Infinity Fixed Income 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

The portfolio delivered a return of 0.53% in June, which was slightly behind the blended benchmark. Pleasingly, the performance is comfortably ahead of the benchmark over 3- and 5-yr periods.

The bond markets were broadly stronger over the month as both domestic and US yields declined. The majority of the managers printed a positive return to end the financial year. Metrics Master Income Trust (+2.17%) was best on ground. Metrics have delivered solid performance over the financial through their highly diversified portfolio of loans. On the traded credit side, Principal Global Credit Opportunities Fund (+1.19%) experienced another decent month. Pendal Fixed Interest Fund (+0.69%) performed in-line with its benchmark. Pendal's global overlay performed well in June but was somewhat offset by an overweight domestic duration posture that was impacted by the higher-than-expected inflation print.

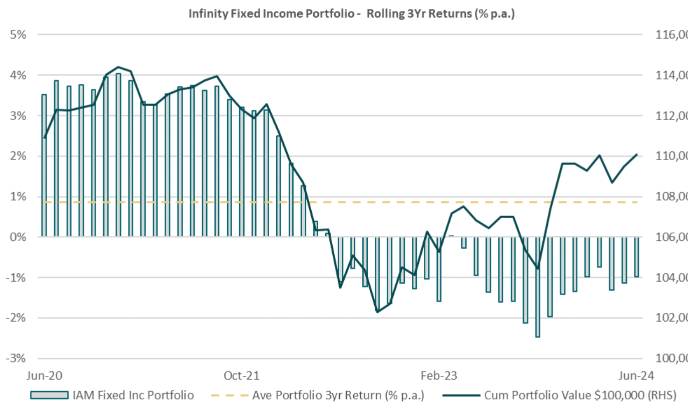
The weakest performing manager (and the only one to record a negative return) was Lazard Emerging Markets Debt Total Return Fund (-0.25%). Lazard did fare better than the Emerging Market Debt Blended Index over the month but wasn't immune for the weakness, particularly in local currency debt.

Performance

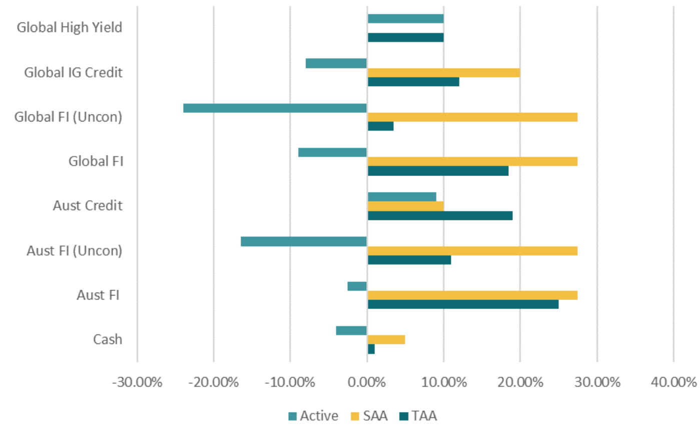
Period	Portfolio (%)	Growth (%)	Income (%)
1mth	0.53%	0.14%	0.39%
3mths	0.05%	-0.35%	0.40%
6mths	0.40%	-0.39%	0.79%
1yr (p.a.)	3.41%	1.82%	1.59%
3yrs (p.a.)	-0.99%	-3.05%	2.06%
5yrs (p.a.)	0.57%	-1.73%	2.30%

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 %)	4.4%
Sharpe Ratio	-1.2
Risk/Return Ratio	-0.2
Mthly OPR ratio (%)	0.6
Tracking Error (%)	2.7%
Information Ratio	0.6

Source: Financial Express Analytics, Infinity Asset Mgt.

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Portfolio Changes:

There were no changes made to the portfolio in June. There continues to be a tilt towards Credit, both Investment Grade and High Yield, and correspondingly underweight traditional Bonds. We continue to have a preference for 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 June.

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	18.50%
Principal Global Credit Opportunities Fund	Global Credit	Gbl Bonds	13.00%
Apostle Ethical High Yield Credit	Global HY Credit	Gbl Bonds	12.50%
Lazard Emerging Markets Total Return Fund	EM Debt	Gbl Bonds	10.00%

Portfolio Overview:

Product Code:	**Panorama:** DAM0869AU	**Hub:** INF011	**NWL**: MAC000383
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:	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 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.