

Quarterly update for month ending December 2023

### Investment objective

Aims to provide income with a high level of capital growth and a high level of capital volatility.

### Key information

<b>Code</b>	NTH1026
<b>Manager name</b>	Zenith Investment Partners
<b>Inception date</b>	3 July 2019
<b>Benchmark</b>	Morningstar Australia Aggressive Target Allocation NR
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	21
<b>Minimum investment horizon</b>	5 years
<b>Portfolio income</b>	Paid to Cash Account
<b>Management fees and costs</b>	0.78%
<b>Performance fee</b>	0.20%
<b>Estimated net transaction costs</b>	0.03%
<b>Estimated buy/sell spread</b>	0.17%/0.17%
<b>Risk band/label</b>	6/High
<b>Minimum investment amount</b>	\$500

### About the manager

#### Zenith Investment Partners

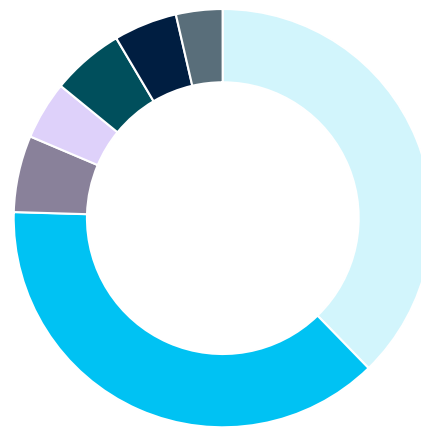
Zenith is an Australian research house, specialising in managed funds research and consulting. Established in 2002, Zenith works with clients to build out managed portfolios solutions, investment capability and governance. Zenith's portfolio idea generation arises from annual reviews of the strategic asset allocation, quarterly sector reviews and manager selection. Manager selection is a key value add. This input occurs through Zenith's market-renowned annual sector reviews ratings, ranking and themes, and analyst best ideas portfolios

### Returns

as at 31 December 2023

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return <sup>1</sup>	4.30	4.44	6.34	5.58	11.47	4.37	-
Income	3.27	0.01	0.12	2.15	3.34	3.40	-
Growth	1.03	4.43	6.22	3.43	8.13	0.97	-
Benchmark <sup>2</sup>	7.59	4.68	7.27	6.16	15.46	8.25	-

### Asset allocation



as at 31 December 2023

Growth assets	Allocation (%)
Australian Equities	37.7
International Equities	37.7
Property	5.9
Other	4.5
<b>Total</b>	<b>85.8%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	5.6
International Fixed Interest	4.9
Cash	3.6
<b>Total</b>	<b>14.1%</b>

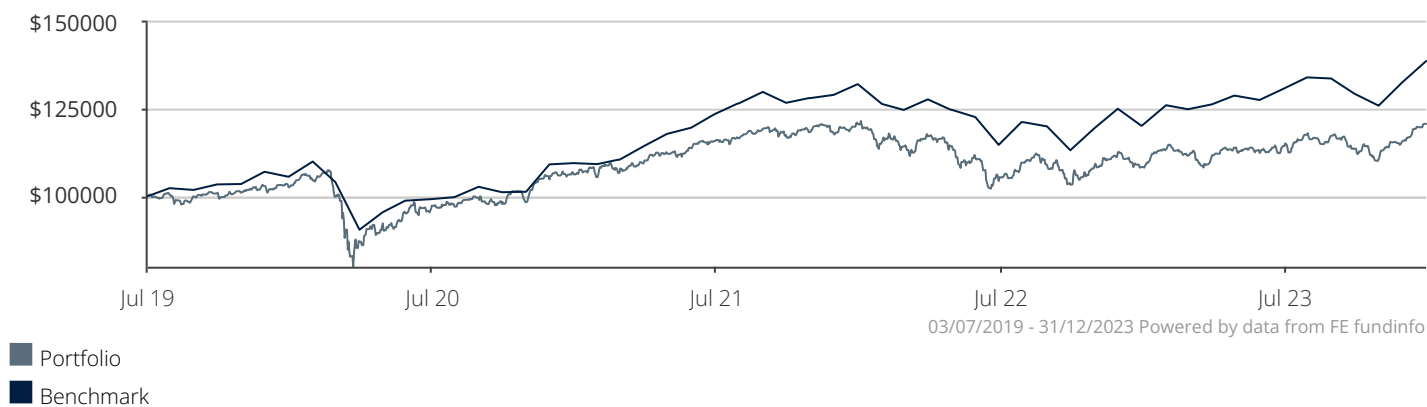
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<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> The applicable Benchmark for this portfolio is shown in the Key Information section.

## Performance history

\$100,000 invested since 03/07/2019



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

Holding	Asset class	Allocation (%)
Invesco Wholesale Australian Share Fund - Class M	Australian Equities	12.9
Solaris Core Australian Equity Fund (Performance Alignment)	Australian Equities	9.7
T.Rowe Price Global Equity - M Class (Hedged)	International Equities	9.0
AXA IM Sustainable Equity Fund	International Equities	7.8
GQG Partners Global Equities	International Equities	7.4
Bennelong ex-20 Australian Equities Fund	Australian Equities	6.6
PIMCO Global Bond Fund - Wholesale Class	International Fixed Interest	5.5
Western Asset Australian Bond Fund - Class A	Australian Fixed Interest	5.3
Allan Gray Australian Equity - Class B	Australian Equities	5.1
Eiger Australian Small Companies Fund - Class P	Australian Equities	4.8
Fisher Investments Australasia Global Small Cap Equity Fund - Z Class	International Equities	4.2
Aikya Emerging Markets Opportunities Fund (Class I)	International Equities	3.6
Lazard Global Listed Infrastructure Fund	International Equities	3.5
Resolution Capital Global Property Securities Fund	Property	3.2
iShares Hedged International Equity Index Fund - S class	International Equities	3.0
Man AHL Alpha (AUD) - Class B	Other	2.4
Janus Henderson Global Multi-Strategy Fund - Institutional Class	Other	2.2
Vanguard Australian Property Securities Index Fund (W)	Property	2.0
Cash Account	Cash	2.0

## Quarterly manager commentary

### Market Update

The growing expectation of interest rate cuts, sooner than expected, was a key market driver over the quarter. This resulted in significant rallies across markets.

In Australia, the share market posted strong gains for the December quarter. Property shares, such as Scentre Group, and Healthcare shares, like CSL, led the quarter's gains. Australian banks continued to profit from higher earnings, while the miners, such as BHP and Rio Tinto, benefited from rising commodity prices.

Similarly, global shares ended the year on a very strong note, driven by clear signs that the interest rate hiking cycle in the United States is likely over. Technology shares, led by the so-called "Magnificent Seven" (Apple, Microsoft, Alphabet, Amazon, Tesla, Nvidia and Meta), were the key performers over the quarter, while global Property shares were also buoyed.

In its final meeting of 2023, the Reserve Bank of Australia (RBA) held the cash rate at its current level of 4.35%, stating there had been "encouraging signs of progress" in bringing inflation down, although they required time to assess the impact and would not hastily lower the cash rate. This more cautious stance adopted by the RBA relative to its US counterpart boosted the Australian dollar.

### Portfolio update

The portfolio grew by 6.34% over the quarter, and by 11.47% over the 12-month period to 31 December 2023.

Listed Property was the strongest performer over the quarter, followed by Australian Shares and International Shares. Your Bond exposures delivered

strong results, while your diversifying strategies were the only laggards over the period. Over the year, International Shares were the key driver of absolute performance, with substantial contributions also coming from Australian Shares and Bonds.

## Market Outlook

The prospect of a 'soft-landing' scenario seems increasingly plausible. This scenario is where interest rates are lifted just enough to curb inflation without causing a major recession or a meaningful spike in unemployment. This scenario is broadly positive for markets, although we will likely see economic growth slow below the current trend. With this in mind, we currently favour areas of the market that we believe offer attractive value (i.e. markets which didn't rally as strongly in 2023) and higher growth potential, such as global & Australian smaller companies and emerging market shares.

We remain comfortable with the current structure of your portfolio. Consequently, no changes have been made this quarter.

<sup>3</sup> 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.

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