

Navegar International Equity Portfolio

Portfolio performance - March 2024

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (% pa)	2 yr (% pa)	S.I. (% pa)
Portfolio Total Return	2.95	12.30	17.96	25.26	13.40	10.86
Benchmark*	3.18	12.07	20.22	26.94	11.72	11.73
Excess Return	-0.23	0.23	-2.26	-1.68	1.68	-0.87

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. *Benchmark consists of 50% MSCI World ex Australia NR Index AUD, 50% MSCI World ex-Australia NR 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.

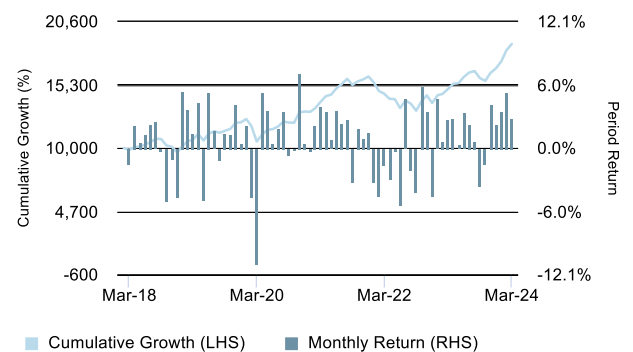
Australian real assets outperformed their equity peers, with another strong quarter as expectation of interest rate cuts supported the AREIT outperformance and boosted market confidence on asset price discovery. Within REITs, the S&P/ASX 300 A-REIT Accumulation Index and the FTSE EPRA/NAREIT Developed 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%.

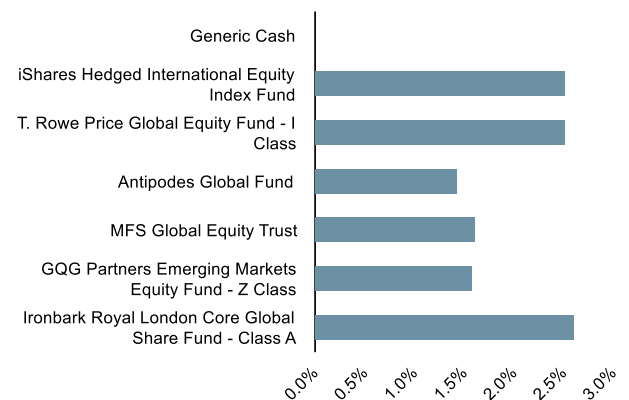
We strongly recommend that potential investors read the product disclosure statement or investment statement.

Lonsec Investment Solutions Pty Ltd • ACN 608 837 583 • A Corporate Authorised Representative (CAR 1236821) of Lonsec Research Pty Ltd • ABN 11 151 658 561 • AFSL 421 445 • This information must be read in conjunction with the Warning, Disclaimer, and disclosure at the end of this document. This report supersedes all prior reports.

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 Navegar International Equity Portfolio outperformed the composite benchmark for the quarter, with all funds contributing positively to absolute performance.

At the Fund level, the strongest performer was the Ironbark Royal London Core Global Share Fund, driven by strong returns from; Sprouts Farmer Market, Kinsales Capital Group, a US insurance company and Steel Dynamics, a US steel manufacturer.

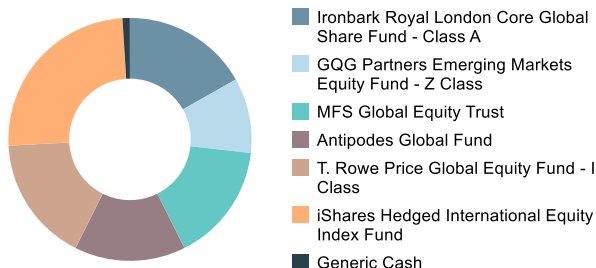
No changes were made to the portfolio over the quarter.



Portfolio structure

Asset class/Fund	Fund	%
Global Equities		99
	Ironbark Royal London Core Global Share Fund - Class A	
	GQG Partners Emerging Markets Equity Fund - Z Class	
	MFS Global Equity Trust	
	Antipodes Global Fund	
	T. Rowe Price Global Equity Fund - I Class	
	iShares Hedged International Equity Index 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% MSCI World ex-Australia NR Index AUD, 50% MSCI World ex-Australia NR 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.

IMPORTANT NOTICE: This document is published by Lonsec Investment Solutions Pty Ltd ACN 608 837 583, a Corporate Authorised Representative (CAR 1236821) (LIS) of Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec Research). LIS creates the model portfolios it distributes using the investment research provided by Lonsec Research but LIS has not had any involvement in the investment research process for Lonsec Research. LIS and Lonsec Research are owned by Lonsec Fiscal Pty Ltd ACN: 151 235 406. Please read the following before making any investment decision about any financial product mentioned in this document.

Disclosure at the date of publication: Lonsec Research receives a fee from the relevant fund manager or product issuer(s) for researching financial products (using objective criteria) which may be referred to in this document. Lonsec Research may also receive a fee from the fund manager or product issuer(s) for subscribing to research content and other Lonsec Research services. LIS receives a fee for providing the model portfolios to financial services organisations and professionals. LIS' and Lonsec Research's fees are not linked to the financial product rating(s) outcome or the inclusion of the financial product(s) in model portfolios. LIS and Lonsec Research and their representatives and/or their associates may hold any financial product(s) referred to in this document, but details of these holdings are not known to the Lonsec Research analyst(s).

Warnings: Past performance is not a reliable indicator of future performance. Any express or implied rating or advice presented in this document is limited to general advice and based solely on consideration of the investment merits of the financial product(s) alone, without taking into account the investment objectives, financial situation and particular needs ("financial circumstances") of any particular person. Before making an investment decision based on the rating or advice, the reader must consider whether it is personally appropriate in light of his or her financial circumstances or should seek independent financial advice on its appropriateness. If the financial advice relates to the acquisition or possible acquisition of a particular financial product, the reader should obtain and consider the Investment Statement or the Product Disclosure Statement for each financial product before making any decision about whether to acquire the financial product.

Disclaimer: LIS provides this document for the exclusive use of its clients. It is not intended for use by a retail client or a member of the public and should not be used or relied upon by any other person. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information not verified by LIS. The information contained in this document is current as at the date of publication. Financial conclusions, ratings and advice are reasonably held at the time of publication but subject to change without notice. LIS assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, LIS and Lonsec Research, their directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it.

Copyright © 2024 Lonsec Investment Solutions Pty Ltd ACN: 608 837 583 (LIS). This report may also contain third party supplied material that is subject to copyright. The same restrictions that apply to LIS copyrighted material, apply to such third party content.