MyNorth Managed Portfolios

PENDAL AUSTRALIAN SHARE PORTFOLIO

North

Monthly Update for Month Ending March 2025

Investment objective

To outperform the benchmark over a rolling three-year period.

Key information

Code	NTH0218
Manager name	Pendal
Inception date	29 November 2021
Benchmark	S&P/ASX 300 TR Index
Asset class	Australian Equities
Number of underlying assets	35
Minimum investment horizon	5 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'0.65%
Performance fee	'0%
Estimated net transaction costs	'0.05%
Estimated buy/sell spread	'0.00%/0.00%
Risk band/label	6/High
Minimum investment amount	$25,000

About the manager

Pendal

Pendal is a global Investment Manager offering investors a range of Australian and international investment choices. As of December 2020, Pendal has $97.4 billion in funds under management. Pendal's core asset allocation process is expected to generate the bulk of the return for each portfolio over the long term. Portfolios are built using longer term investment insights and various proprietary quantitative tools, as well as medium term active asset allocation. Longer term investment insights also takes into account ESG insights and preferences. Pendal has more than 35 years' experience managing dedicated ethical and sustainable strategies.

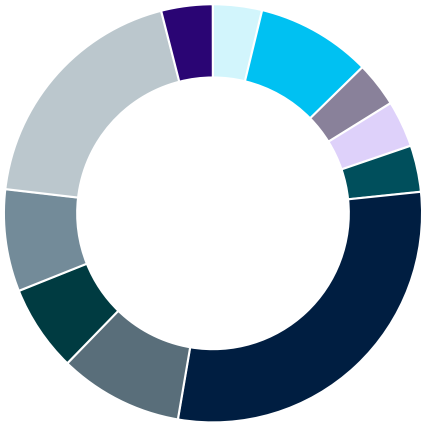
Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	6.48	-3.03	-3.44	-2.57	4.64	5.44	-
Income	3.75	0.60	1.11	1.51	3.29	3.64	-
Growth	2.73	-3.63	-4.55	-4.08	1.35	1.80	-
Benchmark[2]	6.24	-3.34	-2.85	-3.64	2.64	5.30	-

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

Sector Allocation



as at 31/03/2025

Cash	3.8
Communication Services	8.9
Consumer Discretionary	3.5
Consumer Staples	3.6
Energy	3.6
Financials	29.4
Health Care	9.6
Industrials	6.7
Information Technology	7.9
Materials	19.2
Real Estate	4.0

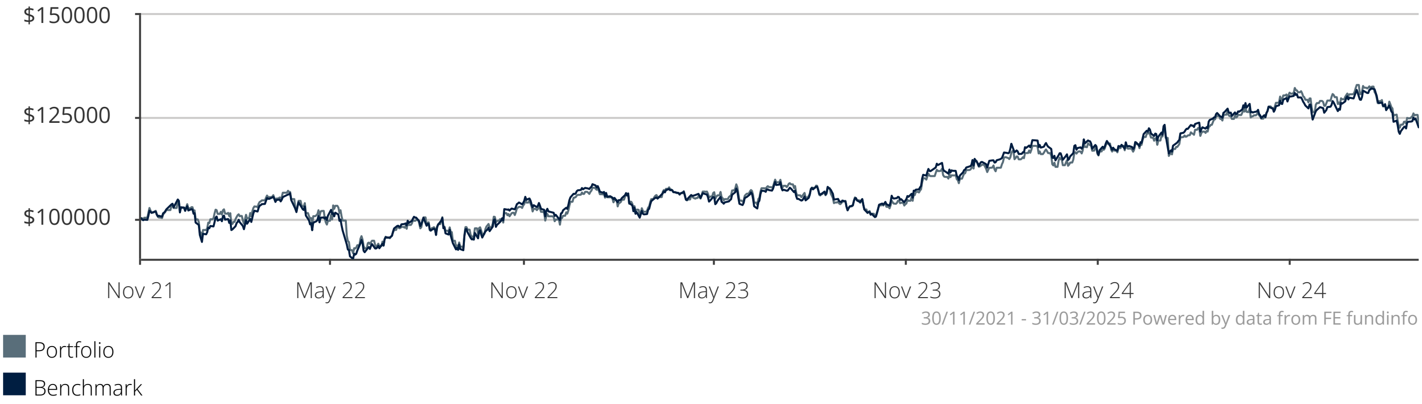
Sector allocation data sourced via Ausiex® from Australian Stock Exchange.

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



Managed portfolio holdings[3]

Holding	Allocation (%)
Amcor PLC Cdi 1:1 Foreign Exempt NYSE	1.4
ANZ Group Holdings Limited Ordinary Fully Paid	1.5
Aristocrat Leisure Limited Ordinary Fully Paid	3.8
BHP Group Limited Ordinary Fully Paid	8.4
Brambles Limited Ordinary Fully Paid	1.5
Cash Account	3.0
Commonwealth Bank Of Australia Ordinary Fully Paid	7.6
CSL Limited Ordinary Fully Paid	8.0
Downer Edi Limited Ordinary Fully Paid	1.5
Goodman Group Fully Paid Ordinary/Units Stapled Securities	2.4
James Hardie Industries PLC Chess Depositary Interests 1:1	1.6
Macquarie Group Limited Ordinary Fully Paid	2.6
Medibank Private Limited Ordinary Fully Paid	1.6
Metcash Limited Ordinary Fully Paid	1.6
Mineral Resources Limited Ordinary Fully Paid	1.0
National Australia Bank Limited Ordinary Fully Paid	5.5
Nextdc Limited Ordinary Fully Paid	1.5
Nine Entertainment Co. Holdings Limited Ordinary Fully Paid	1.6
Northern Star Resources Ltd Ordinary Fully Paid	1.6
Orica Limited Ordinary Fully Paid	1.1
Orora Limited Ordinary Fully Paid	1.1
Pro Medicus Limited Ordinary Fully Paid	1.0
Qantas Airways Limited Ordinary Fully Paid	4.1
QBE Insurance Group Limited Ordinary Fully Paid	3.6
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	1.0
RIO Tinto Limited Ordinary Fully Paid	3.0
Santos Limited Ordinary Fully Paid	3.2
Scentre Group Fully Paid Ordinary/Units Stapled Securities	1.8

Holding	Allocation (%)
Seek Limited Ordinary Fully Paid	1.3
Suncorp Group Limited Ordinary Fully Paid	2.3
Technology One Limited Ordinary Fully Paid	2.1
Telstra Group Limited Ordinary Fully Paid	6.0
Treasury Wine Estates Limited Ordinary Fully Paid	1.9
Westpac Banking Corporation Ordinary Fully Paid	4.2
Xero Limited Ordinary Fully Paid	5.0

Quarterly manager commentary

Market Update
The S&P/ASX 300 rose for the first half of Q1 2025, rebounding from the sell-off in December. It was helped by a Q42024 consumer price index inflation print, which softer than expected and raised expectations that the RBA would start cutting rates at their February meeting.

This eventuated, albeit accompanied by a strong message tempering market expectations about the timing of further reductions.

The domestic reporting season was reasonable, painting a picture of an economy which continued to hold up well.

However from mid-February onwards the market grew increasingly concerned about the outlook for the US economy in response to policy changes – particularly on tariffs.Data suggested that consumers and businesses were delaying spending due to uncertainty about policy – with announcements on tariffs due in early April - and concern about the impact changes would have on the economy.

This saw a sharp decline in equity markets and swift rotations within them. Moves were exaggerated by the previously crowded positioning and by the impact of systematic strategies. The S&P/ASX 300 price index fell over 9% from its highs at one point. The S&P/ASX 300 Total Return index finished down -2.85% for the period.

Portfolio Update
The model finished behind the index for the quarter.

There were notable positive contributions came from companies which delivered well-received results such as QBE Insurance (QBE), Telstra (TLS), Nine Entertainment (NEC), Qantas (QAN) and Medibank Private (MPL). Not owning Wisetech (WTC) and Fortescue (FMG) was also beneficial.

However this was offset by stocks whose earnings disappointed – notably CSL (CSL) and Viva Energy (VEA). We sold out of Viva Energy, but retain conviction in the upside for CSL. A rotation away from growth names such as Xero (XRO) and Technology One (TNE) also dragged, as did exposure to the US consumer via Treasury Wines (TWE).

Portfolio changes during the quarter:
Amcor (AMC): Amcor designs and manufactures packaging for a broad range of products, including food, beverages, pharmaceuticals, medical devices, home and personal care items. The stock was bought as the market is underappreciating a return to normal volume growth and the potential upside from AMC's proposed acquisition of Berry Group, which will make AMC the largest plastic packaging company in the world.

Viva Energy (VEA): Viva Energy has been sold down due to increased execution risk and a challenging economic backdrop. The integration of the "On the Run" branded fuel stations and convenience stores has faced higher-than-expected costs and complexities, diminishing confidence in VEA's ability to meet market expectations.

ANZ (ANZ): ANZ has underperformed its peers over the last eighteen months, but the balance of risks now supports establishing a position in ANZ. The stock was bought as the current valuation overstates the risks of an earnings rebase under the new CEO, and progress on ANZ Plus has accelerated, providing potential for a rebase in expectations.

Orica (ORI): Orica manufactures explosives, blasting systems, and specialty mining chemicals, with a significant portion of revenue coming from Asia Pacific. The stock was bought as the company is hitting an inflection point in terms of capital spending, with strong cash conversion and a healthy balance sheet, opening the door to capital return to shareholders.

Market Outlook
Having seen the initial sell-off we may see a period of consolidation and attempts to bounce.

However the next phase could be a grind lower, depending on the economic and policy path.

The US market does not yet have valuation support, being well above the average price/earnings multiple reached in recessions. The other issue is earnings risk. The market consensus still sits at high-single-digit growth. If we get a recession there is further downside risk here.

Our view is that the Australian economy is well protected and should avoid recession.

This is supported by the high degree of fiscal stimulus, scope for rate cuts, a weaker currency, limited exposure to US exports and low level of tariffs.

The key risk is contagion from a broader global recession and a possible terms-of-trade shock from lower commodity prices.

Stimulus from Beijing could provide additional support.

There is a lot of work in understanding the effects of tariffs on ASX-listed stocks. There are direct effects on some – although companies are still largely unsure of the ultimate outcome. The other – usually larger – risk is to companies with exposure to US consumption which may deteriorate.

This environment highlights the importance we place on managing thematic exposures and not being leveraged to one particular economic scenario or pathway.

We are also very mindful of the extremes in mispricing that occur in market episodes such as this. This provides the opportunity to establish positions in companies that drives future performance.

We have held back so far from stepping into heavily sold-down stocks given the degree of change in the global outlook.

Given the scale of moves and liquidity available in the funds we may well start deploying some of this.

The focus here will not be on the high beta names such as tech, where the market remains over-exposed.

Instead, we are likely to be looking at well-positioned industrial names with strong cashflow and no exposure to tariff risk.

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.