

Monthly Update for Month Ending September 2024

### Investment objective

The managed portfolio aims to provide income with a high level of capital growth and a high level of capital volatility.

### Key information

<b>Code</b>	NTH1115
<b>Manager name</b>	Zenith Investment Partners
<b>Inception date</b>	30 June 2021
<b>Benchmark</b>	Morningstar Australia Aggressive Target Allocation NR AUD
<b>Asset class</b>	Diversified
<b>Number of underlying assets</b>	20
<b>Minimum investment horizon</b>	5 years
<b>Portfolio income</b>	Default - Paid to Platform Cash
<b>Management fees and costs</b>	1.09%
<b>Performance fee</b>	0.27%
<b>Estimated net transaction costs</b>	0.07%
<b>Estimated buy/sell spread</b>	0.18%/0.18%
<b>Risk band/label</b>	6/High
<b>Minimum investment amount</b>	\$500

### About the manager

#### Zenith Investment Partners

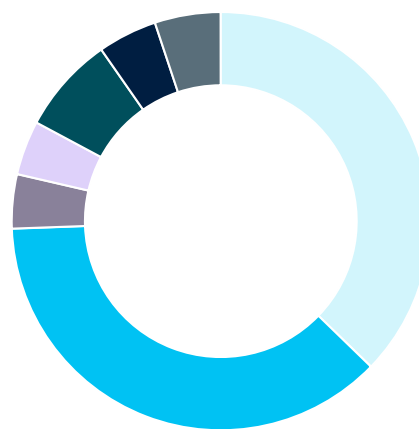
Zenith is an Australian research house, specialising in managed funds research and consulting. Established in 2002, Zenith works with clients to build out managed portfolios solutions, investment capability and governance. Zenith's portfolio idea generation arises from annual reviews of the strategic 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 30 September 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return <sup>1</sup>	4.79	1.73	5.03	4.09	18.57	4.47	-
Income	2.82	0.01	2.67	2.83	4.07	2.97	-
Growth	1.97	1.72	2.36	1.26	14.50	1.50	-
Benchmark <sup>2</sup>	7.79	1.69	5.72	5.39	21.84	7.54	-

### Asset allocation



as at 30 September 2024

Growth assets	Allocation (%)
Australian Equities	37.3
International Equities	37.2
Property	4.2
Other	4.2
<b>Total</b>	<b>82.9%</b>
Defensive assets	Allocation (%)
Australian Fixed Interest	7.5
International Fixed Interest	4.6
Cash	5.1
<b>Total</b>	<b>17.2%</b>

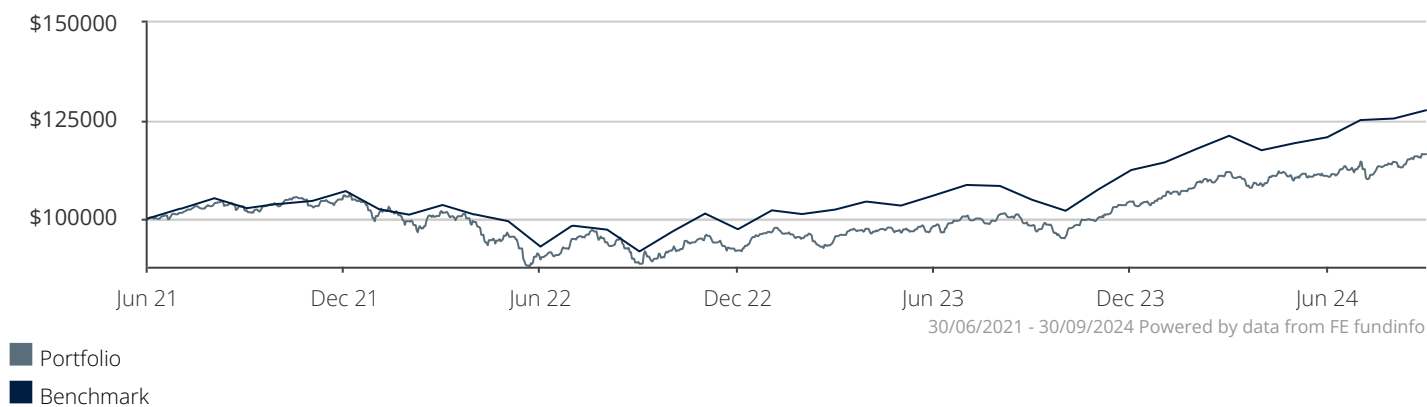
Asset allocation data sourced via Morningstar® from the underlying fund manager.

<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 30/06/2021



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

Holding	Asset class	Allocation (%)
Alphinity Concentrated Australian Share Fund	Australian Equities	11.6
Arrowstreet Global Equity No. 2 Fund (Hedged) - Class I	International Equities	11.4
Solaris Australian Equity Long Short Fund	Australian Equities	10.1
L1 Capital International Fund - Z Class	International Equities	7.8
Legg Mason Western Asset Australian Bond Fund - Class M	Australian Fixed Interest	7.2
Bennelong ex-20 Australian Equities Fund	Australian Equities	7.2
Fairlight Global Small & Mid Cap (SMID) Fund - Class A	International Equities	5.3
Aoris International Fund - Class F	International Equities	5.0
PIMCO Global Bond Fund - Wholesale Class	International Fixed Interest	4.8
Eiger Australian Small Companies Fund - Class A	Australian Equities	4.7
Maple-Brown Abbott Global Listed Infrastructure Fund (Hedged)	Property	4.5
Barrow Hanley Global Share Fund - Class S	International Equities	4.3
Man AHL Alpha (AUD) - Class B	Other	4.0
GQG Partners Emerging Markets Equity Fund - Z Class	International Equities	3.6
Eley Griffiths Group Emerging Companies Fund	Australian Equities	2.5
Cash Account	Cash	2.0
Resolution Capital Global Property Securities Fund	Property	2.0
UBS CBRE Property Securities Fund	Property	2.0

## Quarterly manager commentary

### Market Update

Share markets rose during the September quarter, helped by interest rate cuts from major central banks and a late boost from China's stimulus measures.

Global share markets benefitted from a mix of lower inflation, steady economic growth, and the prospect of more interest rate cuts across major economies. A notable shift occurred during the quarter as investors rotated out of large tech companies focused on artificial intelligence (AI) and began looking for opportunities in other, previously overlooked sectors. US tech giants Alphabet (Google's parent company) and Microsoft were two of the notable detractors as concerns grew about their high share prices and a concentrated share market.

Australia's share market performed strongly, outperforming many other developed markets. This was largely due to the surge in mining stocks on the back of the Chinese stimulus package. In addition, the market was broadly supported by favourable inflation data in August, helped by government subsidies that reduced electricity costs and lowered annual inflation. Australia's banking sector, led by Commonwealth Bank, had another solid quarter, despite concerns that the major banks' share prices might be overvalued.

The RBA kept the cash rate steady at 4.35%, a level it has held since November 2023.

### Portfolio Update

The portfolio delivered a return of 5.03% over the June quarter. Both shares and fixed interest contributed to this strong performance, supported by the favourable 'soft landing' scenario playing out. Your Listed Infrastructure and Property managers produced great returns over the quarter, benefiting significantly from global interest rate cuts. Over the past year, Listed Property and International Shares stood out as the top performing asset classes, while your Fixed Interest managers consistently delivered robust income.

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

During the quarter, we reviewed our Strategic Asset Allocation (SAA), with a focus on the liquid Alternatives sleeve. We have increased your exposure to Managed Futures, as they offer essential diversification qualities and the ability to profit from downward trending markets. Additionally, we assessed the portfolios' cyclical tilts, with a key adjustment being increasing your allocation to Global Small Companies. We believe these companies are undervalued at the moment, with potential for attractive growth in the long run. These adjustments are aimed at increasing your portfolio's growth potential while making the most of current market opportunities.

### **Market Outlook**

Recent data shows the US economy growing steadily, with the labour market stabilising and inflation nearing target levels. This allows the US Federal Reserve to make precautionary rate cuts to support a 'soft landing', which is favourable for shares. In Australia, we expect the Reserve Bank to lower interest rates in early 2025, as inflation continues to drop closer to target. This should support Australian equities despite a subdued economy. Globally and domestically, this combination of reasonable growth and lower inflation may lead to a broader market recovery, particularly benefiting small and mid-cap stocks, as well as emerging markets - areas to which your portfolio has active exposures.

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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