

MyNorth Managed Portfolios

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RUSSELL INVESTMENTS MANAGED PORTFOLIO- GEARED 120

Quarterly update for Month ending March 2024

Investment objective

To provide capital growth over the long term consistent with a portfolio focusing on solely growth assets, while accepting fluctuations in capital values in the medium term. The portfolio typically has exposure to growth investments of around 120% as the allocation to geared investment strategies will generally be 20% of the portfolio.

Key information

Code	NTH0288
Manager name	Russell Investment Management
Inception date	05 August 2022
Benchmark	Morningstar Australia Aggressive Target Allocation NR AUD
Asset class	Diversified
Number of underlying assets	56
Minimum investment horizon	8 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'1.22%
Performance fee	'0%
Estimated net transaction costs	'0.06%
Estimated buy/sell spread	'0.08%/0.09%
Risk band/label	7/Very high
Minimum investment amount	\$25,000

About the manager

Russell Investment Management

With more than 80 years of experience, Russell Investments is a global investment solutions provider, dedicated to helping investors reach their long-term goals. Russell Investments offers investment solutions in 32 countries. Russell Investments specialises in multi-asset solutions and investment and implementation services with a goal of delivering the best investment strategies, managers and asset classes to its clients around the world. Headquartered in Seattle, Washington, Russell Investments operates globally with 20 offices.

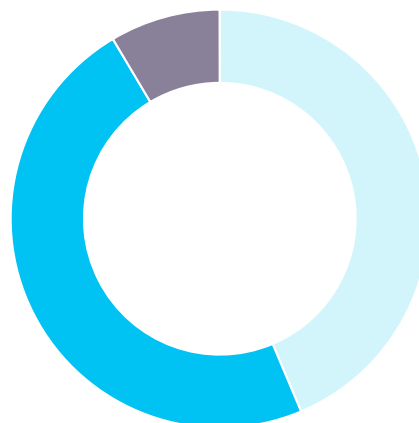
Returns

as at 31 March 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return ¹	17.90	4.23	10.04	18.76	21.24	-	-
Income	2.65	0.20	0.66	1.14	2.55	-	-
Growth	15.25	4.03	9.38	17.62	18.69	-	-
Benchmark ²	14.95	2.91	7.77	15.61	18.40	-	-

* Since inception returns begin from the month end immediately following portfolio launch.

Asset allocation



as at 31 March 2024

Growth assets	Allocation (%)
Australian Equities	48.1
International Equities	52.7
Property	9.4
Other	0.0
Total	110.2%
Defensive assets	Allocation (%)
Australian Fixed Interest	0.0
International Fixed Interest	0.0
Cash	-10.3
Total	-10.3%

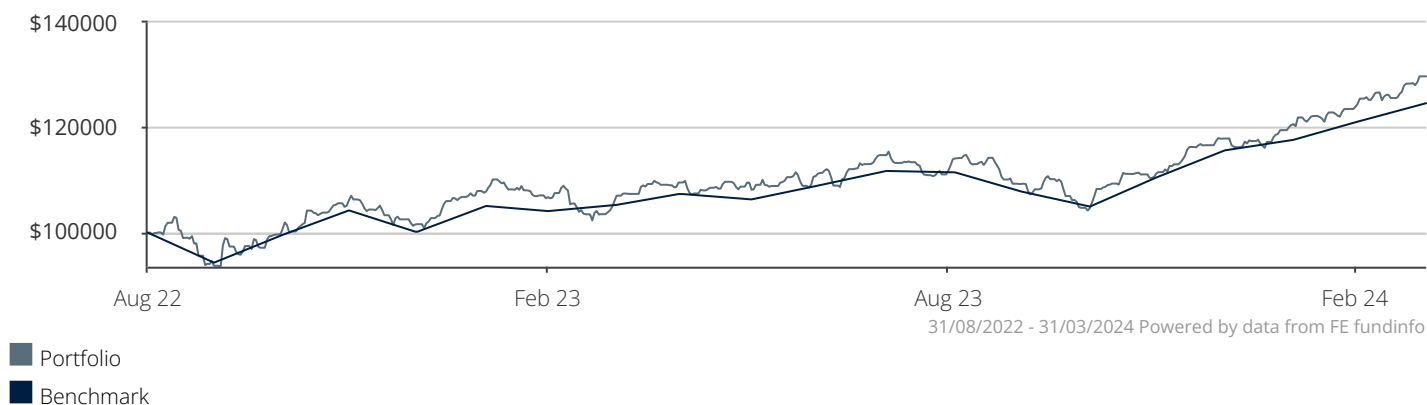
Asset allocation data sourced via Morningstar® from the underlying fund manager.

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 31/08/2022



Managed portfolio holdings³

Holding	Asset class	Allocation (%)
Russell Global Opportunities (Class A) Fund	International Equities	16.8
Vanguard Msci Index International Shares (Hedged) Etf Vanguard Msci In	International Equities	12.4
Acadian Wholesale Geared Sustainable Global Equity Fund	International Equities	6.0
Ausbil Australian Geared Equity	Australian Equities	5.9
Perpetual Geared Australian Share Fund	Australian Equities	4.4
Vanguard Australian Property Securities Index Etf Vanguard Australian	Property	4.3
Vanguard All-World Ex-Us Shares Index Etf Vanguard All-World Ex-Us Sha	International Equities	4.2
Vanguard US Total Market Shares Index Etf Vanguard US Total Market Sha	International Equities	4.1
Russell Investments Global Listed Infrastructure Fund - Hedged	International Equities	3.4
Vanguard International Property Securities Index Fund (Hedged)	Property	3.2
First Sentier Wholesale Geared Share Fund	Australian Equities	3.1
Vanguard Msci Australian Small Companies Index Etf Vanguard Msci Austr	Australian Equities	2.9
Vanguard Ftse Emerging Markets Shares Etf Vanguard Ftse Emerging Marke	International Equities	2.9
BHP Group Limited Ordinary Fully Paid	Australian Equities	2.7
Cash Account	Cash	2.1
Commonwealth Bank Of Australia Ordinary Fully Paid	Australian Equities	2.0
Vanguard Global Value Equity Active Etf (Managed Fund) Vanguard Glb Va	International Equities	1.6
CSL Limited Ordinary Fully Paid	Australian Equities	1.5
National Australia Bank Limited Ordinary Fully Paid	Australian Equities	1.1
Ishares S&P Small-Cap Etf Ishares S&P Small-Cap Etf	International Equities	1.0
Westpac Banking Corporation Ordinary Fully Paid	Australian Equities	1.0
Ishares Core Cash Etf Ishares Core Cash Etf	Cash	0.9
ANZ Group Holdings Limited Ordinary Fully Paid	Australian Equities	0.9
Wesfarmers Limited Ordinary Fully Paid	Australian Equities	0.8
Macquarie Group Limited Ordinary Fully Paid	Australian Equities	0.8
RIO Tinto Limited Ordinary Fully Paid	Australian Equities	0.8
Telstra Group Limited Ordinary Fully Paid	Australian Equities	0.8
Woolworths Group Limited Ordinary Fully Paid	Australian Equities	0.7

Holding	Asset class	Allocation (%)
Fortescue Ltd Ordinary Fully Paid	Australian Equities	0.7
Goodman Group Fully Paid Ordinary/Units Stapled Securities	Property	0.7
Woodside Energy Group Ltd Ordinary Fully Paid	Australian Equities	0.6
Transurban Group Fully Paid Ordinary/Units Stapled Securities	Australian Equities	0.6
James Hardie Industries PLC Chess Depositary Interests 1:1	Australian Equities	0.5
Aristocrat Leisure Limited Ordinary Fully Paid	Australian Equities	0.5
Wisetech Global Limited Ordinary Fully Paid	Australian Equities	0.4
Medibank Private Limited Ordinary Fully Paid	Australian Equities	0.4
Bendigo And Adelaide Bank Limited Ordinary Fully Paid	Australian Equities	0.4
Cleanaway Waste Management Limited Ordinary Fully Paid	Australian Equities	0.4
Suncorp Group Limited Ordinary Fully Paid	Australian Equities	0.3
Santos Limited Ordinary Fully Paid	Australian Equities	0.3
Vanguard Australian Shares Index Etf Vanguard Australian Shares Index	Australian Equities	0.3
Ampol Limited Ordinary Fully Paid	Australian Equities	0.3
Fisher & Paykel Healthcare Corporation Limited Ordinary Fully Paid For	Australian Equities	0.3
Incitec Pivot Limited Ordinary Fully Paid	Australian Equities	0.3
Ansell Limited Ordinary Fully Paid	Australian Equities	0.3
Newmont Corporation Cdi 1:1 Foreign Exempt NYSE	Australian Equities	0.3
Origin Energy Limited Ordinary Fully Paid	Australian Equities	0.3
Seven Group Holdings Limited Ordinary Fully Paid	Australian Equities	0.3

Quarterly manager commentary

Market Update

Global share markets made strong gains in the March quarter. Stocks continued to be influenced in large part by the outlook for global interest rates. In the US, Federal Reserve (Fed) chairman Jerome Powell acknowledged that it would be appropriate to start lowering interest rates sometime this year; though he wouldn't be drawn on specific timing. He did add, however, that a March rate cut was unlikely as the Bank had yet to reach a point where it was confident that inflation was coming down sustainably toward its 2.0% target. He also reiterated that the Fed sees three interest rate cuts this year. At the time, the market was betting the Fed would cut rates six times in 2024; the first of which was pencilled in for March. Powell went on to say that whilst the Fed believes interest rates have peaked for this tightening cycle, policymakers remain wary of cutting rates too quickly as doing so could potentially cause inflation to reaccelerate. We saw a similar theme in the UK and Europe, while the Bank of Japan raised interest rates for the first time in 17 years in March. Australian shares performed well; though much of the gains came toward the end of the period after the Reserve Bank of Australia adopted a slightly less hawkish stance on interest rates. Global bonds were slightly weaker for the quarter, while Australian bonds recorded modest gains.

Portfolio Update

The portfolio delivered a return of 10.04% over the past quarter. High exposure to listed growth assets – notably global and Australian equities – remains the predominant driver of returns. Both the Russell Investments Global Opportunities Fund and the direct Australian equity portfolio underperformed their benchmarks over the period; though they did deliver positive absolute returns for the quarter. During the quarter, we rebalanced the direct Australian equity portfolio as part of the regular review cycle. We also modestly reduced the portfolio's allocations to Australian equities and global fixed income in favour of cash. Overall, the managed portfolio is aligned with its long-term asset allocation as we wait patiently for opportunities. The direct Australian equity portfolio narrowly underperformed its benchmark, driven in part by a modest overweight to the materials space. This included overweights to iron ore majors BHP Group and Fortescue; both of which fell sharply on the back of weaker iron ore prices. Stock selection within the consumer staples sector also weighed on returns, including an overweight to Woolworths. Woolworths fell following the release of its financial results and the resignation of managing director and group CEO, Brad Banducci. In contrast, stock selection amongst real estate stocks added value over the period; notably an overweight to industrial property giant Goodman Group. Goodman Group rallied on a combination of solid financial results and a strong data centre pipeline. In terms of global equity managers, Japan equity specialist Nissay Asset Management underperformed its benchmark, driven in part by overweights to Nippon Shinyaku and Misumi Group. Emerging markets specialist Redwheel (formerly RWC Partners) also underperformed. In contrast, growth manager Wellington and quantitative manager Numeric performed well over the period. In March, we removed UK equity specialist J O Hambro from the Russell Investments Global Opportunities Fund following the announcement that highly rated portfolio manager, Alex Savvides, will leave the company. J O Hambro was replaced by Joh. Berenberg, Gossler & Co. KG (Berenberg) and Brandywine Global Investment Management, LLC (Brandywine). Berenberg deploys capital to European companies capturing growth acceleration, while Brandywine has a focus on low absolute and relative valuations in the US.

Portfolio changes during the quarter:

During the quarter, we rebalanced the direct Australian equity portfolio as part of the regular review cycle. We also modestly reduced the portfolio's allocations to Australian equities and global fixed income in favour of cash. Overall, the managed portfolio is aligned with its long-term asset allocation as we wait patiently for opportunities.

Market Outlook

Looking ahead, we expect higher levels of volatility to continue, with active management to play an important role in navigating through it. We expect to increase growth asset exposure on major market reversals and decrease growth asset exposure on market rallies. This is a very important time to remain flexible as there are competing forces related to inflation and growth. We retain the same themes as recent months, i.e. a preference for less expensive equity markets versus US equities and peer-relative overweights to global small caps and the value factor.

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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