MyNorth Managed Portfolios

PENDAL SUSTAINABLE FUTURE AUSTRALIAN SHARE PORTFOLIO

Monthly Update for Month Ending March 2025

Investment objective

To deliver outperformance relative to the benchmark over a rolling five-year period by investing in companies which Pendal has identified as having leading financial, ethical and sustainability characteristics.

Key information

Code	NTH0219
Manager name	Pendal
Inception date	29 November 2021
Benchmark	S&P/ASX 300 TR Index
Asset class	Australian Equities
Number of underlying assets	31
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	7/Very 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.

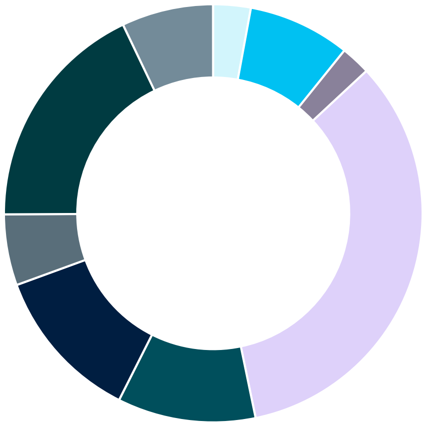
Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	6.46	-2.81	-1.80	-1.12	5.13	6.19	-
Income	3.44	0.44	1.11	1.55	3.24	3.42	-
Growth	3.02	-3.25	-2.91	-2.67	1.89	2.77	-
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	2.9
Communication Services	7.9
Consumer Discretionary	2.3
Financials	33.7
Health Care	10.7
Industrials	12.0
Information Technology	5.5
Materials	18.0
Real Estate	7.1

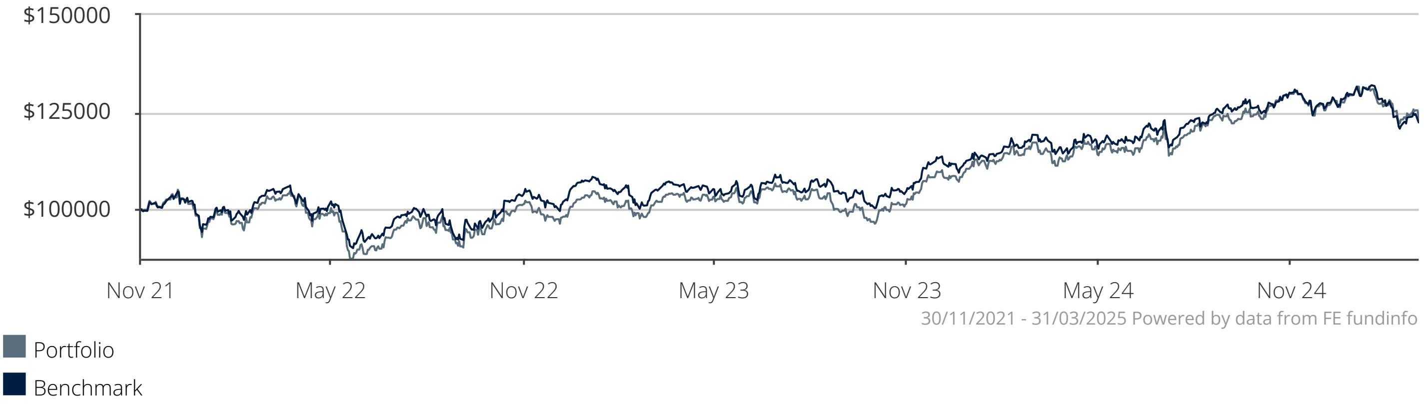
Sector allocation data sourced via Ausiex® from Australian Stock Exchange.

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 (%)
Als Limited Ordinary Fully Paid	2.3
ANZ Group Holdings Limited Ordinary Fully Paid	2.9
Bluescope Steel Limited Ordinary Fully Paid	1.4
Brambles Limited Ordinary Fully Paid	3.7
Cash Account	2.8
Charter Hall Group Stapled Securities US Prohibited	2.3
Commonwealth Bank Of Australia Ordinary Fully Paid	8.4
CSL Limited Ordinary Fully Paid	8.8
Downer Edi Limited Ordinary Fully Paid	2.8
Fortescue Ltd Ordinary Fully Paid	3.0
Goodman Group Fully Paid Ordinary/Units Stapled Securities	2.0
James Hardie Industries PLC Chess Depositary Interests 1:1	1.1
JB Hi-Fi Limited Ordinary Fully Paid	2.3
Lynas Rare Earths Limited Ordinary Fully Paid	1.4
Macquarie Group Limited Ordinary Fully Paid	3.4
Medibank Private Limited Ordinary Fully Paid	2.9
National Australia Bank Limited Ordinary Fully Paid	4.5
Nextdc Limited Ordinary Fully Paid	1.1
Northern Star Resources Ltd Ordinary Fully Paid	3.0
Pilbara Minerals Limited Ordinary Fully Paid	1.1
Qantas Airways Limited Ordinary Fully Paid	3.3
QBE Insurance Group Limited Ordinary Fully Paid	3.4
REA Group Ltd Ordinary Fully Paid	1.2
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	1.8
RIO Tinto Limited Ordinary Fully Paid	6.5
Sandfire Resources Limited Ordinary Fully Paid	1.1
Scentre Group Fully Paid Ordinary/Units Stapled Securities	2.8
Suncorp Group Limited Ordinary Fully Paid	3.2

Holding	Allocation (%)
Telstra Group Limited Ordinary Fully Paid	6.6
Westpac Banking Corporation Ordinary Fully Paid	4.7
Xero Limited Ordinary Fully Paid	4.3

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 ahead of the index in March.

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

This more than offset the detraction from CSL (CSL) – where we maintain conviction in the upside – and from Orora (ORA). A rotation away from growth names such as Xero (XRO) and NextDC (NXT) also dragged.

Portfolio changes during the quarter:
We are adjusting the portfolio's cyclical exposure via the addition of Sandfire Resources (SFR), funded by the sale of Orora (ORA).

Sandfire Resources is a copper-focused miner. Copper production is classified as a Sustainable Product and Service within our model's sustainability framework, given that it supports electrification and renewables development as part of the Energy Transition thematic

SFR's two key producing assets are the MATSA Copper Operations in Spain, acquired in February 2022, and the Motheo Copper Operations in Botswana, which began producing in the June 2023 quarter. It has recently retired its De Grussa copper mine in Western Australia and is also undertaking feasibility studies on a project in the US.

We have a positive outlook for the copper price. Demand is underpinned by the investment in energy transition and renewal energy and also by the infrastructure requirements by generative AI. At the same time, growth in copper supply has been relatively muted. These dynamics support the copper price and provide an earnings tailwind for Sandfire.

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.