

MyNorth Managed Portfolios

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INVESTSENSE MULTI-ASSET PORTFOLIO 5

Quarterly update for Month ending March 2024

Investment objective

To deliver a return of CPI +5% per annum over the long term by investing in a diverse mix of asset classes.

Key information

| | |
|--|------------------------------------|
| Code | NTH0295 |
| Manager name | InvestSense |
| Inception date | 30 September 2022 |
| Benchmark | Consumer Price Index (CPI) + 5.0% |
| Asset class | Diversified |
| Number of underlying assets | 54 |
| Minimum investment horizon | 10 years |
| Portfolio income | Default - Paid to Platform Cash |
| Management fees and costs | '0.75% |
| Performance fee | '0.17% |
| Estimated net transaction costs | '0.04% |
| Estimated buy/sell spread | '0.08%/0.08% |
| Risk band/label | 7/Very high |
| Minimum investment amount | \$25,000 |

About the manager

InvestSense

InvestSense is an investment management firm founded in 2014. The investment team have extensive experience in financial markets across investment consulting, portfolio management and investment research. InvestSense's investment philosophy is underpinned by the belief that prevailing market valuations tend to be indicative of final outcomes over long-time periods. By undertaking a forward-looking view of expected returns and implied risks, InvestSense aims to understand if the market is sufficiently rewarding investors for the risks they're undertaking across different asset classes.

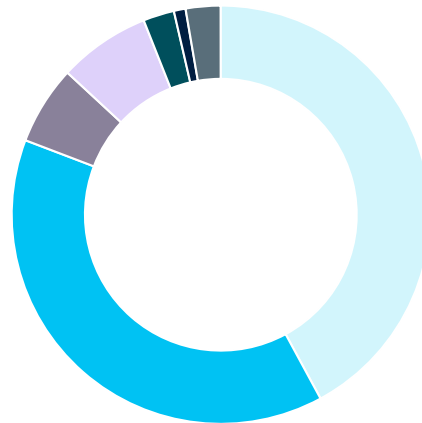
Returns

as at 31 March 2024

| | Since inception* | 1 Month (%) | 3 Months (%) | 6 Months (%) | 1 Year (%) | 3 Years (%) | 5 Years (%) |
|---------------------------|------------------|-------------|--------------|--------------|------------|-------------|-------------|
| Total return ¹ | 20.24 | 3.60 | 8.24 | 14.87 | 16.62 | - | - |
| Income | 2.95 | 0.20 | 0.44 | 1.06 | 3.00 | - | - |
| Growth | 17.29 | 3.40 | 7.80 | 13.81 | 13.62 | - | - |
| Benchmark ² | 9.82 | 2.17 | 2.17 | 4.03 | 8.76 | - | - |

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

Asset allocation



as at 31 March 2024

| Growth assets | Allocation (%) |
|------------------------------|----------------|
| Australian Equities | 42.1 |
| International Equities | 38.7 |
| Property | 6.1 |
| Other | 7.1 |
| Total | 94.0% |
| Defensive assets | Allocation (%) |
| Australian Fixed Interest | 2.4 |
| International Fixed Interest | 0.9 |
| Cash | 2.7 |
| Total | 6.0% |

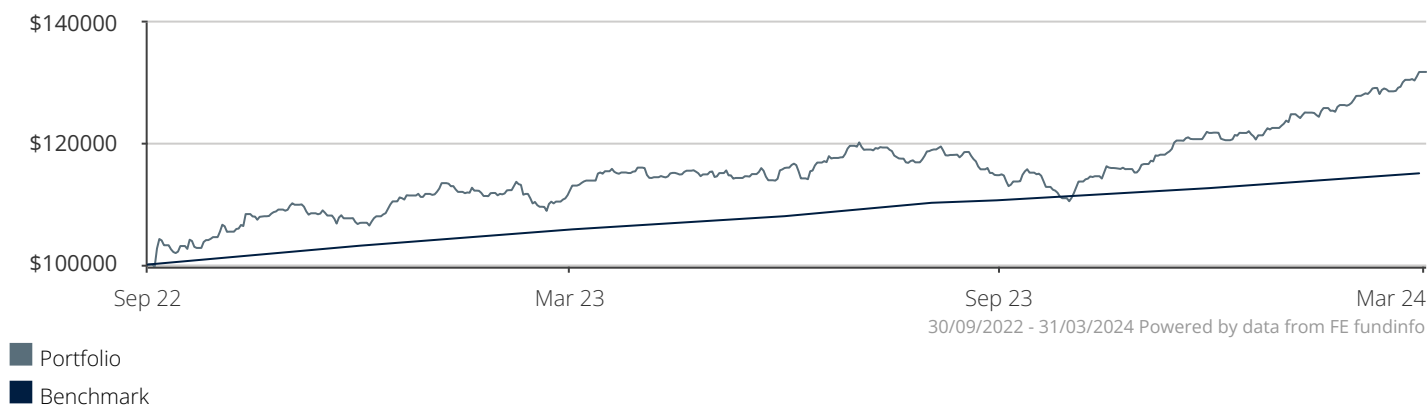
Asset allocation data sourced via Morningstar® from the underlying fund manager.

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.

Performance history

\$100,000 invested since 30/09/2022



Managed portfolio holdings³

| Holding | Asset class | Allocation (%) |
|--|------------------------|----------------|
| Vanguard US Total Market Shares Index Etf Vanguard US Total Market Sha | International Equities | 6.9 |
| Munro Concentrated Global Growth Fund | International Equities | 6.8 |
| Pzena Global Focused Value Fund - P Class | International Equities | 6.8 |
| Langdon Global Smaller Companies Fund (Class I) | International Equities | 5.7 |
| Trinetra Emerging Markets Growth Trust | Other | 5.7 |
| Macquarie True Index Listed Property Fund | Property | 5.1 |
| Vanguard All-World Ex-US Shares Index Etf Vanguard All-World Ex-US Sha | International Equities | 4.5 |
| Ishares Msci Japan Etf Ishares Msci Japan Etf | International Equities | 4.3 |
| Macquarie Hedged Index Global Infrastructure Securities Fund | International Equities | 3.9 |
| Eley Griffiths Group Emerging Companies Fund | Australian Equities | 3.6 |
| Spheria Australian Smaller Companies Fund | Australian Equities | 3.4 |
| L1 Capital Catalyst Fund - Founders Class | Australian Equities | 3.2 |
| BHP Group Limited Ordinary Fully Paid | Australian Equities | 2.8 |
| CSL Limited Ordinary Fully Paid | Australian Equities | 2.7 |
| ANZ Group Holdings Limited Ordinary Fully Paid | Australian Equities | 2.4 |
| Westpac Banking Corporation Ordinary Fully Paid | Australian Equities | 2.4 |
| Global X Metal Securities Australia Limited. Global X Physical Gold | Other | 2.0 |
| Woodside Energy Group Ltd Ordinary Fully Paid | Australian Equities | 1.8 |
| Resmed Inc Cdi 10:1 Foreign Exempt NYSE | Australian Equities | 1.3 |
| Betashares Australian High Interest Cash Etf Betashares Australian Hig | Cash | 1.2 |
| South32 Limited Ordinary Fully Paid | Australian Equities | 1.1 |
| Cash Account | Cash | 1.1 |
| Infomedia Ltd Ordinary Fully Paid | Australian Equities | 1.0 |
| Macquarie Group Limited Ordinary Fully Paid | Australian Equities | 1.0 |
| Suncorp Group Limited Ordinary Fully Paid | Australian Equities | 1.0 |
| Treasury Wine Estates Limited Ordinary Fully Paid | Australian Equities | 1.0 |
| Newcrest Mining Limited Ordinary Fully Paid | Australian Equities | 1.0 |
| Ramsay Health Care Limited Ordinary Fully Paid | Australian Equities | 1.0 |

| Holding | Asset class | Allocation (%) |
|---|------------------------------|----------------|
| Seek Limited Ordinary Fully Paid | Australian Equities | 0.9 |
| Breville Group Limited Ordinary Fully Paid | Australian Equities | 0.8 |
| Domino's Pizza Enterprises Limited Ordinary Fully Paid | Australian Equities | 0.8 |
| Global X US Treasury Bond Etf (Currency Hedged). Global X US Treasury | International Fixed Interest | 0.8 |
| Macquarie True Index Australian Fixed Interest | Australian Fixed Interest | 0.8 |
| Lendlease Group Fully Paid Ordinary/Units Stapled Securities | Australian Equities | 0.8 |
| QBE Insurance Group Limited Ordinary Fully Paid | Australian Equities | 0.8 |
| Aristocrat Leisure Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| James Hardie Industries PLC Chess Depositary Interests 1:1 | Australian Equities | 0.7 |
| Nanosonics Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Cleanaway Waste Management Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Amcor PLC Cdi 1:1 Foreign Exempt NYSE | Australian Equities | 0.7 |
| Brambles Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Metcash Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Telstra Group Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Wesfarmers Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Woolworths Group Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Iress Limited Ordinary Fully Paid | Australian Equities | 0.7 |
| Janus Henderson Tactical Income Fund | Australian Fixed Interest | 0.7 |
| Yarra Enhanced Income Fund - Class A | Australian Fixed Interest | 0.5 |
| Artesian Corporate Bond Fund - Class C | Australian Fixed Interest | 0.5 |
| Fortlake Real Income | Australian Fixed Interest | 0.4 |

Quarterly manager commentary

Market Update

Markets finished the quarter on the same low volatility high return note that we have enjoyed so far this year, brushing off weak data and seeing the positive in the latest inflation and economic data. To put this in context, most diversified portfolios have delivered the kind of returns we might have expected for the whole year in just the first three months of 2024. Geographically, Japan was the standout performer for the entire quarter. Europe showed little volatility, while the US delivered the best returns but with considerably higher volatility, especially among large cap tech stocks.

What had been a very narrow market, dominated by the so-called 'Magnificent 7', has broadened out so far year, with Europe and Japan keeping pace with the Nasdaq early in the quarter and emerging markets, Australia, and the UK joining the party in the last 4 weeks. The Nasdaq has lagged slightly in March due to valuation concerns surrounding the largest tech giants. Long term bond yields have traded in a range between 4% and 4.3% or but hope of lower short-term rates later this year have been consistently pushed out leading to choppy returns from bonds. This seems set to continue with Australian CPI data last week confirming the global trend of stubborn services inflation offset by goods deflation. Then in the US, the highly anticipated Personal Consumption Expenditure Index for February came out in in-line with expectations of 0.3%. In short this again paints a picture of slightly higher for longer inflation and central banks being in less of a hurry to bring rates down. This, along with some more strong industrial activity and inflation data overnight, has pushed yields in the US up to the top of that narrow range again.

Portfolio Update

The InvestSense Multi-Asset portfolio demonstrated resilience in the first quarter of 2024, achieving positive returns despite a complex and sometimes volatile market environment. The portfolio's diversified asset allocation helped navigate the various challenges and opportunities presented by the shifting economic landscape.

Global equities and alternative investments were the standout performers, providing key support to the portfolio's overall returns. Within the international equities component, the Munro Concentrated Global Growth Fund and the iShares MSCI Japan ETF were among the top contributors. In the alternatives space, the Global X Physical Gold ETF played a significant role in bolstering performance.

However, the performance of fixed income and property assets was mixed, occasionally acting as headwinds during the period. The U.S. Treasury Bond ETF (Hedged) and some direct Australian equities detracted from returns at times.

Among the direct Australian equity holdings, some notable performers included Wesfarmers Ltd (WES), Resmed Inc (RMD), and Aristocrat Leisure Ltd (ALL). Conversely, Newmont Corporation (NEM), Nanosonics Ltd (NAN), and Domino's Pizza Enterprises Ltd (DMP) were among the weaker performers.

The portfolio's performance was influenced by both tactical asset allocation decisions and individual security selection within each asset class. The investment team's active management approach, which included adjusting allocations and selecting securities based on prevailing market conditions, played a crucial role in mitigating risks and capitalizing on potential opportunities.

Portfolio changes during the quarter:

Gold allocation has been reduced, with the resources reallocated to fixed-interest investments, capitalizing on better income potential and growth prospects in the current market.

Profits have been taken on Australian Real Estate Investment Trusts (A-REITs) due to significant price increases over the last six months. The position has been reduced, with proceeds used to increase exposure to listed infrastructure assets, which offer a more attractive risk/return relationship.

The portfolio's direct equity holdings have been rebalanced:

Exposure to expensive stocks such as banks (ANZ and Westpac), James Hardie, Suncorp, Breville, Infomedia, QBE, and Wesfarmers has been reduced.

New positions have been added in Block Inc, Fletcher Building, and IDP Education.

Weights have been increased in Macquarie Group, Newmont Corporation, Nanosonics, BHP, Woodside Energy, and South32.

Block Inc (SQ2) has been added as a diversifier to the Australian big-four banks, providing growth exposure within the Financials sector.

Fletcher Building (FBU) has been added with a minor position, as the housing market is currently at a cyclical low, and the stock is expected to perform well when activity returns to normal.

IDP Education (IEL) has been added, as it is a global leader in international student placement services and English language testing, with strong partnerships and diverse revenue streams.

These changes aim to optimize the portfolio's positioning, manage risks, and capitalize on emerging opportunities in the current market environment.

Market Outlook

Looking ahead, the market's trajectory will depend on the interplay between inflation, central bank policies, and economic growth. If the Goldilocks scenario persists, with inflation moderating and growth remaining stable, markets could continue their upward trend. However, any unexpected shocks or signs of a more pronounced economic slowdown could lead to increased volatility and a reassessment of market valuations.

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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