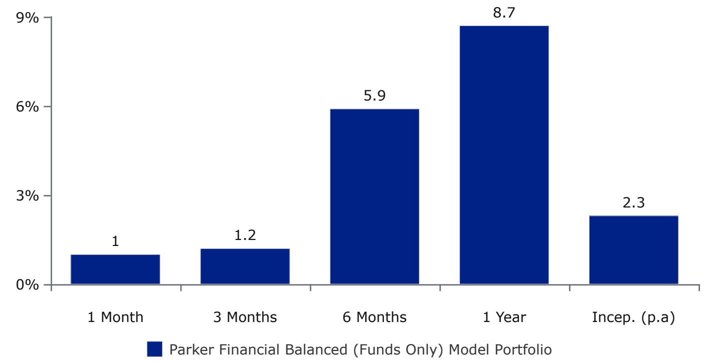
QUARTERLY REPORT

June 30, 2023

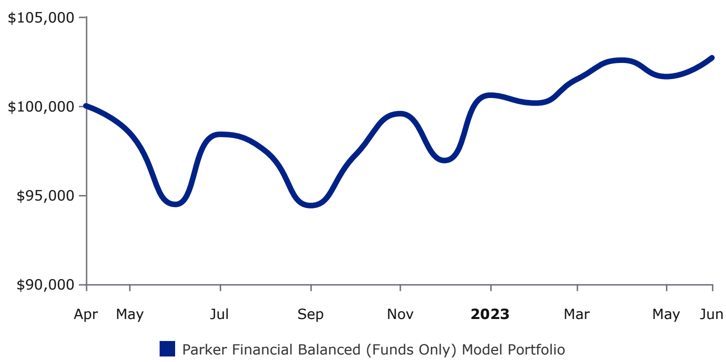
PARKER FINANCIAL BALANCED (FUNDS ONLY) MODEL PORTFOLIO

Performance Summary



Model Inception Date: 20/04/2022 | Source data: Hub24

Investment Growth



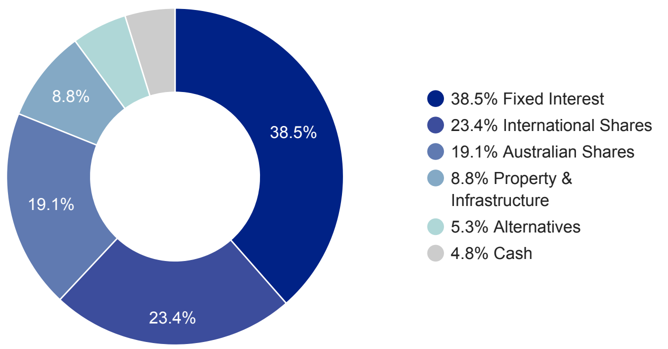
Model Inception Date: 20/04/2022 | Source data: Hub24

Executive Summary

The Parker Financial Balanced (Funds Only) Portfolio recorded a solid return of 1.2% for the quarter. The June quarter provided further evidence that investment markets are beginning to build comfort around elevated inflation levels and higher-for-longer interest rates. Resilient economic data meant immediate recessionary concerns were pared back, boosting investor sentiment and pushing most global share markets up over the quarter. Another aspect of the recent rally in shares has been the concentration in outperformance in only a handful of mega-cap technology companies which stand to benefit from a boom in artificial intelligence (AI) technology. An upward revision in peak interest rates weighed on fixed interest (bond) markets as bond yields increased sharply.

Portfolio Summary

As at June 30, 2023



	Current	Target	Range
Australian Shares	19.1%	19.0%	5-35%
International Shares	23.4%	22.0%	10-40%
Property & Infrastructure	8.8%	9.0%	0-20%
Fixed Interest	38.5%	39.0%	10-65%
Alternatives	5.3%	6.0%	0-30%
Cash	4.8%	5.0%	0.5-40%

Market Review

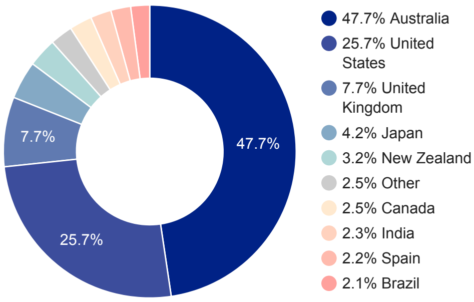
The June quarter provided further evidence investment markets are beginning to build comfort around persistent inflation and higher-for-longer interest rates. Resilient economic data meant immediate recessionary concerns were pared back, boosting investor sentiment and pushing most global share markets up over the quarter. However, an upward revision in peak interest rates weighed on fixed interest (bond) markets as bond yields increased sharply.

A faltering Chinese reopening and the renewed prospect of further RBA rate hikes weighed on the local market over the quarter, which trailed its major developed market peers. The rally in global technology companies, an underrepresented sector on the ASX, has also contributed to relative underperformance. The S&P/ASX 200 Index still made gains, finishing the quarter up +1.0%, while small companies trailed large companies — the S&P/ASX Small Ordinaries Index fell -0.5%.

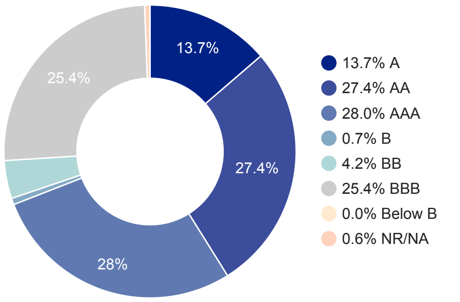
International shares enjoyed a strong quarter — the MSCI All Country World Index delivered +6.8% unhedged and +6.3% hedged. US shares (+8.7%) posted impressive gains on better-than-expected economic growth and excitement surrounding AI that drove shares in technology companies higher. The best-performing major market was Japan (+14.4%), supported by weakness in the Yen as the BoJ continued to resist the urge to lift interest rates. European shares (+3.7%) were more muted but, along with Japan, have been one of the best places to invest in 2023. In China (-9.0%), shares struggled on fading optimism following the country's initial reopening-driven rally.

A weak June dragged down fixed interest markets over the quarter. A re-pricing of peak rates was the overriding concern for investors, driving bond yields higher and bond prices lower. A spike in government bond yields was particularly severe in Australia, sending the local fixed interest composite market — the Bloomberg AusBond Composite 0+ Yr Index — down -2.9%. Global fixed interest markets fared better, with the Bloomberg Global Aggregate Hedged Index slipping -0.3%.

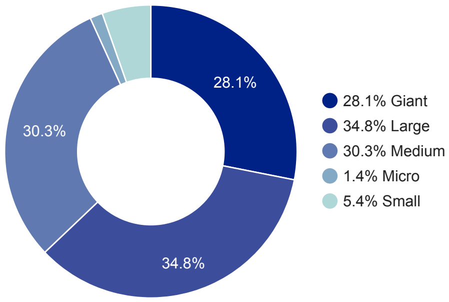
Regional Exposure



Credit Quality



Market Capitalization



Portfolio Commentary

In Australian Shares, **BetaShares Australia 200 ETF (+1.0%)** tracked the S&P/ASX 200 TR Index. **Hyperion Australian Growth Companies (+2.9%)** benefited from overweight technology positions.

Although International Shares enjoyed a strong quarter at a broader market level, much of these returns were concentrated in just a handful of mega-cap technology companies — meaning not holding these big names created a significant drag on relative performance. Again, growth and quality-focused strategies outperformed value tilts. **Ironbark Royal London Diversified Global Shares (+8.4%).** Growth-focused **T. Rowe Price Global Equity (+7.3%)** had a solid quarter, while **Vanguard Global Value Equity Active ETF (+2.1%)** delivered a positive result but struggled to keep pace with the broader market as value lagged. With little exposure to the mega-cap tech movers, **Fiera Atlas Global Companies (+2.4%)** underwhelmed over the quarter. Compared with emerging markets more broadly, **GQG Partners Emerging Markets Equity (+11.2%)** had an exceptional quarter — which was due to avoiding much of the weakness in China and riding the momentum in their Indian and Brazilian exposures.

ClearBridge RARE Infrastructure Income (-0.6%) outperformed the FTSE Global Core Infrastructure 50/50 (hedged) Index but retreated on higher bond yields in absolute terms. **Resolution Capital Global Property Securities (+0.6%)** shrugged off higher rates and US commercial property concerns to end in positive territory.

Higher bond yields and a re-pricing of peak rates weighed on fixed interest markets. The spike in Australian government bond yields was particularly severe. This created headwinds for Australian government and corporate bond strategy **Western Asset Australian Bond (-2.8%)**, which ended the quarter in line with the Bloomberg AusBond Composite 0+ Y TR Index. **Yarra Enhanced Income (+0.4%)** — a standout strategy over the past 12 months — again benefited from attractive yields offered on hybrids and corporate credit. **Janus Henderson Tactical Income (+1.2%)** bucked the trend, benefiting from additional income and tighter spreads on its large investment-grade credit positions. **BetaShares Active Australian Hybrids ETF (+1.3%)** performed well with favourable yields and floating rate payment structures on hybrids less sensitive to interest rate movements.

Ruffer Total Return International (-6.0%) endured a disappointing quarter in the context of its focus on capital preservation. Weaker-than-expected performance from its growth assets — namely commodities and real economy shares — was unable to offset losses on its protection strategies designed to provide support in market drawdown scenarios.

Underlying Investments

As at June 30, 2023

	Weight	1Mth	3Mth	1Year	3 Yrs (pa)
Australian Shares	**19.1%**				
Airlie Australian Share	7.8%	1.0%	0.7%	18.1%	13.5%
BetaShares Australia 200 ETF	6.0%	1.8%	1.0%	14.3%	11.4%
Hyperion Australian Growth Companies	5.3%	1.4%	2.9%	21.1%	7.3%
International Shares	**23.4%**				
Ironbark Royal London Divers Glb Sh AUnh	5.6%	3.3%	8.4%	-	-
Ironbark Royal London Divers Glb Sh H	5.3%	5.6%	7.7%	-	-
T. Rowe Price Global Equity I	3.7%	2.3%	7.3%	19.0%	6.4%
Vanguard Global Value Equity Active ETF	3.5%	4.2%	2.1%	17.1%	20.6%
Fiera Atlas Global Companies Fund - Class 0	3.2%	2.7%	2.4%	24.2%	8.2%
GQG Partners Emerging Markets Equity	2.0%	3.4%	11.2%	11.2%	6.7%
Property & Infrastructure	**8.8%**				
ClearBridge RARE Infrastructure Income B	5.9%	1.4%	-0.6%	-4.2%	8.2%
Resolution Capital Global Prpt Secs II	2.9%	3.0%	0.6%	-7.7%	1.1%
Fixed Interest	**38.5%**				
Western Asset Australian Bond A	13.6%	-1.9%	-2.8%	2.0%	-3.4%
Yarra Enhanced Income	7.9%	0.1%	0.4%	5.3%	4.1%
Janus Henderson Tactical Income	6.0%	0.3%	1.2%	4.9%	1.1%
BetaShares Active Australian Hybrids ETF	5.1%	1.0%	1.3%	5.4%	3.1%
CC JCB Dynamic Alpha A	3.0%	-0.1%	0.5%	3.0%	1.7%
Vanguard Global Aggregate Bd Hdg ETF	2.9%	-0.4%	-0.5%	-1.6%	-4.6%
Alternatives	**5.3%**				
Ruffer Total Return International Aus Z	5.3%	-0.6%	-6.0%	-3.5%	-
Cash	**4.8%**				
Vanguard Cash Reserve	3.8%	0.3%	0.9%	2.9%	0.9%
Platform Cash	1.0%	0.0%	0.0%	0.0%	0.0%

Portfolio Changes

There were several major portfolio changes during the quarter.

Walter Scott Global Equity was exited to accommodate an up-weight to **ClearBridge RARE Infrastructure Income.** Having underperformed global shares over the past 12 months, infrastructure assets should perform well given their defensive and highly predictable earnings qualities, inflation protection, less sensitivity to a potential economic slowdown, and strong underlying demand. Valuations are also supportive and attractive relative to historical averages.

In Australian Shares, we rotated out of **Yarra Australian Smaller Companies** and into large-cap strategy **Airlie Australian Share**. Given earnings for small-caps tend to be highly cyclical in nature, there are risks to the downside in a scenario where the economy slows. In this environment, we prefer to reallocate to the less economically-sensitive large-cap space.

Portfolio Target Weights

	Last Quarter	Change	Current Target
Australian Shares	**19.0%**	**0.0%**	**19.0%**
Airlie Australian Share	4.8%	+3.0%	
Yarra Australian Smaller Companies	3.0%	-3.0%	
International Shares	**25.0%**	**-3.0%**	**22.0%**
Walter Scott Global Equity Fund	3.2%	-3.2%	
Property & Infrastructure	**6.0%**	**+3.0%**	**9.0%**
ClearBridge RARE Infrastructure Income B	3.0%	+2.9%	
Fixed Interest	**39.0%**	**0.0%**	**39.0%**
Alternatives	**6.0%**	**0.0%**	**6.0%**
Cash	**5.0%**	**0.0%**	**5.0%**

*Actual floating weights vary from weights depending on market conditions

Performance Disclaimer: The performance numbers represent estimates for Model Portfolio performance. The Model Portfolio is a notional portfolio, and these returns will differ from the returns experienced by individual clients. Performance numbers are net of fees and rebates and are before tax. Please refer to the PDS for the indices that comprise the Model Portfolio's benchmark. Any Peer Group information is a median of nominated peers within the Model Portfolio's risk profile and style.

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