

Monthly Update for Month Ending December 2024

Investment objective

To outperform the benchmark over the economic cycle and to provide above market levels of tax-effective income (via franked dividends), with lower volatility than the broader Australian equity market.

Key information

Code	NTH0213
Manager name	Macquarie Investment Management
Inception date	29 November 2021
Benchmark	S&P/ASX 200 Industrials TR Index
Asset class	Australian Equities
Number of underlying assets	36
Minimum investment horizon	5 years
Portfolio income	Default - Reinvest
Management fees and costs	'0.62%
Performance fee	'0%
Estimated net transaction costs	'0.08%
Estimated buy/sell spread	'0.00%/0.00%
Risk band/label	6/High
Minimum investment amount	\$25,000

About the manager

Macquarie Investment Management

Macquarie Investment Management (MIM) delivers a full-service offering across a range of asset classes to both institutional and retail clients in Australia and the US, with selective offerings in other regions. The Macquarie Systematic Investments team is responsible for the management of the Australian equity managed portfolios.

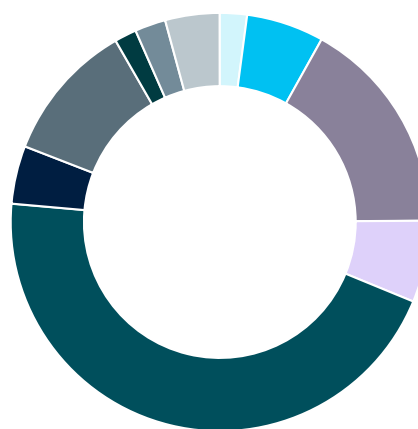
Returns

as at 31 December 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return ¹	10.96	-2.86	3.75	13.53	27.50	9.91	-
Income	4.63	0.08	0.66	2.12	5.24	4.68	-
Growth	6.33	-2.94	3.09	11.41	22.26	5.23	-
Benchmark ²	8.43	-3.14	2.29	10.51	21.30	8.02	-

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

Sector Allocation



as at 31/12/2024

Cash	2.1
Communication Services	6.0
Consumer Discretionary	16.8
Consumer Staples	6.3
Financials	45.2
Health Care	4.5
Industrials	10.8
Information Technology	1.7
Materials	2.4
Real Estate	4.2

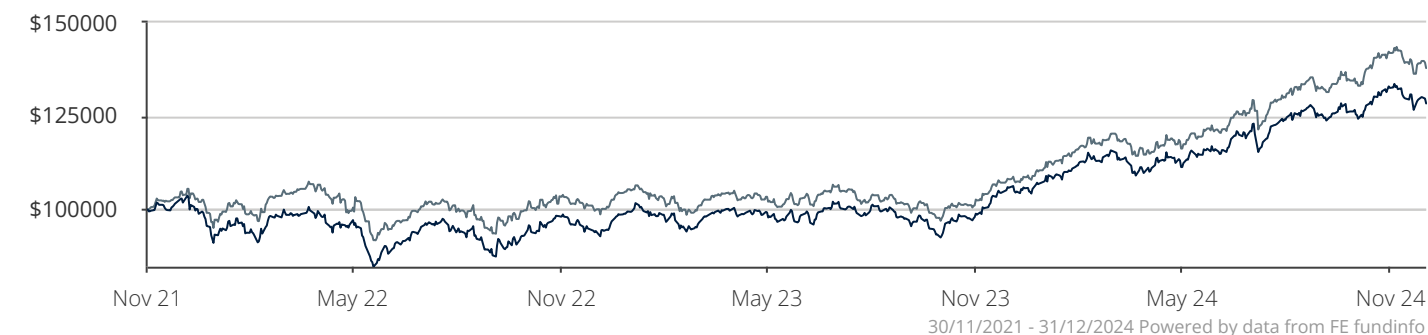
Sector allocation data sourced via Ausiex® from Australian Stock Exchange.

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 30/11/2021



- Portfolio
- Benchmark

Managed portfolio holdings³

Holding	Allocation (%)
Amotiv Limited Ordinary Fully Paid	1.1
ANZ Group Holdings Limited Ordinary Fully Paid	5.5
Aristocrat Leisure Limited Ordinary Fully Paid	4.4
Bega Cheese Limited Ordinary Fully Paid	1.0
Brambles Limited Ordinary Fully Paid	2.2
Cash Account	2.1
Centuria Capital Group Fully Paid Ordinary/Units Stapled Securities	1.7
Chorus Limited Ordinary Fully Paid Foreign Exempt Nzx	2.2
Coles Group Limited. Ordinary Fully Paid	3.4
Commonwealth Bank Of Australia Ordinary Fully Paid	11.5
Credit Corp Group Limited Ordinary Fully Paid	1.1
CSL Limited Ordinary Fully Paid	4.4
Downer Edi Limited Ordinary Fully Paid	2.2
Harvey Norman Holdings Limited Ordinary Fully Paid	1.9
Helia Group Limited Ordinary Fully Paid	1.2
Insignia Financial Ltd Ordinary Fully Paid	1.1
Insurance Australia Group Limited Ordinary Fully Paid	3.2
JB Hi-Fi Limited Ordinary Fully Paid	3.0
Macquarie Group Limited Ordinary Fully Paid	3.2
Medibank Private Limited Ordinary Fully Paid	1.4
Metcash Limited Ordinary Fully Paid	1.8
National Australia Bank Limited Ordinary Fully Paid	4.5
Orica Limited Ordinary Fully Paid	2.6
Perpetual Limited Ordinary Fully Paid	1.1
Premier Investments Limited Ordinary Fully Paid	2.1
QBE Insurance Group Limited Ordinary Fully Paid	4.9
Reliance Worldwide Corporation Limited Ordinary Fully Paid	1.1
Smartgroup Corporation Ltd Ordinary Fully Paid	1.1

Holding	Allocation (%)
Stockland Fully Paid Ordinary/Units Stapled Securities	2.6
Super Retail Group Limited Ordinary Fully Paid	1.6
Telstra Group Limited Ordinary Fully Paid	3.8
Ventia Services Group Limited Ordinary Fully Paid	2.2
Wesfarmers Limited Ordinary Fully Paid	2.8
Westpac Banking Corporation Ordinary Fully Paid	6.3
Wisetech Global Limited Ordinary Fully Paid	1.7
Worley Limited Ordinary Fully Paid	2.3

Quarterly manager commentary

Market Update

Equity markets were mixed in December, with the US S&P 500 Index down -2.5% and the NASDAQ Composite edging up +0.48%. The local market was weak with the S&P/ASX 300 Accumulation Index down -3.07% whilst the S&P/ASX Small Ordinaries was also coincidentally down by the same amount. Despite December typically being a strong month for equity markets, investors were cautious in the aftermath of the US election. Fears of less market support from the US Federal Reserve in terms of lower interest rates also weighed on the market.

Although the year ended on a cautious note, 2024 delivered strong returns for equity investors with the S&P 500 delivering its second consecutive year of 20%+ returns. Returns for local equity investors were more subdued, but still robust, with the S&P/ASX300 up +11.39% in 2024 after delivering +12.13% in 2023.

US bond yields moved higher in December after hawkish commentary from the US Federal Reserve at its December meeting. Despite cutting rates by 25 basis points (as anticipated), expectations for further rate cuts in 2025 were lowered from 100 basis points to 50 basis points with commentary noting ongoing inflation concerns. The US year 10 year bond yield increased 0.30% to 4.52%. In Australia, 10 year bond yields edged higher to 4.37%, up 0.03%. At its December meeting, the RBA maintained its cash rate target but noted that the Board was gaining some confidence that inflationary pressures were easing. This was taken positively by the market that interest rate cuts were likely in 2025. The Australian dollar continued its downward trajectory.

The strong US dollar remained a headwind for most commodity prices. The gold price was weaker for the second month in a row, but this failed to take the shine off a stellar year for the precious metal, with the price ending up more than 27% higher over 2024. Copper was down -1.95% whilst nickel was down -4.10%. Iron ore continued to hold above the USD 100 mark, despite Chinese stimulus measures continuing to underwhelm. Uranium was down sharply but has regained some of its losses in early January. Lithium ended a dismal 2024 down a further -4%, taking its yearly losses to more than -20%. This followed falls of -80% in 2023. Against this backdrop, it was not surprising that share prices for lithium companies continued to struggle. Brent oil was up marginally.

Domestically, most sectors were in the red with the worst performing including REITs (-5.83%), Materials (-4.51%) and Financials (-4.14%). Higher bond yields impacted REITs with Mirvac Group (MGR, -11.11%) the worst performer. At its recent AGM in November, Mirvac's CEO noted that the office market appeared to be stabilizing and the prospects for its residential divisions were positive. Materials were weak with lithium companies bearing the brunt of ongoing weakness in lithium prices. Financials fell with HMC Capital Limited (HMC, -20.03%) impacted by the subdued performance of its much-hyped IPO of DigiCo Infrastructure REIT (DGT). A highlight was the strong performance of Insignia Financial Ltd (IFL, +13.06%) after it received an indicative takeover bid from Bain Capital. A subsequent bid from CC Capital Partners in early January further boosted the share price. Sectors that eked out positive returns in December included Consumer Staples Monthly report - 31 December 2024

(+0.69%), Utilities (+0.38%), Industrials (+0.24%) and Energy (+0.14%). Consumer Staples and Utilities are typically regarded as more defensive sectors. Select Harvests Limited (SHV, +15.18%) and Bega Cheese Limited (+9.28%) helped Staples.

The S&P/ASX 300 fell in December with detractors including Clarity Pharmaceuticals Ltd (CU6, -34.95%), Liontown Resources Limited (LTR, -28.08%) and Vulcan Energy Resources Limited (VUL, -24.65%). Underperforming large-cap names included Bluescope Steel Limited (BSL, -15.54%) and Seek Limited (SEK, -13.59%).

Clarity Pharmaceuticals fell almost 35% in December as investors took profits. Despite the falls in December, Clarity Pharmaceuticals was still one of the best performing stocks in the S&P/ASX300 in 2024, delivering returns of 120%. The radio-pharmaceutical company was added to the S&P/ASX200 benchmark in the December rebalance on the back of its strong share price gains. Liontown Resources continued to underperform despite positive signs that production was ramping up at its newly opened mine. In November the company announced plans to target high grade ore in response to low lithium prices with further expansion plans put on hold. Vulcan Energy, a European-based renewable energy and lithium producer, fell after a capital raising of \$164m.

Positive performance was delivered by Mesoblast Limited (MSB, +75.14%), Brainchip Holdings Ltd (BRN, +52.94%) and Patriot Battery Metals Inc (+47.27%). Large-cap names that outperformed included Transurban Group (TCL, +7.11%) and Computershare Limited (CPU, +6.46%).

Mesoblast rewarded long-suffering shareholders with positive news that the FDA had approved its Ryoncil stem therapy treatment. Brainchip announced that it had licensed its digital chip technology to Frontgrade Gaisier. Frontgrade Gaisier is a provider of microprocessors for space applications. Patriot Battery Metals reported that it had entered into a strategic partnership and offtake agreement with Volkswagen and PowerCo for its lithium output.

From a style perspective, Momentum had a strong year, with sustained performance across a number of key themes including a market preference for banks versus resources, IT stocks and high-quality growth stocks. High quality large-cap companies with positive momentum that outperformed over 2024 included Pro Medicus Limited (PME, +161.42%), Technology One Limited (TNE, +105.17%), HUB24 Ltd (HUB, 94.44%), Aristocrat Leisure Limited (ALL, +69.38%) and Commonwealth Bank of Australia (CBA, +41.23%). These were large moves for well-established companies and contributed to Momentum's strong showing. Profitability and Value factors also delivered positive performance in 2024.

Portfolio Update

The portfolio delivered a return of 3.75% over the December quarter.

Key contributors to performance included overweight positions in Insignia Financial (IFL), JB Hi-Fi (JBH) and Bega Cheese (BGA). Dairy manufacturer Bega Cheese outperformed in December as it continued its growth trajectory in 2024, with the share price finishing the year up over 50%.

Key detractors from relative performance included overweight positions in Ventia (VNT) and Downer EDI (DOW) and an underweight position in Transurban (TCL). Ventia Services fell sharply after the ACCC commenced legal proceedings against the company alleging contraventions of Australian competition law.

Market Outlook

We believe the Australian equity market is placed to deliver moderate returns over the next 12 months. As market volatility persists, driven by both external geopolitical pressures and domestic factors, systematic strategies that capitalise on market inefficiencies will be wellpositioned to navigate the challenges ahead.

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.