MyNorth Managed Portfolios

ELSTON GROWTH 97 PORTFOLIO

Monthly Update for Month Ending September 2024

Investment objective

Aims to outperform the benchmark, over rolling seven-year periods.

Key information

Code	NTH0309
Manager name	Elston Asset Management
Inception date	20 December 2022
Benchmark	Morningstar Australia Aggressive Target Allocation NR AUD
Asset class	Diversified
Number of underlying assets	37
Minimum investment horizon	5 years
Portfolio income	Default - Paid to Platform Cash
Management fees and costs	'0.73%
Performance fee	'0.02%
Estimated net transaction costs	'0.06%
Estimated buy/sell spread	'0.05%/0.05%
Risk band/label	6/High
Minimum investment amount	$25,000

About the manager

Elston Asset Management

Elston Asset Management is an active investment manager, focused on delivering investment solutions with the aim of helping investors build and preserve their wealth. The business is majority owned by its senior investment professionals.

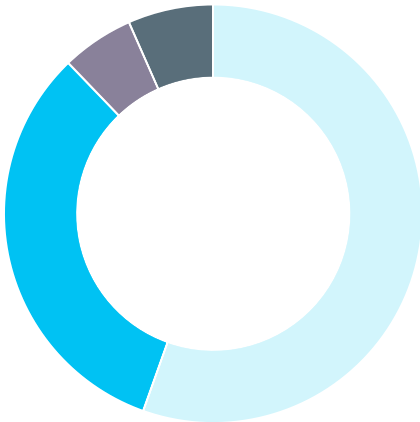
Returns

as at 30 September 2024

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	11.67	1.10	5.22	2.88	15.39	-	-
Income	4.09	0.45	2.07	2.41	4.24	-	-
Growth	7.58	0.65	3.15	0.47	11.15	-	-
Benchmark[2]	13.89	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	55.5
International Equities	32.4
Property	5.6
Other	0.0
Total	**93.5%**

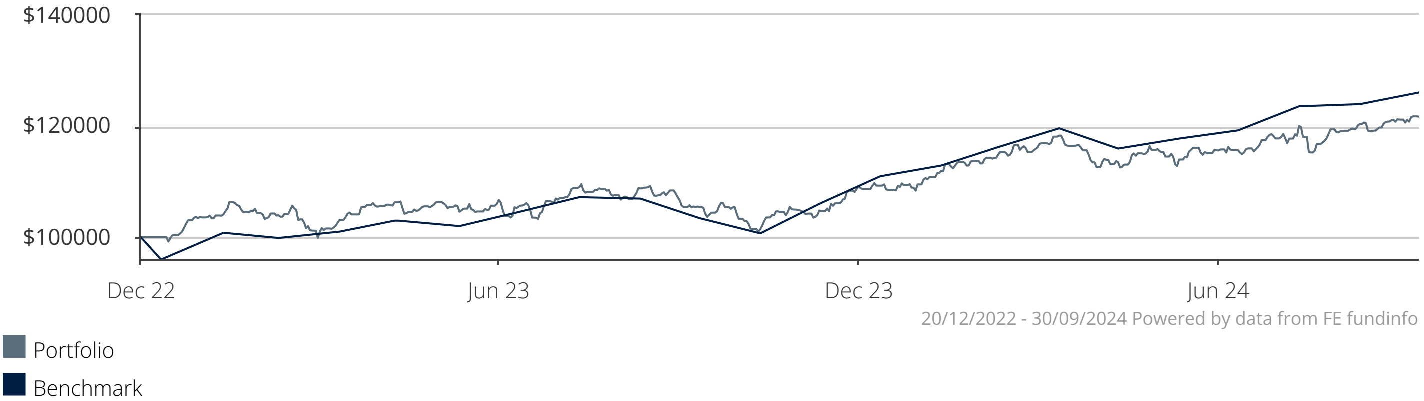
Defensive assets	Allocation (%)
Australian Fixed Interest	0.0
International Fixed Interest	0.0
Cash	6.6
Total	**6.6%**

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 20/12/2022



Managed portfolio holdings[3]

Holding	Asset class	Allocation (%)
AB Global Equities Fund	International Equities	8.7
GQG Partners Global Equity Fund - Z Class	International Equities	6.5
Ironbark Royal London Core Global Share Fund - Class A	International Equities	5.8
Betashares Global Shares Etf - Currency Hedged Betashares Global Share	International Equities	5.1
4D Global Infrastructure Fund (AUD Hedged)-	International Equities	5.0
Quay Global Real Estate Fund (AUD Hedged)	Property	4.0
BHP Group Limited Ordinary Fully Paid	Australian Equities	3.6
CSL Limited Ordinary Fully Paid	Australian Equities	3.6
ANZ Group Holdings Limited Ordinary Fully Paid	Australian Equities	3.4
Macquarie Group Limited Ordinary Fully Paid	Australian Equities	3.2
Betashares Australian High Interest Cash Etf Betashares Australian Hig	Cash	3.0
Cash Account	Cash	3.0
Franklin Global Growth Fund - I Class	International Equities	2.9
Westpac Banking Corporation Ordinary Fully Paid	Australian Equities	2.8
Resmed Inc Cdi 10:1 Foreign Exempt NYSE	Australian Equities	2.5
Woodside Energy Group Ltd Ordinary Fully Paid	Australian Equities	2.5
Sonic Healthcare Limited Ordinary Fully Paid	Australian Equities	2.4
Amcor PLC Cdi 1:1 Foreign Exempt NYSE	Australian Equities	2.2
The Lottery Corporation Limited Ordinary Fully Paid	Australian Equities	2.2
Treasury Wine Estates Limited Ordinary Fully Paid	Australian Equities	2.2
Aristocrat Leisure Limited Ordinary Fully Paid	Australian Equities	2.0
Mirvac Group Fully Paid Ordinary/Units Stapled Securities	Property	2.0
Telstra Group Limited Ordinary Fully Paid	Australian Equities	1.8
AMP Limited Ordinary Fully Paid	Australian Equities	1.7
Challenger Limited Ordinary Fully Paid	Australian Equities	1.7
Flight Centre Travel Group Limited Ordinary Fully Paid	Australian Equities	1.7
James Hardie Industries PLC Chess Depositary Interests 1:1	Australian Equities	1.7
Ramsay Health Care Limited Ordinary Fully Paid	Australian Equities	1.5

Holding	Asset class	Allocation (%)
Aurizon Holdings Limited Ordinary Fully Paid	Australian Equities	1.4
Brambles Limited Ordinary Fully Paid	Australian Equities	1.4
CAR Group Limited Ordinary Fully Paid	Australian Equities	1.4
Cochlear Limited Ordinary Fully Paid	Australian Equities	1.4
Endeavour Group Limited Ordinary Fully Paid	Australian Equities	1.4
Idp Education Limited Ordinary Fully Paid	Australian Equities	1.4
Nine Entertainment Co. Holdings Limited Ordinary Fully Paid	Australian Equities	1.4
Worley Limited Ordinary Fully Paid	Australian Equities	1.4

Quarterly manager commentary

Market Update

Volatility returned in the third quarter, as mixed economic data initially stoked fears of an economic slowdown in the U.S., before the U.S. Federal Reserve sent a strong signal that it stands willing and able to support growth by delivering a double cut (i.e. 0.50%) to official interest rates. This marks the first cut since Covid-19 hit financial markets in earnest in March 2020 and follows an aggressive interest rate hiking cycle, as the Central Bank subsequently fought to bring inflation under control. Elsewhere, escalating tensions in the Middle East, surprise Chinese economic stimulus and U.S. Presidential election campaigns being in full swing helped underpin an eventful quarter in financial markets.

Nonetheless, it proved another strong period of returns for sharemarkets in aggregate as investors took comfort from the Federal Reserve's actions and positioned for further easing in monetary policy. The U.S. sharemarket, for instance, was up 6% for the quarter, bringing 12-month returns to an astonishing 36% (before accounting for currency movements), while Australian shares soared almost 8%, amid hopes that the Reserve Bank of Australia will, too, be in a position to reduce domestic interest rates in the foreseeable future. This more positive sentiment toward the local market was further buoyed by the announcement of significant stimulus by Chinese policymakers (which itself saw the Chinese sharemarket rally in the order of 20%, for the quarter). But it wasn't just sharemarkets that did well – interest rate sensitive assets, such as global listed property and global listed infrastructure, surged (primarily given that lower interest rates reduce their debt funding costs), while popular bond indices have now delivered high single digit returns on a 12-month view, which is quite remarkable, given that they represent the more defensive component of portfolios.

Portfolio Update

The strong performance of most asset classes has flowed through into solid portfolio returns this quarter. That said, the portfolio's performance continues to trail its benchmark across shorter timeframes. This is primarily as a result of our positioning within Australian equities, which reflects both our investment policy in this asset class (that sees us maintain a number of portfolio guardrails that aim to mitigate the risk associated with overconcentration to any one stock or sector) and the outcome of individual active decisions made in this part of the portfolio. More specifically, not owning index heavyweights Commonwealth Bank, NAB, Wesfarmers and Goodman Group, as these companies rallied, detracted from relative performance, while some companies that we do see long term value in, notably Nine Entertainment, IDP Education & Ramsay Healthcare continue to endure near-term headwinds. While we appreciate that this approach may see returns from this asset class look different to its index from time to time, we believe (and can demonstrate) that it typically adds significant value to investors on a return/risk basis, over the longer term.

Portfolio changes during the quarter:

We made just one change this quarter, with a2 Milk being sold from the portfolio. The proceeds were redistributed across a number of holdings that we continue to see compelling value in.

Market Outlook

We maintain a balanced view looking forward. On one hand, it continues to be an uncertain investment environment, with the global economy appearing to have hit a soft patch, while a number of geopolitical issues remain in play. Further, the quantum and timing of any future interest rate cuts (or other stimulus measures) is unclear and ever-changing, underscoring why we may see heightened volatility for some time to come. However, we recognise that the intention of Central Banks to provide supportive monetary policy, in an environment where inflation continues to moderate, will likely see economic growth recover in time and act as a tailwind for sentiment in financial markets. In this regard, valuations in sharemarkets seems reasonable, particularly given the nascent signs of a 'broadening out' of earnings (i.e. improved earnings growth in companies outside of the 'Magnificent 7') that is coming through in global shares, while valuations in fixed interest offer us the compelling opportunity to position for yield and expected diversification benefits.

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