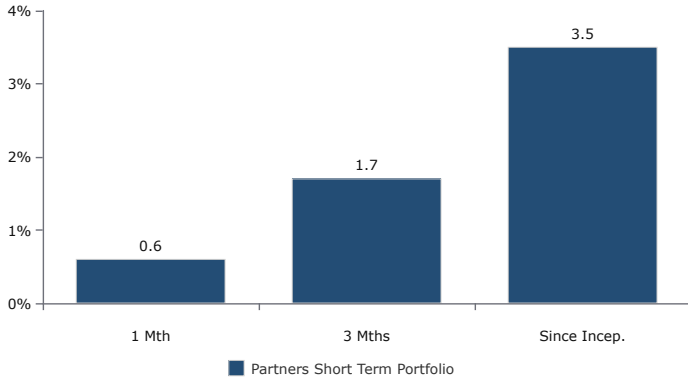


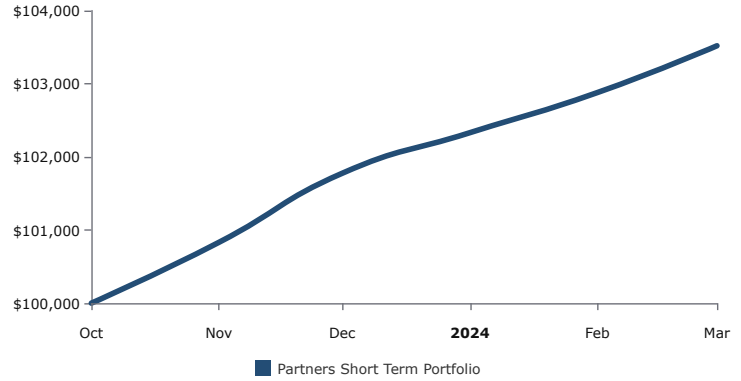
## PARTNERS SHORT TERM PORTFOLIO

### Performance Summary



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

### Investment Growth



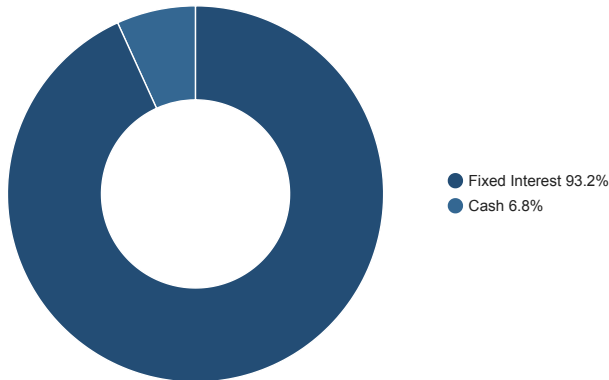
Platform: BT | Source data: BT | Inception Date: 01/11/2023

### Executive Summary

The Partners Short Term Portfolio recorded a solid return of +1.7% for the quarter. While global share markets cheered strong economic data that further supported the prospect of a soft landing scenario, the quarter was more challenging for fixed-interest markets. Stickier inflation and resilient economic activity pushing back the timing and pace of central bank rate cuts to later this year culminated in an uplift in bond yields and mixed returns for fixed interest markets. Solid economic growth, declining inflation, and the prospect of rate cuts this year should offer a more favourable environment for markets. However, with credit spreads tight in some pockets of the market, an optimistic but selective approach is warranted when seeking opportunities.

### Portfolio Summary

As at March 31, 2024



|                | Current | Neutral | Range  |
|----------------|---------|---------|--------|
| Fixed Interest | 93.2%   | 90.0%   | 50-99% |
| Alternatives   | 0.0%    | 0.0%    | 0-30%  |
| Cash           | 6.8%    | 10.0%   | 1-50%  |

### Market Review

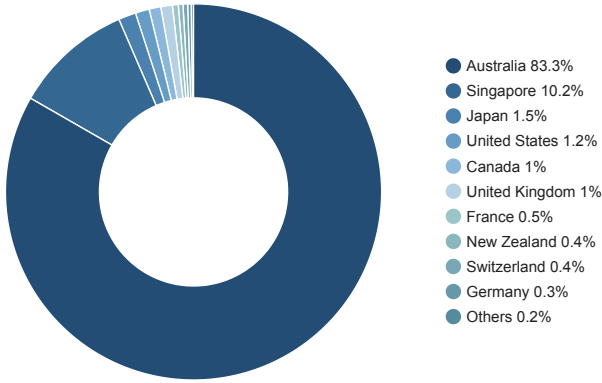
A positive lead from global markets and growing expectations that the RBA's next move for interest rates will be down helped boost sentiment domestically. The result was another strong quarter for the S&P/ASX 200 Index, which rose +5.3% to a fresh all-time high. Small companies' recent edge over their larger peers continued, with the S&P/ASX Small Ordinaries Index rising +7.5%.

Shares across all major global share markets moved higher over the March quarter on resilient economic data and further signs inflation is trending back toward target levels. The MSCI All Country World Hedged Index rallied +9.4%, another all-time high, while returns from unhedged shares were +13.2% stronger over the three months as the Australian dollar dropped from US\$0.68 to US\$0.65. Global small companies kept pace with their larger peers, with the MSCI World ex Australia Small Cap Net Return AUD Index advancing +9.3%.

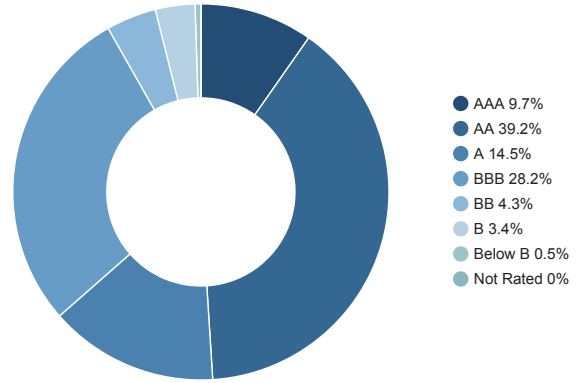
The highly concentrated A-REIT sector has been on a tear recently, thanks to a more favourable interest rate outlook and oversized contributions from index heavyweights —The S&P/ASX 200 A-REIT Index jumped +16.8% higher over the quarter. The 'everything rally' spilled over into international property and infrastructure in March, but they could not keep pace over the quarter as investors chased higher growth sectors. Global property benchmark FTSE EPRA Nareit Developed Index (Hedged) finished -0.1% lower, while the FTSE Global Core Infrastructure 50/50 (Hedged) Index rose +2.5%.

Fixed interest (bond) markets were flat over the quarter, but this masked a fair amount of volatility. Bond yields moved around as expectations for interest rate cuts whipsawed with every new piece of economic data. The Bloomberg Global Aggregate Bond Hedged Index retreated -0.3% as bond yields ticked higher. Australian bonds performed better, benefiting from more stable yields — the Bloomberg AusBond Composite 0+ Yr Index advanced +1.0%. Credit markets (corporate bonds) recorded mixed results as spreads tightened, reflecting an improved economic outlook. The Bloomberg AusBond Credit 0+ Yr Index advanced +1.37%, while the Bloomberg Global Aggregate Credit Total Return Index Hedged AUD was -0.28% lower.

## Regional Exposure



## Credit Analysis



## Portfolio Commentary

Australian credit (corporate bonds) performed well over the quarter, with a combination of stable risk-free rates and attractive spreads — the additional compensation above the risk-free rate — contributing to returns. As a result, active credit strategies **Yarra Enhanced Income (+2.0%)** and **Daintree Core Income Trust (+2.3%)** posted strong results.

The same themes benefited active money market and short-dated credit strategies **Realm Short Term Income (+2.1%)** and **Pendal Short Term Income Securities (+1.4%)**, which again delivered returns well in excess of their RBA Cash Rate-plus investment objectives.

Attractive running yields contributed to a strong quarter for **Bentham Syndicated Loan (+2.6%)**. Australian bank-issued floating rate notes performed well, driving solid returns from **Betashares Australian Bank Senior Floating Rate Bond ETF (+1.5%)**.

## Portfolio Changes

Following the recent reversal in bond yields and rally in bond prices, duration (government bonds) is now trading closer to fair value. We have therefore taken steps to trim duration within the portfolio in favour of shorter duration and more credit-oriented exposure (corporate bonds) offering higher yields. This involved reducing **Macquarie True Index Australian Fixed Interest** and reallocating the proceeds to existing positions in **Yarra Enhanced Income** and **Betashares Australian Bank Senior Floating Rate Bond ETF**.

## Underlying Investments

As at March 31, 2024

|  | Weight       | 1Mth | 3Mths | 1Yr   | 3Yr p.a |
|--|--------------|------|-------|-------|---------|
| <b>Fixed Interest</b>                    | <b>93.2%</b> |      |       |       |         |
| Bentham Syndicated Loan                  | 3.0%         | 0.7% | 2.6%  | 11.7% | 4.5%    |
| BetaShares Aus Bank Sr Fltng Rt Bd ETF   | 12.2%        | 0.5% | 1.5%  | 5.5%  | 2.5%    |
| Daintree Core Income Trust               | 17.0%        | 0.7% | 2.3%  | 8.3%  | 2.6%    |
| Macquarie True Index Aust Fixed Interest | 5.0%         | 1.1% | 1.0%  | 1.5%  | -1.3%   |
| Pendal Short Term Income Securities Fd   | 18.5%        | 0.4% | 1.4%  | 5.1%  | 2.5%    |
| Realm Short Term Income Ordinary         | 24.8%        | 0.7% | 2.1%  | 7.1%  | 3.6%    |
| Yarra Enhanced Income Fund               | 12.5%        | 0.8% | 2.0%  | 8.3%  | 4.6%    |
| <b>Cash</b>                              | <b>6.8%</b>  |      |       |       |         |
| Platform Cash - BT                       | 1.4%         | 0.3% | 0.9%  | 3.4%  | 1.6%    |
| iShares Enhanced Cash ETF                | 5.5%         | 0.4% | 1.1%  | 4.4%  | 2.2%    |

## Portfolio Weights

|  | Current      | Last Quarter | Changes      |
|--|--------------|--------------|--------------|
| <b>Fixed Interest</b>                    | <b>93.2%</b> | <b>93.4%</b> | <b>-0.2%</b> |
| BetaShares Aus Bank Sr Fltng Rt Bd ETF   | 12.2%        | 10.0%        | +2.2%        |
| Macquarie True Index Aust Fixed Interest | 5.0%         | 10.2%        | -5.2%        |
| Yarra Enhanced Income                    | 12.5%        | 10.1%        | +2.4%        |
| <b>Cash</b>                              | <b>6.8%</b>  | <b>6.6%</b>  | <b>+0.2%</b> |

\*Actual floating weights vary from weights depending on market conditions

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