

**PORTFOLIO OBJECTIVE**

The portfolio seeks to deliver long term growth in both capital and income by investing in Australian listed equities. The portfolio aims to do so with lower volatility and greater downside protection relative to the S&P/ASX 200 Accumulation Index benchmark.

**PORTFOLIO DETAILS**

Inception date:	May 2014
Investment minimum:	\$25,000
Investment time horizon:	5+ years
Management fee:	0.6%
Maximum holding limit:	10%
Number of stocks:	20 - 40
Gross Dividend Yield	4.76%*
Net Dividend Yield	3.83%

\* Forecast gross yield inc franking for the next 12 months

“We are committed to maintaining our economy’s strength...this decision reflects our growing confidence that with an appropriate recalibration of our policy stance, strength in the labour market can be maintained.”

- Jerome Powell, US Federal Reserve Chair.

The ASX 200 rose 3.0% in September, to deliver its fifth consecutive monthly gain, and register a new record high. The strong rise in global equity markets was emboldened by the US Federal Reserve’s 50-basis point interest rate cut and was further supported by China’s announcement of new economic stimulus measures.

The reduction in US interest rates, despite ongoing economic resilience and near-historic lows in unemployment, underscores the unusual economic conditions in the post-pandemic world. Simultaneously, China has faced enormous challenges, grappling with the unwinding of its oversupplied property market and anemic domestic consumption.

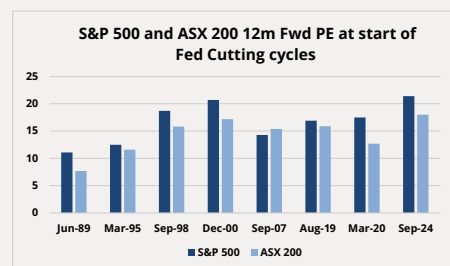
More broadly, the easing of financial conditions demonstrates the importance Central Banks are now placing on either maintaining economic momentum (US) or restimulating demand as is the case in China. At a time when Government debt levels are at record highs the burden on interest costs are prohibitive, thus underlining the importance of stimulating economic growth to service the debt.

China’s latest round of fiscal and monetary stimulus, including a 50bps RRR cut and property market stabilisation efforts, played a pivotal role in boosting investor sentiment. This policy shift has been a critical factor in driving demand expectations in the industrial sector. As a result, mining stocks in the ASX surged by 14.1%, the strongest sector performance for the month.

The policy easing by the two largest global economies has shifted market dynamics, driving a rotation towards companies positioned to benefit from a recovery in global industrial demand. This trend, led by mining, underscores the sensitivity of global markets to these policy shifts.

At the portfolio level, BHP has been a strong contributor while Premier Investments (PMV) experienced a sell-off post a recent FY24 result. This was driven by weaker-than-expected revenue growth, a soft start to FY25, and concerns over strategic uncertainties surrounding the potential Myer merger and de-prioritisation of the demerger of Smiggle and Peter Alexander. Despite these challenges, the company maintains a strong balance sheet and continues to pursue long-term growth opportunities.

It has not gone unnoticed that equities are starting this interest rate cutting cycle at much higher valuation multiples, as demonstrated by the accompanying graph. While the Reserve Bank of Australia (RBA) has yet to cut interest rates here, the ASX 200 has nonetheless benefited from policy abroad. Yet, equity market valuations are elevated compared to long term averages and earnings trends are modest at best. With this in mind, a level of prudence continues to be warranted, emphasizing the ‘time honoured’ principle of investing in high quality companies.



Source: MST Marquee

**CUMULATIVE RETURN FROM INCEPTION**



## PORTFOLIO RETURNS

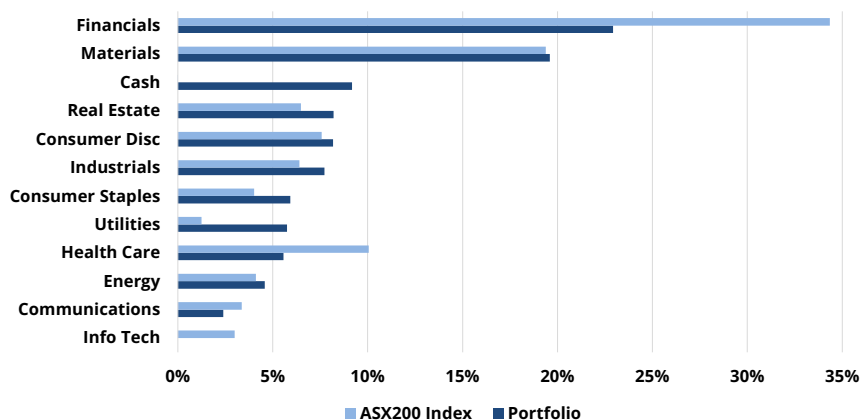
	1 month	3 months	6 months	FYTD	1 year	3 years	5 years	7 years	10 years	Inception p.a	Since inception
Portfolio performance	1.4%	3.7%	1.0%	3.7%	11.8%	4.7%	6.2%	7.2%	7.5%	7.4%	109.4%
ASX 200 Accum Index	3.0%	7.8%	6.7%	7.8%	21.8%	8.4%	8.4%	9.7%	8.9%	8.4%	132.5%

\* Returns are net of management fees. Performance includes reinvestment of all dividends and excludes franking credits.

## TOP 5 HOLDINGS

Stock	Weight
NAB	8.7%
BHP	7.7%
ORG	5.8%
CBA	5.7%
GMG	5.4%

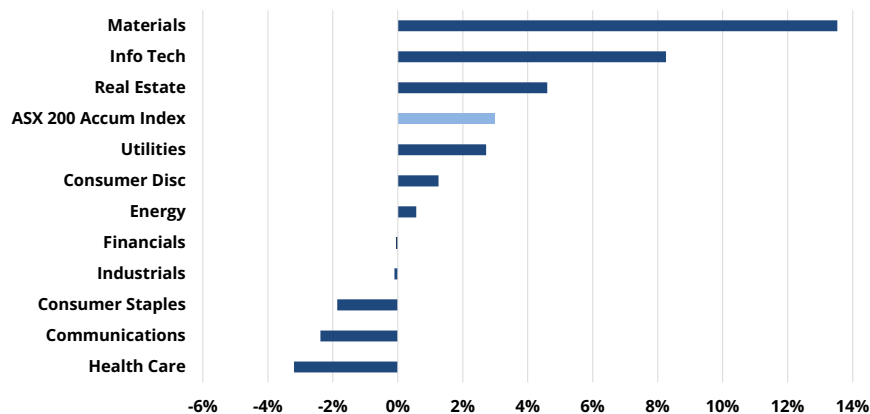
## RELATIVE SECTOR WEIGHTS - SEPTEMBER 2024



## PLATFORM AVAILABILITY



## SECTOR RETURNS - SEPTEMBER 2024



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