Infinity Fixed Income 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

Fixed Income markets depreciated in October as bond yields increased due to concerns around the Fed's policy path. The portfolio declined 1.16% which was materially better than the blended index which fell 1.69%. Crucially, the strategy has outpaced the benchmark over 3- and 5-year periods.

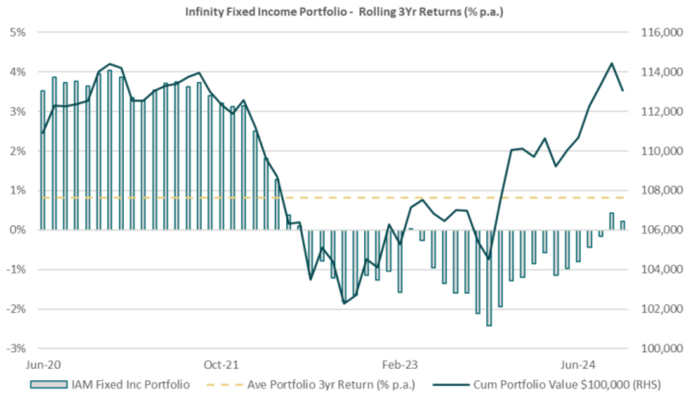
The best performing strategies in the month were those with modest duration (interest rate sensitivity). Metrics Master Income Trust (+1.15%) took the top spot with strong performance from its diversified book of floating-rate loans. Apostle Diversified Global Credit (+0.29%) had a solid month with the floating-rate portion of the portfolio helping to soften the impact of higher yields. The weakest strategy in October was Principal Global Credit Opportunities (-2.57%). Principal's overweight duration positioning was the major detractor to performance. Lazard Emerging Markets Total Return Debt (-2.49%) had a challenging month with the strength of the USD.

Performance

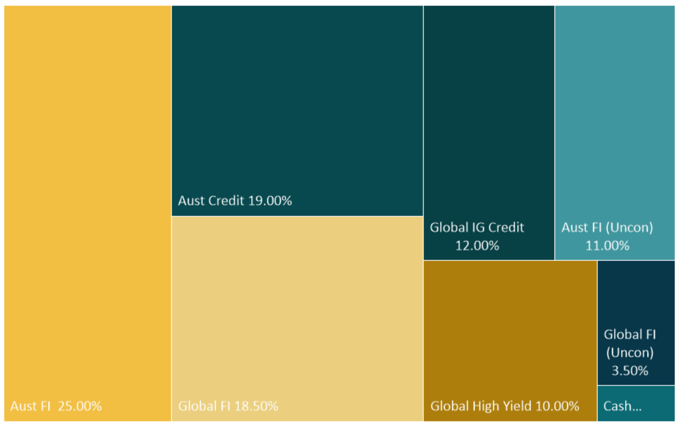
Period	Portfolio (%)	Growth (%)	Income (%)
1mth	-1.16%	-1.27%	0.11%
3mths	0.75%	0.09%	0.66%
6mths	3.55%	2.34%	1.21%
1yr (p.a.)	8.19%	5.68%	2.51%
3yrs (p.a.)	0.23%	-2.11%	2.34%
5yrs (p.a.)	0.94%	-1.53%	2.47%

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

Cumulative Portfolio Value ($)



Asset Allocation



Portfolio Characteristics

Characteristic	Portfolio
3yr Risk (std dev %)	4.6%
Sharpe Ratio	-0.9
Risk/Return Ratio	0.1
Mthly OPR ratio (%)	0.6
Tracking Error (%)	2.6%
Information Ratio	0.6

Source: Financial Express Analytics, Infinity Asset Mgt.

INFINITY
ASSET MANAGEMENT

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Portfolio Changes:

There were no changes made to the portfolio in October.

The portfolio continues to have an overweight position in Credit, both Investment Grade and High Yield, and correspondingly underweight traditional Bonds. In addition, we continue to favour alternative-style strategies across the portfolio, such as Global and Domestic unconstrained managers.

The table below provides a snapshot of the major positions in the portfolio at the end of October.

Manager	Sector	Asset Class	%
Pendal Fixed Interest Fund	Australian Bonds	Aust Bonds	22.50%
JP Morgan Global Strategic Bond Fund	Global Bonds (Uncd)	Gbl Bonds	16.50%
Principal Global Credit Opportunities Fund	Global Credit	Gbl Bonds	13.00%
Apostle Ethical High Yield Credit	Global HY Credit	Gbl Bonds	12.50%
JP Morgan Global Bond Fund	Global Bonds	Gbl Bonds	11.00%
Metrics Master Income Trust	Aust Credit	Aust Bonds	10.00%
Lazard Emerging Markets Total Return Fund	EM Debt	Gbl Bonds	8.00%
Franklin Templeton Australian Absolute Return Bond Fund	Australian Bonds (Uncd)	Aust Bonds	5.50%
MP Cash Inv	Cash	Cash	1.00%

Portfolio Overview:

Platform Availability:	Panorama, Hub24, NWL, CFS Edge Refer PDS for details
Asset Class:	Fixed Income
Style:	Active
B'chmk Index:	Refer PDS for details
Min. Inv Horizon:	3 to 5 years
Min Inv Amt:	A$25,000
Inv Mgt Fee:	Refer PDS for details

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 fixed income investments with a focus on delivering stable investment returns through the cycle via exposure to both domestic and global fixed income investments. Investors need to be able to tolerate a moderate level of investment risk that includes the potential for negative returns in any single year.