

Quarterly Fund Report TPT Balanced Fund

As at 30 June 2024



TPT Wealth 

TPT Balanced Fund

	SIZE
Net Asset Value	\$15,018,954

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	(-0.46%)	(-0.04%)	(-0.13%)	0.09%
6 Months	4.60%	5.44%	5.57%	(-0.13%)
1 Year	8.32%	9.99%	10.85%	(-0.87%)
2 Years pa	8.50%	10.17%	10.88%	(-0.72%)
3 Years pa	3.05%	4.72%	5.53%	(-0.81%)
5 Years pa	3.67%	5.33%	6.27%	(-0.93%)

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	3.73%	(-4.19%)	(-0.46%)
6 Months	3.92%	0.68%	4.60%
1 Year	4.08%	4.24%	8.32%
2 Years pa	2.38%	6.12%	8.50%
3 Years pa	2.22%	0.84%	3.05%
5 Years pa	2.08%	1.58%	3.67%

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

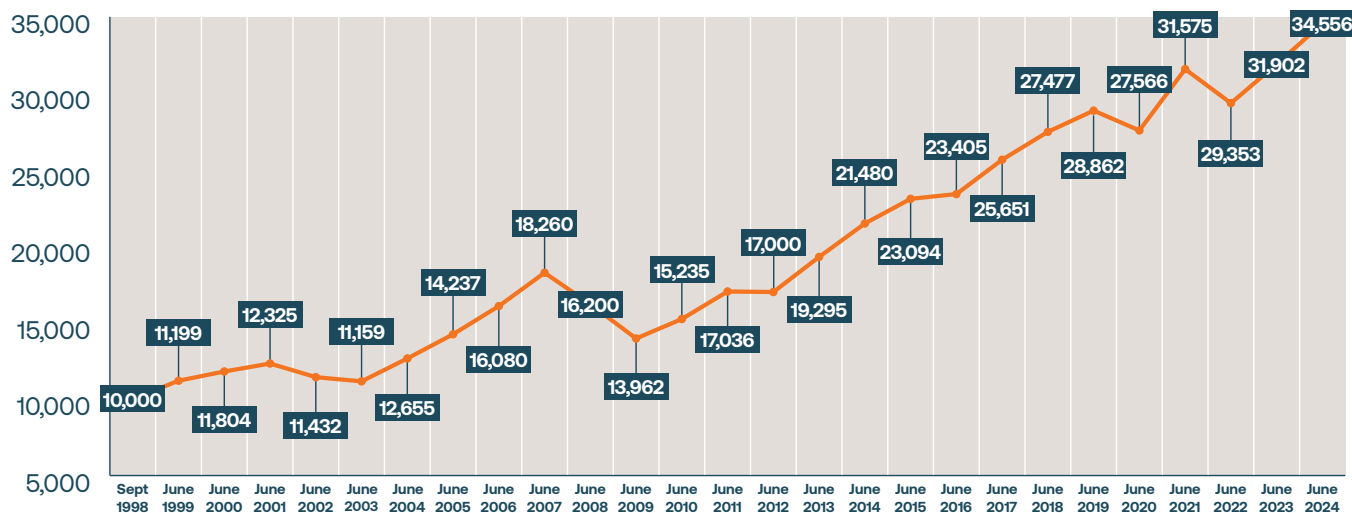
ASSET CLASS	RANGE	BENCHMARK WEIGHT (BW)	CURRENT WEIGHT (CW)	(CW) TO (BW)
Cash and Fixed Interest	10 - 80%	40%	2.87%	(-37.13%)
Balanced Fund Assets	80 - 100%	60%	97.13%	37.13%

ALLOCATION TO MANAGERS	RANGE	BENCHMARK %	\$FUM	CURRENT %
At Call Cash*	0-15%	5%	\$430,704	2.87%
Mercer Active Growth Fund	0-100%	95%	\$14,588,250	97.13%
TOTAL		100%	\$15,018,954	100.00%

LINK Compliance Report dated 30.06.2024

* 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

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 was 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 Growth Commentary

The Fund performed in line with the benchmark by over the quarter, generating a return of -0.2% net of fees.

The Fund's Overseas Small Companies exposure was additive to relative performance over the quarter from an asset allocation perspective (underweight relative to benchmark) given the sector's underperformance. Manager selection within Direct Property also contributed to relative performance over the quarter and was driven primarily by positive valuation gains within non-discretionary retail holdings.

The Fund's Global High Yield and Emerging Market Debt exposures were marginal detractors to relative performance over the quarter from an asset allocation perspective (overweight relative to benchmark). Meanwhile manager selection within Absolute Return Bonds detracted from relative performance over the quarter driven primarily by the underperformance of Ardea and emerging-market sovereigns, with the local-currency bonds of Brazil and Mexico the main detractors. The long position is US dollars, Brazilian real and Mexican peso also detracted.

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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Responsible Entity and Investment Manager