

Quarterly Fund Report TPT International Share Fund

As at 31 December 2023



TPT Wealth 

TPT International Share Fund

Net Asset Value

SIZE
\$62,894,489

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	4.49%	4.74%	5.31%	(-0.56%)
6 Months	3.86%	4.37%	4.85%	(-0.49%)
1 Year	20.18%	21.19%	23.24%	(-2.05%)
2 Years pa	2.21%	4.23%	3.83%	0.41%
3 Years pa	9.43%	12.47%	11.79%	0.68%
5 Years pa	10.47%	15.54%	13.26%	2.28%

Benchmark is the MSCI World ex Aust Index in AUD. Prior to October 2020 the benchmark was a composite of the MSCI World ex Aust Index, MSCI World ex Aust Index and MSCI World ex Aust Index Hedged.

Performance Components

RETURN FOR THE PERIOD	DISTRIBUTION	GROWTH	NET RETURN
3 Months	0.00%	4.49%	4.49%
6 Months	0.00%	3.86%	3.86%
1 Year	1.16%	19.02%	20.18%
2 Years pa	2.17%	0.04%	2.21%
3 Years pa	4.56%	4.87%	9.43%
5 Years pa	7.19%	3.28%	10.47%

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.

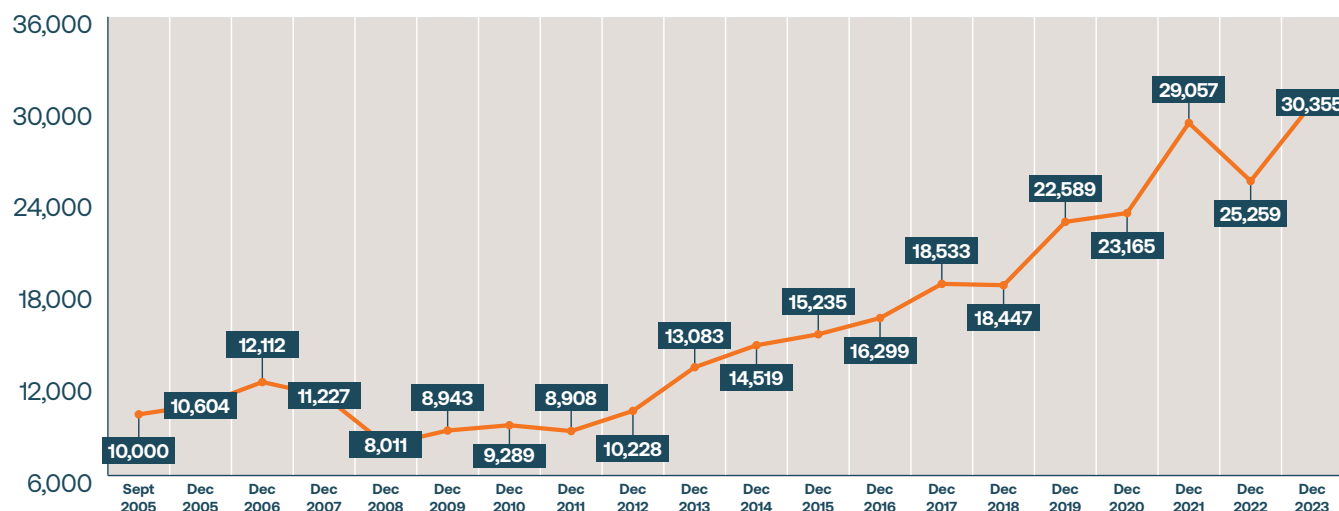
Asset Allocation

ASSET CLASS	RANGE	BENCHMARK WEIGHT (BW)	CURRENT WEIGHT (CW)	(CW) TO (BW)
Cash and Fixed Interest	0 - 15%	5%	5.23%	0.23%
International Shares	85 - 100%	95%	94.77%	(-0.23%)

ALLOCATION TO MANAGERS	RANGE	BENCHMARK %	\$FUM	CURRENT %
At Call Cash	0-15%	10%	\$3,287,752	5.23%
Mercer International Shares Fund	0-70%	45%	\$29,869,567	47.49%
Mercer Passive International Shares Fund	0-70%	45%	\$29,737,171	47.28%
TOTAL		100%	\$62,894,489	100.00%

LINK Compliance Report dated 31.12.2023

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

Global equities rose in most regions in the fourth quarter of 2023, primarily driven by a decrease in bond yields, especially after the comment from the Fed Chair Jerome Powell noting that discussions of rate cuts had started, and geopolitical tensions had eased. The Australian share market also followed this trend, with a notable increase of 8.4%. The rise in risk appetite and lower bond yields led to a strong performance in the Materials, Real Estate, and Healthcare sectors.

Government bond yields ended the December quarter lower following more dovish signals from the US Federal Reserve and the US treasury announcing a lower-than-expected increase in the issuance of longer-dated bonds, with the US 10-year government bond yield declining by 71bps to 3.87% p.a. Similarly, the Australian 10-year yield decreased by 59bps to 3.90% p.a., as the local market anticipates that the RBA will cut interest rates in 2024. This anticipation was backed by the weaker GDP data for Q3 and moderation in business confidence. The Australian dollar (AUD) appreciated against the weakening US dollar (USD), with the Fed's rhetoric shifting market expectations.

Commodity markets showed mixed performance over the December quarter. Oil prices continued its downward trajectory, dropping by 18.6% to its six-month low of US\$77.69 per barrel in December, attributed to the weakening global demand and the strength of non-OPEC oil supply. Industrial Metals prices were stronger over the quarter, Iron Ore gained 19.2%, driven by positive sentiment towards the recent developments in the Chinese economy and support for China's housing market. Similarly, copper prices (S&P GSCI Copper) rose by 3.8% during the quarter, fuelled by optimism for further stimulus announcements in China and signs of improvement in factory activities in the country. In the precious metals sector, gold prices also rose by 11.2% to US\$2,065.45 per ounce, attributed to the weakening of the USD and the growing anticipation of interest rate cuts in 2024.

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.

Mercer Growth Fund Commentary

The Fund underperformed the benchmark by 0.6% this quarter, with asset allocation decisions the primary detractor to relative performance. Over the quarter, the key detractors to the Fund's relative performance included an underweight to Australian Shares and an overweight to Global Listed Infrastructure. A key contributor to the Fund's relative performance included outperformance in Emerging Market Debt, further declines to valuations within the Direct Property allocation along with an overweight position to Global Listed Infrastructure which was one of the poorer performing asset classes over the quarter. Key contributors to the Fund's relative performance included outperformance in global equities and an underweight to Australian equities.

Market Outlook

Globally, we anticipate resilient growth, although it will vary across regions. Major developed economies are expected to experience a moderation in economic conditions due to tighter financial conditions and the impact of higher interest rates on households and businesses. On the other hand, China is expected to see stronger growth driven by supportive fiscal, monetary, and regulatory policies, as well as a turnaround in the manufacturing inventory cycle and a potential stabilisation in the housing sector. Other emerging economies are also expected to benefit from their central banks easing monetary policy settings.

Several factors have supported economic growth in Australia recently, including households spending their excess savings, an increase in population growth by immigration, a significant proportion of mortgages on (low) fixed rates, and government spending. However, we expect growth to moderate in the future as these factors gradually diminish and higher interest rates have a bigger impact. Inflation is also expected to slow, although not as quickly as in other developed economies due to pressures from residential rental markets. The risks point towards a more severe slowdown in activity compared to expectations as reflected in the current market pricing of interest rates. While the market predicts two interest rates cuts in 2024, we believe that more cuts are likely and will happen sooner.



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