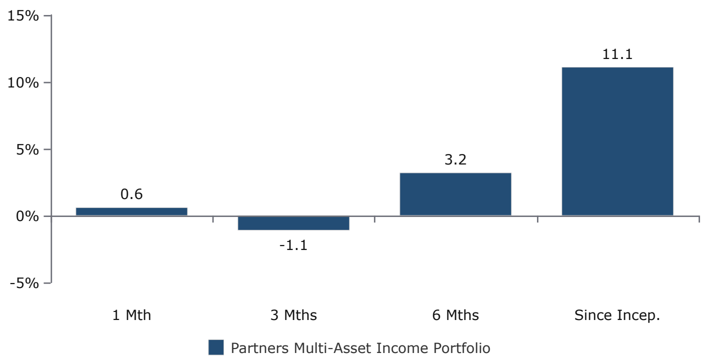
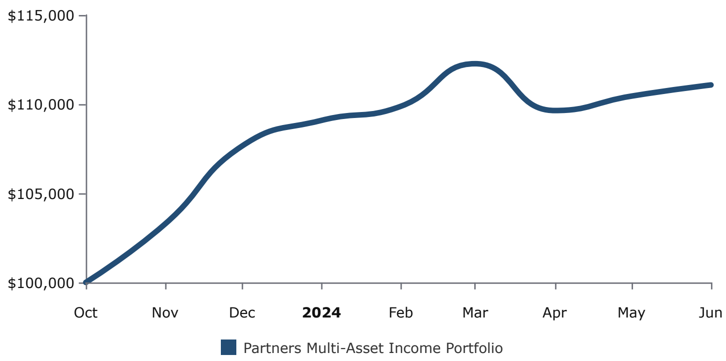
PARTNERS MULTI-ASSET INCOME PORTFOLIO

Performance Summary



Platform: BT | Source data: BT | Inception Date: 01/11/2023

Investment Growth



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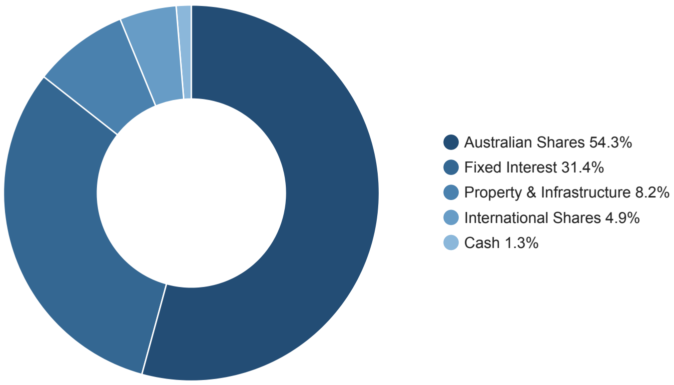
Executive Summary

The Partners Multi-Asset Income Portfolio recorded a negative return of 1.1% for the quarter. Fluctuating economic data throughout the second quarter of 2024 resulted in mixed returns across investment markets. Early in the quarter, investor expectations for rate cuts were scaled back due to concerns of an overheating US economy. However, as the quarter progressed, these worries subsided, with reports indicating a moderation in US growth and inflation. This bolstered confidence that a soft landing remained on track, allowing markets to end the quarter on an optimistic note. Against this backdrop, shares generally delivered positive returns, though gains were primarily concentrated in larger technology-related companies. In contrast, fixed interest markets faced another tricky quarter, experiencing modest negative returns on the back of higher bond yields. Despite the current trajectory of US inflation and rate expectations suggesting a favourable outlook for investors, stretched valuations in certain sectors necessitate a selective approach to portfolio allocation.

Portfolio Summary

As at June 30, 2024



	Current	Neutral	Range
Australian Shares	54.3%	57.0%	40-90%
International Shares	4.9%	5.0%	0-40%
Property & Infrastructure	8.2%	18.0%	0-25%
Fixed Interest	31.4%	8.0%	0-35%
Alternatives	0.0%	0.0%	0-25%
Diversified	0.0%	10.0%	0-25%
Cash	1.3%	2.0%	1-10%

Market Review

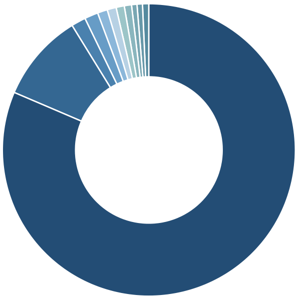
Driven by fluctuating economic data, shares and fixed interest (bond) markets experienced mixed performance in the second quarter of 2024. Although Australian shares rebounded in May and June, a challenging April weighed on overall returns for the quarter. The S&P/ASX 200 Index declined by -1.1%, affected by an underperforming resource sector and concerns about the interest rate outlook. Smaller companies, more sensitive to the prospect of prolonged higher interest rates, underperformed their larger counterparts, leading the S&P/ASX Small Ordinaries Index to fall by -4.5%.

Most international share markets extended their gains during the quarter, particularly in the US and Asia, driven by a sustained rally in US mega-tech stocks and positive sentiment from weaker US inflation data. The MSCI All Country World Hedged Index rose by +3.2% for the quarter. In contrast, unhedged shares, facing the headwind of a stronger Australian dollar, managed a modest increase of +0.5%. Despite these positive trends, much of the gains were concentrated in a few of the index's largest companies. Global small companies faced a challenging period, with the MSCI World ex-Australia Small Cap Net Return AUD Index declining by -5.1%.

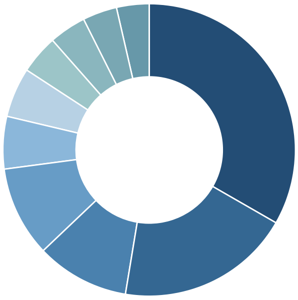
Global listed infrastructure posted solid quarterly gains — the FTSE Global Core Infrastructure 50/50 (Hedged) Index was up +1.2%. Higher bond yields explained the moves in the rate-sensitive global listed property sector, with the FTSE EPRA Nareit Developed Index (Hedged) retreating -2.0% over the quarter.

Fixed interest markets weakened over the quarter. Both US Treasury and Australian Government bond yields rose, leading to negative returns for the broader Bloomberg Global Aggregate Bond Hedged and Bloomberg AusBond Composite 0+ Yr indices, which declined -0.2% and -0.8%, respectively. Credit markets (corporate bonds) performed better than government bonds, with minimal spread movement and higher relative income boosting returns. The Australian credit benchmark rose +0.2%, while global credit remained flat. The relatively stable economic environment supported riskier parts of fixed interest markets, including global high yield credit.

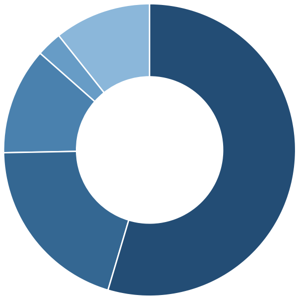
Regional Exposure



Sector Exposure



Market Capitalization



Portfolio Commentary

Australian Shares experienced a weak quarter. **Evidentia Quality Core (-3.5%)** trailed the S&P/ASX 200 Index, with underweight positioning in the big four banks — which hit multi-year highs on easing recession fears and raised earnings estimates — and company-specific calls detracting from performance. Income-focused strategies — **Plato Australian Shares Income (-1.2%)** and **Vanguard Australian Shares High Yield ETF (-0.5%)** — which will naturally favour the dividend-paying banking sector, performed in line or marginally better than the index.

Although international share market indices extended gains over the quarter, there was a significant dispersion of returns across sectors. Given the narrow market leadership and the dominance of the Magnificent 7 and investor-favourite Nvidia, any underweight positioning created a significant drag on performance. Having no exposure to this trend — a function of its bottom-up and valuation-led investment approach — meant **Talaria Global Equity (-4.2%)** lagged the broader market. A rise in US Treasury yields created a headwind for **ClearBridge RARE Infrastructure Income (-0.2%)**.

In fixed interest, short-duration credit manager **Yarra Enhanced Income (+1.6%)** produced strong returns, benefiting from the high running yields offered by its floating-rate credit exposure. High cash rates continue to contribute to high running yields for the active money market and short-dated credit strategy **Realm Short Term Income (+1.6%)**, which delivered returns well in excess of its RBA Cash Rate-plus investment objectives. The risk-adjusted return outlook for the corporate loans held by **Bentham Syndicated Loan (+1.5%)** remains favourable given the credit spreads on loans. The strategy closed the quarter with a highly attractive yield-to-maturity (the total expected return on a bond if it is held until maturity) of 8.7%.

Underlying Investments

As at June 30, 2024

	Weight	1Mth	3Mths	1Yr	3Yr p.a
Australian Shares	**54.3%**				
Evidentia Quality Core Portfolio	30.2%	1.9%	-3.5%	11.2%	7.3%
Plato Australian Shares Income	9.0%	0.6%	-1.2%	11.2%	5.1%
Vanguard Australian Shares High Yld ETF	15.0%	1.4%	-0.5%	13.5%	8.5%
International Shares	**4.9%**				
Talaria Global Equity	4.9%	-1.3%	-4.2%	1.2%	8.5%
Property & Infrastructure	**8.2%**				
ClearBridge RARE Infrastructure Income B	8.2%	-3.5%	-0.2%	-0.3%	3.5%
Fixed Interest	**31.4%**				
Bentham Syndicated Loan	6.9%	0.2%	1.5%	9.8%	4.5%
Realm Short Term Income Ordinary	3.7%	0.5%	1.6%	7.3%	3.9%
Yarra Enhanced Income Fund	20.8%	0.5%	1.6%	9.6%	4.6%
Cash	**1.3%**				
Platform Cash - BT	1.3%	0.3%	0.9%	3.6%	1.9%

Portfolio Changes

Given the relative attractiveness of Australian investment-grade credit spreads and yield, floating rate bond strategy **Betashares Australian Bank Senior Floating Rate Bond ETF** was exited and replaced with short duration Australian credit strategy **Realm Short Term Income**.

Portfolio Weights

	Current	Last Quarter	Changes
Australian Shares	**54.3%**	**56.4%**	**-2.1%**
Vanguard Australian Shares High Yld ETF	15.0%	16.3%	-1.3%
International Shares	**4.9%**	**4.5%**	**+0.3%**
Property & Infrastructure	**8.2%**	**8.0%**	**+0.2%**
Fixed Interest	**31.4%**	**30.0%**	**+1.4%**
BetaShares Aus Bank Sr Fltng Rt Bd ETF	0.0%	3.5%	-3.5%
Realm Short Term Income Fund	3.7%	0.0%	+3.7%
Cash	**1.3%**	**1.1%**	**+0.1%**

*Actual floating weights vary from weights depending on market conditions