

# Investment Report TPT Balanced Fund

As at 31 December 2024



TPT Wealth 

# TPT Balanced Fund

	<b>SIZE</b>
Net Asset Value	\$15,388,021

## 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	2.54%	3.07%	2.68%	0.39%
6 Months	6.23%	7.29%	6.94%	0.35%
1 Year	11.11%	13.24%	12.90%	0.35%
2 Years pa	9.92%	12.05%	12.37%	(-0.32%)
3 Years pa	4.04%	6.17%	6.44%	(-0.27%)
5 Years pa	4.24%	6.37%	6.95%	(-0.58%)

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	0.00%	2.54%	2.54%
6 Months	0.00%	6.23%	6.23%
1 Year	3.92%	7.19%	11.11%
2 Years pa	2.29%	7.63%	9.92%
3 Years pa	2.12%	1.92%	4.04%
5 Years pa	1.85%	2.39%	4.24%

**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

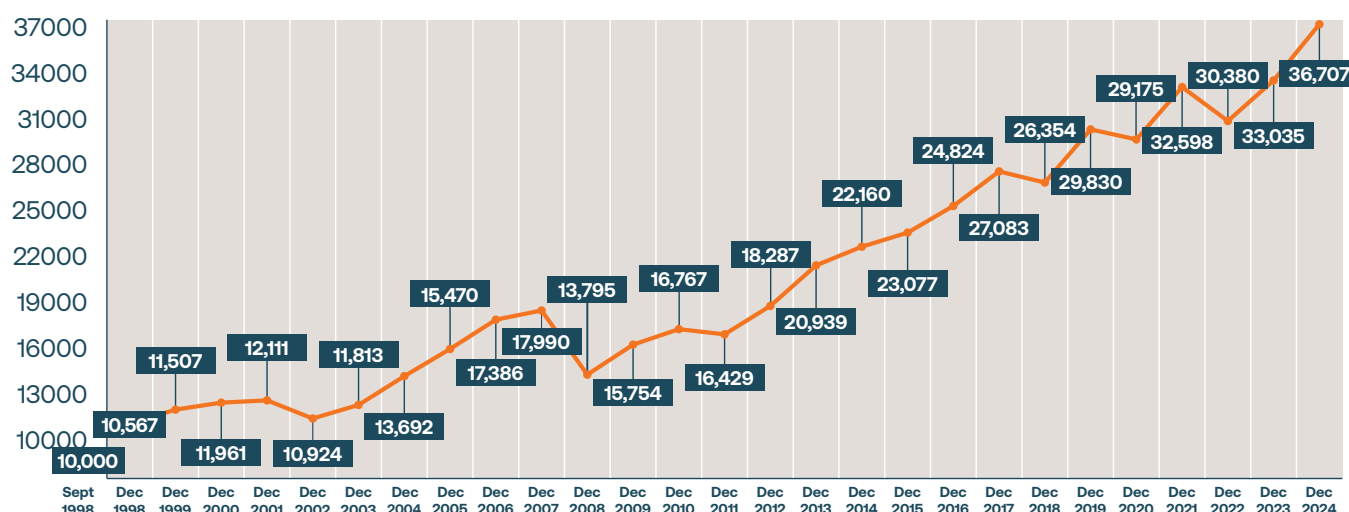
ASSET CLASS	RANGE	BENCHMARK WEIGHT (BW)	CURRENT WEIGHT (CW)	(CW) TO (BW)
Cash and Fixed Interest	10 - 80%	40%	5.07%	(-34.93)%
Balanced Fund Assets	80 - 100%	60%	94.93%	34.93%

ALLOCATION TO MANAGERS	RANGE	BENCHMARK %	\$FUM	CURRENT %
At Call Cash*	0-15%	5%	\$780,803	5.07%
Mercer Active Growth Fund	0-100%	95%	\$14,607,217	94.93%
<b>TOTAL</b>		<b>100%</b>	<b>\$15,388,021</b>	<b>100.00%</b>

LINK Compliance Report dated 31.12.2024

\* 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

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 Growth Commentary

#### The Fund outperformed its composite benchmark over the quarter

Outperformance by the Fund's Australian shares managers contributed to the positive relative outperformance. 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.

In addition, the Fund's Australian direct property and global unlisted infrastructure assets outperformed. In direct property, the key drivers of outperformance for Q4 were the direct Retail investments, which delivered net revaluation gains of 3% on the back of strong income growth. High quality Industrial and Logistics exposures also contributed to outperformance. The tactical exposure to real estate debt, added to the portfolio in Q3, was accretive to distribution yield.

Within the Global unlisted infrastructure asset class, important contributors to the quarterly performance were energy generation and efficiency co-investment GreenYellow (France) managed by Ardian, Macquarie-managed communications co-investment Vocus (Australia), and Stonepeak-managed communications co-investments Digital Edge (Japan) and Lumen (Brazil).

### 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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