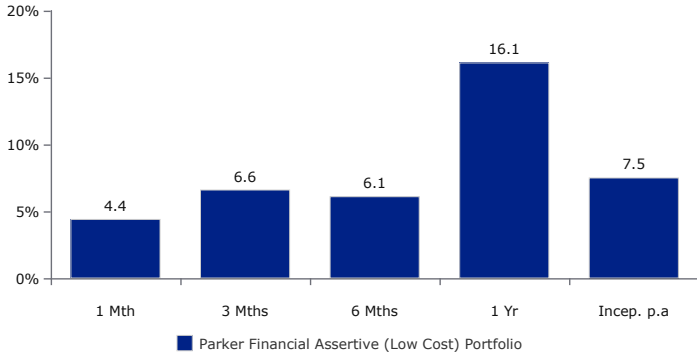


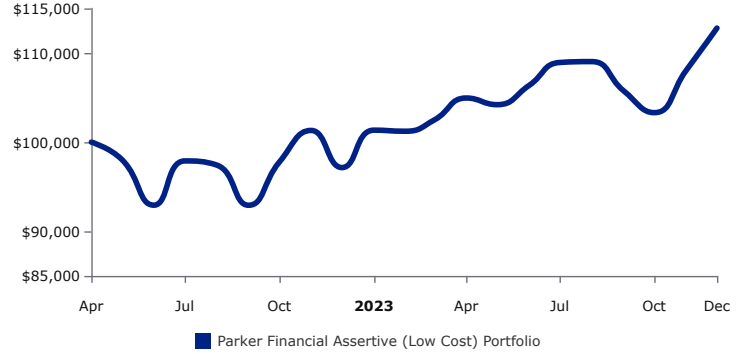
PARKER FINANCIAL ASSERTIVE (LOW COST) PORTFOLIO (PWM006)

Performance Summary



Source data: Hub24 | Model Inception Date: 01/05/2022

Investment Growth



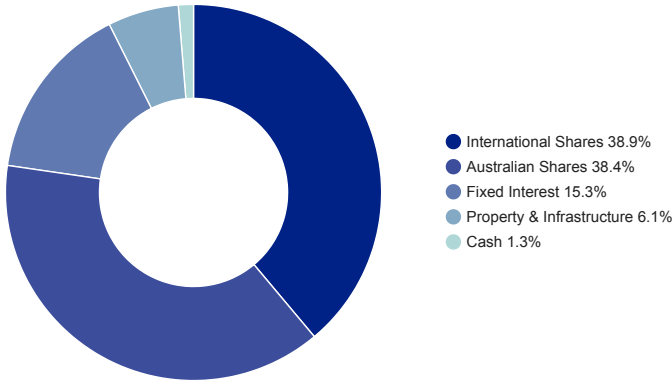
Source data: Hub24 | Model Inception Date: 01/05/2022

Executive Summary

The Parker Financial Assertive (Low Cost) Portfolio recorded a strong return of +6.6% for the quarter. Markets put a challenging previous quarter behind them as softer-than-expected inflation data and the prospects of rate cuts in 2024 drove bond yields down, creating the perfect platform for both shares and bonds to rally in the final quarter of the year. Despite warnings to the contrary, 2023 turned out to be a prosperous year for markets, rewarding patient investors and reinforcing the value of staying invested even in the face of significant macroeconomic and geopolitical risks. Although there are risks to the downside which demand a cautious approach, the year ahead looks set to be characterised by a slowing but resilient economy, further cooling of inflation, and the beginning of a rate-cutting cycle. Together, these point to an environment likely to be supportive of shares and bonds.

Portfolio Summary

As at December 31, 2023



	Current	Neutral	Range
Australian Shares	38.4%	38.0%	25-55.0%
International Shares	38.9%	41.0%	25-55.0%
Property & Infrastructure	6.1%	6.0%	0-20%
Fixed Interest	15.3%	10.0%	0-30%
Cash	1.3%	5.0%	0.5-30%

Market Review

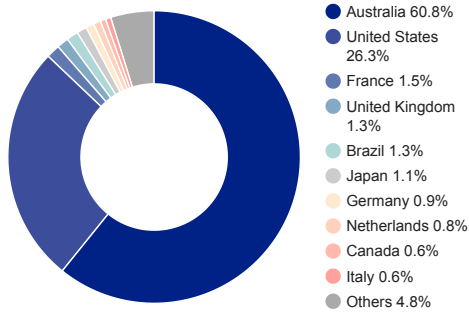
After a disappointing September quarter, the prospect that central banks will cut interest rates sooner and harder in 2024 than previously expected, resulted in a sharp drop in bond yields and delivered excellent returns across all major asset classes. Australian shares rallied hard into the end of the year, with the S&P/ASX 200 Index jumping +8.4% over the December quarter. Smaller companies kept pace with their larger peers as the S&P/ASX Small Ordinaries Index gained +8.5%.

International shares also rallied. The MSCI All Country World Hedged Index rose +8.7% over the quarter. Further weakness in the US dollar was a headwind for unhedged shares, which increased +5.0%. Small Companies outperformed the broader market, with the MSCI World ex-Australia Small Cap Net Return Index up +6.4%. US shares advanced +11.7% to within touching distance of their all-time high as gains broadened out across the S&P 500 Index. European shares rose +8.6%, while the Japanese market was more muted, rising +2.0%. The MSCI Emerging Markets Index (Hedged) added +5.0% despite further weakness in China, which fell -4.8%.

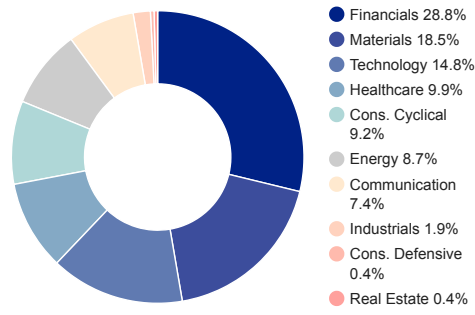
The interest rate-sensitive property sector, which had struggled in the face of higher-for-longer interest rate expectations for much of 2023, had a late surge. Locally, the S&P/ASX 200 A-REIT Index soared +16.6%, while globally, the FTSE EPRA Nareit Developed Index (Hedged) jumped +12.7%. 2023 was an uncharacteristically volatile year for global infrastructure, which finished close to where it started after a late flurry — the FTSE Global Core Infrastructure 50/50 (Hedged) Index rose +8.5% over the quarter.

Fixed interest (bond) markets enjoyed their best quarterly performance in a long time as bond yields continued to fall (and bond prices rose) on the prospect of rate cuts. The Bloomberg AusBond Composite 0+ Yr Index increased +3.8%, while the Bloomberg Global Aggregate Bond Hedged Index advanced +5.4%. Australian and US government bond markets generated healthy returns, jumping +4.0% and +5.7%, respectively. The credit (corporate bond) market staged an impressive rally as concerns about company refinancing and default risk faded. Australian and global investment-grade credit both returned +4.5% over the quarter.

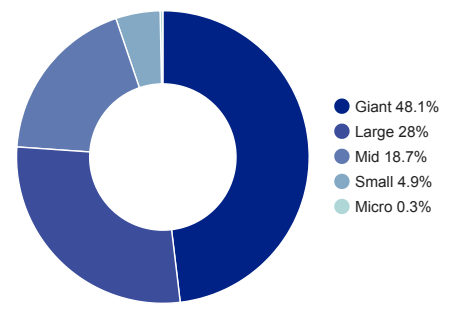
Regional Exposure



Sector Exposure



Market Capitalization



Portfolio Commentary

Australian Shares capped off a turbulent but prosperous year with an impressive final-quarter rally. Passive strategy **Macquarie True Index Australian Shares (+8.4%)** performed in line with the broader S&P/ASX 200 TR Index. **Airlie Australian Share (+9.0%)** finished ahead of the market with high conviction positions outperforming. An underweight to A-REITs and overweight to energy detracted from the performance of **Schroder Australian Equity (+6.3%)** relative to the benchmark. **Yarra Australian Smaller Companies (+6.3%)** had a weak quarter relative to the small-cap sector as several key positions underperformed.

International shares also enjoyed a late surge to cap off a strong 2023. Manager performance was mixed. A weaker USD was a tailwind for hedged exposure, benefiting **iShares Hedged International Equity Index (+9.3%)**. **GQG Partners Emerging Markets Equity (+7.2%)** benefitted from an underweight to a struggling Chinese market. Core strategy **Ironbark Royal London Core Global Share (+4.7%)** had a softer quarter but an outstanding 2023 overall.

The sharp drop in bond yields was a tailwind for interest rate-sensitive asset classes like property and infrastructure, which ended the year on a high note. Australian and global REITs were the best-performing sectors over the quarter, boosting the returns from **Macquarie True Index Global Real Estate Securities (+9.1%)** and **True Index Global Infrastructure Securities (5.2%)**.

In fixed interest, strong returns from government bonds (duration) were constructive for global bond strategy **Vanguard Global Aggregate Bond Hedged ETF (+6.4%)**. **Yarra Enhanced Income (+2.6%)** delivered a robust performance with returns from longer duration positions propping up a softer quarter for its hybrid credit exposure.

Underlying Investments

As at December 31, 2023

	Weight	1Mth	3Mths	1Yr	3Yr p.a
Australian Shares	38.4%				
Airlie Australian Share	7.1%	7.5%	9.0%	15.4%	12.1%
Macquarie True Index Australian Shares	21.6%	7.2%	8.4%	12.1%	9.0%
Schroder Australian Equity Fund - PC	6.8%	6.8%	6.3%	10.0%	10.7%
Yarra Australian Smaller Companies	2.9%	7.2%	6.3%	13.6%	-
International Shares	38.9%				
GQG Partners Emerging Markets Equity	4.0%	4.7%	7.2%	30.1%	4.1%
Ironbark Royal London Core Gbl Sh AUnh	9.9%	1.5%	4.7%	26.2%	-
Macquarie True Index International Eqs	15.7%	1.9%	5.4%	23.5%	11.8%
iShares Hedged International Equity Idx	9.4%	3.9%	9.3%	21.9%	7.5%
Property & Infrastructure	6.1%				
Macquarie True Index Gbl Rel Est Secs	3.1%	6.4%	9.1%	9.0%	5.4%
True Index Global Infrastructure Secs	3.0%	0.6%	5.2%	1.6%	7.8%
Fixed Interest	15.3%				
Vanguard Global Aggregate Bd Hdg ETF	5.9%	3.4%	6.4%	5.0%	-4.0%
Yarra Enhanced Income Fund	4.6%	1.7%	2.6%	8.9%	4.8%
iShares Government Inflation ETF	4.8%	4.6%	5.9%	8.9%	-0.6%
Cash	1.3%				
Platform Cash	1.3%	-	-	-	-

Portfolio Changes

Over the quarter, we extended our cautious positioning by neutralising portfolio beta where relevant. This involved implementing a small switch from international shares to bonds to reduce portfolio sensitivity to share market moves. To reflect this in the portfolio, we reduced international shares exposure by trimming **iShares Hedged International Equity Index** redeploying the proceeds into global bonds through an increased allocation to **Vanguard Global Aggregate Bond Index (Hedged) ETF**.

Portfolio Weights

	Current	Last Quarter	Changes
Australian Shares	38.4%	37.6%	+0.8%
International Shares	38.9%	41.0%	-2.1%
iShares Hedged International Equity Idx	9.4%	10.8%	-1.5%
Property & Infrastructure	6.1%	5.6%	+0.5%
Fixed Interest	15.3%	14.1%	+1.1%
Vanguard Global Aggregate Bd Hdg ETF	5.9%	4.1%	+1.8%
Cash	1.3%	1.6%	-0.3%

*Actual floating weights vary from weights depending on market conditions

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