MyNorth Managed Portfolios

BETASHARES DYNAMIC ETF MANAGED PORTFOLIO HIGH GROWTH

Monthly Update for Month Ending March 2025

Investment objective

Aims to match or outperform the benchmark return over a rolling seven-year period.

Key information

Code	NTH0205
Manager name	BetaShares Capital
Inception date	29 November 2021
Benchmark	Morningstar Australia Aggressive Target Allocation NR AUD
Asset class	Diversified
Number of underlying assets	12
Minimum investment horizon	7 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'0.38%
Performance fee	'0%
Estimated net transaction costs	'0.03%
Estimated buy/sell spread	'0.00%/0.00%
Risk band/label	6/High
Minimum investment amount	$500

About the manager

BetaShares Capital

BetaShares is an Exchange Traded Fund (ETF) and Managed Portfolios specialist Australian fund manager. Founded in 2009, their aim is to provide intelligent investment solutions to help Australian investors meet their financial objectives.

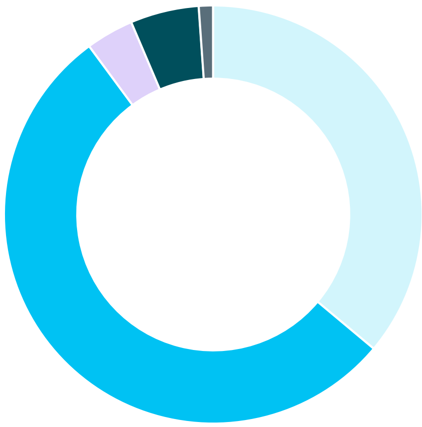
Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	6.15	-3.63	-2.31	0.80	4.75	7.47	-
Income	3.33	0.02	0.80	1.17	2.71	3.40	-
Growth	2.82	-3.65	-3.11	-0.37	2.04	4.07	-
Benchmark[2]	6.40	-3.27	-1.71	0.65	6.07	7.49	-

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

Asset allocation



as at 31 March 2025

Growth assets	Allocation (%)
Australian Equities	36.1
International Equities	53.8
Property	0.0
Other	3.7
Total	**93.6%**

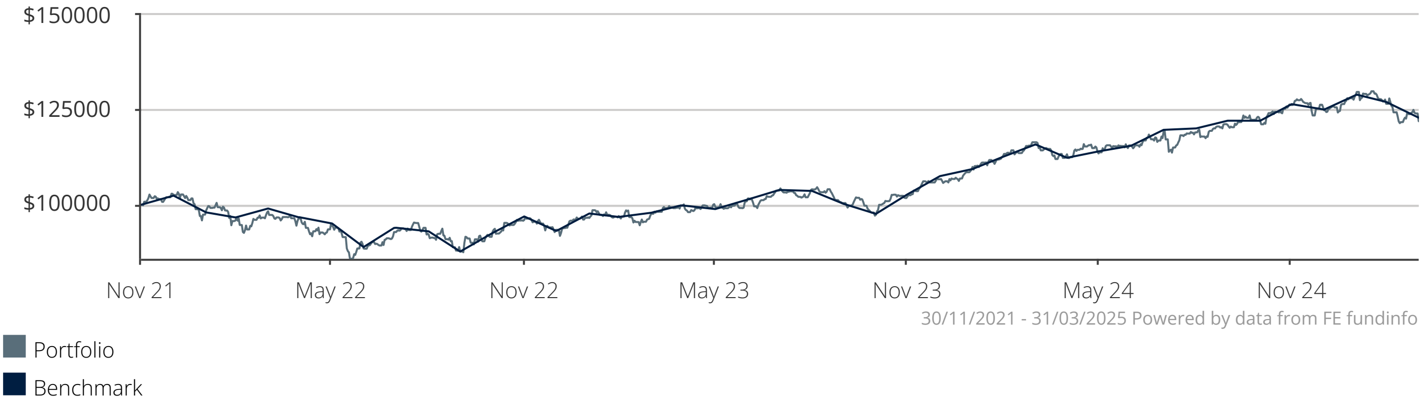
Defensive assets	Allocation (%)
Australian Fixed Interest	5.3
International Fixed Interest	0.0
Cash	1.1
Total	**6.4%**

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 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	Asset class	Allocation (%)
Betashares Australia 200 Etf Betashares Australia 200 Etf	Australian Equities	18.0
Betashares Global Shares Currency Hedged Etf Betashares Global Shares Currency Hedged Etf	International Equities	16.5
Vanguard US Total Market Shares Index Etf Vanguard US Total Market Sha	International Equities	14.8
Vanguard All-World Ex-Us Shares Index Etf Vanguard All-World Ex-Us Sha	International Equities	11.0
Betashares Ftse Rafi Australia 200 Etf Betashares Ftse Rafi Australia	Australian Equities	9.0
Betashares S&P 500 Equal Weight Etf Betashares S&P 500 Equal Weight Et	International Equities	7.0
Betashares Australian Quality Etf Betashares Australian Quality Etf	Australian Equities	5.3
Betashares Global Quality Leaders Etf Betashares Global Quality Leader	International Equities	5.3
Betashares Australian Composite Bond Etf Betashares Australian Composi	Australian Fixed Interest	5.0
Betashares Australian Momentum Etf Betashares Australian Momentum Etf	Australian Equities	3.8
iShares Core FTSE Global Infrastructure (AUD Hedged) ETF	Other	3.5
Cash Account	Cash	1.0

Quarterly manager commentary

Market Update

US President Donald Trump's threat of higher tariffs (taxes) on imports into the United States was a key market development over the past three months. Also notable was the launch of DeepSeek, a Chinese large language model with the potential to provide artificial intelligence research services at significantly cheaper cost than currently offered by leading US technology companies.

President Trump floated several tariffs proposals over the period, which generated significant market volatility out of concern that these taxes – along with potential retaliation from trading partners – could dampen global economic growth and place upward pressure on inflation.

Reflecting a slowing in the rate of decline in inflation, the US Federal Reserve cut interest rates in December though scaled back its expectations for rate cuts in 2025 and kept interest rates on hold at the January policy meeting. Markets still anticipate around two further US rate cuts later this year.

The launch of DeepSeek, moreover, gave rise to questions over the continued dominance of US companies in the development of artificial intelligence, especially if these services could be provided with significantly less need for electrical power, data centres and high-end computer chips. This concern added to the weakness in the US technology sector, especially for leading computer chip company, Nvidia.

Other noteworthy global developments were German elections, which saw a change in government and Chancellor, although with the extreme right-wing party, Alternative for Germany (AfD), kept from power. The new Chancellor, Friedrich Merz, has spoken of the need to boost German defense spending and legislative changes to allow for more fiscal stimulus.

The Bank of Japan also raised interest rates though, as it was better telegraphed to markets, resulted in less market volatility than its previous hike in August last year.

All up, US 10-year bond yields edged up 0.04% over the three months to end February to 4.21%. German 10-year bond yields rose a stronger 0.32% to 2.41%, while Japanese 10-year yields lifted by 0.33% to 1.38%. The yield-to-maturity for the Bloomberg Global Aggregate Bond Index edged up slightly by 0.02% to 3.54%.

Broadly steady overall global yields meant the Bloomberg Global Aggregate Bond Index ($A hedged) returned 0.7% - similar to the gain in the previous three-month period.

In Australia, the lower-than-expected December quarter consumer price index (CPI) result – with "trimmed mean" annual underlying inflation falling to 3.2% – led the Reserve Bank to cut interest rates in February.

Markets anticipate at least two more RBA rate cuts this year, as underlying inflation falls back within the RBA's 2 to 3% target band. Economic growth remained subdued, weighed down by weak consumer spending. Employment growth remained solid, with the unemployment rate at a still low 4.1%. Economic growth lifted modestly in the December quarter to 0.6%, though private demand remained subdued with 0.4% growth while public demand grew by a stronger 1.0%.

Australian 10-year government bond yields edged down 0.05% over the period, with the yield on the Bloomberg Australian Composite Bond Index declining 0.16% to 4.27%. As a result, returns from the Bloomberg Australian Composite Bond Index rose by 1.6%, following a decline of 0.5% in the previous three-month period.

Among defensive assets, gold prices continued to move higher, with a solid 8.1% gain after a strong 5.6% gain over the previous three-month period. Global trade tensions and central banks buying to diversify reserve asset holdings continued to underpin support for gold.

The MSCI All-Country World Equity Index returned 0.8% in local currency terms, reflecting a solid 1.9% gain in forward earnings partly offset by a decline in the price-to-earnings valuation to 18.3. In unhedged $A terms, global equities returned a stronger 5.1% reflecting weakness in the Australian dollar, which fell from US65.1c to US62.1c.

Across regions, a notable development was the underperformance of US stocks relative to non-US stocks. The US S&P 500 returns declined by 1.0%, where Europe's S&P 350 index returned 12.5%, and the MSCI Emerging Markets index returned 2.5%. Japan's Nikkei 225 returns declined by 2.6%. Global value stocks outperformed growth stocks over the period, helped by strength in Financials. Small Cap stocks, however, continue to lag large cap stocks.

In Australia, returns on the S&P/ASX 200 Index declined by 2.6%, led by a 4.1% decline in the price-to-forward earnings (PE) valuation to 17.7. Forward earnings rose 0.9%, with dividends returning 0.6%. Among sectors, Technology, Listed Property and Health Care had the biggest declines while Industrial and Consumer Discretionary stocks posted the strongest positive returns.

Portfolio Update

Returns across both Defensive and Growth assets were positive over the period to end-February, though Defensive asset returns were marginally stronger.

Overall Defensive assets returned 1.3%, while Growth assets returned 0.8%.

As a result, the suite of dynamic managed accounts produced positive returns over this period. The Balanced portfolio returned 1.2%, or slightly ahead of its SAA benchmark return – helped by our overweight position in gold. Gold (via our position in QAU ETF) performed strongly with a 7.0% return over the quarter.

Australian fixed-rate bond returns, via the OZBD ETF, returned 2.0%. Global fixed-rate bonds, via the VBND ETF, returned 0.5%. Australian floating-rate bonds, via the QPON ETF, returned 1.5%, while the cash AAA ETF returned 1.1%.

Among Growth assets, global equities outperformed Australian equities, with especially strong gains in non-US equities. Currency-hedged developed market global equities (HGBL) returned 0.8%. Due to the weaker Australian dollar, unhedged global equity returns were stronger, with non-US equities (VEU) returning 7.9% reflecting solid gains in Europe and emerging markets. Unhedged US equities (VTS) returned 2.7%. Global infrastructure (GLIN) declined by 1.7%.

Among "smart beta" global equity exposures, the global quality ETF (QLTY) returned 3.3% slightly underperforming overall unhedged global equity returns. The equally-weight US stock ETF (QUS) also slightly underperformed its market-cap-weighted counterpart (VTS) with a 0.9% return.

Australian equities pulled back over the period, with returns from the A200 ETF down 2.6%. The fundamentally weighted equity ETF (QOZ) and the Australian quality ETF (AQLT) both outperformed their market-cap weighted counterpart (A200), with smaller return declines of 2.1% and 1.5% respectively.

Portfolio changes during the quarter:

The Committee has decided to refrain from overweighting non-US markets versus the US market specifically and remained more comfortable with a modest overweight to overall growth assets, with this favouring hedged global equities. This reflects the relatively stronger global earnings outlook compared to Australia, and an expected eventual weakening in the US dollar given its high historic valuation. The Australian corporate earnings outlook, although improving, remains patchy.

The Investment Committee also retained a modest overweight exposure to gold within Defensive assets. Gold is both a hedge against a potential upsurge in geo-political and trade risk and should benefit from further central bank buying.

To fund these overweight exposures to global equities and gold, the managed accounts retain an underweight exposure to cash and, where necessary, reduced exposure to bonds.

The Committee also conducted the annual Strategic Asset Allocation (SAA) Review. Key outcomes were:

1. No change to the strategic asset allocations at an asset class level and across risk profiles due to unchanged long-run capital market assumptions.

2. Increase the weight of US equities within global equities due to year-end rebalancing back to the global equity benchmark levels.

3. Introduction of ‘Momentum’ style factor within the Australian Equities asset class for the Dynamic series due to its potential for enhanced long-run risk-adjusted portfolio returns.

4. An increase in the smart beta ETF allocation from 40% to 50% within Australian equities due to their overall improved risk-adjusted return potential through the inclusion of the momentum factor.

Market Outlook

Economic and market developments over the past few months have become somewhat more challenging, thanks in large part to the range of policy proposals announced by newly elected US President Donald Trump.

Although risks of at least a short-run equity market correction have increased, the Committee remained of the view that the return of Trump had not dislodged the likely main economic narrative for the year ahead, namely easing underlying inflation, resilient economic growth and corporate earnings, supported by further likely central bank rate cuts.

As such the Committee decided to leave unchanged all dynamic asset class tilts.

An important consideration in this regard is whether President Trump would continue to pursue policies – such as significant tariff increases or government spending cuts – if these seriously risked the performance of the US economy and/or Wall Street.

The assessment of the Committee is that he would not, though this did not rule out the possibility of economic or market volatility in the short-term before the President then relented and changed course. Trump’s choice of a well-respected hedge fund manager, Scott Bessent, as his Treasury Secretary provides some grounds for optimism that economic policies won’t persist in being too market disruptive.

There are also other grounds for global economic optimism. In Europe, the new German Government seems likely to pursue more expansionary fiscal policy, especially in defense. China also continues to provide stimulus to its economy in the face of ongoing property sector imbalances, with a recent welcome warming in support for technology entrepreneurs. Ahead of likely tariff increases, inflation also continues to ease in most economies, with central banks generally maintaining an easing policy bias. Annual growth in the core US consumption price deflator eased to 2.6% in January, after having been stuck at 2.8% for several months. Although tariffs pose an upside risk to goods inflation, an easing in US labour market tightness and weakening in housing rents bode well for further further declines in core services and housing inflation over the coming year.

Although US equity valuations remain elevated, the Committee noted this is less evident in other parts of the world. Central bank rate cuts suggest a further easing in long-term bond yields which should help support equity valuations. As noted above, corporate earnings growth expectations also remain positive.

Within global equity markets, cheaper valuations, greater US policy uncertainty, more Chinese and European fiscal stimulus and threats to the dominance of US technology companies given the arrival of DeepSeek suggests a risk of rotation in relative performance toward non-US markets over the coming year.

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.