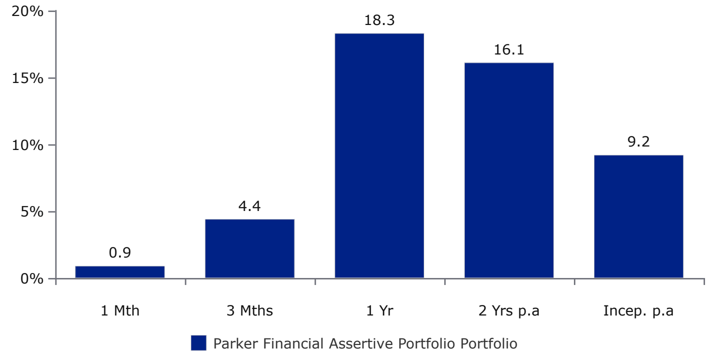
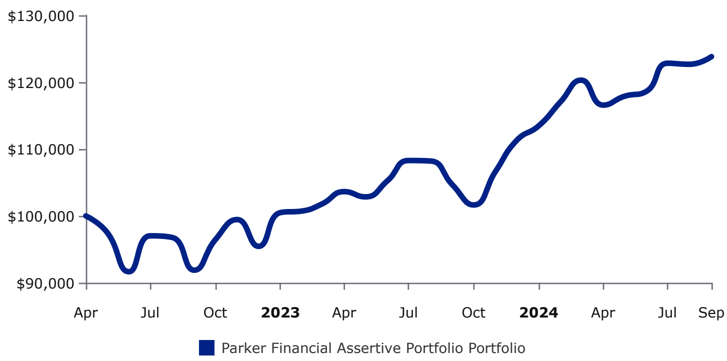
PARKER FINANCIAL ASSERTIVE PORTFOLIO (PWM005)

Performance Summary



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

Investment Growth



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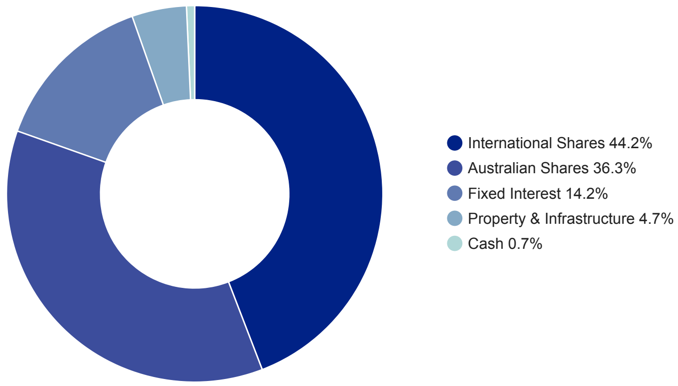
Executive Summary

The Parker Financial Assertive Portfolio recorded a strong return of +4.4% for the quarter. The third quarter of 2024 delivered strong returns across all major asset classes, despite periods of market turbulence. Notably, global shares saw a broadening of performance, with previously lagging sectors such as value, small companies, infrastructure, property, and the Chinese market all showing renewed strength. Fixed interest markets saw falling bond yields (higher prices) in response to softer growth prospects. Economic headlines were dominated by the long-awaited rate cut from the US Federal Reserve and a series of stimulus measures announced by China's central bank. Looking ahead, the start of the rate-cutting cycle presents a positive outlook for economies and for risk assets. However, with some areas of the market showing stretched valuations, risks remain and underscore the need for a careful and strategic approach to portfolio allocation.

Portfolio Summary

As at September 30, 2024



	Current	Neutral	Range
Australian Shares	36.3%	38.0%	25-55%
International Shares	44.2%	41.0%	25-55%
Property & Infrastructure	4.7%	6.0%	0-20%
Fixed Interest	14.2%	10.0%	0-30%
Alternatives	0.0%	0.0%	0-30%
Cash	0.7%	5.0%	0.5-30%

Market Review

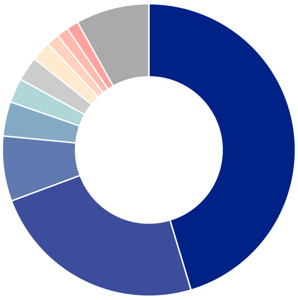
The third quarter of 2024 delivered solid returns across all major asset classes despite some short-lived periods of market volatility. The biggest economic events over the quarter included an outsized rate cut from the US Fed and the unveiling of an extensive stimulus package from China's central bank, which helped boost investor sentiment. The S&P/ASX 200 Index has now recorded five straight months of gains and, over the quarter, jumped +7.8%. Small companies also performed well, with the S&P/ASX Small Ordinaries Index +6.5% higher.

International share markets shrugged off two significant sell-offs to finish the September quarter at all-time highs. The currency-hedged MSCI All Country World Index gained +4.7% for the quarter, while a stronger Australian dollar provided a headwind for the unhedged equivalent index, which edged +2.6% higher. International small companies led their larger peers over the quarter — the MSCI World ex Australia Small Cap Net Return AUD Index climbed +5.2% — as investors rotated into previously underperforming market areas.

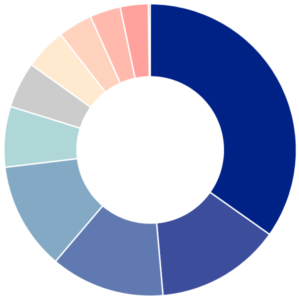
The start of the rate-cutting cycle in the US and declining bond yields provided a tailwind for rate-sensitive global property and infrastructure asset classes. The global property-focused FTSE EPRA Nareit Developed Index (Hedged) climbed an impressive +13.5%. The FTSE Global Core Infrastructure 50/50 (Hedged) Index also performed well, lifting +11.8%.

Fixed interest markets were positive over the September quarter, buoyed by the prospect of lower interest rates, which finally became a reality with an outsized rate cut from the US Fed. Government bond yields declined significantly, which resulted in strong returns for composite global and Australian bond indices. The Bloomberg Global Aggregate Bond Hedged Index gained +4.0%, while the local Bloomberg AusBond Composite 0+ Yr Index increased +3.0%. Credit markets delivered significant gains as spreads (the additional yield a corporate bond offers over a government bond with the same maturity as compensation for the additional risk taken) tightened further.

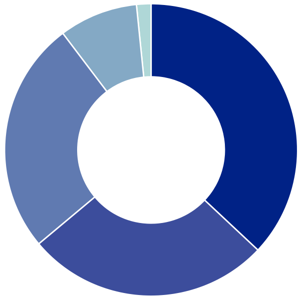
Regional Exposure



Sector Exposure



Market Capitalization



Portfolio Commentary

Australian shares had a strong quarter, outperforming most global peers. **Evidentia Quality Growth (+6.6%)** ended the quarter behind the local index, with the primary detractor its underweight position in resources, which surged late in the quarter after Chinese stimulus measures were announced. Weakness in the energy sector on lower oil prices, along with a short position in the Commonwealth Bank, weighed on the relative performance of **L1 Capital Long Short (+2.1%)**. **Hyperion Australian Growth Companies (+12.2%)** finished well ahead of the market thanks to another good quarter for several of its conviction technology and healthcare positions. A weaker quarter for growth-style sectors weighed on the relative performance of **Yarra Australian Smaller Companies (+5.2%)**.

International share markets hit new highs, with returns broadening into previously underperforming sectors. Traditional value-style sectors like financials, materials and utilities were beneficiaries. Exposure to these sectors helped **Pzena Global Focused Value (+4.8%)** post a strong quarter. Quality-focused manager **Aoris International Hedged (+4.0%)** also benefited from strong stock selection in their concentrated portfolio. A softer relative quarter for the Magnificent 7 weighed on **Vinva Global Systematic Equities (+1.5%)**. **GQG Partners Emerging Markets Equity (-5.6%)** endured a difficult quarter, with relative performance negatively impacted by an underweight to China and stock selection in India and China. Rate cut expectations drove a rotation from large caps to small caps. **Yarra Global Small Companies (+5.6%)** outperformed from its financials and materials exposure.

A steep decline in global bond yields provided a platform for a big rebound in infrastructure and property. **ClearBridge RARE Infrastructure Income (+13.1%)** enjoyed an impressive quarter on its utilities positions.

Fixed interest markets benefited from falling bond yields. Strategies with significant exposure to duration (government bonds) performed in line with the broader fixed interest indices — **Vanguard Global Aggregate Bond Hedged ETF (+4.0%)**. Shorter-duration credit manager **Yarra Enhanced Income (+2.7%)** produced solid returns as spreads continued to tighten as investors chased the high running yields on investment-grade Australian credit. **Betashares Active Australian Hybrids ETF (+2.0%)** had a solid quarter, with investors attracted to the yields on offer from hybrids and the strong credit quality of the issuing banks.

Underlying Investments

As at September 30, 2024

	Weight	1Mth	3Mths	1Yr	3Yr p.a
Australian Shares	**36.3%**				
Evidentia Quality Growth Portfolio	23.4%	2.0%	6.6%	18.1%	6.5%
Hyperion Australian Growth Companies	6.2%	3.2%	12.2%	41.5%	2.5%
L1 Capital Long Short - Daily	2.6%	4.1%	2.1%	13.9%	8.4%
Yarra Australian Smaller Companies	4.2%	5.8%	5.2%	13.7%	0.9%
International Shares	**44.2%**				
Aoris International Fund C Hedged	5.0%	1.2%	4.0%	29.4%	10.8%
Fiera Atlas Global Companies Class O	6.0%	-0.5%	3.4%	12.3%	2.7%
GQG Partners Emerging Markets Equity	4.8%	-2.5%	-5.6%	20.7%	6.2%
Pzena Global Focused Value P	6.9%	-0.3%	4.8%	13.3%	9.6%
Vinva Global Systematic Equities B	11.7%	-0.7%	1.5%	-	-
Walter Scott Global Equity Fund	4.9%	-2.1%	0.3%	15.5%	6.7%
Yarra Global Small Companies Fund	4.9%	-1.1%	5.6%	20.9%	8.4%
Property & Infrastructure	**4.7%**				
ClearBridge RARE Infrastructure Income B	4.7%	4.1%	13.1%	24.3%	6.1%
Fixed Interest	**14.2%**				
BetaShares Active Australian Hybrids ETF	2.5%	0.8%	2.0%	6.9%	4.3%
Janus Henderson Tactical Income	2.0%	0.4%	2.3%	6.9%	2.9%
Vanguard Global Aggregate Bd Hdg ETF	5.0%	1.0%	4.0%	9.5%	-2.4%
Yarra Enhanced Income Fund	4.7%	0.7%	2.7%	9.2%	5.5%
Cash	**0.7%**				
Platform Cash	0.7%	-	-	-	-

Portfolio Changes

The investment team at Royal London Asset Management responsible for managing the Ironbark Royal London Concentrated Global Share Fund — led by Head of Equities Peter Rutter and Portfolio Managers James Clarke and Will Kenney — announced their resignation, prompting a re-evaluation of the Fund's position within the portfolio. As a result, it was determined that the best course of action was to exit **Ironbark Royal London Core Global Share** and use the proceeds to add to the existing allocation in systematic global strategy **Vinva Global Systematic Equities**. We also exited **Ironbark Royal London Core Global Share (Hedged)** and used the proceeds to introduce the concentrated quality strategy **Aoris International (Hedged)**, which maintains currency hedging settings.

Portfolio Weights

*Actual floating weights vary from weights depending on market conditions

	Current	Last Quarter	Changes
Australian Shares	**36.3%**	**35.6%**	**+0.7%**
International Shares	**44.2%**	**43.6%**	**+0.5%**
Aoris International Fund C Hedged	5.0%	0.0%	+5.0%
Ironbark Royal London Core Glb Sh AUnh	0.0%	6.8%	-6.8%
Ironbark Royal London Divers Glb Sh H	0.0%	4.0%	-4.0%
Vinva Global Systematic Equities B	11.7%	6.2%	+5.6%
Property & Infrastructure	**4.7%**	**4.3%**	**+0.4%**
Fixed Interest	**14.2%**	**14.0%**	**+0.1%**
Cash	**0.7%**	**2.5%**	**-1.7%**

Evidentia Direct Equities Commentary

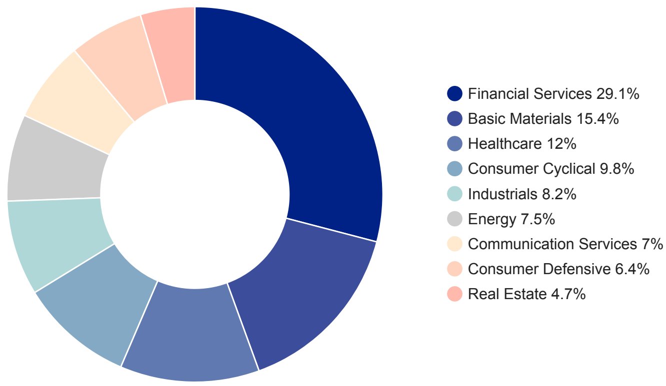
The Evidentia Quality Growth model portfolio recorded a net return after headline fees of +6.6% for the September quarter, below the +7.8% return for the S&P/ASX 200 benchmark. Over the rolling 12 months, a net return of +18.1% for the portfolio sits below the S&P/ASX 200, whilst since its March 2020 inception the net annualised return of +14.7% p.a. exceeds the +13.4% p.a. for the benchmark over the same period.

During the quarter we exited our holdings in NIB Holdings and Corporate Travel Management after disappointing results raised questions over core business momentum (NHF) and earnings transparency (CTD). We added three new stocks to the portfolio (Santos, Treasury Wine Estates and Worley). We took some profit in strongly performing names such as CAR Group, REA Group, Pinnacle, Goodman Group, and Breville. We redeployed some CBA into ANZ and switched some Woodside into Santos, whilst also topping up CSL and IDP Education.

Top 10 Holdings

	Holdings
BHP Group Ltd	7.4%
CSL Ltd	6.7%
Macquarie Group Ltd	6.0%
Commonwealth Bank of Australia	5.7%
ANZ Banking Group Ltd	5.7%
Aristocrat Leisure Ltd	5.4%
James Hardie Industries PLC	5.4%
Goodman Group	4.6%
Brambles Ltd	3.9%
carsales.com Ltd	3.7%

Sector Exposure



Significant Contributors

Brambles Ltd (+33.0%)

Rocketed higher in August after one of the stand-out large cap results of F24, and went on with it in September following a positive strategy day outlook. With constant currency EBIT up +17% and F25 guidance for growth of +13-15% underlying momentum looks strong. Positive signs on price and volume, excellent free cashflow (US$880m) due to reduced pooling capex, and capital management initiatives all signal management's confidence in the future.

James Hardie (+21.4%)

After being sold down in the prior quarter on rising bond yields and underwhelming earnings guidance, James Hardie rebounded strongly over the period. Positive sentiment from its annual investor day combined with emerging green shoots in the US housing market, whilst the market increasingly sought out potential beneficiaries of the Fed rate cut cycle.

Significant Detractors

NIB Holdings Ltd (-17.3%)

NIB delivered a sizeable miss relative to consensus forecasts, after margins in Australian private health normalised more rapidly than expected and policyholder growth of just 2.5% (vs 3-4% target) also underwhelmed. The Group continues to invest in adjacent growth initiatives but emerging competition and some operating trends at odds with peers reduced our confidence in the core business and we exited our holding.

Woodside Energy Group Ltd (-7.1%)

Impressive operating costs (down 6%) and recent asset sell-downs underpinned an 80% dividend payout ratio at the result, but a declining oil price (Brent crude down ~13% in the quarter) and question marks over capital allocation towards recent new energy acquisitions dragged on the stock.

Ramsay Health Care Ltd (-11.5%)

In line with pre-released figures but compositionally soft and FY25 outlook for "growth" underwhelmed. Seeing improved activity levels (particularly in the UK), and the balance sheet is better (ND/EBITDA ~2x), but tariff pressures and wage inflation remain margin headwinds, and the turnaround is taking longer.

