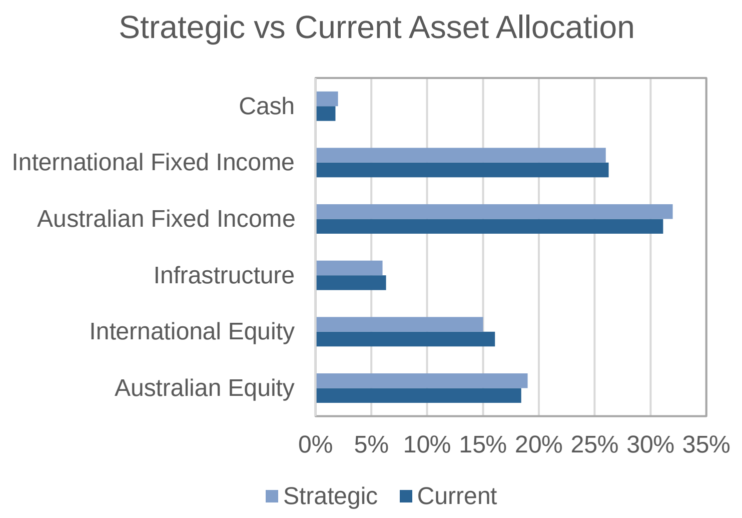
Mason Stevens Foundation ETF Conservative Managed Portfolio
Performance Report as at 31 March 2024

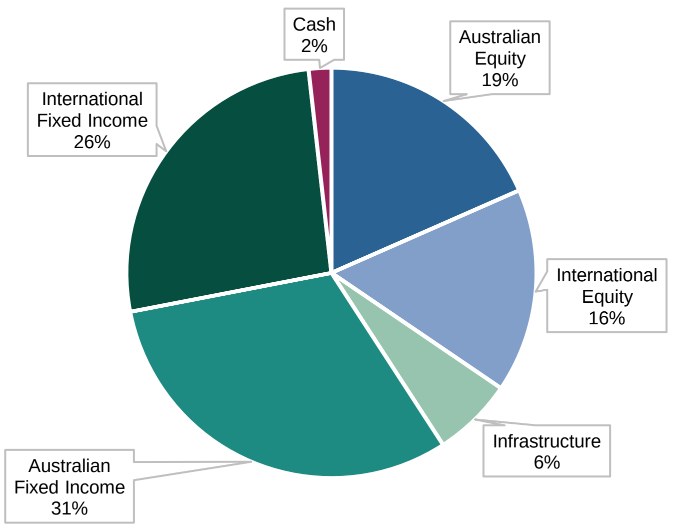
Investment objective and strategy

The portfolio is designed as a low-cost, all-in-one multi asset investment solution, with the aim of preserving capital and managing downside volatility/risk.

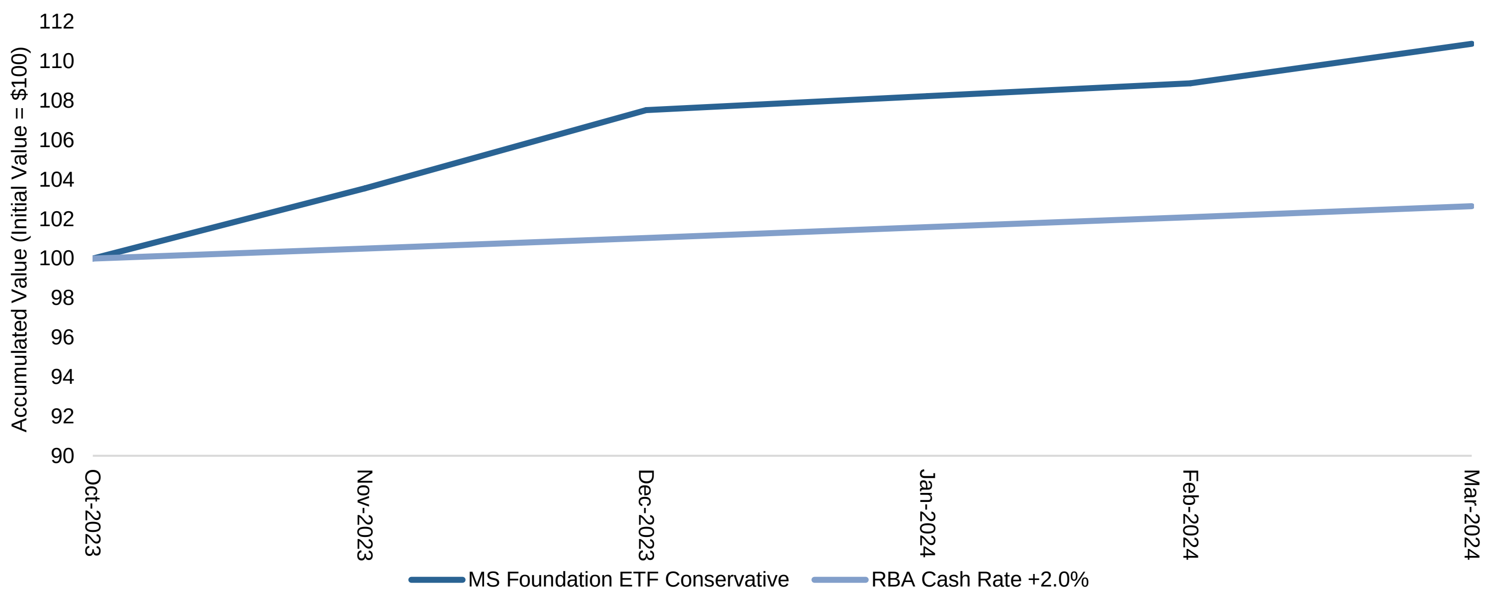
Portfolio performance as at 31 March 2024[1]					
	1 month	3 months	6 months	1 year	Since incep
Portfolio	**1.84%**	**3.13%**	n/a	n/a	**10.89%**
RBA + 2.0% p.a.	0.54%	1.60%	n/a	n/a	2.65%
Excess Return	1.30%	1.53%	n/a	n/a	8.24%

Portfolio positioning





Performance since inception



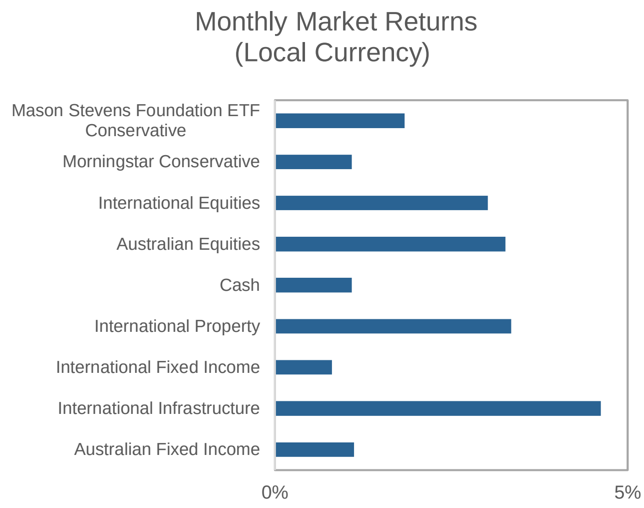
Past performance is not a reliable indicator of future performance.
(1) Portfolio returns are calculated net of management, performance, administration/custody and transaction fees, but excluding any adviser fees from the Managed Portfolio's inception date of 31/10/2023 and assumes reinvestment of all 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

The portfolio returned 1.84% for the month. There were no trades completed during that time. Australian and international equities provided the largest contribution to performance with help from international infrastructure and to a less degree fixed income. The portfolio remained overweight versus Strategic Asset Allocation (SAA) in international equities, international fixed income and infrastructure; whilst positioned underweight in property.

Although the month was relatively quiet from an earnings perspective globally, the macro backdrop focussed on higher than expected inflation readings which saw a volatile period in the US 10y and AU 10y government bonds. However, the first move in rates was still seen as heading the right way for risk assets to continue their solid run.

Australian equities outperformed international with small caps and banks leading the way. International equities were better supported by mid-caps and value whilst the technology sector took a well-deserved breather.



Market commentary and outlook

Disinflationary growth is unambiguously bullish for risk assets. Consequently, credit and equities markets have started the year strongly. Although globally this is reflective of a view by investors that activity momentum is in the process of bottoming out, and that earnings growth is set to accelerate this year and beyond. More locally stronger unemployment data was offset by weaker consumer confidence and retail sales which helped rates in the long end stay relatively contained. Even though rate markets have seen a push back on the narrative of the Federal Reserve (Fed) cutting this year in the US, the extent of the increase in yields was not seen in Australia. Consequently, the local fixed income market outperformed the US experience for the month.

The Fed and other G10 central banks have ample room to ease policy, and rate cuts can serve as a safeguard against a severe recession. With inflation having fallen, despite the recent bumps, but the unemployment rate creeping higher, Fed policy has begun to tilt from being focused squarely on fighting inflation to a more balanced approach that stresses both price stability and “maximum employment”. What is important is that the Chair of the Fed, Jerome Powell, has telegraphed a new message: by lifting both inflation and GDP projections for 2024, the Fed has lowered the bar for its planned policy easing.

Broad consensus has emerged that both the Fed and the European Central Bank could start cutting rates this year, barring any major unexpected developments in the data, while the Bank of England would likely begin the easing journey later due to relatively ‘stickier’ inflation. The Bank of Japan exited negative rates with the first hike since 2007, only a couple of days before the Swiss National Bank kicked-off their easing cycle with a 25-bps cut. Strong data in the US has finally given Powell to pause on the idea of a rate cut for June this year, however the Fed still sees the first move as down given historically high real rates and long and variable lags of policy.

Whilst the Reserve Bank of Australia (RBA) is somewhat behind the Fed, RBA Governor Bullock’s shift to a neutral stance lays the groundwork for a potential rate cut or more later in the year. Bullock reiterated that the RBA is “not ruling anything in or anything out” and characterised this incrementally dovish language as a “response to some data that makes us more confident about the path we are on”.

Key features

Investment universe	Exchange Traded Funds (ETFs), Listed Managed Funds and Cash
Target Return	RBA Cash Rate + 2.0% p.a.
Number of investments	5 to 30 (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 – up to 0.30% Individual Holdings – 20
Portfolio Manager	**Jacqueline Fernley** - Chief Investment Officer, **David Macri –** Head of Asse Allocation, **Lloyd Mitchell** – Head of Fixed Income & Markets, **Andrew Asl** – 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 Foundation ETF Managed Portfolio Investment Mandate, 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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