

Quarterly Fund Report TPT Australian Share Fund

As at 30 June 2024



TPT Wealth 

TPT Australian Share Fund

Net Asset Value

SIZE
\$27,999,436

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	(-1.39%)	(-1.08%)	(-1.53%)	0.45%
6 Months	3.86%	4.47%	4.02%	0.45%
1 Year	10.61%	11.85%	11.67%	0.17%
2 Years pa	10.92%	12.16%	12.74%	(-0.58%)
3 Years pa	3.87%	5.10%	5.31%	(-0.21%)
5 Years pa	3.39%	4.62%	5.35%	(-0.72%)

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	1.24%	(-2.63%)	(-1.39%)
6 Months	1.43%	2.43%	3.86%
1 Year	2.37%	8.24%	10.61%
2 Years pa	2.47%	8.45%	10.92%
3 Years pa	2.49%	1.37%	3.87%
5 Years pa	2.27%	1.12%	3.39%

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.

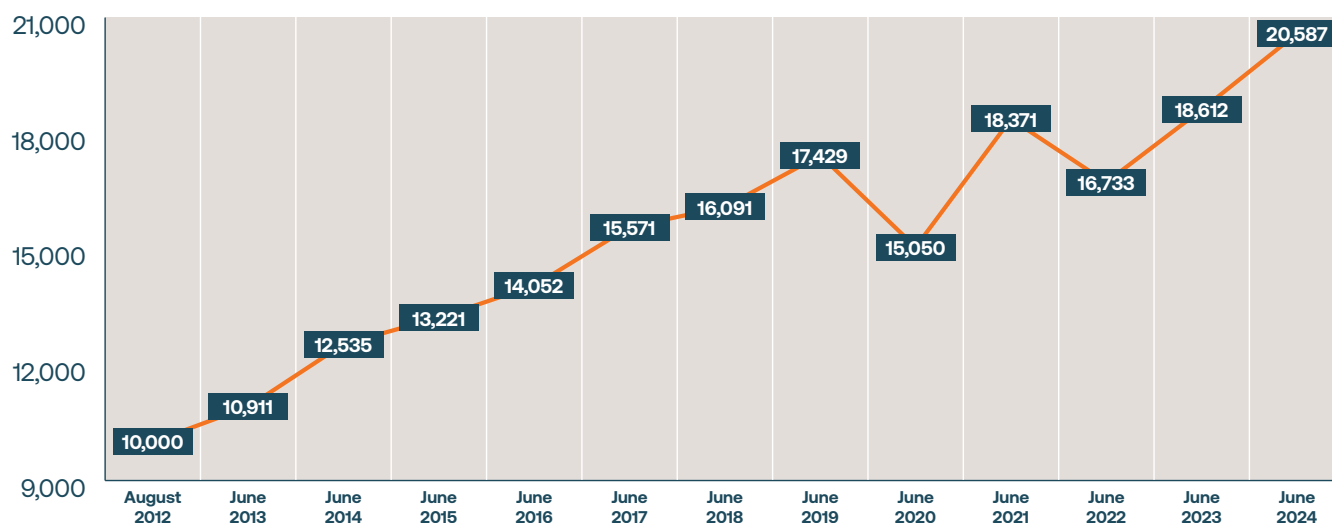
Asset Allocation

ASSET CLASS	RANGE	BENCHMARK WEIGHT (BW)	CURRENT WEIGHT (CW)	(CW) TO (BW)
Cash and Fixed Interest	0 - 15%	5%	5.71%	0.71%
Australian shares	85 - 100%	95%	94.29%	(-0.71%)

ALLOCATION TO MANAGERS	RANGE	BENCHMARK %	\$FUM	CURRENT %
At Call Cash	0 - 15%	5%	\$1,598,576.84	5.71%
Mercer Passive Australian Shares Fund	5 - 50%	40%	\$11,973,739.94	42.76%
Mercer Australian Small Companies Fund	5 - 20%	15%	\$2,689,727.76	9.61%
Mercer Australian Shares Fund	5 - 50%	40%	\$11,737,391.24	41.92%
TOTAL		100%	\$27,999,436	100.00%

LINK Compliance Report dated 30.06.2024

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

Equities were mixed over the quarter, with emerging markets and global equities advancing, while Australian equities declined.

Mega caps continued to deliver strong performance on favourable earnings and persistent AI-optimism, while rate-sensitive smaller companies lagged as expectations towards the scale and timing of policy easing were pushed out, stemming from stubborn 'last mile' inflation.

Regional performance was mixed as US markets advanced on a combination of strong corporate earnings, AI-optimism and improving macroeconomic outlook, while political instability in Europe weighed on the region's equities. Both France and the UK called snap elections during the quarter. Global Equities: Growth outperforms Value in the second quarter. The Information Technology and Communication Services sectors delivered the strongest performance over the period. Returns outside these sectors were generally negative, with Utilities proving the only other sector to deliver positive absolute returns. Emerging markets outperformed developed peers as Taiwan and India delivered strong returns. In Taiwan, AI-exposed companies benefited from sustained optimism towards the technology. While in India, expectations of policy continuity from the re-election of the BJP government, prolonged the rally in the country's equities.

While growth in the Australian economy remains weak, with consumption particularly soft, the disinflationary process appears to have paused at an uncomfortably high level for the RBA, delaying the likely start of a monetary easing cycle. GDP growth in the first quarter of 2024 was weak again, with the economy expanding just 0.1% Quarter-on-Quarter and 1.1% Year-on-Year. While the labour market remains tight, leading indicators are showing signs of easing. Job vacancies have eased substantially from their peak but remain above pre-Covid levels.

Employment growth has remained broadly steady over the past three months compared to the prior three months, although hours worked have dipped and the underutilisation rate has picked up, implying that unemployment has bottomed and confirming wage growth peaked.

Mercer Australian Shares Fund Commentary

The Mercer Australian Shares Fund outperformed the S&P/ASX 300 Index over the quarter and remains ahead over 1, 3, and 5-year periods. Manager performance was positive over the quarter. Fidelity, a SMID cap

strategy, outperformed the most due to robust security selection within Healthcare and Financials as well an overweight stance to the Healthcare sector.

At a sector level effective stock selection across Healthcare, IT and Real Estate positively impacted performance. The strength of the Financial sector continued in Q2 and the aggregate fund's underweight allocation to the sector coupled with negative stock selection detracted from performance.

At a stock level, underweights to Resmed and Fortescue positively impacted performance. Resmed's share price fell 10% on the back of trial data released by Eli Lilly that indicates GLP-1 drugs are a viable treatment for obstructive sleep apnoea, while Fortescue sold off on the back of subdued Chinese demand for steel. Offsetting this were underweight positions in Westpac and CBA, both benefiting from benign bad debts, upweighting of share buyback programmes and offshore buying.

Mercer Australian Small Companies Fund Commentary

The Mercer Australian Small Companies Fund returned -1.9% in the June quarter, outperforming the ASX Small Ordinaries Index by 2.6%. The Fund continues to outperform over 1, 3 and 5 years. Perennial delivered the strongest returns over the quarter, with a positive contribution across various sectors. Conversely, Longwave delivered the weakest returns among the strategies, with thematically driven markets at odds with the firm's investment process, although longer term relative performance remains strong.

The aggregate Fund's excess return over the second quarter was driven by positive stock selection in the information Technology and Consumer Discretionary Sectors. At the stock level, the major contributors over the quarter were overweights to Qoria and Medadvisor. An overweight to Industrials was a drag over the quarter, as was an underweight to Materials. The largest detractors at the stock level over the quarter were Life360 and Telix Pharmaceuticals.

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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