Infinity Blended Balanced Portfolio

October 2024

Market Commentary

October proved to be challenging month for financial markets and as we sit here in early November, with the US Presidential election done and dusted with Donald Trump winning and becoming only the second person in 139 years (since Grover Cleveland) to become President in non-consecutive terms it seems that market volatility may be on the rise. The enormity of Trump's win has been underscored by the fact that the Republicans have scored a 'clean sweep' of all houses of US government (the White House, Senate and Congress). In addition, Trump won all of the seven key swing States that determined the outcome of the election. And when you put that into context of the Republicans winning all three houses, it just shows what a landslide victory it has been. For the Democrats, the outcome of the election could not have been any worse. Whether Joe Biden would have fared better than Kamala Harris we will never know, but equally, Biden did not help Harris' campaign given she had only a few months to 'present' herself to the US voting public, while Trump has effectively been campaigning since his time in government. In any event, the scale of the Republican win points to a clear mandate of change, and one that we expect will begin even before Trump takes office in January (20th) 2025. While markets have been pricing in a Republican win for several months, October proved to be something of an aberration to the 3q24. That said, the policy framework articulated by the incoming administration is fiscally expansionary in our view and will contribute to the US maintaining a solid growth outlook near term. But equally, it is also potentially inflationary through the proposed tax cuts, tariff regime and immigration laws, all of which have the potential to see a more benign outlook for further interest rate cuts by the Fed and other central banks. While markets are anticipating that the Fed looks to cut cash rates further at its December FOMC meeting (it did cut by 0.25% to 4.75% in early Nov) we believe the Fed can pause and wait until there is a clearer picture on both the policy as well as inflationary front through the 1q25. Overall, October (into early November) has been an incredible period for financial markets. With so many moving parts as we head into the back end of the year, we continue to take a cautious approach to repositioning our asset allocation, although in the near term we take the view that markets can continue to edge higher, but post January 2025, it may indeed be a more challenging period. Therefore a flexible investment and asset allocation framework remains an important construct to managing our asset allocation.

Portfolio Commentary

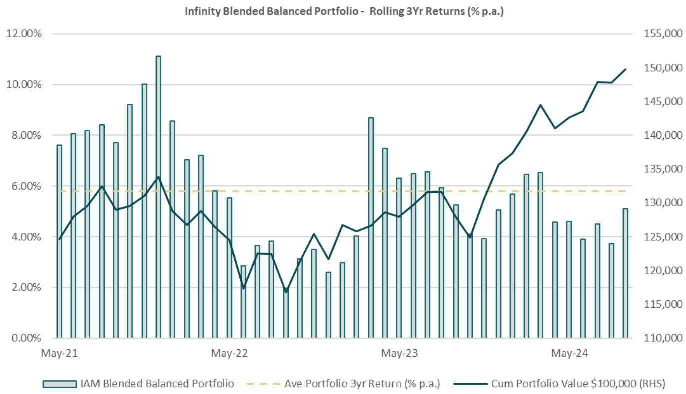
The Portfolio was marginally higher over the month (+0.2%). The best performing strategies were the position in CBRE Real Asset (+3.1%), Ashmore EME (+2.0%), Metrics (+1.0%) direct lending strategy (MXT) and the Infinity SMID strategy (+1.0%). The higher bond yields over the month impacted the Portfolio's bond positions in PGI Gbl Credit (-2.6%) and Pendal AFI (-1.9%), while Sage AEQ (-2.4%) was also lower. However, longer term returns continue to remain sound, with the Portfolio benefitting from its diverse and flexible asset allocation approach. With a continuing challenging market and macro backdrop, this approach remains an important construct as we continue to look for investment opportunities and better approaches to manage overall Portfolio risk.

Portfolio Characteristics

Characteristic	Portfolio	Characteristic	Portfolio
3yr Risk (std dev)	9.1%	Mthly OPR ratio (%)	63.6%
Sharpe Ratio	0.07	Tracking Error (%)	1.8%
Risk/Return Ratio	0.55	Information Ratio	0.1

Source: Financial Express Analytics, Infinity Asset Mgt.

Portfolio Performance



Period	Portfolio	FE Peer Fund	Quartile	CPI + 5.0%
1mth	0.21%	-0.25%	3	0.61%
3mths	1.52%	1.29%	2	1.92%
6mths	6.41%	5.20%	3	4.03%
1yr (p.a.)	20.23%	13.75%	1	8.34%
3yrs (p.a.)	5.03%	3.99%	1	10.37%
5yrs (p.a.)	6.29%	4.37%	1	8.91%

Source: FE Analytics. B'chmk – Refer PDS for details. Performance is net of fees. Target Portfolio Objective: CPI+5.0% rolling 3yr periods. Since Incept: June 2018 Infinity SMA performance since November 2017. Quartile rankings are based on industry peer group. Past performance is no guide to future performance.

Growth/Income Split

Metric	3 mths	6 mths	1yr (p.a.)	3yrs (p.a.)	5yrs (p.a.)
Growth	1.52%	4.10%	16.47%	3.10%	3.32%
Income	0.00%	2.31%	3.75%	1.93%	2.97%
Total	1.52%	6.41%	20.23%	5.03%	6.29%

Asset Allocation

INFINITY
ASSET MANAGEMENT

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Portfolio Update:

The table below provides a snapshot of the major positions in the portfolio at the end of October. We made no changes to the Portfolio over the month. With global inflation continuing to move lower expectations further easing by global central banks is set to continue through the back end of 2024 into 2025. In our view this will continue to support global interest rate sensitive sectors, such as bonds, REITs and infrastructure as well as equities over the medium term. However, we have seen bond yields push higher on the back of a Trump victory in the US Presidential election and the clean sweep of the US Houses (Senate & Congress). This will provide the new Administration with a clear mandate for change with the potential of higher tariffs as well as ongoing fiscal expansion could see inflationary pressures remain elevated/rise and curbing the extent of future rate cuts by the Fed. Nevertheless, current market conditions provide for a better balance of performance drivers across the Portfolio, with a more consistent contribution from multiple asset classes and underlying investment strategies. While lower cash rates may see the US$ moderating over the medium term, we continue to believe that the upside for the A$ will be mitigated by lower commodity prices, continued weakness in China economy and a higher US terminal cash rate. While global economic activity continues to remain sound, the ongoing catalysts for financial markets to push higher through the latter stages of 2024 still persists, particularly if central banks look to reduce cash rates further, driven by the ongoing moderation in inflationary pressures as opposed to responding to weaker global economic activity. In addition, as other risks (i.e. trade, geopolitical) are likely to throw a number of curve balls for markets, we continue to take the view that maintaining a broad asset allocation framework across both defensive as well as growth investments provides the best platform for the Portfolio to continue to generate both sound absolute as well as relative investment performance over the medium to longer term.

Manager	Sector	Asset Class	%
IAM Core Portfolio	Core Large Cap	Aust Equity	12.00%
Ironbark Brown Advisory Global Share Fund	Concentrated	Gbl Equity	10.50%
IAM SMID Portfolio	SMID	Aust Equity	8.00%
Pendal Fixed Interest Fund	Australian Bonds	Aust Bonds	6.50%
CBRE Global Real Assets Fund	Real Assets	Property & Infrastructure	6.00%
Principal Global Credit Opportunities Fund	Global Credit	Gbl Bonds	6.00%
JP Morgan Global Strategic Bond Fund	Global Bonds (Uncd)	Gbl Bonds	6.00%
T. Rowe Price Global Equity Fund	Growth	Gbl Equity	5.00%
CC Sage Capital Equity Plus Fund	Long/Short	Aust Equity	5.00%
JP Morgan Global Research Enhanced Equity Fund (hdg)	Global Large Cap (hdg)	Gbl Equity	4.75%

Portfolio Overview:

Platform Availability:	Panorama, Hub 24, Netwealth, CFS Edge Refer PDS for product codes and details	**Min. Investment Horizon**	3 to 5 years
Asset Class:	Diversified – Balanced	**Min Investment Amt:**	A$25,000
Style:	Active	**Inv Mgt Fee:**	Refer PDS for details
B'chmk Index:	Refer PDS for details	**Neutral Growth/Defensive Split (%)**	62.5/32.5

Investment Objective:

To deliver outperformance of the Consumer Price Index + 5.0% p.a. over a rolling three year period.

Designed for Investors who:

Seek exposure to a diversified mix of income & growth assets with capital appreciation over the longer term and can tolerate a moderate level of investment risk that includes the potential for negative returns in any single year.