

Monthly Update for Month Ending September 2024

Investment objective

To deliver a primarily capital growth over the minimum investment timeframe of 7 years through exposure across a range of asset classes by investing in listed products and equities.

Key information

Code	NTH0241
Manager name	Lonsec Investment Solutions Pty Ltd
Inception date	28 March 2022
Benchmark	Morningstar Australia Aggressive Target Allocation NR AUD
Asset class	Diversified
Number of underlying assets	37
Minimum investment horizon	7 years
Portfolio income	Default - Reinvest
Management fees and costs	'0.6%
Performance fee	'0%
Estimated net transaction costs	'0.12%
Estimated buy/sell spread	'0.02%/0.01%
Risk band/label	6/High
Minimum investment amount	\$25,000

About the manager

Lonsec Investment Solutions Pty Ltd

Lonsec Investment Solutions is a specialist model portfolio manager with extensive expertise in portfolio construction, asset allocation and investment selection, with our best ideas encapsulated in a series of Lonsec managed portfolios to meet different client needs. Lonsec's research-driven approach to portfolio construction and building quality investment solutions is underpinned by four key beliefs: 1. Dynamic approach to portfolio management. 2. Investing in high quality products rated 'Recommended' or higher. 3. Risk management focus and a rigorous governance process. 4. Diversification across asset classes.

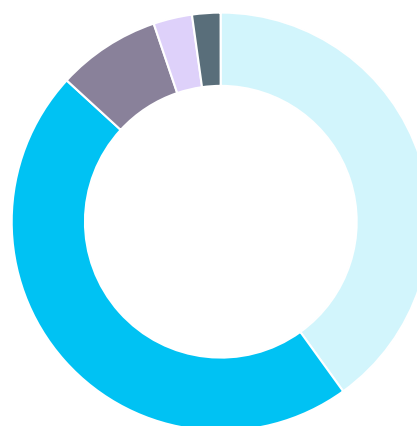
Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return ¹	7.95	2.19	4.63	5.63	20.57	-	-
Income	3.28	0.20	2.31	2.55	4.34	-	-
Growth	4.67	1.99	2.32	3.08	16.23	-	-
Benchmark ²	9.78	1.69	5.72	5.39	21.84	-	-

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

Asset allocation



as at 30 September 2024

Growth assets	Allocation (%)
Australian Equities	40.1
International Equities	46.8
Property	8.0
Other	3.0
Total	97.9%
Defensive assets	Allocation (%)
Australian Fixed Interest	0.0
International Fixed Interest	0.0
Cash	2.2
Total	2.2%

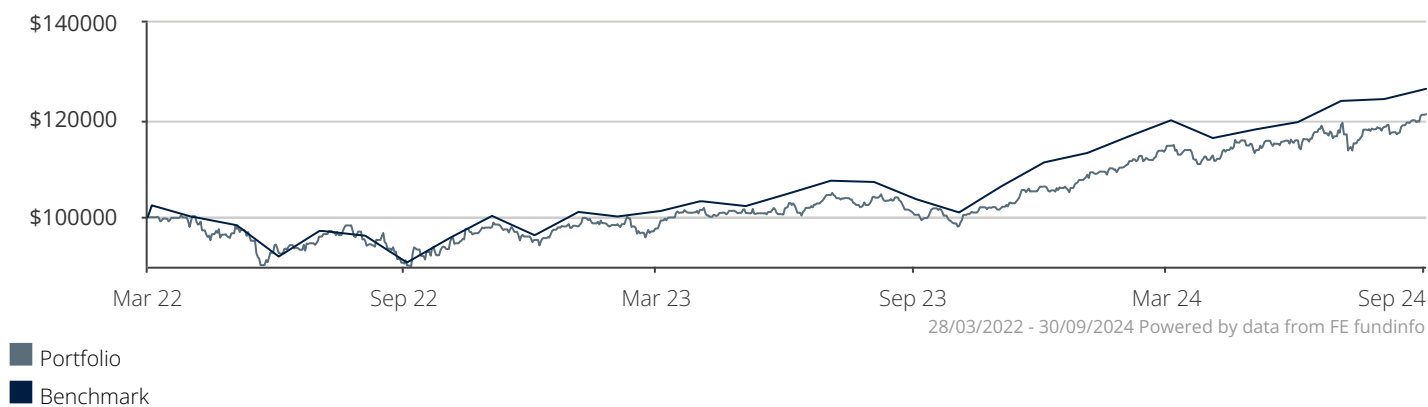
Asset allocation data sourced via Morningstar® from the underlying fund manager.

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 28/03/2022



Managed portfolio holdings³

Holding	Asset class	Allocation (%)
Vaneck Msci International Quality Etf Vaneck Msci International Qualit	International Equities	13.2
Betashares Global Shares Etf - Currency Hedged Betashares Global Share	International Equities	11.9
Vanguard Ftse Emerging Markets Shares Etf Vanguard Ftse Emerging Marke	International Equities	10.0
Barrow Hanley Global Share Fund (Managed Fund) Barrow Hanley Global Sh	International Equities	8.2
Betashares Australia 200 Etf Betashares Australia 200 Etf	Australian Equities	8.0
Vaneck Australian Resources Etf Vaneck Australian Resources Etf	Australian Equities	5.5
Vaneck Msci Intl Small Companies Quality Etf Vaneck Msci Intl Small Co	International Equities	3.9
Global X Physical Gold Global X Physical Gold	Other	3.1
Vanguard Australian Property Securities Index Etf Vanguard Australian	Property	3.0
BHP Group Limited Ordinary Fully Paid	Australian Equities	2.2
Vaneck Ftse Global Infrastructure (Aud Hedged) Etf Vaneck Ftse Global Infrastructure (Aud Hedged) Etf	Property	2.1
Commonwealth Bank Of Australia Ordinary Fully Paid	Australian Equities	2.1
Resolution Cap Global Prop Sec (Managed Fund) Resolution Cap Global Pr	Property	2.0
Cash Account	Cash	2.0
National Australia Bank Limited Ordinary Fully Paid	Australian Equities	2.0
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	Australian Equities	1.5
CSL Limited Ordinary Fully Paid	Australian Equities	1.4
Aristocrat Leisure Limited Ordinary Fully Paid	Australian Equities	1.4
Computershare Limited. Ordinary Fully Paid	Australian Equities	1.4
Macquarie Group Limited Ordinary Fully Paid	Australian Equities	1.4
Woolworths Group Limited Ordinary Fully Paid	Australian Equities	1.3
Santos Limited Ordinary Fully Paid	Australian Equities	1.3
Origin Energy Limited Ordinary Fully Paid	Australian Equities	1.2
Transurban Group Fully Paid Ordinary/Units Stapled Securities	Australian Equities	1.1
Telstra Group Limited Ordinary Fully Paid	Australian Equities	1.0
Endeavour Group Limited Ordinary Fully Paid	Australian Equities	0.7
REA Group Ltd Ordinary Fully Paid	Australian Equities	0.7
CAR Group Limited Ordinary Fully Paid	Australian Equities	0.7

Holding	Asset class	Allocation (%)
Orica Limited Ordinary Fully Paid	Australian Equities	0.7
Qube Holdings Limited Ordinary Fully Paid	Australian Equities	0.7
Steadfast Group Limited Ordinary Fully Paid	Australian Equities	0.7
Suncorp Group Limited Ordinary Fully Paid	Australian Equities	0.7
Treasury Wine Estates Limited Ordinary Fully Paid	Australian Equities	0.7
The Lottery Corporation Limited Ordinary Fully Paid	Australian Equities	0.7
RIO Tinto Limited Ordinary Fully Paid	Australian Equities	0.7
QBE Insurance Group Limited Ordinary Fully Paid	Australian Equities	0.6
Goodman Group Fully Paid Ordinary/Units Stapled Securities	Property	0.6

Quarterly manager commentary

Market Update

The ASX 200 Accumulation Index gained 3.0% in September, ending the quarter at a new record high. Sector returns were relatively concentrated. Materials led with a gain of 13.1%, followed by Information Technology (7.4%) and Property (6.6%). Health Care (-3.2%) and Consumer Staples (-1.7%) were the worst-performing sectors.

US markets continued to hit new all-time highs in September, with the Federal Reserve cutting rates by 50 basis points, the first cut in four years, as economic data remained upbeat. The S&P 500 had the best-performing September in eleven years with a gain of 2.0% (in local currency terms) as companies recorded strong earnings growth of 11.3%, the best-performing quarter since Q4 2021.

Chinese equities were among the best-performing markets in September, with the CSI 300 Index gaining a massive 21% (in local currency terms) as authorities announced new stimulus measures to help boost the economy, specifically the property sector and equities markets. The Chinese central bank cut key interest rates and continued to pledge further support and inject liquidity into the financial system. The news of new stimulus measures pushed the Hang Seng Index up 18% (in local currency terms).

The S&P/ASX 200 A-REIT Accumulation Index TR accelerated significantly in September, finishing the month 6.6% higher and up 47.0% YTD. Global Real Estate and Global Listed Infrastructure also outperformed, gaining 3.8% and 3.5%, respectively.

In September, the Australian bond market remained stable, while globally, falling yields resulting from investor reactions to central banks cutting interest rates led to positive returns for the month.

Portfolio Update

The portfolio delivered a return of 4.63% over the June quarter, with all major asset classes generating positive returns over the month. Over the rolling year, the portfolio has returned 21.1%, outperforming its peer group and cash plus benchmarks by 270bps and 1270bps, respectively.

Within Global Equities, the Vanguard FTSE Emerging Markets Shares ETF (+6.0%) was the strongest performer, while the Barrow Hanley Global Share Fund ETF (+2.0%) and Betashares Global Shares Currency Hedged ETF (+1.5%) also outperformed. The VanEck MSCI International Quality ETF (-1.1%) and SPDR MSCI World Quality Mix Fund (-0.4%) underperformed.

The portfolio's Real asset exposures outperformed in September, driven by lower bond yields. Domestic real estate stood out, with the Vanguard Australian Property Securities Index ETF gaining 6.6%. The portfolio's Global Real Estate (RCAP) and Global Listed Infrastructure (IFRA) holdings also outperformed, gaining 3.8% and 3.5%, respectively.

In Australian equities, the Core SMA returned 0.9% in September, lagging the benchmark by 200bps. This was driven by underweight exposures to the Resources, Real Estate, and IT sectors. This was partially offset by the strong performance of the VanEck Australian Resources ETF, which gained 8.6% over the month.

BHP and RIO outperformed strongly in September, reflecting a spike in the price of iron ore, after Chinese authorities unveiled a series of measures to address the prolonged downturn in its property market, which continues to weigh heavily on the world's second-largest economy. Additionally, the central bank announced a reduction in interest rates on loans to commercial banks and pledged further actions to stimulate the slowing economy. It remains to be seen if these measures will provide the necessary boost to confidence required to get the economy back on track to meet the target growth rate of 5%.

Portfolio changes during the quarter:

The following changes were implemented in Lonsec's Listed Managed Portfolios over the September quarter:

- Increase exposure to growth assets by adding the SPDR MSCI World Quality Mix ETF(QMIX) to Global Equities in the Conservative, Balanced, and Growth risk profiles.
- Lower the allocation to defensive assets in the conservative, balanced, and growth risk profiles by reducing the allocation to Cash and Fixed Income.

- Rebalance the portfolio's Diversified Fixed Income allocation via the addition of the VanEck Australian Floating Rate Note ETF (FLOT) and removal of the ActiveX Ardea Real Outcome Fund ETF (XARO) in the Conservative, Balanced, and Growth risk profiles.
- Rebalance the portfolio's Emerging Markets exposures by removing the BetaShares Martin Currie Emerging Markets Fund (EMMG) in the Balanced and Growth and High Growth risk profiles.
- Introduce a passive ETF allocation (A200) within Australian Equities to complement the existing allocation to the Lonsec SMA – Core in the Balanced risk profile.

Market Outlook

We emphasise our recent move to take a tentative but constructive approach to risk in our portfolios. Forward-looking macroeconomic indicators and consensus forecasts have improved toward at least a modest macroeconomic outlook. In addition, developed market central banks have begun their rate-cutting cycles, which creates a tailwind for markets, although the pace of cuts will not be uniform.

Looking ahead, the recent stimulus announced by the Chinese government has brought optimism to markets that the Chinese economy is poised to turn higher. If China's demand conditions improved, this would mitigate some of our growing concerns that the Australian market lacks a catalyst to close its relative underperformance against other Develop Market equities. Without China or other significant catalysts, the Australian Financial and Resources sectors (which make up about half of the market) face limited growth prospects and stretched valuations, especially for the major banks.

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

NMMT Limited (ABN 42 058 835 573 AFS License 234653), is the responsible entity of MyNorth Managed Portfolios (ARSN 624 544 136) (Scheme). To invest in the Scheme, investors will need to obtain the current Product Disclosure Statement (PDS) which is available at northonline.com.au. The PDS contains important information about investing in the Scheme and it is important investors consider their circumstances and read the PDS before making a decision about whether to acquire, continue to hold or dispose of interests in the Scheme. This quantitative report has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Although the information is from sources considered reliable, AMP doesn't guarantee that it's accurate or complete. You shouldn't rely upon it and should seek professional advice before making any financial decision. Except where liability under any statute can't be excluded, AMP doesn't accept any liability for any resulting loss or damage to the reader or any other person. MyNorth Managed Portfolios are not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (all such entities, collectively, "Morningstar Entities"). The Morningstar Entities make no representation or warranties regarding the advisability of investing in managed portfolios generally or in the MyNorth Managed Portfolios in particular, or the ability of the Morningstar Benchmarks to accurately represent the asset class or market sector that it purports to represent. The Morningstar Entities and their third party licensors do not guarantee the accuracy and/or the completeness of the Morningstar Benchmarks, and the Morningstar Entities and their third party licensors shall have no liability for any errors, omissions, or interruptions included therein. The S&P/ASX 20 TR Index, S&P/ASX 200 TR Index, S&P/ASX 200 A-REIT TR Index, S&P/ASX 200 Industrials TR Index, S&P/ASX 300 TR Index, S&P/ASX 300 TR Index excluding S&P/ASX 20 TR Index, S&P/ASX Small Ordinaries TR Index, S&P/ASX 100 TR Index ("Index") is a product of S&P Dow Jones Indices LLC, its affiliates and/or their licensors and has been licensed for use by NMMT Limited. Copyright © 2021 S&P Dow Jones Indices LLC, its affiliates and/or their licensors. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit www.spdji.com. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.