

Monthly Update for Month Ending September 2024

### Investment objective

Aims to deliver a predominantly income based investment return of 2.5% p.a. above inflation over rolling 3 year periods.

### Key information

<b>Code</b>	NTH1020
<b>Manager name</b>	Quilla
<b>Inception date</b>	30 June 2019
<b>Benchmark</b>	Consumer Price Index (CPI) Trimmed Mean + 2.5%
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	18
<b>Minimum investment horizon</b>	3 years
<b>Portfolio income</b>	Default - Paid to Platform Cash
<b>Management fees and costs</b>	0.88%
<b>Performance fee</b>	0.11%
<b>Estimated net transaction costs</b>	0.09%
<b>Estimated buy/sell spread</b>	0.09%/0.09%
<b>Risk band/label</b>	3/Low to Medium
<b>Minimum investment amount</b>	\$500

### About the manager

#### Quilla

Quilla is an independent investment consultant servicing Financial Advisers and Institutional Investors. They provide off the shelf and customised solutions to meet clients' specific needs. They offer access to a diverse range of investments globally that they blend with a focus on wealth preservation. Their independence means they are free of conflicts and always act in the best interests of their clients. They conduct their own research, build their own systems, and think for themselves to deliver valuable investment insights.

### Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return <sup>1</sup>	5.02	1.51	3.44	3.77	10.94	5.42	5.01
Income	4.35	0.10	1.74	2.37	4.67	4.69	4.43
Growth	0.67	1.41	1.70	1.40	6.27	0.73	0.58
Benchmark <sup>2</sup>	5.95	0.52	1.60	3.20	6.61	7.42	6.04

### Asset allocation



as at 30 September 2024

Growth assets	Allocation (%)
Australian Equities	14.7
International Equities	26.1
Property	0.2
Other	0.0
<b>Total</b>	<b>41.0%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	43.0
International Fixed Interest	7.8
Cash	8.2
<b>Total</b>	<b>59.0%</b>

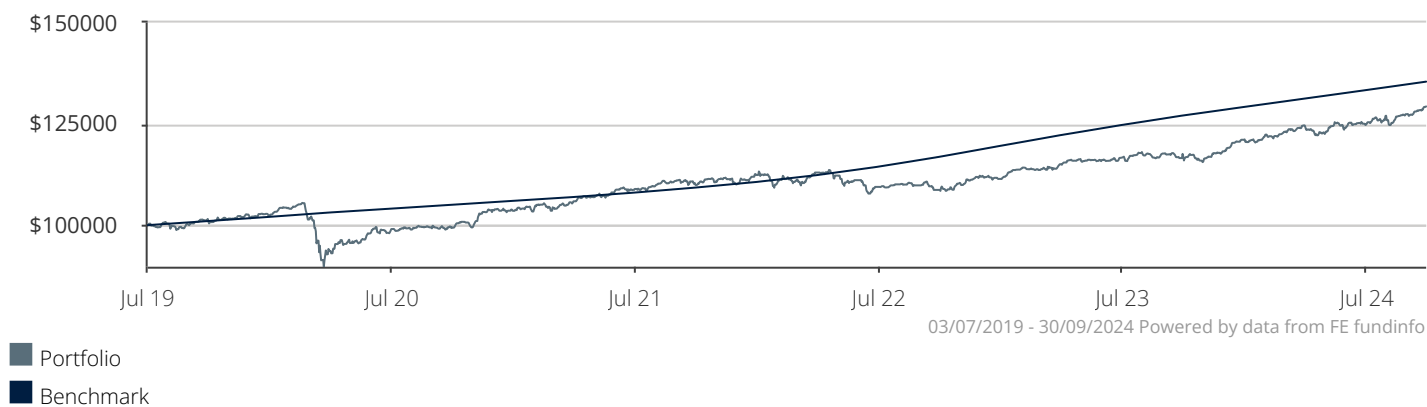
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<sup>1</sup> 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

<sup>2</sup> 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 03/07/2019



## Managed portfolio holdings<sup>3</sup>

Holding	Asset class	Allocation (%)
Alexander Credit Income Fund	Australian Fixed Interest	12.6
MyNorth Australian Fixed Interest Index	Australian Fixed Interest	10.9
Global X US Treasury Bond Etf (Currency Hedged). Global X US Treasury	International Fixed Interest	10.6
Realm Short Term Income Fund	Australian Fixed Interest	9.8
Vanguard Australian Shares High Yield Etf Vanguard Australian Shares H	Australian Equities	7.2
Fortlake Real Income	Australian Fixed Interest	6.8
Jpm Us100q EQ Prem Inc Active Etf (Managed Fund) Jpm Us100q EQ Prem Inc Active Etf (Managed Fund)	International Equities	6.7
Quilla Risk Overlay Trust	Other	5.1
Talaria Global Equity Fund	International Equities	4.9
Fisher Investments Australasia Global Equity Focused Fund - Z Class	International Equities	4.5
Australian Eagle Trust	Australian Equities	4.1
Ishares China Large-Cap Etf Ishares China Large-Cap Etf	International Equities	3.6
CC Sage Capital Absolute Return Fund	Other	3.1
DNR Capital Australian Equities High Conviction Fund - W-Class	Australian Equities	3.1
Lazard Global Equity Franchise Fund - Class S	International Equities	3.0
ClearBridge RARE Infrastructure Income Fund - Hedged Class B Units	International Equities	3.0
Cash Account	Cash	1.0

## Quarterly manager commentary

### Market Update

Global equity markets experienced strong gains in the third quarter of 2024 with the MSCI World Index (USD) reaching all-time highs, gaining 6.5%. A significant 50 basis point interest rate cut by the US Federal Reserve (Fed) signalled the start of the US interest rate cutting cycle while a blitz of fiscal and monetary policy stimulus by Chinese authorities lifted global equity markets. Resilient economic growth data coupled with moderating inflation continued to provide a supportive underpin to global markets during the quarter.

The Australian share market traded at all time highs gaining 7.9% in the quarter. Similarly, US equities rallied and the S&P500 produced a 5.9% return, maintaining a strong uptrend. Chinese shares produced the strongest gains over the quarter rallying 17.9% as significant stimulus measures announced by Chinese authorities buoyed Chinese shares and shares of companies linked to the prospects of the Chinese economy. Global equity markets did experience increased levels of volatility in the quarter as mixed economic data swung investor sentiment.

The Australian dollar strengthened by 3.9% against the US dollar lifted by a combination of US rate cuts and positive sentiment towards commodity related markets.

Australian bonds rallied during the quarter with the benchmark 10-year bond yield dropping below the 4% level. US bond markets also rallied strongly as the US Fed began its interest rate cutting cycle. The benchmark US 10-year bond yield dropped by 58 basis points as bonds cheered the outsized interest rate cut from the Fed in September.

### Portfolio Update

The portfolio delivered a return of 3.44% over the June quarter.

The top asset class contributors this quarter were Australian fixed income, Australian equities and Emerging Market equities. There were no detractors.

At a security/Fund level, the iShares China Large Cap ETF, Global X US Treasury Bond ETF and Vanguard Australian Shares High Yield ETF were the largest positive contributors, while the JP Morgan US 100Q Equity Premium Income ETF and Fisher Global Equity Focused Fund were the only detractors.

#### **Portfolio changes during the quarter:**

During the quarter, the Talaria Global Equity fund and JP Morgan US 100Q Equity Premium Income ETF holdings were increased to deliver consistent higher income. These increases were funded by removing the Martin Currie Real Income fund.

#### **Market Outlook**

Many global markets are trading close to all-time highs supported by several factors that have combined to buoy investor sentiment. Moderating inflation and resilient economic growth occurring at the same time as global central banks embark on the early stages of monetary policy easing provides a supportive backdrop for financial markets and a soft economic landing.

There are risks though that can shift the growth outlook. Weakening labour markets and softening consumer trends are increasing the probability that major economies could enter a recession. These concerns are recognised by governments and central banks who are actively attempting to support economies through decisive policy actions.

Given the current market dynamics, a balanced approach to portfolio management is crucial. Maintaining a diversified portfolio that considers both risks and potential returns will help navigate the evolving economic landscape effectively.

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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