MyNorth Managed Portfolios

LATITUDE16 MODERATELY CONSERVATIVE PORTFOLIO

Monthly Update for Month Ending March 2025

Investment objective

To outperform the benchmark over the medium to longer term.

Key information

Code	NTH1072
Manager name	Mercer
Inception date	30 November 2020
Benchmark	Morningstar Australia Balanced Target Allocation NR AUD
Asset class	Diversified
Number of underlying assets	19
Minimum investment horizon	4 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'0.62%
Performance fee	'0.02%
Estimated net transaction costs	'0.04%
Estimated buy/sell spread	'0.15%/0.16%
Risk band/label	4/Medium
Minimum investment amount	$500

About the manager

Mercer

Mercer is a multi-national investment manager, using specialised investment tools and strategies to provide robust and diversified portfolios for their clients. The team manages approximately $200 billion worldwide, with approximately $33 billion invested in Australia and New Zealand. With Australian operations commencing in 1972, Mercer's primary driver in portfolio construction is risk management - spreading investments across investment types and different risks to mitigate periods of market volatility and protecting investments from loss. Using a multi-dimensional framework, Mercer uses active management in asset classes offering the greatest opportunity for skilled investment managers to add value while using passive management to manage risk or constructing a portfolio to deliver close to market returns.

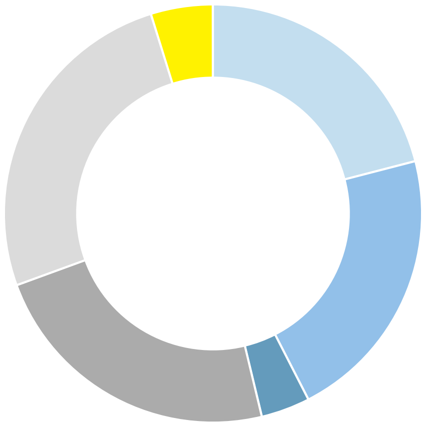
Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	4.30	-1.64	-0.10	0.87	5.62	4.03	-
Income	3.52	0.00	0.75	1.15	3.56	3.17	-
Growth	0.78	-1.64	-0.85	-0.28	2.06	0.86	-
Benchmark[2]	4.79	-1.79	-0.32	0.71	5.02	4.63	-

* 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	21.0
International Equities	21.5
Property	3.8
Other	0.0
Total	**46.3%**

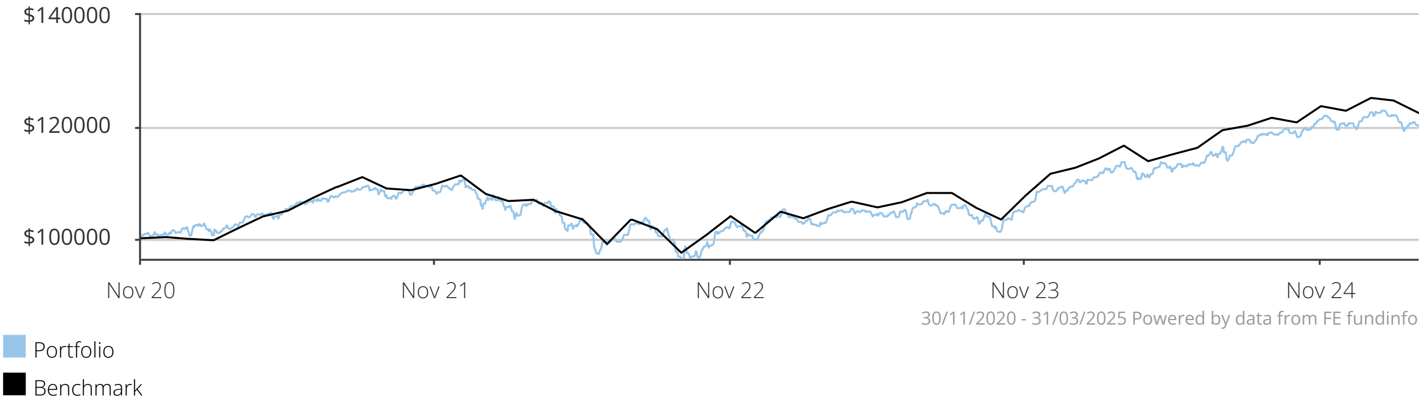
Defensive assets	Allocation (%)
Australian Fixed Interest	23.2
International Fixed Interest	25.8
Cash	4.8
Total	**53.8%**

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 30/11/2020



Managed portfolio holdings[3]

Holding	Asset class	Allocation (%)
Macquarie True Index Australian Fixed Interest	Australian Fixed Interest	20.2
AB Dynamic Global Fixed Income Fund	International Fixed Interest	11.8
AB Concentrated Australian Equities Fund	Australian Equities	6.7
T. Rowe Price Dynamic Global Bond	International Fixed Interest	5.8
Pendal Focus Australian Equities Fund	Australian Equities	5.4
Solaris Core Australian Equity Fund (Performance Alignment)	Australian Equities	5.1
PIMCO Global Credit Fund - Wholesale Class	International Fixed Interest	4.9
Hyperion Australian Growth Companies Fund	Australian Equities	4.8
Coolabah Floating-Rate High Yield Fund - Institutional Class	Australian Fixed Interest	4.7
Vanguard International Shares Index Fund (Hedged)	International Equities	4.7
Pzena Global Focused Value Fund - P Class	International Equities	3.9
Resolution Capital Global Property Securities Fund - Class C	Property	3.9
Lazard Global Infrastructure Fund (Hedged) - S Class	International Equities	3.6
Colchester Global Government Bond Fund - Class R	International Fixed Interest	3.4
JPMorgan Global Research Enhanced Index Equity Trust - Class A	International Equities	3.3
T.Rowe Price Global Equity - M Class (Hedged)	International Equities	2.5
JPMorgan Global Research Enhanced Index Equity Fund (Hedged)	International Equities	2.0
T.Rowe Price Global Equity - M Class	International Equities	1.9
Cash Account	Cash	1.4

Quarterly manager commentary

Market Update

In early January, President Trump imposed tariffs on the US's three largest trading partners: Canada, Mexico and China. This was expanded over the quarter to include steel, aluminium, auto and auto parts. Reciprocal tariffs, designed to match the import duties placed on US goods and services by other nations were announced in early April.

The US Federal Reserve (Fed) left interest rates unchanged at 4.25-4.5% for the quarter. Following the latest Fed meeting, Governor Powell noted that while short-term consumer inflation expectations had risen due to tariffs and uncertainty, he did not see any long-term shift in expectations based on market-based measures. The US unemployment rate remains steady at 4.1% over the quarter.

Australian Q4'24 CPI showed an increase of 2.4% year-on-year, broadly in line with market expectations and within the RBA's inflation target of 2-3%. This softening in inflation allowed the RBA to cut the cash rate by 0.25% to 4.10% in February, marking the first rate cut since 2020. However, the RBA cautioned against expecting further easing as the labour market conditions remain relatively tight, evidenced by limited labour supply and stagnant productivity growth. It further warned that easing monetary policy too much too soon could stall progress on reducing inflation.

International shares saw negative returns over the quarter, as US tariff concerns rattled investor confidence. US technology shares fell significantly, as the Mag 7 shares (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla) underperformed the broader market. Interestingly, the shares that underperformed are not those most exposed to tariffs, but rather those broadly seen as the most overvalued shares in the US share market.

Gold surged 18.2% over the quarter to a new high of US$3,122 at the end of March, driven by increased investor demand for the safe-haven asset amid rising trade rhetorics. Copper also rose significantly, as the threat of tariffs led to a rush of orders to avoid price increases.

Portfolio Update
The portfolio delivered a return of -0.10% over the March quarter.

Australian shares underperformed global share markets, down by -2.9%. Information technology (-17.6%) was the worst performing sector in the quarter, followed by healthcare (-9.7%). Within the technology sector, Nuix Ltd was the poorest performer due to an earnings downgrade and growing negative investor sentiment around AI companies. The best performing sector was industrials, which was up 1.5% for the quarter.

The AB Concentrated Australian Equities Fund outperformed the benchmark over the quarter, returning 0.8%. Stock selection within communication services and materials contributed the most to relative performance. The deep value investment style of AB continues to outperform in a period of economic uncertainty as the market seeks other opportunities outside of the narrow momentum securities. The Hyperion Australian Growth Companies Fund underperformed the benchmark over the quarter, returning -15.2% over the quarter as the manager's holdings in Block, Inc and Wistech Global saw the largest share price declines. As a high growth-style strategy, it is more likely to underperform when there is a significant sell off in equity markets. The manager continues to take a long-term risk adjusted approach, and is of the view that a couple of their larger holdings in CSL and Fisher & Paykel are potentially exempt from Reciprocal Tariffs.

International shares saw negative returns in in Q1’25, down -2.6% as US tariff concerns rattled investor confidence. US technology shares fell significantly with the Magnificent 7 shares underperforming the broader market. International shares (unhedged) also fell, but only by -2.4%, as the AUD declined over the quarter. The best performing sectors were energy (9.2%) and utilities (6.1%).

The Pzena Global Focused Value Fund outperformed its benchmark over the quarter, returning 6.1%. The fund's underweight exposure to the technology sector was beneficial, as was solid stock selection within the health care sector. Over the quarter there was a reversal of the narrow, momentum-driven market sentiment which is conducive to Pzena's deep value fundamental investment approach. The T. Rowe Global Equity Fund underperformed its benchmark over the quarter, returning -4.3%, largely as a result of the manager's growth focus not being rewarded as value stocks outperformed. Specifically, stock selection within consumer staples and financials detracted over the quarter, despite being partially offset by strong stock selection in communication services. The manager continues to exhibit quality-growth characteristics, focusing on companies with durable competitive advantages and strong business fundamentals.

The performance of interest rate sensitive assets was mixed in Q1’25. Global listed property was up 0.9%, on the back of falling US bond yields, while global listed infrastructure performed better, up 4.1% in the quarter.

The Lazard Global Listed Infrastructure Fund outperformed its benchmark over the quarter, returning 7.2%. Stock selection within diversified utilities and toll roads were the main contributors to relative performance. Infrastructure assets generally offer stable returns and protect against inflation, this typically benefits portfolios during periods of economic uncertainty and rising inflation.

Global sovereign bonds were up 0.7% in Q1’25. US 10-year government bond yields fell 40bps over the quarter. Government bonds in the EU experienced a significant rise in yields over the quarter, especially after the announcement of Germany’s new fiscal spending package. Australian sovereign bonds were up 1.2%, as Australian bond yields were largely flat.

The Colchester Government Bond Fund outperformed its benchmark over the quarter, returning 2.8%. Security selection in small, high-quality markets like New Zealand, Norway and Australia contributed positively. Within currency selection, overweight positions in the Japanese yen, Swedish Krona and British pound also positively contributed to relative performance. The fund offers currency-hedged exposure to global sovereign bonds, developed and emerging markets and provides diversification from lower investment grade high-yield fixed income exposures. Coolabah Floating Rate Note Fund outperformed its benchmark over the quarter, returning 1.2%. The manager focusses on generating higher income rather than traditional fixed income instruments, investing in a portfolio of investment-grade, Australian floating-rate notes with enhanced yields.

Portfolio changes during the quarter:
Over the quarter, Mercer reduced the allocation to global equities within the portfolio in light of high equity valuations, continued geopolitical risks, uncertainty of a Trump administration and proposed tariff uplifts, and direction of monetary and fiscal policies. This has been reallocated to Australian Fixed Interest, given that investors can lock in an attractive yield within Australian Government Bonds that is comparable to cash, and further benefit from the capital growth, as a result of the eventual rate cutting cycle.

Market Outlook
Central banks around the world are likely to continue to cut rates as inflation moderates, with cuts expected at a slower pace. The exception is Japan, where we expect interest rates to rise as it emerges from a multi-decade deflation period.

Continued introduction of new tariffs will likely negatively impact business and consumer confidence. The longer this continues, the greater the implications are for economic growth.

Increased spending by European governments on infrastructure and defence ends the period of fiscal austerity that began during the financial crisis. This is likely to support European economic growth in the near term, while lifting the supply capacity in the longer term.

In Australia, while the RBA delivered a cut at its February meeting, the labour market likely remains stronger than the RBA would be comfortable with. Therefore, we do not expect the RBA to rush into further rate cuts.

Market expectations are for a further three interest rate cuts in 2025, which will likely depend on sustained signs of loosening labour market conditions and/or weakening wage growth. While unemployment remains low, both wage growth and job vacancies continue to fall, which suggests we should see the labour market begin to soften and a modest rise in unemployment in 2025. We continue to expect growth to remain weak, as higher interest rates and cost-of-living pressures are likely to keep consumption suppressed. Geo-political concerns are likely to make businesses cautious about investing.

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. 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.

These partnered managed portfolios are only available to you, if at the time you made your application, you are a client of Coral Coast Financial Planning Pty Ltd (Coral Coast Financial Planning) (ABN 18 108 580 794, AFSL 232705). If you cease to be a client of Coral Coast Financial Planning you will no longer be eligible for access to these partnered managed portfolios. We will close your Portfolio within the Scheme and transfer the underlying assets in your Portfolio to your North Platform account or realise the underlying assets to cash and transfer this cash to your North Platform account. For more information relating to restrictions that may apply to these partnered managed portfolios, refer to the 'Eligibility" in Part 1 of the MyNorth Managed Portfolios PDS.