MyNorth Managed Portfolios

MORNINGSTAR AGGRESSIVE PORTFOLIO

North

Monthly Update for Month Ending March 2025

Investment objective

To achieve capital growth through investing in a diversified portfolio of growth and defensive asset classes, with a greater emphasis on growth asset classes. The portfolio aims to outperform the benchmark over rolling eight-year periods.

Key information

Code	NTH0300
Manager name	Morningstar
Inception date	30 September 2022
Benchmark	Consumer Price Index (CPI) + 4.0%
Asset class	Diversified
Number of underlying assets	34
Minimum investment horizon	8 years
Portfolio income	Default - Reinvest
Management fees and costs	'0.77%
Performance fee	'0%
Estimated net transaction costs	'0.07%
Estimated buy/sell spread	'0.04%/0.03%
Risk band/label	6/High
Minimum investment amount	$25,000

About the manager

Morningstar

Morningstar is a provider of investment management, asset allocation, portfolio construction and investment research services with over 35 years' experience in the United States, Australia and other international markets. Morningstar advises on, and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals.

Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	12.94	-1.72	1.29	0.64	6.60	-	-
Income	3.89	0.11	0.58	1.24	4.37	-	-
Growth	9.05	-1.83	0.71	-0.60	2.23	-	-
Benchmark[2]	7.06	-	-	1.21	4.53	-	-

* 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	26.3
International Equities	44.2
Property	4.2
Other	4.4
Total	**79.1%**

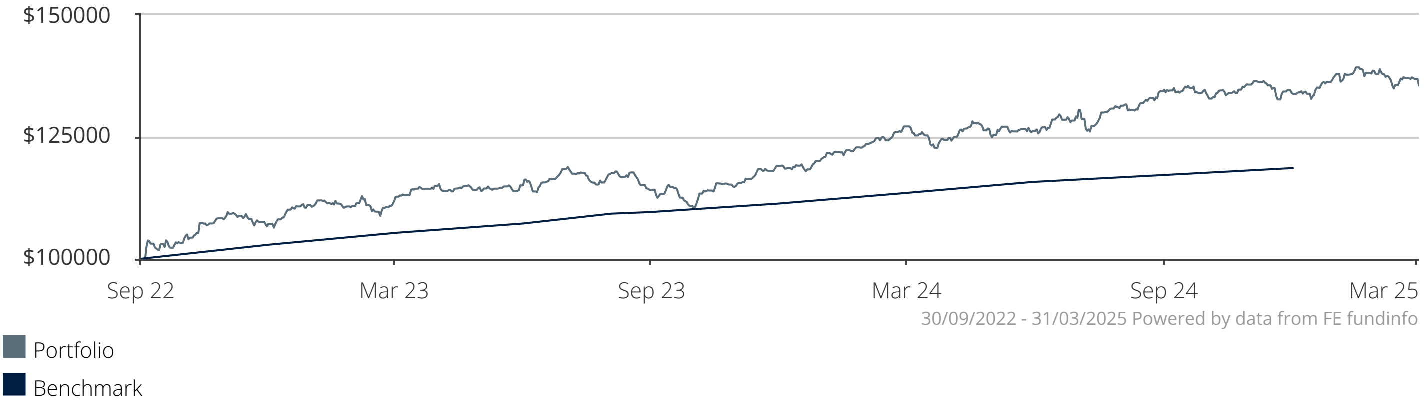
Defensive assets	Allocation (%)
Australian Fixed Interest	10.7
International Fixed Interest	4.7
Cash	5.5
Total	**20.9%**

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 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 30/09/2022



Managed portfolio holdings[3]

Holding	Asset class	Allocation (%)
Morningstar Global Opportunities Fund	International Equities	11.1
Morningstar International Shares Active Etf (Managed Fund) Morningstar	International Equities	9.2
Ishares Core S&P/ASX 200 Etf Ishares Core S&P/ASX 200 Etf	Australian Equities	8.9
Morningstar Multi Asset Real Return Fund - Class Z	Other	8.1
Ishares Core Msci World EX Australia Esg Etf Ishares Core Msci World E	International Equities	5.7
Morningstar Australian Share Fund	Australian Equities	5.7
Ishares Core Composite Bond Etf Ishares Core Composite Bond Etf	Australian Fixed Interest	4.9
Ishares Core Msci World EX Aus Esg (Aud Hed) Etf Ishares Core Msci Wor	International Equities	4.4
Vanguard Australian Fixed Interest Index Etf Vanguard Australian Fixed	Australian Fixed Interest	4.4
Morningstar International Bonds (Hedged) Fund - Class Z	International Fixed Interest	4.0
iShares Core FTSE Global Infrastructure (AUD Hedged) ETF	Other	3.8
Ishares China Large-Cap Etf Ishares China Large-Cap Etf	International Equities	2.8
Vaneck Ftse International Property (Aud Hedged) Etf Vaneck Ftse International Property (Aud Hgd) Etf	Property	2.7
Cash Account	Cash	2.2
Morningstar International Shares Core (Hedged)	International Equities	2.1
Ishares Msci Japan Etf Ishares Msci Japan Etf	International Equities	2.0
Ishares Msci South Korea Etf Ishares Msci South Korea Etf	International Equities	1.9
Betashares Ftse 100 Etf Betashares Ftse 100 Etf	International Equities	1.9
Westpac Banking Corporation Ordinary Fully Paid	Australian Equities	1.7
Ishares Core Cash Etf Ishares Core Cash Etf	Cash	1.5
CSL Limited Ordinary Fully Paid	Australian Equities	1.2
BHP Group Limited Ordinary Fully Paid	Australian Equities	1.2
Brambles Limited Ordinary Fully Paid	Australian Equities	1.2
ANZ Group Holdings Limited Ordinary Fully Paid	Australian Equities	1.1
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	Australian Equities	0.9
Amcor PLC Cdi 1:1 Foreign Exempt NYSE	Australian Equities	0.7
Woodside Energy Group Ltd Ordinary Fully Paid	Australian Equities	0.7
Medibank Private Limited Ordinary Fully Paid	Australian Equities	0.6

Holding	Asset class	Allocation (%)
GPT Group Fully Paid Ordinary/Units Stapled Securities	Property	0.6
Dexus Fully Paid Units Stapled Securities	Property	0.6
Endeavour Group Limited Ordinary Fully Paid	Australian Equities	0.6
Newmont Corporation Cdi 1:1 Foreign Exempt NYSE	Australian Equities	0.6
James Hardie Industries PLC Chess Depositary Interests 1:1	Australian Equities	0.6
Ramsay Health Care Limited Ordinary Fully Paid	Australian Equities	0.6

Quarterly manager commentary

Market Update
President Trump's tariff pronouncements rattled global markets in the first quarter of 2025. Australia was not immune. The benchmark S&P/ASX 200 index briefly entered correction territory in February, defined as a peak-to-trough fall of between 10% and 20%. However, over the entire quarter, the ASX 200 declined by just 4%.

Perhaps the sell-down isn't surprising, given the ebullient reaction to Trump's election victory in the final months of 2024. Before the correction, large-capitalization stocks traded at a premium we'd only seen once in the past decade. We questioned why Australian investors reacted so positively to Trump's America-first, anti-China agenda. A good deal of that unwarranted optimism has been checked.

On a market cap-weighted basis, the ASX200 still looks moderately overvalued. Of course, this is skewed by larger companies, many of which trade above fair value. Only four companies in the ASX 20 (CSL, Woodside, Santos, and James Hardie) are 4- or 5-star-rated. Yet many opportunities exist outside the blue chips. However, on an equal-weighted basis, our coverage trades at an 11% discount. It was at a premium of 8% when our last Market Outlook was published in December 2024.

The first quarter of 2025 was a reminder that markets don't move in a straight line. After a stellar 2024, US large-cap stocks stumbled out of the gate, experiencing their first correction—a decline of 10% or more—since October 2023.

While market declines are always uncomfortable, perspective is key: they are inevitable, even if their timing and causes are unpredictable. Since 1980, US large-cap stocks have experienced an average intra-year decline of more than 14%. Yet, despite these setbacks, the market has finished positive in 34 of the past 44 years—roughly 75% of the time.

And while US stocks—both large caps and small caps—finished the quarter in negative territory, other asset classes helped offset the losses. International markets, including emerging markets, posted positive returns, reinforcing the benefits of a globally diversified portfolio.

One of the biggest stories of the quarter was Europe's resurgence, with European equities delivering their strongest outperformance relative to US stocks since 2006. While a single quarter doesn't dictate what comes next, history shows that leadership among asset classes rotates over time, and long-dominant trends eventually shift. The combination of low valuations, an improving earnings trajectory, and the potential for fiscal deficits in Europe is worth noting, as it could signal the potential for further upside.

Bonds continue to regain investors' trust, offering stability amid a down market for US stocks. The Bloomberg Aggregate Bond Index finished the quarter up 2.9%, reinforcing bonds' role as a ballast in portfolios. After beginning rate cuts last year, the Fed is expected to remain on an easing path for 2025. Markets currently anticipate 50 basis points of rate cuts before year-end, though that expectation could shift based on economic data.

Portfolio changes during the quarter:
Q1 of 2025 has seen US Equities (US Big Tech in particular) underperform global markets, whilst China showed continued strong performance in its rally since the second half of 2024 until recent trade tariff escalations from the Trump administration.

A strong contributor to China's recent rally is the Chinese AI/Technology progress and a shift in closer ties between the Chinese Government and Chinese technology companies. As such, we have taken profits from the iShares China Large-Cap ETF and reallocated a portion of these into a broad AUD hedged international equity exposed ETF - iShares Core MSCI World Ex Australia ESG (AUD Hedged). This reduces some of the portfolio's underweight position to US equities, including US technology stocks, whilst not adding to (unhedged) US Dollar exposure at the present time.

Within Australian equities we have increases the holding in CSL Limited following a period of relatively weak performance. Whilst CSL's smaller business divisions may be experiencing some disappointment, its core operations continue to perform well. We have initiated a new holding in Endeavour Group Ltd, a high-quality consumer staples company which includes brands such as Dan Murphys. We slightly reduced the position in iShares Core S&P/ASX 200 ETF to keep the overall Australian Equities and growth asset exposures steady within the portfolio.

Lastly, with respect to cash, we have minimised excess cash in the working cash account, instead increasing cash in the iShares Enhanced Cash ETF which offers a more diversified portfolio of short-term money market instruments. Essentially having excess cash work a little harder for investors.

Market Outlook

President Trump's sweeping new tariff regime announced in early April has sent global markets into a tailspin. Uncertainty has reached extreme levels as policymakers, businesses and consumers are grappling with how to adjust to the new US trade policy and how this may affect global trade, financial markets and even our own hip-pockets. With a high degree of certainty, President Trump's tariff changes will likely continue to dominate the headlines and markets over the course of Q2 2025, with global markets likely reacting accordingly. As with all fiscal policy changes, there will be some benefits and some consequences as to the balance of these, only time will tell. Morningstar will continue to monitor closely key economic indicators such as inflation, employment and economic growth to gain insights for investors.

Domestically, the labor market is Australia's economic bright spot, unemployment is near a 50-year low and inflation has been waning, now sitting within the RBA's 2-3% target band. On the tariff front, compared with the rest of the world, Australia got off lightly. Companies will be affected to varying degrees. We're more concerned about the indirect impact of tariffs to Australia—specifically, the impact on China's slowing economy. And the ongoing "trade war" between China and the US. That said, long-awaited stimulus from China's authorities could more than offset the damage.

The first quarter of 2025 underscored why diversification remains one of the best defenses against uncertainty. While US stocks declined, international and emerging markets provided a buffer, demonstrating the value of maintaining broad exposure across asset classes. More volatility may well be on the menu this year, but attempting to predict and react to every market move often leads to worse outcomes. The best approach? Accept volatility as a normal part of investing, ensure portfolios align with long-term plans, and only make changes if the plan—not the market—calls for it.

Rather than fearing volatility, investors would be wise to reframe their thinking—embracing it and viewing market fluctuations as opportunities when they arise. This mindset should remain top of mind as we move forward into Q2 and the remainder of 2025…

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.