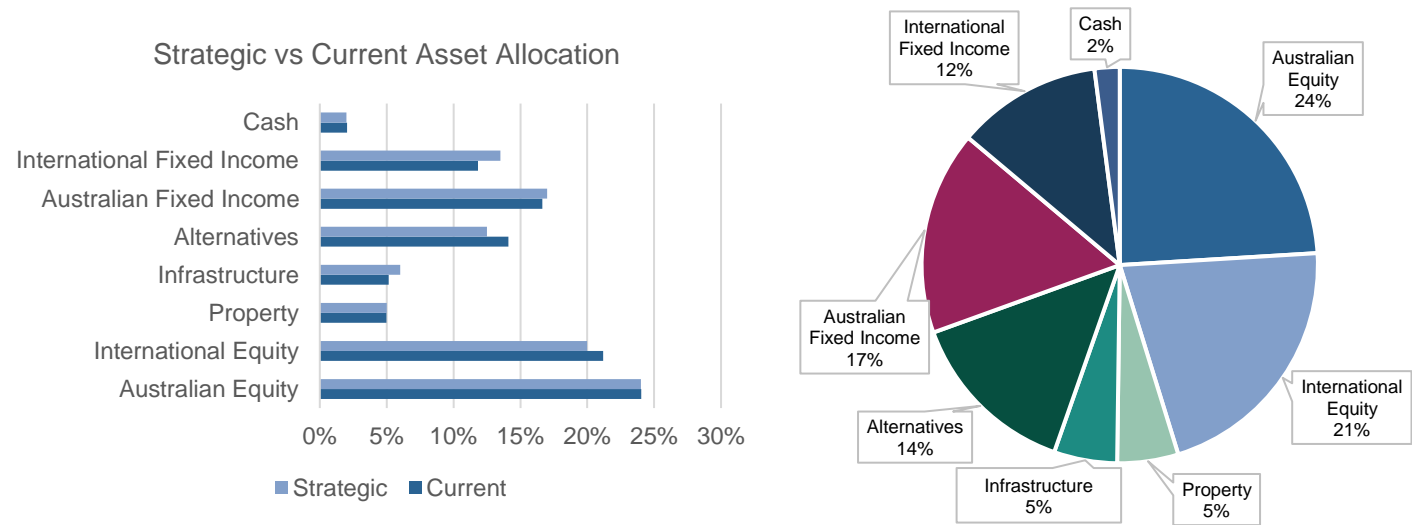


Investment objective and strategy

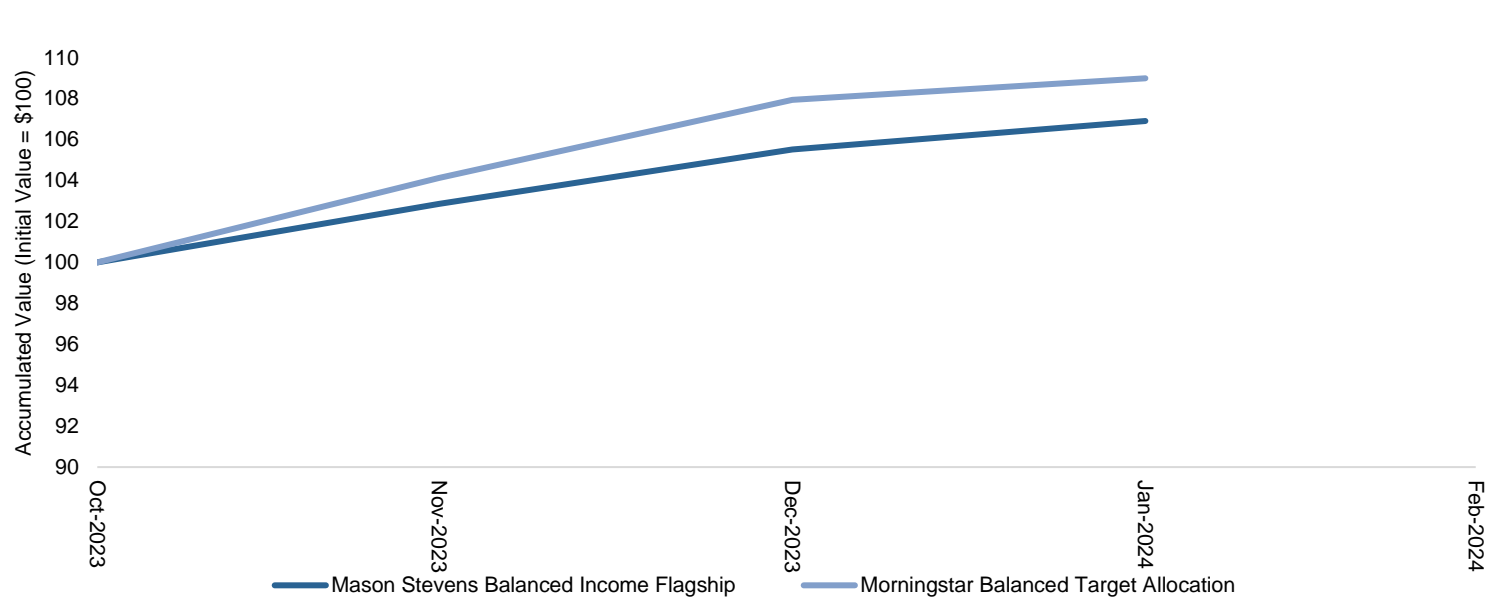
The portfolio is designed as an actively managed, multi-asset investment solution, with the aim of providing a return above the benchmark with a focus on liquidity, that will be achieved by predominately investing in investments with daily liquidity.

Portfolio performance as at 31 January 2024 ¹					
	1 month	3 months	6 months	1 year	Since incep
Portfolio	1.32%	7.07%	n/a	n/a	6.76%
Morningstar Australia Balanced Target Allocation NR AUD Index	0.98%	8.99%	n/a	n/a	8.77%
Excess Return	0.34%	-1.92%	n/a	n/a	-2.01%

Portfolio positioning



Performance since inception



Past performance is not a reliable indicator of future performance.
(1) Portfolio returns are calculated net of management, performance, administration/custody and transaction fees, but excluding any adviser fees from the Managed Portfolio's inception date of 31/10/2023 and assumes reinvestment of all income (but not franking credits). Returns are based on the theoretical performance of a portfolio from the inception date based on simplifying assumptions and security weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Each client should also take into account their own taxation situations. All information provided in this report is correct as at the date of this report but without independent verification.

Monthly portfolio commentary

After a very strong rally across all traditional asset classes in November and December, January was a more mixed month. The hopes for rate cuts from the Federal Reserve sooner rather than later started to fade, as we saw ongoing strong economic data in the US. This saw a modest back up in bond yields, hurting interest rate sensitive sectors like Property. Unhedged global equities outperformed given the fall in the AUD from 0.68c to 0.65c.

The Balanced Income Flagship portfolio delivered a solid absolute return of 1.32% for December and also outperformed the peer group. Some outperformance came via the fixed income managers including Invesco Senior Secured Income and Perpetual Diversified Income, where shorter duration positions helped deliver excess returns. Two of our defensive alternatives – Fortlake Real Income and Investors Mutual Private Portfolio also outperformed.

In terms of relative performance, the Global Equities allocation was a drag on performance. Epoch Shareholder Yield Fund and Talaria Global equity both produced positive returns but given their defensive nature were not able to keep up with markets more generally.

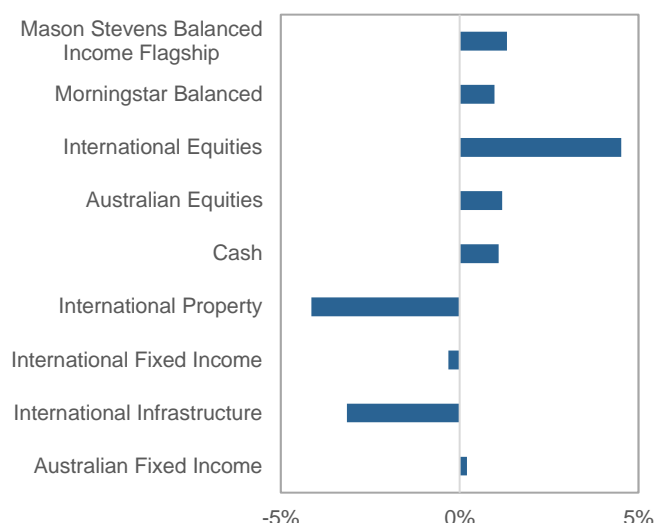
Market commentary and outlook

Falling inflation and prospects for easier central bank policy are underpinning the consensus view of a soft-landing rather than a recession. Leading indicators point to slowing growth but not a collapse. There's still risk of recession; albeit comfort exists given significant headroom to cut rates assuming disinflation remains intact. US exceptionalism from productivity supports the US economy above other developed market regions, with Europe likely to fall into a mild recession. In Australia there is growing evidence that ongoing cost-of-living pressures have begun to impact the consumer, driving higher confidence that inflation is on a sustainable path downwards.

Current consensus estimates for GDP suggest that 2024 will see slowing growth but not a recession, whilst recession risks remain elevated. A cynical investor could argue that the market has a bet in two camps right now and we wouldn't blame them. This economic cycle is like no other and has defied all historical reference to date. The path of disinflation has defied previous cycles as historically demand destruction has been required to tame inflation. The transitory nature of the pandemic and oil related drivers of inflation have now passed and importantly inflation expectations have remained well anchored providing confidence in consensus estimates.

Australia appears to be on a similar path to the US. While slightly behind in terms of the disinflation story, the latest Australian CPI data continues a clear trend down that commenced in early 2023, and rate cuts are arguably on the horizon for the first time since the rate hiking cycle began. Growth estimates are generally soft, but not recessionary. High net migration, while beginning to turn, remains well above pre-pandemic levels and continues to support growth. A solid US economic story and modest China stimulus also provide positive impulses into the economy. Conversely, Australia is approximately 75% of the way through its "mortgage cliff" process as households roll-off low fixed rate loans onto higher floating rates. A key risk remains around how this is managed through 2024 as pandemic savings dwindle.

Monthly Market Returns
(Local Currency)



Key features

Investment universe

Managed funds, Exchange Traded Funds (ETFs), listed managed funds and cash

Target Return

Morningstar Australia Balanced Target Allocation NR AUD Index

Number of investments

5 to 25 (subject to market conditions and Manager Discretion)

Min investment

\$25,000 (or as agreed by the Investment-Sub Adviser)

Suggested timeframe

3 years

Portfolio statistics

Underlying ICR – 0.63%

Individual Holdings – 23

Portfolio Manager

Jacqueline Fernley - Chief Investment Officer, **David Macri** – Head of Asset Allocation, **Lloyd Mitchell** – Head of Fixed Income, **Andrew Ash** – Head of Manager Research

The Managed Portfolio is managed by Mason Stevens Asset Management Pty Limited (MSAM) ABN 92 141 447 654, as the Investment Sub- Adviser. MSAM is a Corporate Authorised Representative (CAR 461312) of Mason Stevens Limited. Investment decisions are governed by an Investment Committee that ensures the appropriate discipline and rigour is applied to the investment process.

More information

Further information about the Portfolio, including fees and costs, is outlined in the Mason Stevens Flagship Managed Portfolio disclosure documents, available at masonstevens.com.au.

About Mason Stevens

Mason Stevens is a specialist wealth platform provider that focuses on Managed Account (MA) solutions. The company offers Outsourced CIO (Chief Investment Office) services that complement the platform and MA solutions. Established in 2010, Mason Stevens is led by some of Australia's most experienced finance and investment professionals. With offices in Sydney and Melbourne, Mason Stevens has a dedicated team of over 80 professionals committed to providing exceptional services nationwide.

Contact: Investors please speak to your adviser

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This Report is provided by Mason Stevens Asset Management Pty Limited ABN 92 141 447 654 (MSAM) as Investment Sub-Adviser of the Managed Portfolio. MSAM is a corporate authorised representative (CAR 461312) of Mason Stevens Limited, ABN 91 141 447 207, AFSL 351578 (Mason Stevens). Content in this Report is of a general nature and does not have regard to any individual's personal objectives, financial situation and needs. Please seek specific advice and obtain a copy of the investment mandate before making a decision in relation to any investment. Information in this Report is provided in good faith. Whilst every effort is made to ensure the information is accurate at the time of sending, MSAM does not make any representation or warranty as to its accuracy, reliability or completeness nor does it undertake to correct any information subsequently found to be inaccurate. Any information contained in this Report is subject to change without prior notice and MSAM is not obliged to update any information. References made to any third party or their data is based on information that MSAM believes to be true and accurate as at the date of this Report but without independent verification.