

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	5.47%*
Net Dividend Yield	4.24%

* Forecast gross yield inc franking for the next 12 months

“I’m not sure how restrictive monetary policy really is, and the proof’s really in the pudding...monetary policy has by now had a very long time to work, and yet the economy keeps surprising on the high side.”

Laurence Summers Former US Treasury Secretary

The ASX 200 rose 3.30% in March, extending its positive momentum for five consecutive months. From the market lows in October 2023, the ASX 200 has rebounded by around 15% to reach a new all-time high.

A more optimistic growth outlook supported by firmer economic data has helped extend the equity market rally. Indeed, since the peak in rate expectations last year, the Price Earnings Ratio (P/E) of the ASX 200 has expanded by ~15%, driven by valuation multiple expansion in the Banks, Discretionary Retail, Real Estate and Technology. Notably, an unbridled optimism regarding the pending AI revolution led by the US company Nvidia has expanded to include the broad sweep of technology and real estate providers of data centres. At the end of the March quarter, the ASX 200 was trading on a 12 month-forward multiple of around 16.7 times, a ~12% premium to its long-term average.

While elevated valuations can be a warning signal that markets are vulnerable either to a correction or that future returns will be more muted, we think it is equally important to consider the state of the economy and the outlook for corporate profits, which at this stage to continue to exhibit resilience.

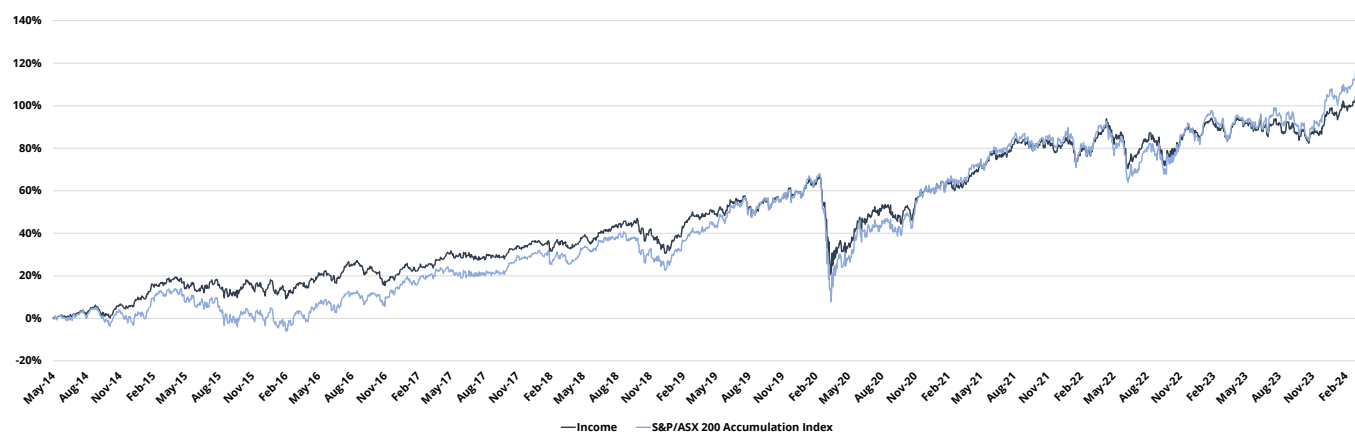
With this backdrop in mind, the market has reassessed the likelihood that central banks will cut interest rates aggressively this year, particularly given the strength in labour markets and the buoyancy in residential house prices.

In March, the market breadth improved with all sectors moving higher, except Communications (-0.8%). On the positive side, Gold (+16.6%), Real Estate (+9.2%), and Energy (+5.6%) were the strongest sectors. At a portfolio level Northern Star, Santos and Premier Investments were notable strong performers, whereas Spark NZ, Pilbara Minerals and Telstra Group weighed on performance.

While the global equity bull market has extended to 18 months, investor sentiment has changed dramatically over this period. At the beginning of 2023, concern over the impact of multiple interest rates rises to quell inflation had darkened investor risk appetite to be more defensive. In a spectacular turnaround and a direct challenge to consensus thinking, equity markets were emboldened in 2023 with the banks, discretionary retail and technology leading the charge forward.

As we progress through 2024, the economic landscape and corporate profits are not only displaying signs of resilience but also expansion, as evidenced by indicators such as the US Manufacturing ISM New Orders Index. Equity markets are now reflecting this renewed optimism. It is now crucial to *thread the needle carefully to achieve a tactful balance between defense and growth assets.*

CUMULATIVE RETURN FROM INCEPTION



PORTFOLIO RETURNS

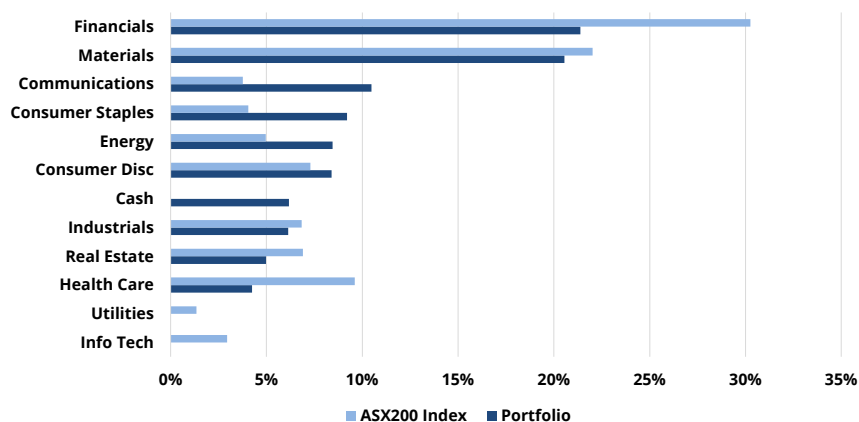
	1 month	3 months	6 months	FYTD	1 year	3 years	5 years	7 years	Inception p.a	Since inception
Portfolio performance	3.2%	4.6%	10.7%	9.1%	9.5%	8.2%	7.0%	7.2%	7.6%	107.3%
ASX 200 Accum Index	3.3%	5.3%	14.2%	13.3%	14.4%	9.6%	9.2%	8.6%	8.2%	118.0%
Relative performance	-0.1%	-0.7%	-3.5%	-4.2%	-5.0%	-1.4%	-2.1%	-1.4%	-0.5%	-10.7%

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

TOP 5 HOLDINGS

Stock	Weight
NAB	8.2%
BHP	7.6%
TLS	5.4%
CBA	5.1%
SPK	5.1%

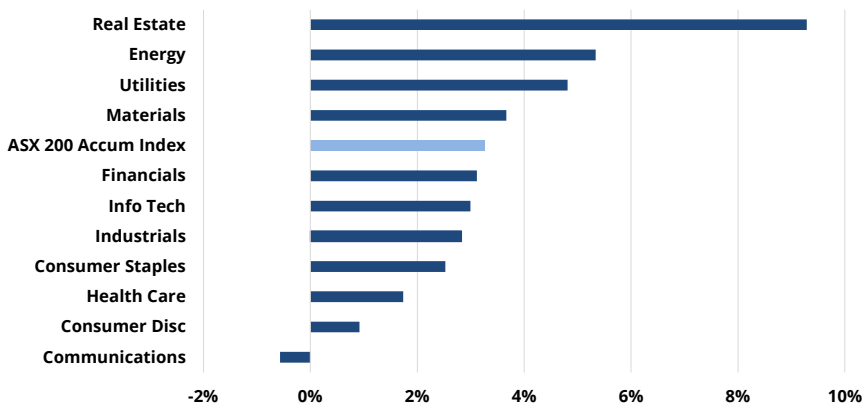
RELATIVE SECTOR WEIGHTS - MARCH 2024



PLATFORM AVAILABILITY



SECTOR RETURNS - MARCH 2024



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