

# Quarterly Fund Report TPT Balanced Fund

As at 31 December 2023



TPT Wealth 

# TPT Balanced Fund

Net Asset Value

**SIZE**  
\$16,779,574

## 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	4.28%	4.70%	5.13%	(-0.43%)
6 Months	3.55%	4.39%	4.35%	0.04%
1 Year	8.74%	10.41%	11.14%	(-0.73%)
2 Years pa	0.67%	4.00%	3.02%	0.98%
3 Years pa	4.23%	9.23%	6.28%	2.95%
5 Years pa	4.62%	12.96%	7.55%	5.40%

Benchmark is a composite of S&P/ASX 300 Accumulation Index, MSCI World Index (Ex Australia) Hedged/Unhedged, MSCI Emerging Markets Index (ex Tobacco and Weapons) in A\$, CPI+4%, Bloomberg AusBond Bank Bill Index, JP Morgan GBI-EM Global Diversified Index (Unhedged), Bloomberg Ausbond Treasury Index 0+(all maturities), Bank of America Merrill Lynch BB-B Developed Markets High Yield Constrained Index (Hedged) and the Bloomberg AusBond Bank Bill Index.

Prior to October 2020 the benchmark was a composite of the S&P/ASX 200 Accumulation Index, the MSCI World ex Australia, Net Returns Unhedged Index, the Bloomberg AusBond Composite 0+Yr Index, the RBA Cash Rate +1%, the S&P Global Infrastructure Index \$A Unhedged NTR and the Bloomberg AusBond Bank Bill Index.

## Performance Components

RETURN FOR THE PERIOD	DISTRIBUTION	GROWTH	NET RETURN
3 Months	0.02%	4.27%	4.28%
6 Months	0.02%	3.54%	3.55%
1 Year	0.53%	8.21%	8.74%
2 Years pa	1.33%	(-0.66%)	0.67%
3 Years pa	1.36%	2.87%	4.23%
5 Years pa	1.75%	2.88%	4.62%

**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

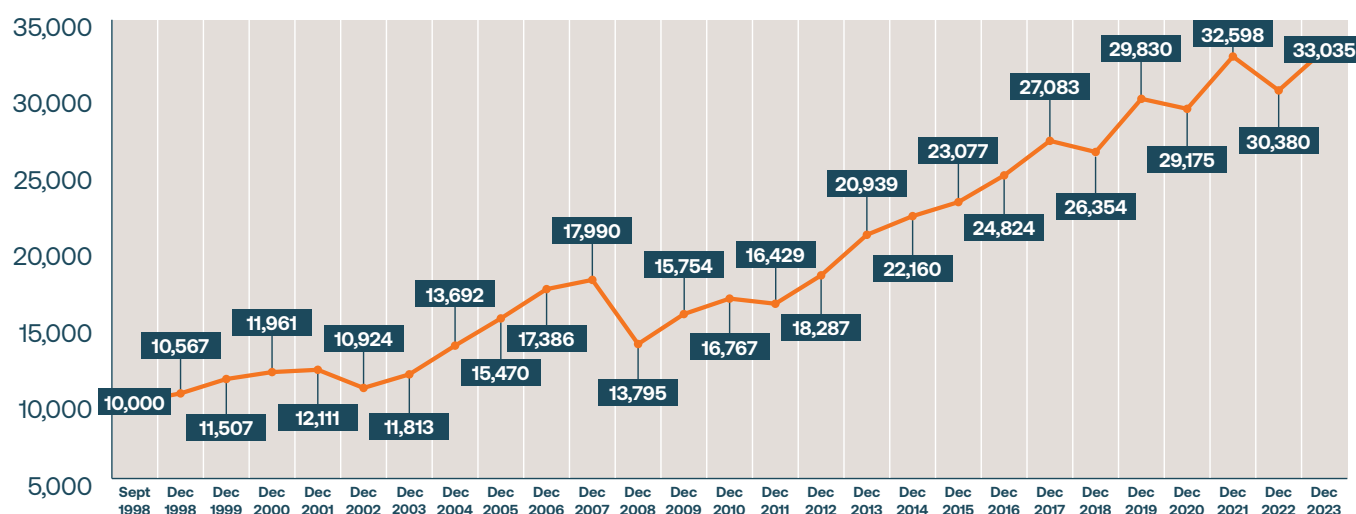
ASSET CLASS	RANGE	BENCHMARK WEIGHT (BW)	CURRENT WEIGHT (CW)	(CW) TO (BW)
Cash and Fixed Interest	10 - 80%	40%	4.18%	(-35.82%)
Balanced Fund Assets	80 - 100%	60%	95.82%	35.82%

ALLOCATION TO MANAGERS	RANGE	BENCHMARK %	\$FUM	CURRENT %
At Call Cash*	0-15%	5%	\$701,621	4.18%
Mercer Active Growth Fund	0-100%	95%	\$16,077,953	95.82%
<b>TOTAL</b>		<b>100%</b>	<b>\$16,779,574</b>	<b>100.00%</b>

LINK Compliance Report dated 31.12.2023

\* This is a portion of the Cash and Fixed Interest allocation for the Fund. The remainder of the Cash and Fixed Interest allocation comes from the Mercer Active Growth Fund.

## 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

The MSCI World ex Australia Index performed strongly over the quarter, returning 9.2% in hedged terms and 5.3% in unhedged AUD terms. Positive global equity market sentiment was boosted by the rapid repricing of interest rate cuts in the US for 2024, combined with softer inflation data from around the world. Reinforcing investor views that a soft landing of the global economy is more likely in 2024.

In AUD terms, Real Estate (10.6%) and Industrials (7.7%) sectors had positive returns over the December quarter, with Information Technology (11.2%) stocks leading the way and delivering the strongest return as investor appetite for interest rate-sensitive assets increased and bond yields declined. Conversely, the Energy (-9.3%) and Consumer Staples (-0.4%) and Healthcare (-0.1%) sectors were the only three sectors with a negative return during the quarter, with the performance of the Energy sector primarily driven by a decline in oil prices.

From a country perspective, the risk-on sentiment was evident in the outperformance of the US market, with the S&P 500 Index (11.7%), the Dow Jones Industrial Average (13.1%), and the NASDAQ Composite Index (13.6%), all up in USD terms supported by economic data that demonstrates the remarkable resilience of the US economy compared to most other countries and the change in Fed rhetoric. European markets were mostly higher (in local currency terms), with the CAC 40 (France, 5.9%), DAX 30 (Germany, 8.9%), and FTSE 100 Index (UK, 2.3%) over the quarter. Equity returns were mixed across Asia, with TOPIX (Japan, 2.0%) and the S&P BSE 500 (India, 12.1%) experiencing a positive return in local currency terms, with investor appetite remaining supportive of the country's strong economic performance. It was a more

challenging quarter for and the Hang Seng (Hong Kong, -3.9%) and SSE Composite (China, -4.4%) however with market participants remaining unconvinced by the tentative signs of improving economic momentum in China.

### International Shares Fund Commentary

The Mercer International Shares Fund underperformed the MSCI World ex AU Index over the quarter and remains below index out to 5 years. Over the quarter, stock selection in Germany contributed most to relative performance. France was the top detractor where few holdings in the region performed. At the sector level, positioning in IT contributed the most, largely due to the Fund's underweight to the US mega cap stocks. On the other hand, stock selection in Industrials was the leading detractor. From a stock perspective, overweight exposure to Pinduoduo Holdings contributed the most to relative performance, while the overweight to Alstom detracted the most. In regards to underlying managers, most underperformed over the quarter, with the exception of Baillie Gifford and Maj Invest. Baillie Gifford was the lead performer and benefitted from tailwinds to its growth style of investing. This was most observed through the contribution from its overweight and stock selection in IT.

### Market Outlook

A global economy landing softly, falling inflation and wage growth, resilient consumer and business balance sheets and the ongoing potential for artificial intelligence (AI) should support equity prices in the near term. However, equity valuations are rich and the recent strong rally creates the risk of underperformance if further falls in inflation don't occur.

### 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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