

Investment Report TPT Australian Share Fund

As at 31 December 2024



TPT Wealth 

TPT Australian Share Fund

Net Asset Value

SIZE
\$28,511,331

Performance to Benchmark

Past performance is not a reliable indicator of future performance.

RETURN FOR THE PERIOD	NET RETURN	GROSS RETURN	BENCHMARK	GROSS MARGIN TO BENCHMARK
3 Months	(-0.52%)	(-0.13%)	(-0.82%)	0.69%
6 Months	6.64%	7.42%	6.81%	0.62%
1 Year	10.76%	12.32%	11.10%	1.21%
2 Years pa	10.50%	12.06%	11.40%	0.65%
3 Years pa	4.94%	6.50%	6.19%	0.31%
5 Years pa	4.73%	6.29%	6.77%	(-0.48%)

Benchmark is a composite of the S&P/ASX 300 Accumulation Index and the S&P/ASX Small Ords Index. Prior to October 2020 the benchmark was a composite of the FTSE ASFA High Dividend Yield Index and the Bloomberg AusBond Bank Bill Index.

Performance Components

RETURN FOR THE PERIOD	DISTRIBUTION	GROWTH	NET RETURN
3 Months	0.54%	(-1.06%)	(-0.52%)
6 Months	0.58%	6.06%	6.64%
1 Year	2.03%	8.73%	10.76%
2 Years pa	2.38%	8.12%	10.50%
3 Years pa	2.22%	2.72%	4.94%
5 Years pa	1.95%	2.78%	4.73%

Note: Reported Growth and Returns assume reinvestment of income and realised capital gains. Returns of less than 12 months are not annualised. Net Return is after fees and charges. Gross Return is before fees and charges. Past performance is not a reliable indicator of future performance.

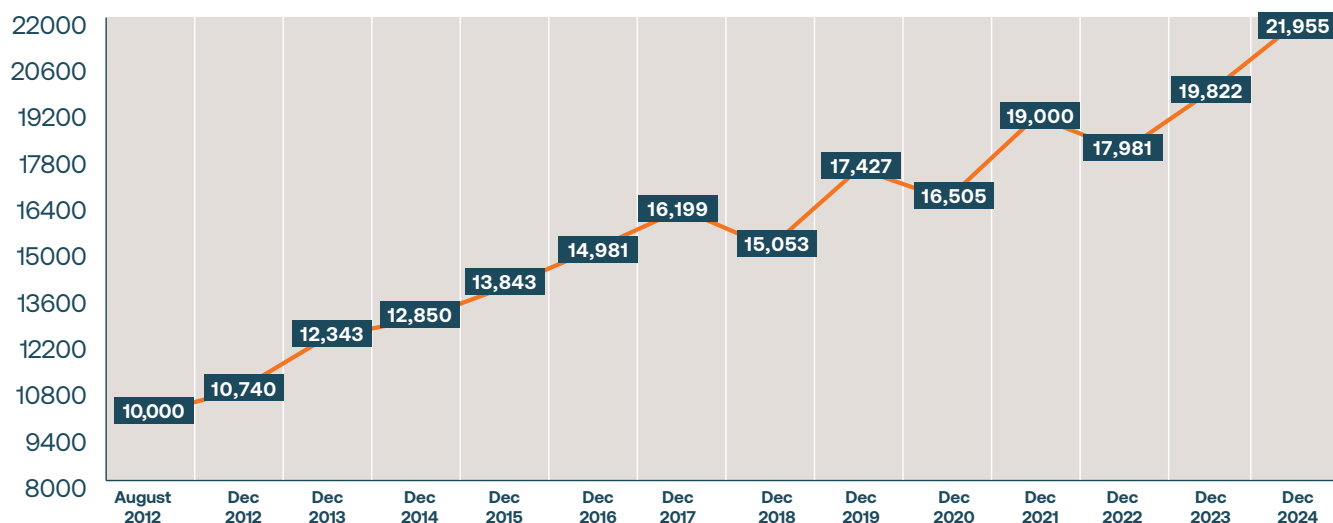
Asset Allocation

ASSET CLASS	RANGE	BENCHMARK WEIGHT (BW)	CURRENT WEIGHT (CW)	(CW) TO (BW)
Cash and Fixed Interest	0 - 15%	5%	5.51%	0.51%
Australian shares	85 - 100%	95%	94.49%	(-0.51%)

ALLOCATION TO MANAGERS	RANGE	BENCHMARK %	\$FUM	CURRENT %
At Call Cash	0 - 15%	5%	\$1,570,659.32	5.51%
Mercer Passive Australian Shares Fund	5 - 50%	40%	\$12,092,770.63	42.41%
Mercer Australian Small Companies Fund	5 - 20%	15%	\$2,728,380.28	9.57%
Mercer Australian Shares Fund	5 - 50%	40%	\$12,119,520.35	42.51%
TOTAL		100%	\$28,511,331	100.00%

LINK Compliance Report dated 31.12.2024

The value of \$10,000 invested from inception to end of this quarter:



Assumes reinvestment of income and capital gains – net after fees.

Commentary and outlook by Mercer Australia

Market Commentary

Australian Shares ended the 4th quarter slightly lower as weaker Australian economic data weighed on the local equity market.

Australian Government Bonds also saw negative performance in the quarter as Australian bond yields rose. Yields rose sharply in October but then moved lower again after the latest GDP data announcement before ending the quarter higher following an unexpected fall in unemployment.

The AUD depreciated against the USD in the quarter. Comments by the FED were seen as more aggressive, and weaker economic data in Australia were the key reasons.

International Shares (Hedged) ended the 4th quarter with a small gain. Following strong performance over 2024 international share markets were likely due for a pause. Strong US growth relative to other economies and strong tech stock gains likely drove investors to continue to favour US stocks which represent over 70% of international equities. International Shares (Unhedged) were higher in December assisted by a fall in the AUD.

International Government Bonds had a negative return in the quarter as bond yields rose. The FED noted that interest rates are significantly closer to neutral and future cuts would be gradual, which caused a significant increase in US Sovereign Bond yields.

International Credit also had a small negative return due to the rise in International Bond yields.

Mercer Australian Shares Fund Commentary

The Mercer Australian Shares Fund outperformed the S&P/ASX 300 Index over the quarter and has outperformed over 1, 3 and 5-year periods. The Australian market was weak on the back of worries about China's growth and the potential rewriting of global trade relations in 2025. Manager performance was mixed, with Fidelity and Vinva the top performing managers over the period. Fidelity benefited from an overweight position and strong stock selection in the Health Care sector, while Vinva had positive contributions from behavioural, quality and valuation signals and positive stock specific performance. On the other hand, Ausbil struggled over the period, with an overweight allocation to materials the biggest detractor from performance.

At the Fund level, effective stock selection across Health Care coupled

with an overweight to the IT sector drove performance. Conversely, an underweight to Financials dragged on performance as bad debts across the major banks remained extremely low, which drove incremental earnings upgrades and supported ongoing buying of bank stocks, a key market theme throughout 2024. At the stock level, ResMed added value after reporting increased year-on-year revenue growth, year-on-year margin expansion and increased operating profit. Underweight positions in CBA and Westpac were the largest detractors for the quarter.

Mercer Australian Small Companies Fund Commentary

The Mercer Australian Small Companies Fund returned -1.0% in the December quarter, marginally outperforming its ASX Small Ordinaries benchmark. Firetrail was the only manager to deliver an excess relative return over the quarter, led by superior stock selection including Information Technology name Bravura, which was boosted by upgraded profit guidance. Consumer Discretionary exposure was also positive. All other managers detracted on a relative basis over the period, with Perennial the most significant, driven by poor stock selection primarily within Financials and Health Care.

At the aggregate sector level, outperformance was driven by overweight positioning and strong stock selection in the Industrials and Energy sectors. This was partially offset by weak stock selection within the Health Care and Financials sectors.

At the stock level, zero exposure to Clarity Pharmaceuticals was the largest overall contributor. The bio-tech company continues to burn cash and investors wait for clearer signals for a path to profitability. The largest detractor over the quarter was a zero weight in Mesoblast. The stock was up over 60% as the company had its first FDA approval, which is expected to generate strong revenue in 2025 and beyond.

Market Outlook

We expect core measures of inflation to moderate albeit at slower pace than other developed economies, with pressures such as from the residential rental markets expected to continue in the near term. Whilst the RBA has indicated that it will be vigilant against upside inflation risks, we believe that risks of a slowdown in activity are more likely than currently anticipated by markets.

IMPORTANT INFORMATION:

The information contained in this material is of a general nature only and is not personal advice. It does not take into account the investment objectives, financial situation or particular needs of any individual. Investors should read the Fund's PDS, Target Market Determination (TMD) and other disclosure documents which are available at <https://tptwealth.com.au> and consider seeking independent professional advice before deciding whether to acquire or continue to hold the investment.

An investment in the Fund is an investment in a managed investment scheme. It is not a bank deposit and there is a higher risk of losing some or all of your money than is the case with a bank deposit. TPT Wealth, MyState Limited and MyState Bank do not guarantee the repayment of capital or the performance of the Fund or any particular rates of return from the Fund.

Please read the Fund's PDS for information about funds and their risks, withdrawal periods, withdrawal rights and investment periods and terms and conditions that apply. Please note, that while we expect to meet redemption requests within the periods stated in the Fund's PDS, these periods may be longer subject to the nature of the assets of the Fund and the Fund's liquidity.



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