust	International Equities	2.0
Macquarie Australian Shares Fund	Australian Equities	1.5
Robeco Glb Dev Sust Enhncd Idx Eq (AUD)B	International Equities	1.5
Vanguard Global Infrastructure Index Etf Vanguard Global Infrastructur	Property	1.1

Quarterly manager commentary

Market Update

Over the September quarter fears of a US recession grew, due to weaker conditions in labour markets and the manufacturing sector. Economic conditions weakened in the Eurozone, led by German manufacturers. Meanwhile, conditions remained lacklustre in China driven by ongoing weakness in its property markets, while economic activity improved in Japan with wage increases boosting consumption.

With greater confidence in the inflation outlook, the Fed cut interest rates by 0.5% to a range of 4.75-5.00% p.a. but also stating that the size of the cut should not be extrapolated and that future decisions will be data dependent and made at each meeting. A number of European regions, Canada and New Zealand also cut interest rates by 0.25% in the quarter due to reducing inflationary pressures. Japan was the exception raising rates from 0.1% p.a. to 0.25% p.a. Furthermore, Chinese policymakers have pledged to stop the decline in the property market with the Peoples' Bank of China cutting interest rates and reserve ratio requirements.

Within Australia economic activity remained weak over the quarter. Q2'24 GDP was 0.2% Quarter-on-Quarter (QoQ), bringing the Year-on-Year (YoY) rate to 1.0%, driven by weak household consumption. Business survey responses indicated slowing conditions, with retail facing the most challenges. The trimmed mean CPI (the RBA's preferred measure of inflation) rose by 0.8% QoQ in Q2'24, down from 1.0% QoQ in Q1'24, easing concerns about accelerating underlying inflation in Australia. More recent inflation indicators have also eased, driven by the government's energy rebate for households. The RBA kept interest rates unchanged at 4.35% p.a. over the quarter noting it "remains vigilant to the upside risks to inflation" effectively pushing back against expectations for an interest rate cut in the coming months

Oil prices ended the quarter lower, despite rising tensions in the Middle East, due to speculation of supply increases by OPEC+. Gold prices hit a record high as central banks cut interest rates internationally whilst industrial metals like iron ore ended the quarter slightly lower due to weak economic data from China, despite a late recovery after Chinese policymakers pledged to stop the decline in property markets.

The Australian dollar (AUD) recorded mixed performance against major currencies over the quarter. The AUD appreciated against the US dollar, with the latter depreciating in anticipation of Fed interest rate cuts, while the AUD depreciated against the Japanese Yen as the Bank of Japan raised interest rates and signalled more increases ahead.

Portfolio Update

Australian Shares rose as investor optimism for international interest rate cuts grew and Chinese authorities announced policy measures to support its property market. Against this backdrop, interest rate sensitive sectors such as Real Estate performed well. The Materials sector also did well in the quarter, supported by a late recovery in industrial metals prices. Australian Small Caps also performed well driven in part by a strong contribution late in the quarter from the Materials sector which benefited from the rise in precious and industrial metals prices.

The portfolio delivered a return of 3.06% over the June quarter.

Global Shares ended the quarter higher, recovering from an earlier decline as US recession concerns eased and the Fed began cutting interest rates. Utilities and Real Estate were the best performing sectors, supported by interest rate cuts and a decline in government bond yields internationally. Emerging Market Shares performed well, recovering late in the quarter as Chinese policymakers pledged to address the decline in their property market.

Vanguard International Shares Index Fund returned 2.4% for the September quarter with its hedged counterpart returning 4.5%.

Rising anticipation of US interest rate cuts and declining bond yields boosted listed real asset markets with Australian Listed Property, Global Listed Property and Global Listed Infrastructure all recording strong returns for the quarter.

The Vanguard Global Infrastructure ETF returned 10.2% over the September quarter.

Global Government Bonds produced healthy returns as concerns about the US economy rose and expectations for US interest rate cuts increased. Australian Government Bonds produced positive returns but lagged Global Government Bond returns as the RBA kept interest rates unchanged.

Global Credit and Emerging Market Debt also performed well, supported by the decline in government bond yields internationally and increased investor risk appetite following the US interest rate cut.

The Vanguard International Fixed Interest Index Fund produced a positive return of 3.8% over the quarter.

Portfolio changes during the quarter:

On 31st of July 2024, Mercer Investments Australia Limited (MIAL) or "Mercer" became the Investment Manager for the Mercer APS CoreSeries portfolios, previously known as the 'Morgan Stanley MAPS Core Portfolios'.

As part of the ongoing review of these portfolios, Mercer identified opportunities to incorporate Mercer's best ideas in relation to both manager selection and portfolio construction across Global Equities.

Market Outlook

Looking forward through an Australian lens, Mercer expects high interest rates and cost-of-living pressures to keep household consumption and economic growth suppressed. Core inflation is expected to decline at a slower pace compared to other developed economies due to pressures in residential rental markets. While the RBA has indicated vigilance against inflation risks, we do not believe it will commence a new series of hikes. Rather, Mercer believe that interest rates have likely peaked this cycle.

Globally, Mercer expect international economic growth to remain resilient but regionally divergent. We do not expect the US to enter a recession but anticipate slowing yet growth, with corporate and consumer balance sheets remaining strong. Mercer expect US inflation to slow further, driven by a decline in services inflation, and expect the Fed to continue cutting rates. China's growth will improve from its current slow pace, supported by favourable government policies. Other emerging economies will also benefit from these policies and their own central bank policies, aiding their

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

NMMT Limited (ABN 42 058 835 573 AFS License 234653), is the responsible entity of MyNorth Managed Portfolios (ARSN 624 544 136) (Scheme). To invest in the Scheme, investors will need to obtain the current Product Disclosure Statement (PDS) which is available at northonline.com.au. The PDS contains important information about investing in the Scheme and it is important investors consider their circumstances and read the PDS before making a decision about whether to acquire, continue to hold or dispose of interests in the Scheme. This quantitative report has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Although the information is from sources considered reliable, AMP doesn't guarantee that it's accurate or complete. You shouldn't rely upon it and should seek professional advice before making any financial decision. Except where liability under any statute can't be excluded, AMP doesn't accept any liability for any resulting loss or damage to the reader or any other person. MyNorth Managed Portfolios are not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (all such entities, collectively, "Morningstar Entities"). The Morningstar Entities make no representation or warranties regarding the advisability of investing in managed portfolios generally or in the MyNorth Managed Portfolios in particular, or the ability of the Morningstar Benchmarks to accurately represent the asset class or market sector that it purports to represent. The Morningstar Entities and their third party licensors do not guarantee the accuracy and/or the completeness of the Morningstar Benchmarks, and the Morningstar Entities and their third party licensors shall have no liability for any errors, omissions, or interruptions included therein. The S&P/ASX 20 TR Index, S&P/ASX 200 TR Index, S&P/ASX 200 A-REIT TR Index, S&P/ASX 200 Industrials TR Index, S&P/ASX 300 TR Index, S&P/ASX 300 TR Index excluding S&P/ASX 20 TR Index, S&P/ASX Small Ordinaries TR Index, S&P/ASX 100 TR Index ("Index") is a product of S&P Dow Jones Indices LLC, its affiliates and/or their licensors and has been licensed for use by NMMT Limited. Copyright © 2021 S&P Dow Jones Indices LLC, its affiliates and/or their licensors. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit www.spdji.com. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

Mercer took over the investment management of this portfolio from 31 July 2024.