

PORTFOLIO OBJECTIVE

The portfolio seeks to generate long-term capital appreciation 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:	Feb 2014
Investment minimum:	\$25,000
Investment time horizon:	5+ years
Management fee:	0.6%
Maximum holding limit:	12%
Number of stocks:	20 - 40
Gross Dividend Yield	3.84%*
Net Dividend Yield	3.06%

* Forecast gross yield inc franking for the next 12 months

“It is likely to take longer for us to gain confidence that we are on a sustainable path down to 2 per cent inflation...I don’t know how long it will take.”

Jerome Powell, Chair of the US Federal Reserve, May 2024.

The ASX 200 fell 2.9 per cent in April, ending five months of consecutive gains. Higher inflation data and a more resilient global economy have dramatically shifted expectations on the trajectory of interest rates, where central banks (namely the US Federal Reserve) have pivoted away from multiple rate cuts in 2024 to rates held in a steady state for longer. This adjustment in rate expectations contributed to rising bond yields, which had a deleterious impact on equity valuations.

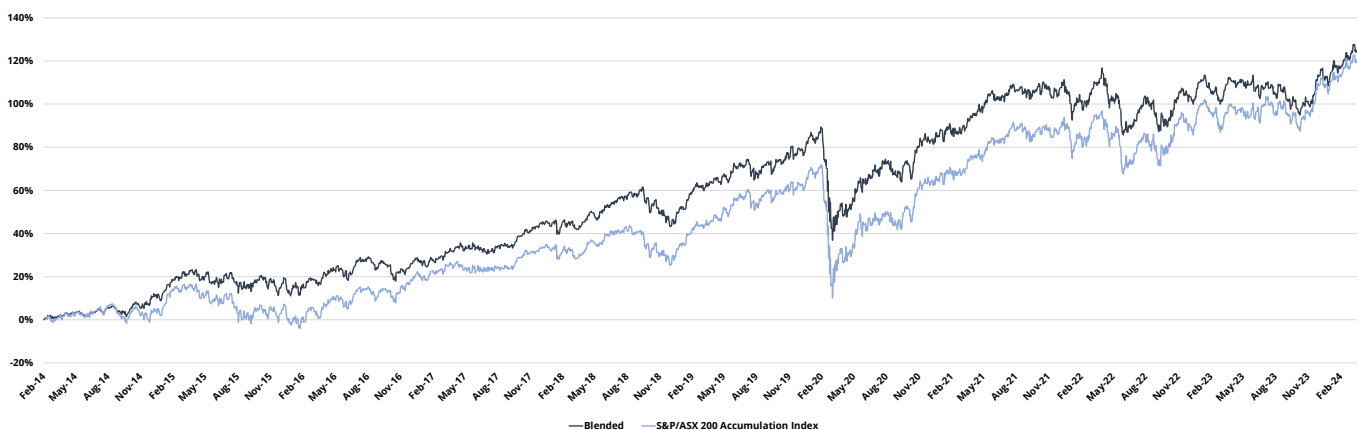
The broader market sell-off was felt across various sectors, particularly those sensitive to interest rates such as high P/E, Real Estate, and discretionary stocks. The decline in technology (high PE) and discretionary stocks is belated given their dramatic outperformance in 2023 where interest rates pushed aggressively higher. By contrast, Resources (+0.5%) proved to be a better hedge against rising bond yields in April. The relative outperformance of Resources was most evident in Gold and MidCap stocks.

At a portfolio level, Resmed (RMD), Integral Diagnostics (IDX), and Iluka (ILU) were notable strong performers. Whereas James Hardie (JHX), Ramsay Health Care (RHC), and Goodman Group (GMG) weighed on performance.

Global economies are navigating a myriad of challenges, including persistent inflation which continues to delay anticipated interest rate cuts. Additionally, there are ongoing pressures from the cost of living and a tenuous geopolitical environment. With this in mind, it is crucial to maintain a vigilant posture in our equity portfolios. We focus on companies that retain strong competitive industry positions and balance sheets – attributes that equip them to withstand the chilling winds of higher interest rates and economic uncertainty. While a higher-for-longer rates environment is not an insurmountable obstacle to stock performance, it does suggest that earnings more than multiple expansion is likely to be the driver of stock performance from here.

Namely, the portfolios focus on companies that can generate earnings momentum in a world where bond yields remain higher for longer such as CSL, Cleanaway (CWY) and Goodman Group (GMG). Moreover, we believe that the opportunity in energy and resources stocks remains attractive given the recent cyclical recovery in commodity prices and the structural tailwinds of increased spending required for the global economy to transition to a lower carbon world.

CUMULATIVE RETURN FROM INCEPTION



PORTFOLIO RETURNS

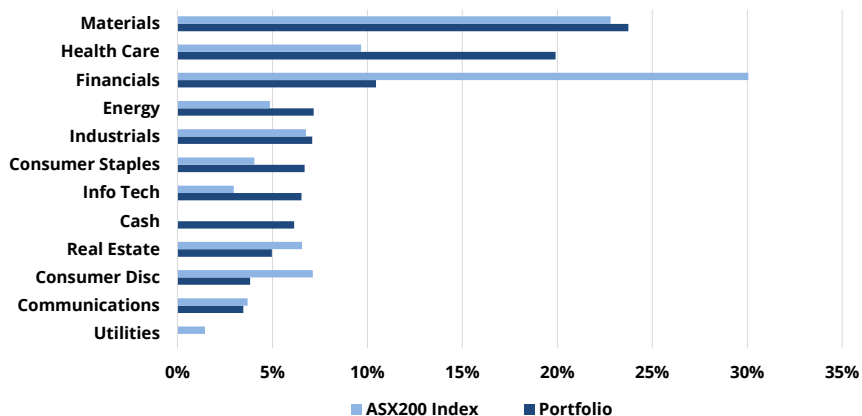
	1 month	3 months	6 months	FYTD	1 year	3 years	5 years	7 years	10 years	Inception p.a	Since inception
Portfolio performance	-2.1%	2.2%	14.2%	7.2%	6.2%	4.6%	6.2%	7.6%	8.0%	8.2%	122.9%
ASX 200 Accum Index	-2.9%	1.0%	15.2%	10.0%	9.1%	7.3%	8.0%	8.0%	7.8%	7.9%	116.2%
Relative performance	0.9%	1.2%	-1.0%	-2.8%	-2.8%	-2.7%	-1.8%	-0.4%	0.3%	0.3%	6.6%

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

TOP 5 HOLDINGS

Stock	Weight
CSL	8.8%
BHP	8.6%
MQG	5.6%
CWY	5.3%
GMG	5.0%

RELATIVE SECTOR WEIGHTS - APRIL 2024



PLATFORM AVAILABILITY



Powerwrap™

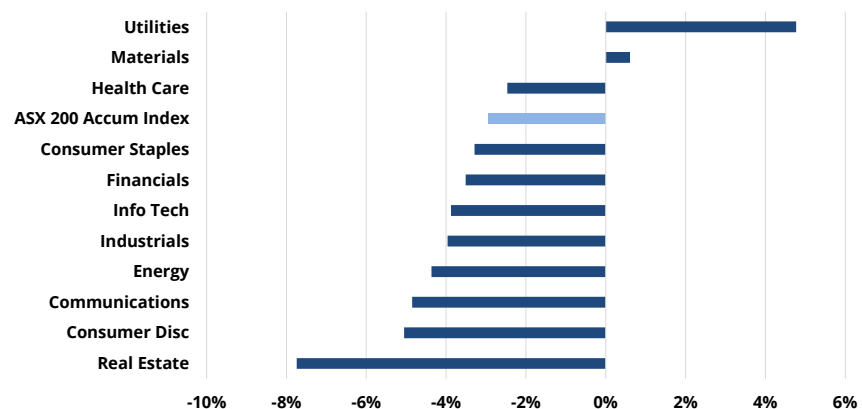


North

MACQUARIE

BT Panorama

SECTOR RETURNS - APRIL 2024



RATINGS
& AWARDS



Australian
Equities
Winner
2020 IMAP MANAGED
ACCOUNT AWARDS



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