

Navegar Diversified Fixed Income Portfolio

Portfolio performance - March 2024

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (% pa)	2 yr (% pa)	S.I. (% pa)
Portfolio Total Return	0.83	0.52	4.80	4.17	-	5.56
Benchmark*	0.97	0.35	4.98	2.01	-	4.07
Excess Return	-0.14	0.17	-0.18	2.16	-	1.49

Past performance is not a reliable indicator of future performance. Performance is calculated before taxes and other fees such as model management and platform fees and are net of underlying investment management fees. For full details of fees, please refer to the relevant platform provider. Performance is notional in nature and the actual performance of individual portfolios may differ to the performance of the Managed Portfolios. Inception date March 2018. *50% Bloomberg AusBond Composite 0+ Year Index AUD / 50% Bloomberg Global Aggregate TR Index (AUD Hedged).

Market review

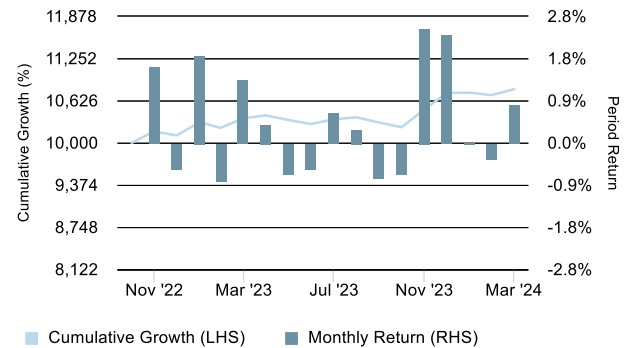
The Australian Sharemarket began the year positively, with the ASX300 gaining 5.4% during the March quarter. This period witnessed a rally propelled by growth orientated sectors, including Technology (+23.6%), REITs (+16.2%), while Consumer Discretionary (+13.4%) also outperformed. Materials (-6.3%) was the weakest performer, driven by the -19.7% decline in iron ore price over the quarter.

In Australian dollar terms, Global equity markets continued to rally in the first quarter of 2024. The strong optimism was attributable to expected global rate cuts and AI excitement. The MSCI AC World ex-Australia Index (AUD) returns have outperformed hedged global equities, posting a notable 14.1% compared to 10.1%, as the AUD/USD spot rate declined by -4.3%. Emerging markets, posted positive returns, but underperformed their developed market peers, with the MSCI Emerging Markets Index advancing 7.1% over the March quarter.

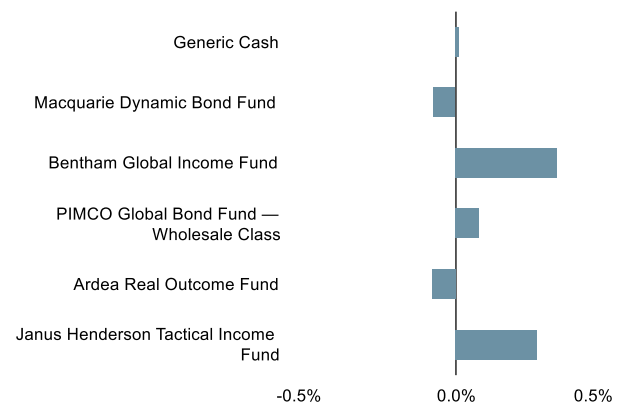
Australian real assets outperformed their equity peers, with another strong quarter as expectation of interest rate cuts supported the AREIT outperformance and boosted market confidence on asset price discovery. Within REITs, the S&P/ASX 300 A-REIT Accumulation Index and the FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged) returned 16.2% and -0.5%, respectively over the quarter. The Global Infrastructure sector (as represented by the FTSE Global Core Infrastructure 50/50 Index (AUD Hedged)) finished 2.5% higher for the quarter.

Central banks including the RBA continued their commentary in the new year that inflation has peaked, and that monetary policy was now on hold waiting for a sustained period of easing pricing pressures before cutting interest rates. As a result, the Bloomberg AusBond Composite 0+ Yr Index for the March quarter returned 1.03% and 1.47% over one year. The global developed investment grade bond market as measured by the Bloomberg Global Aggregate TR Index (AUD Hedged) over the March quarter was up 0.81% and for the year to March, the bond index was up 2.53%.

Cumulative performance



Performance contribution (3 Months)



Performance contribution measures the absolute contribution of each constituent asset class to the total performance of the portfolio.

Portfolio Commentary

The Diversified Fixed Interest Portfolio outperformed the composite benchmark over the March quarter.

The largest contributor to absolute performance was the Bentham Global Income Fund, driven by tightening credit spreads and positive returns from the Fund's key credit sector exposures.

Ardea Real Outcome Fund and Macquarie Dynamic Bond Fund were the biggest detractors over the quarter. Bond versus derivative relative value and option exposure strategies both contributed to the underperformance for Ardea.

No changes were made to the portfolio during the quarter.

We strongly recommend that potential investors read the product disclosure statement or investment statement.

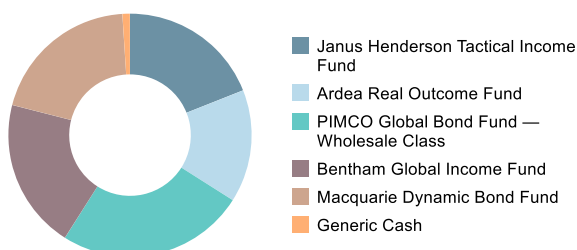
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Portfolio structure

Asset class/Fund	Fund	%
Fixed Interest		99
	Janus Henderson Tactical Income Fund	
	Ardea Real Outcome Fund	
	PIMCO Global Bond Fund — Wholesale Class	
	Bentham Global Income Fund	
	Macquarie Dynamic Bond Fund	
Cash		1
	Generic Cash	

Asset allocation breakdown



Investment strategy/objective

Portfolio objective

The Portfolio objective is to deliver outperformance of the stated benchmark over rolling three-year periods.

Benchmark: 50% Bloomberg AusBond Composite 0+ Year Index AUD / 50% Bloomberg Global Aggregate TR Index (AUD Hedged)

Investment Philosophy

Navegar seeks to deliver outperformance of the benchmark over rolling three-year periods by:

- Robust investment profiles tailored to meet client objectives
- A diversified approach to portfolio construction, with a strong focus on risk
- Skilled active management at a reasonable cost to add value over and above the index to varying degrees in asset sectors
- Blending strategies with low correlations and non-directional strategies to achieve true diversification.

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