Infinity Australian Equity Portfolio

June 2024

Market Commentary

Financial markets rebounded pushed higher through June with both major bond and equity markets higher, although performance was volatile over the course of the month as investors continued to digest variable inflation data as central banks continued to reiterate a higher-for-longer stance on cash rates. Most notably, the domestic monthly inflation data continues to highlight a disappointing picture with inflationary pressures remaining elevated. And while the inflation print was only marginally above (+0.2%) markets estimates, it does reflect the ongoing challenge given that core (non-tradeable items) – rent, food, energy, finance, and health - continue to see little downward movement. In addition, higher fiscal spend (from both State and Federal governments) is also continuing to add to domestic inflationary pressures. Domestically, the Australian economy is only growing at an anaemic pace, and much slower than its global peers. In addition, recent jobs data reflects a more worrisome picture with a continued decline in job vacancy rates as the RBA has pushed cash rates higher. While this is having the desired impact of reducing demand and tradeable goods inflation, it is also reflecting a weaker business outlook. This could see job opening continuing to decline adding to the outlook for higher unemployment over the 2h24. Accordingly, we see little room for the RBA to be increasing cash rates in an environment of a deteriorating jobs market. Overall, with inflationary pressures remaining elevated, cash rates are likely to remain higher for longer and certainly so in a domestic context. In addition, the changing political landscape also has the ability to increase market instability in the near term. Nevertheless, we continue to see opportunities across both 'growth' and 'defensive' sectors with a continued forward-looking approach to our asset allocation positioning. To this end, we continue to maintain a broad-based investment strategy across the entirety of our portfolios, but with a view to modifying individual portfolio risk exposures as market dynamics evolve. The need to maintain a flexible investment and asset allocation framework remains an important construct given the current financial, macro and geopolitical backdrop.

Portfolio Commentary

June proved to be a mixed month for Australian equities, with the larger end of the market being pulled into positive territory by positive economic and inflation signs in the US, while the smaller end of the market was down on weaker sentiment about the Australian economic and inflation picture. This weakness in small caps was the most significant cause of weakness for the portfolio, which fell by 0.14% and underperformed the ASX 200 over the month.

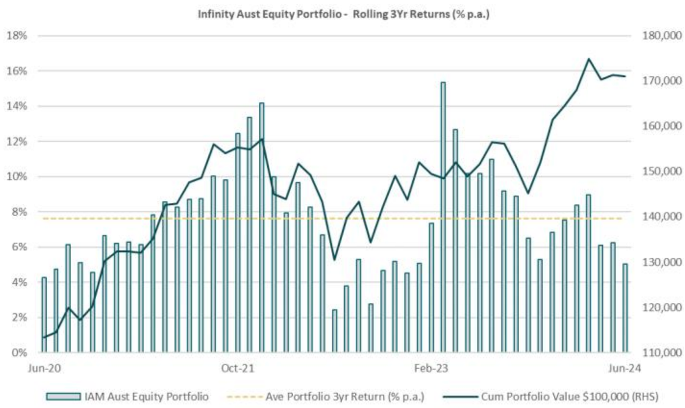
CC Sage Capital Equity Plus (+1.84%) was the best performing strategy in the portfolio in June and comfortably outperformed the broader market. Short positions in materials were the largest contributors to return as China continued to soften, weighing on commodities, while a long position in ResMed detracted as positive lab results for GLP-1 drugs weighed on sentiment for the stock. Infinity Core Australian Equity (+0.86%) and Paradice Equity Alpha Plus (+0.83%) both performed well, although slightly behind benchmark as underweights to Banks and overweights to Healthcare both weighed on relative performance. At the smaller end of the market OC Premium Small Companies (-0.49%) and Infinity SMID Australian Equity (-1.12%) were both down, although both strategies were able to outperform the weaker Small Ords index, which was down 1.39%, particularly through their positioning in higher quality companies.

Performance

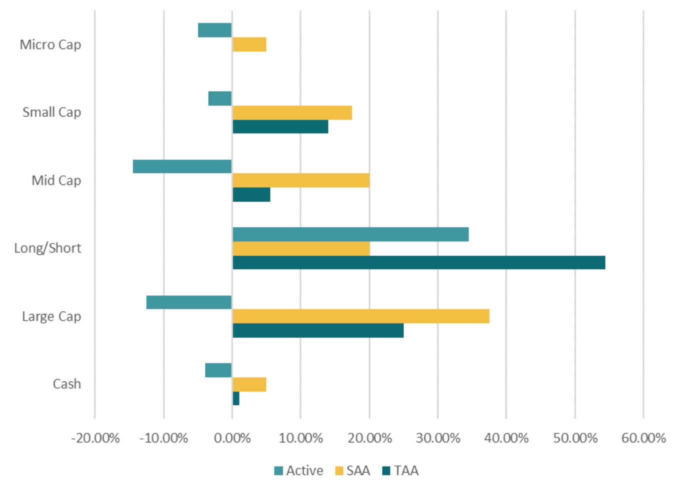
Period	Portfolio (%)	Growth (%)	Income (%)
1mth	-0.14%	-1.15%	1.01%
3mths	-2.18%	-3.17%	0.99%
6mths	5.98%	5.00%	0.98%
1yr (p.a.)	12.83%	11.14%	1.68%
3yrs (p.a.)	5.04%	4.94%	0.10%
5yrs (p.a.)	7.11%	5.70%	1.41%

Source: FE Analytics. Since inception July 2017. Past performance is not indicative of future performance.

Cumulative Portfolio Value ($)



Asset Allocation



Portfolio Characteristics

Characteristic	Portfolio
3yr Risk (std dev %)	13.9%
Sharpe Ratio	0.1
Risk/Return Ratio	0.4
Mthly OPR ratio (%)	62.7%
Tracking Error (%)	4.1%
Information Ratio	0.1

Source: Financial Express Analytics, Infinity Asset Mgt.

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Portfolio Changes:

There were no changes made to the portfolio in June.

Long Short strategies remain the largest overweight in the portfolio, while long-only Large Caps, Mid Caps, and Small Caps all remain variously underweight their neutral position. There remains no exposure to Micro Caps.

The table below provides a snapshot of the major positions within the portfolio at the end of the June.

Manager	Sector	Asset Class	%
Infinity Core Australian Equity Fund	Concentrated Core	Aust Equity	25.00%
CC Sage Capital Equity Plus Fund	Long/Short	Aust Equity	19.00%
Auscap Long Short Equity Fund	Long/Short	Aust Equity	16.00%
Infinity SMID Australian Equity Fund	SMID	Aust Equity	14.00%
Paradice Equity Alpha Plus Fund	Long/Short	Aust Equity	12.50%

Portfolio Overview:

Product Code:	**Panorama:** DAM3239AU	**Hub:** INF007	**NWL:** MAC000379
Asset Class:	Australian Equities		
Style:	Active		
B'chmk Index:	Refer PDS for details		
Min. Inv Horizon:	5 to 7 years		
Min Inv Amt:	A$25,000		
Inv Mgt Fee:	0.3596% p.a.		

Investment Objective:
To deliver outperformance of the benchmark over a rolling three year period.

Designed for Investors who:
Seek exposure to a diversified mix of Australian equity investments with a focus on capital appreciation over the longer term and who can tolerate a high level of investment risk that includes the potential for negative returns in any single year.