

Navegar Conviction Australian Equity Portfolio

Portfolio performance – March 2024

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (%)	3 yr (% pa)	S.I. (% pa)
Portfolio Total Return	3.38	5.43	13.03	12.97	8.85	8.89
Benchmark*	3.26	5.42	14.24	14.40	9.43	8.81
Excess Return	0.12	0.01	-1.21	-1.42	-0.58	0.08

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 1st March 2018. *Benchmark is the S&P/ASX 200 TR Index AUD.

Market review

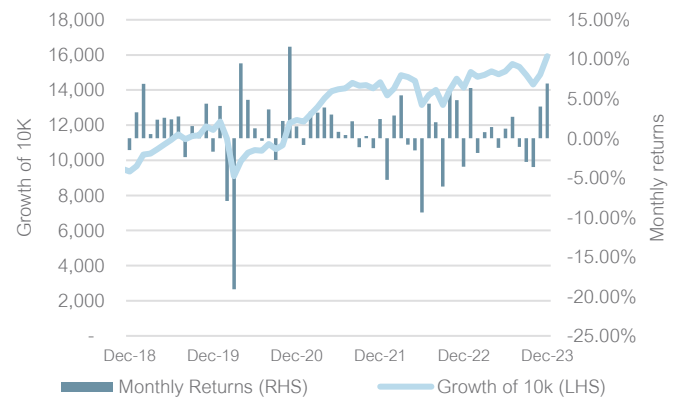
The Australian sharemarket began the year positively, with the ASX300 gaining 5.4% during the March quarter. This period witnessed a rally propelled by growth orientated sectors, including Technology (+23.6%), REITs (+16.2%), while Consumer Discretionary (+13.4%) also outperformed. Materials (-6.3%) 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 contributors

Top 5 Contributors to Performance (12m)	%
Xero Limited	1.04
James Hardie Industries	0.70
Goodman Group	0.68
Woolworths Group Ltd	0.52
Woodside Energy Group Ltd	0.50

Top 5 Detractors from Performance (12m)	%
Qantas Airways Limited	-1.32
Arcadium Lithium	-1.02
South32 Ltd.	-0.68
Telstra Group Limited	-0.65
Wesfarmers Limited	-0.64

Portfolio Commentary

12-Month Gross Yield	%
Navegar Conviction Australian Equity Portfolio	4.59
Benchmark	4.98

Securities Added / Sold to Zero

Date	Security	Action
Mar-2024	Technology One Limited	Added
Mar-2024	Scentre Group	Added
Mar-2024	Treasury Wine Estates Limited	Removed
Mar-2024	Cash	Removed

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

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Portfolio structure

ASX Code	Company
BHP	BHP Group Ltd
CSL	CSL Limited
CBA	Commonwealth Bank of Australia
NAB	National Australia Bank Limited
STO	Santos Limited
TLS	Telstra Group Limited
WBC	Westpac Banking Corporation
XRO	Xero Limited
QAN	Qantas Airways Limited
GMG	Goodman Group
QBE	QBE Insurance Group Limited
MQG	Macquarie Group, Ltd.
MTS	Metcash Limited
ALL	Aristocrat Leisure Limited
RIO	Rio Tinto Limited
JHX	James Hardie Industries
NST	Northern Star Resources Ltd
NXT	Nextdc Limited
VEA	Viva Energy Group Ltd.
ORA	Orora Ltd.
SEK	Seek Limited
SCG	Scentre Group
MIN	Mineral Resources Limited
SUN	Suncorp Group Limited
S32	South32 Ltd.
DOW	Downer EDI Limited
RMD	Resmed
TNE	Technology One Limited
PME	Pro Medicus, Ltd.
MPL	Medibank Private Ltd.
NEC	Nine Entertainment Co. Holdings Limited
LTM	Arcadium Lithium Plc

Investment strategy/objective

Portfolio objective

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

Benchmark: S&P/ASX 200 TR Index AUD.

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.

Portfolio Commentary

The Portfolio returned 3.38% outperforming the S&P/ASX 200 TR benchmark. During the quarter markets continued the rally started in November, with investors believing that central banks around the world may have been able to engineer a soft landing.

Looking more closely at the individual sectors, most sectors had a strong quarter. Informational Technology, Real estate, Consumer discretionary and Financials were the main sectors that outperformed during the quarter. Conversely, Materials was the only sector that underperformed.

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