Harbourside Investments
MDA Commentary

AS OF June 2025

HARBOURSIDE
INVESTMENT MANAGEMENT

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Macro Summary

The June quarter of 2025 was marked by resilience and recovery in global financial markets, despite a volatile backdrop shaped by shifting trade policies, persistent inflation, and geopolitical tensions. After a turbulent start driven by new US tariffs and escalating conflict in the Middle East, markets rebounded strongly as optimism returned on the back of tariff implementation delays and some trade truces, robust corporate earnings, and a dose of central bank hope.

The quarter opened with a bang as new US tariffs sent shockwaves through markets, especially given the simultaneous flare-up in Middle East tensions. But just as quickly as the volatility arrived, markets began to bounce back. Key was the 90-day US-China tariff truce announced in May, which turned sentiment around and reignited appetite for risk assets.

A Quarter of Contrasts: Tariffs, Tech, and Tensions.

The US markets led the charge higher, with the S&P 500 gaining 5% in June alone, hitting record highs to finish the quarter up almost 11%. Big tech and A.I.-related stocks continued their upward march, lifting the Nasdaq Composite by almost 18% for the quarter. In stark contrast, Chinese equities fell in the quarter whilst the weakest equity sectors globally were energy and health care down almost 10% and 9%, respectively.

European equities continued their strong run but with a more muted return in the quarter (circa 6%) versus the previous two exceptionally strong quarters. German equities were the highlight, in particular a handful of defence (weapons) names. Asian and broader emerging market equities performed in line with European equities, with Korea and Taiwan boosting Asian equities whilst Eastern Europe and Latin America boosted emerging markets. Global small companies held their own against large companies whilst growth stocks left value stocks in their wake as investors returned to risk-seeking pinning their hopes on central bank relief.

Closer to home, the ASX 200 produced a stellar return of 9.50% in the quarter, slightly edging out an equally strong run from small companies. Technology stocks led the charge up almost 30%, followed by financials (up almost 16%) led by the banks (notably CBA), with weaker than expected economic data seeing investors increasing their bets on RBA rate cuts.

This culminated in a rather sharp fall in Australian bond yields resulting in investors flocking to Australian listed property securities with a 13.7% return, trouncing solid returns from global listed infrastructure and global listed property which also benefited from declining global bond yields.

Bond markets experienced heightened volatility but ended the quarter with positive returns. While inflation remained a lingering threat, expectations of future rate cuts supported a recovery in bond prices. Australian bonds were the pick of the bunch with longer-dated bonds up over 3% in the period followed by a strong return from Australian credit.

Heightened trade risks initially saw the oil price fall off a cliff as traders moved to quicky price in a global recession. However, a flare up in Middle East tensions then saw prices rocket higher before settling lower for the quarter following ceasefire agreements. The US dollar continued to weaken, dropping 10.7% since the beginning of the year, its worst first-half performance in over 50 years. The Aussie dollar rose in contrast to its highest levels since November last year.

Economic Signals: Mixed and Murky.

The global growth picture remained patchy. The US economy showed signs of resilience, with strong corporate earnings and robust labour markets, but underlying concerns about inflation and consumer spending persisted. In the Eurozone, growth remained sluggish, even as inflation ticked up to 2.0% year-on-year, keeping the ECB on a cautious footing. China’s recovery remained uneven, with growing doubts about sustainability and continued pressure on emerging markets and commodity prices.

Australia wasn’t immune either. GDP rose just 0.2% in the March quarter, taking annual growth to 1.3%. Private demand, mainly household consumption and investment held things up, but weak public spending and adverse weather weighed heavily. Notably, per capita GDP shrank again, reinforcing the story of constrained household finances.

Corporate profits in Australia took a hit, with operating profits down 0.5% in Q1, and 5% lower year-on-year. Wage growth continued, but not enough to offset weak consumption sentiment. Housing saw a more stable quarter with home values rising 0.5% in May and 3.3% over the year, though rental growth slowed, likely reflecting affordability pressures and cooling migration.

Across the board, consumer confidence remained fragile, with households reluctant to loosen their purse strings amid inflation uncertainty and political noise. Ambiguity around the trajectory of US Federal Reserve rate moves, as well as decisions by the Bank of England and European Central Bank, contributed to market caution. Hopes for future rate cuts supported risk assets, even as inflation remained a concern.

Politics: Populism, Policy, and Public Sentiment.

The US dominated headlines again, with the so-called “Liberation Day” tariffs launched mid- quarter. Initial market nerves were soothed somewhat by the 90-day reprieve agreed with China, but the long-term implications are still unclear.

Closer to home, the Australian federal election resulted in a historic landslide victory for the Albanese Labor government, which secured ninety-four seats in the House of Representatives, the highest ever won by a single party in an Australian federal election! This came after the release of the Federal Budget in which forward estimates showed worsening deficits and growing debt, not helped by surprise tax cuts - a sign of fiscal pressure and the challenges of managing growth, inflation, and spending all at once.

On the geopolitical stage, the Iran-Israel conflict intensified, adding fresh tension to global markets, especially energy. But this was largely overshadowed by shifting investor focus back to trade dynamics and central bank signals.

The June quarter of 2025 was defined by volatility and resilience. Markets weathered policy shocks and geopolitical flare-ups, ultimately rallying on the strength of technology and AI sectors, trade optimism, and hopes for monetary easing. Economically, growth remained uneven, with inflation and consumption risks persisting, especially in Australia and Europe. Politically, governments grappled with fiscal discipline, security challenges, and shifting public sentiment.

Asset Class performance - June Quarter 2025

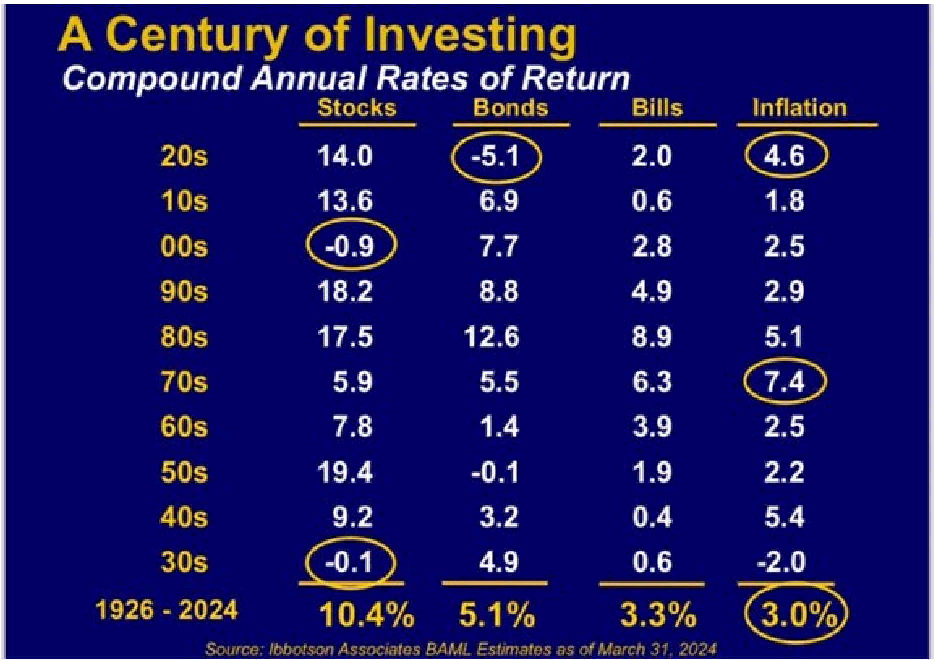
Sector	Quarter movement	1-Year movement	CYTD movement
Australian Shares	9.5%	13.8%	6.4%
Australian Shares (Small)	8.6%	12.3%	6.4%
Global Shares	6.0%	18.4%	4.0%
Global Shares hedged	11.5%	16.2%	10.0%
Global Emerging Markets	6.5%	17.5%	8.9%
Australian Property Securities	13.7%	14.0%	6.0%
Global Property Securities (unhedged)	-2.1%	12.9%	-1.0%
Global Property Securities (hedged)	3.3%	9.5%	4.0%
Global Infrastructure (unhedged)	-0.6%	20.3%	3.7%
Global Infrastructure (hedged)	2.3%	15.7%	6.7%
Australian Fixed Interest	2.6%	6.8%	4.0%
International Fixed Interest	1.5%	5.4%	2.7%
Cash	1.0%	4.4%	2.1%

Source: Morningstar Direct
Indices:

Australian Shares	*S&P/ASX 200 TR AUD*
Australian Shares (Small)	*S&P/ASX Small Ordinaries TR AUD*
Global Shares	*MSCI ACWI NR AUD*
Global Shares hedged	*MSCI ACWI NR USD*
Global Emerging Markets	*MSCI EM NR AUD*
Australian Property Securities	*S&P/ASX 200 A-REIT TR*
Global Property Securities (unhedged)	*FTSE EPRA NAREIT Global REITs TR AUD*
Global Property Securities (hedged)	*FTSE EPRA NAREIT Global REITs TR Hedged AUD*
Global Infrastructure (unhedged)	*FTSE Global Core Infra 50/50 TR AUD*
Global Infrastructure (hedged)	*FTSE Global Core Infra 50/50 TR Hedged AUD*
Australian Fixed Interest	*Bloomberg AusBond Composite 0+Y TR AUD*
International Fixed Interest	*Bloomberg Global Aggregate TR Hedged AUD*
Cash	*Bloomberg AusBond Bank 0+Y TR AUD*

A Century of Investing

Investors need to remember that asset classes will revert to the mean over time. Thinking that a particular asset class will continually perform “well” is a mistake often made by investors and is referred to as recency bias. There are long periods of time where each asset class will underperform inflation and hence our risk adjusted return methodology seeks to navigate those waters.



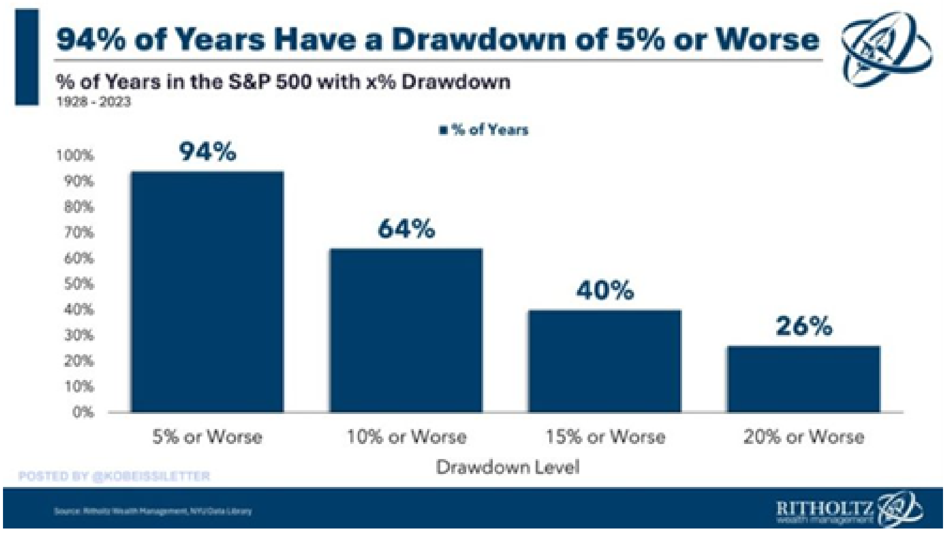
A Century of Investing

Compound Annual Rates of Return

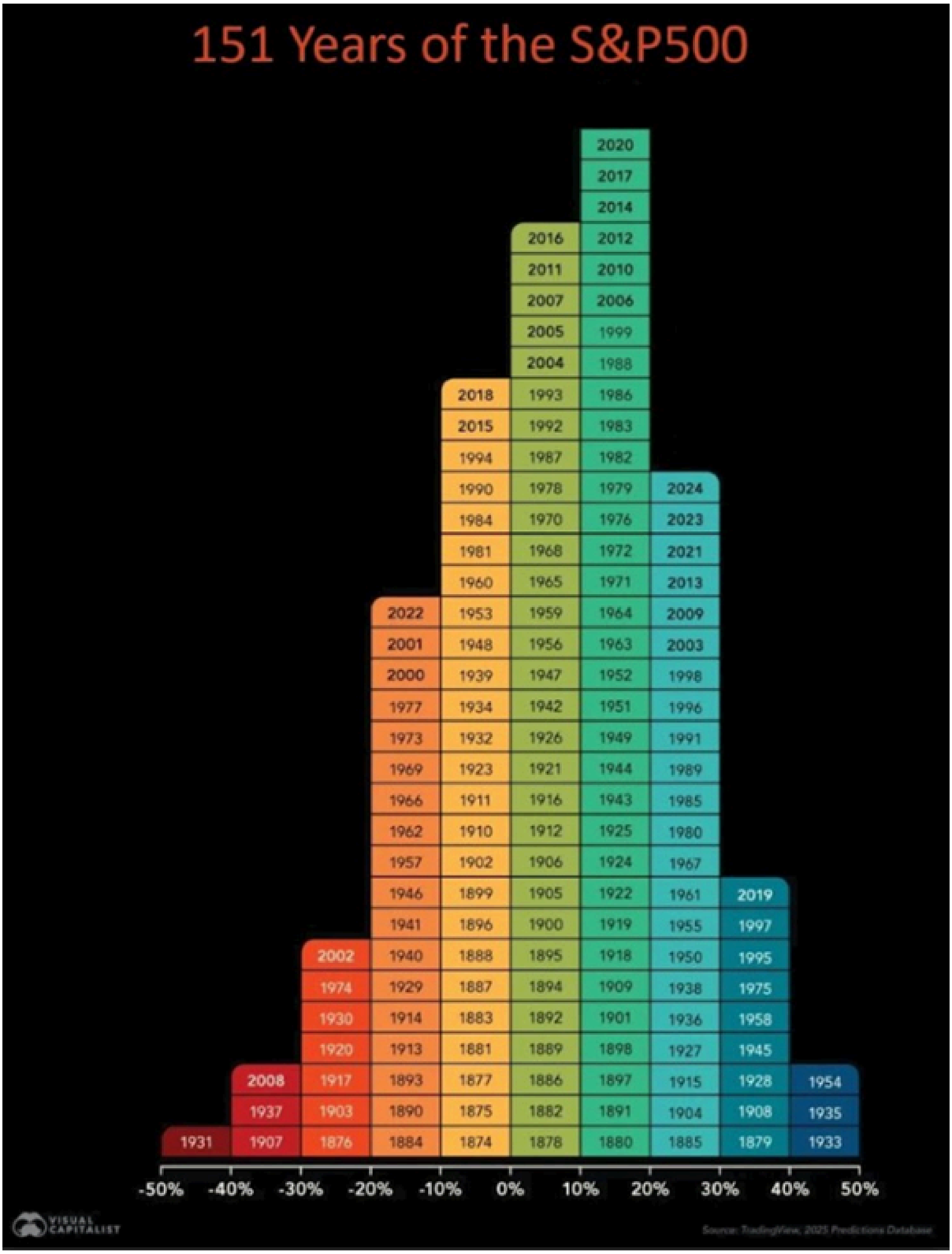
	Stocks	Bonds	Bills	Inflation
20s	14.0	-5.1	2.0	4.6
10s	13.6	6.9	0.6	1.8
00s	-0.9	7.7	2.8	2.5
90s	18.2	8.8	4.9	2.9
80s	17.5	12.6	8.9	5.1
70s	5.9	5.5	6.3	7.4
60s	7.8	1.4	3.9	2.5
50s	19.4	-0.1	1.9	2.2
40s	9.2	3.2	0.4	5.4
30s	-0.1	4.9	0.6	-2.0
1926 - 2024	10.4%	5.1%	3.3%	3.0%

Source: Ibbotson Associates BAML Estimates as of March 31, 2024

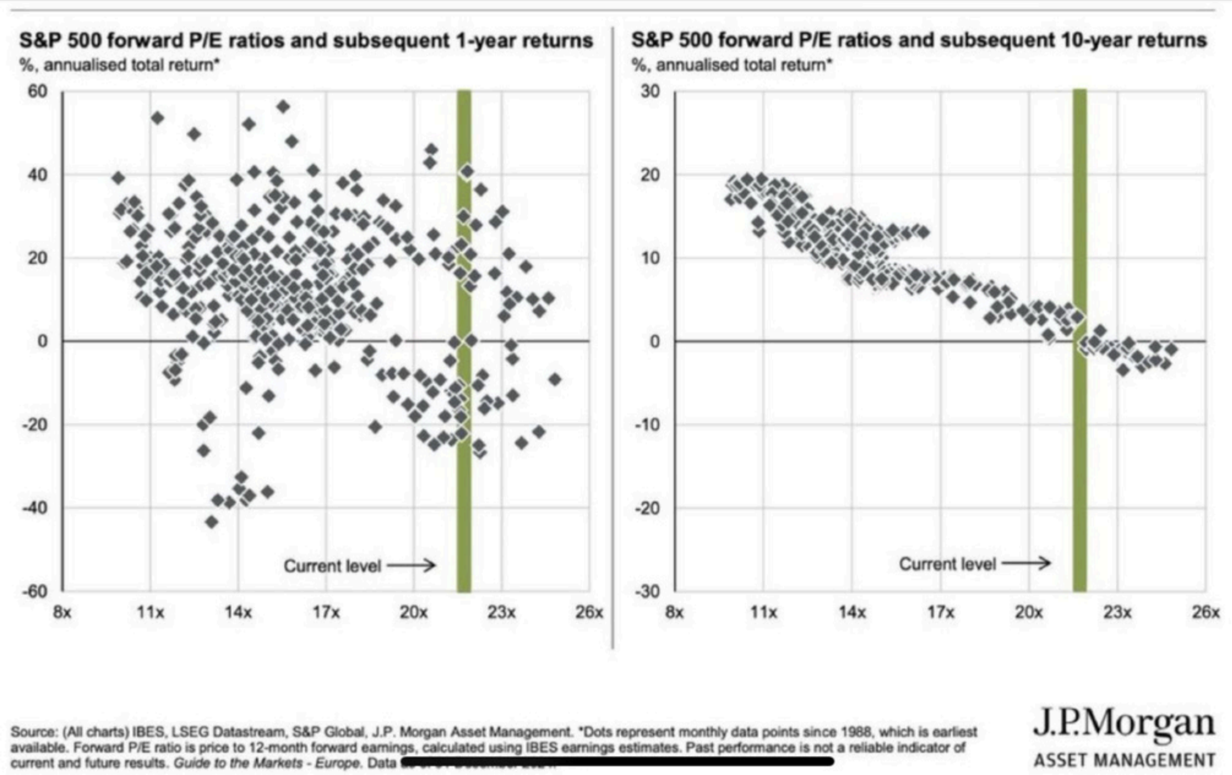
The chart below shows the probability of getting a drawdown in the S&P500 in any given year. Note that 1 in 4 years you can expect a drawdown of more than 20%.



This graph shows the distribution of annual returns for 151 years.



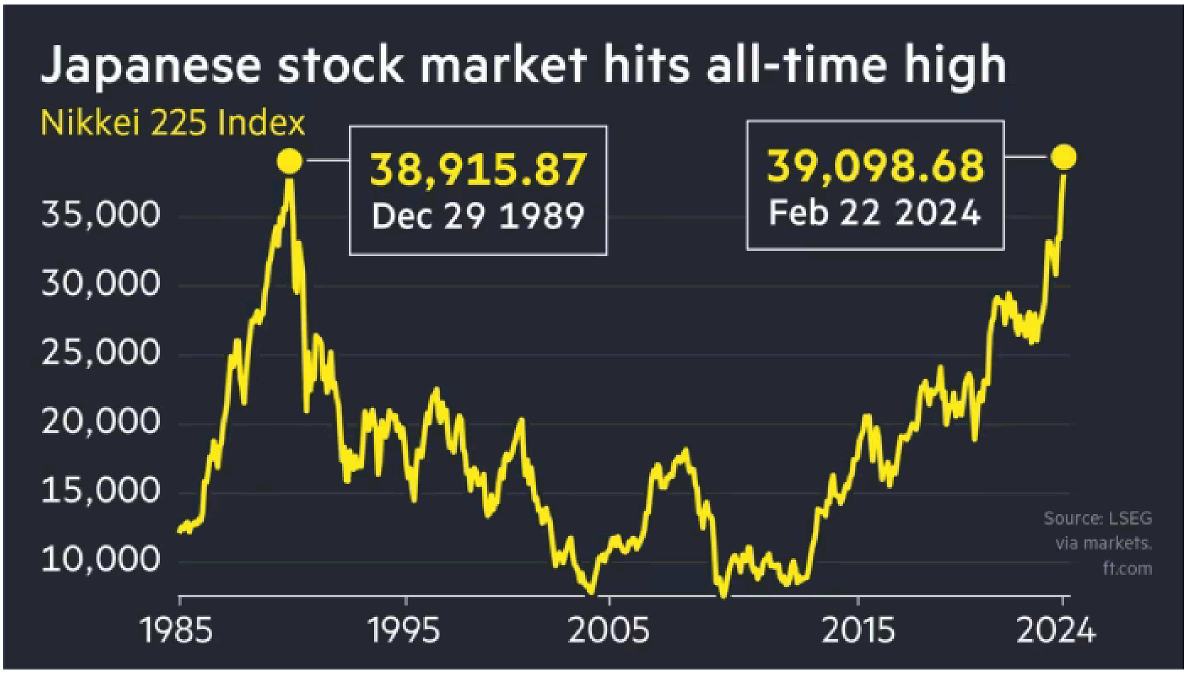
Importantly we have to understand that over the long term financial markets will revert to the mean. Therefore when we are buying assets that have higher valuations you can expect a lower return going forward. The above graph shows that over the short term (1 year) there is no correlation between valuations and returns but over the long term (10 years) the correlation is high.



One of the most often mistakes we see investors making is they believe that equity markets (or property markets) always go up. The first thing to consider is that in nominal returns or real returns?

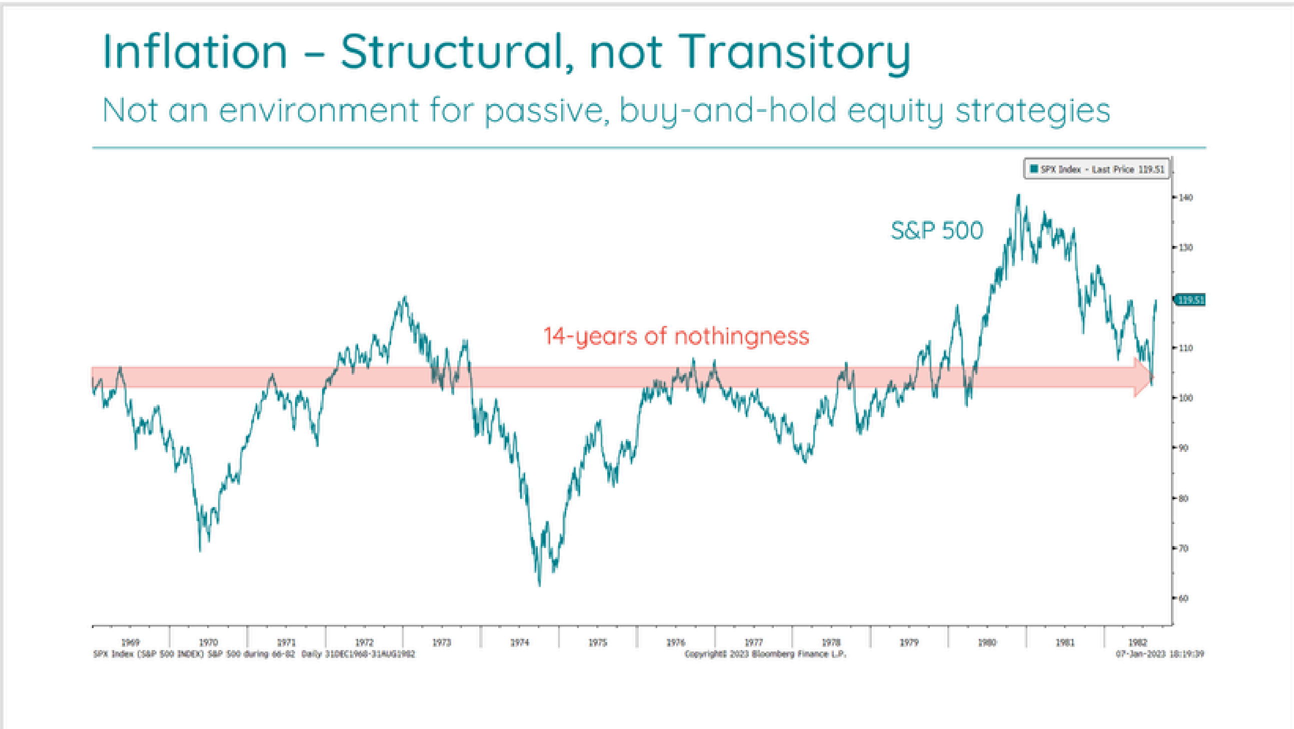
We need to look at real returns because we need to measure our investments against whether we are retaining our purchasing power with our wealth. It is possible to have positive nominal returns but negative real returns. This is just a way of saying that your "value" is increasing but NOT keeping up with inflation so you are actually going backwards.

In our lifetime Exhibit A is the Nikkei (Japanese stock market). Now Japan was not or is not a back water economy, it was the second largest economy in the world (now the fifth). As can be seen from the graph below it was a long wait to break even on the 1989 levels. Indeed most retirees don't have a 35 year period of time to wait for such an outcome. Keep in mind this is in nominal terms NOT real terms (inflation adjusted) making the outcome considerably worse for investors.



Let's take a look at a specific example using the US share market.

In 1968 to 1982 interest rates went from around about 4% to a high of 20% over that period of time. It should be noted that over that time there was above trend economic growth in real terms with companies being a lot more profitable. This resulted in investors in the equity market achieving a return over this period of approximately zero in nominal terms and actually lost 70% in real terms. When include dividends being reinvested this gets back to a real return of nearly zero (although it is still negative).



Some bear markets can be quite lengthy and large in regards to the amount of the falls sustained.

Table 1: S&P 500 bull and bear markets

S&P Bear Markets				S&P Bull Markets			
Start	End	%Change	Days	Start	End	%Change	Days
16/Sep/1929	13/Nov/1929	-44.6%	58	13/Nov/1929	10/Apr/1930	46.8%	148
10/Apr/1930	16/Dec/1930	-44.3%	250	16/Dec/1930	24/Feb/1931	25.8%	70
24/Feb/1931	2/Jun/1931	-32.9%	98	2/Jun/1931	26/Jun/1931	25.8%	24
26/Jun/1931	5/Oct/1931	-42.5%	101	5/Oct/1931	9/Nov/1931	30.6%	35
9/Nov/1931	1/Jun/1932	-61.8%	205	1/Jun/1932	7/Sep/1932	111.6%	98
7/Sep/1932	27/Feb/1933	-40.6%	173	27/Feb/1933	18/Jul/1933	120.6%	141
19/Jul/1933	19/Oct/1933	-29.4%	93	19/Oct/1933	6/Feb/1934	37.3%	110
6/Feb/1934	14/Mar/1935	-31.8%	401	14/Mar/1935	10/Mar/1937	131.6%	727
10/Mar/1937	31/Mar/1938	-54.5%	386	31/Mar/1938	9/Nov/1938	62.2%	223
9/Nov/1938	11/Apr/1939	-24.4%	153	11/Apr/1939	25/Oct/1939	26.8%	197
25/Oct/1939	10/Jun/1940	-31.9%	229	10/Jun/1940	7/Nov/1940	26.7%	150
7/Nov/1940	28/Apr/1942	-34.4%	537	28/Apr/1942	29/May/1946	157.7%	1492
29/May/1946	19/May/1947	-28.5%	335	19/May/1947	15/Jun/1948	23.9%	393
15/Jun/1948	13/Jun/1949	-20.6%	363	13/Jun/1949	2/Aug/1956	267.1%	2607
2/Aug/1956	22/Oct/1957	-21.6%	446	22/Oct/1957	12/Dec/1961	86.4%	1512
12/Dec/1961	26/Jun/1962	-28.0%	196	26/Jun/1962	9/Feb/1966	79.8%	1324
9/Feb/1966	7/Oct/1966	-22.2%	240	7/Oct/1966	29/Nov/1968	48.0%	784
29/Nov/1968	26/May/1970	-36.1%	543	26/May/1970	11/Jan/1973	73.5%	961
11/Jan/1973	3/Oct/1974	-48.2%	630	3/Oct/1974	28/Nov/1980	125.6%	2248
28/Nov/1980	12/Aug/1982	-27.1%	622	12/Aug/1982	25/Aug/1987	228.8%	1839
22/Aug/1987	4/Dec/1987	-33.5%	101	4/Dec/1987	24/Mar/2000	582.1%	4494
24/Mar/2000	21/Sep/2001	-36.8%	546	21/Sep/2001	4/Jan/2002	21.4%	105
4/Jan/2002	23/Jul/2002	-32.0%	200	23/Jul/2002	9/Oct/2007	96.2%	1904
9/Oct/2007	20/Nov/2008	-51.9%	408	20/Nov/2008	6/Jan/2009	24.2%	47
6/Jan/2009	9/Mar/2009	-27.6%	62	9/Mar/2009	19/Feb/2020	400.5%	3999
19/Feb/2020	23/Mar/2020	-33.9%	33	23/Mar/2020	3/Jan/2022	114.4%	651
3/Jan/2022	12/Oct/2022	-25.4%	282	12/Oct/2022	25/Aug/2025	84.1%	1048
	Average	**-35.1%**	**285**		**Average**	**114.4%**	**1011**

Source: BofA US Equity & Quant Strategy, Dartmouth University Data Library, Bloomberg, S&P, Morningstar. Returns in US dollars. You cannot invest in an index. Past performance is not a reliable indicator for future performance. Bull market starts when the market increases 20% following the most recent bear market. A Bear market starts when the market decreases 20% following the most recent bull market. Bull market average does not include the current market.

NOTE: The Great Depression went from Sep 1929-June 1932 and the market decreased 86.10% over that time from peak to trough.

Debt Markets

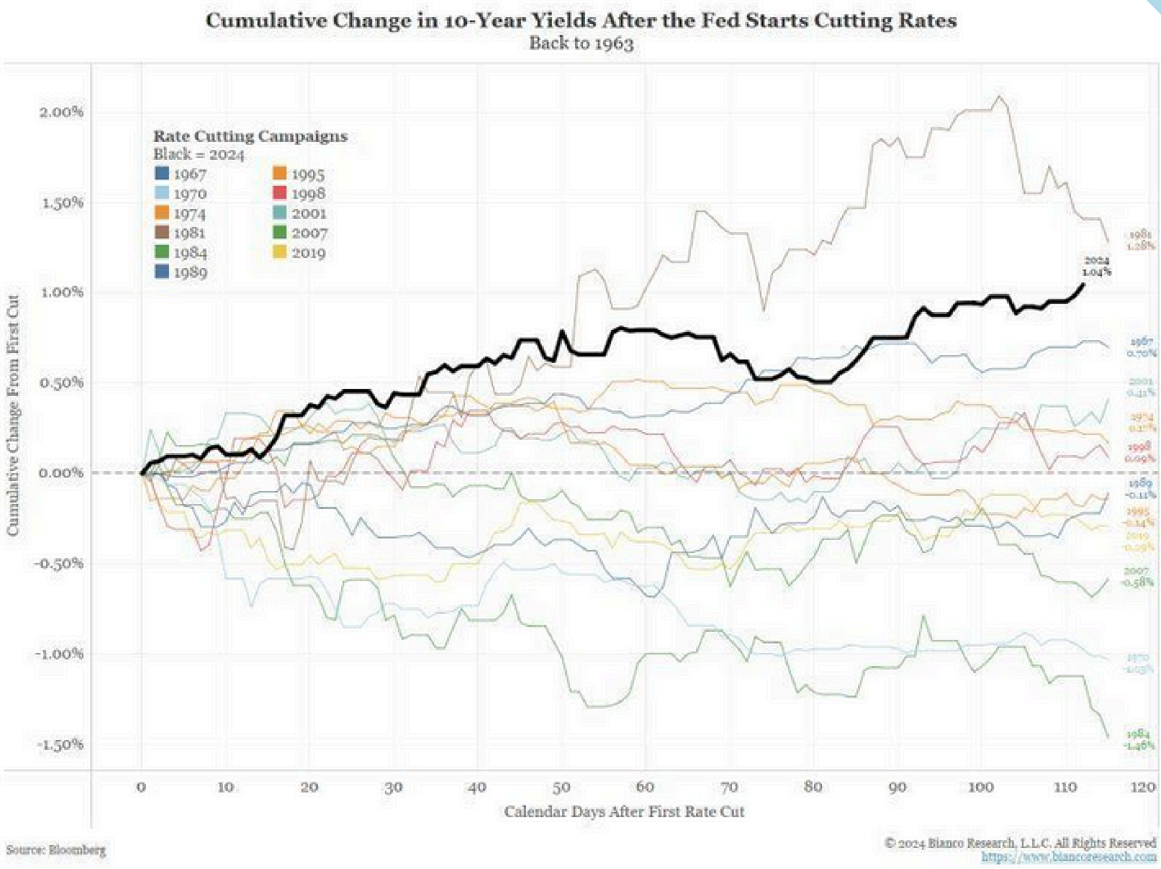
Fixed income markets posted muted gains across both domestic (2.63%) and international portfolios (1.49%), with Australian bonds the highlight. Australian 10-year yields eased to close near 4.0%, while U.S. 10-year Treasuries followed a similar path. Investor appetite for sovereign debt improved amid softening inflation indicators and expectations of rate cuts by late 2025, though volatility through the quarter was driven by concerns over U.S. fiscal deficits, tariff policies, and inflation expectations.

U.S. Treasury yields were volatile, with the 10-year Treasury yield ranging between 4.2% and 4.6% from April to mid-June, ending the quarter at around 4.36% after a strong June jobs report. The 30-year Treasury yield rose to 4.97%, nearing a high not seen since the Global Financial Crisis. Rising yields, particularly in May, were driven by deficit concerns and tariff uncertainties, which pressured bond prices. European government bonds outperformed US and Japan, benefitting from ECB rate cuts in April and June as eurozone inflation slowed Investment-grade corporate bonds performed relatively well, again with Australian credit the highlight (2.31%), showing resilience due to strong investor demand and tight credit spreads. High-yield corporate bonds outperformed government bonds, supported by higher coupons and a rebound in spreads after an early April tariff-induced selloff.

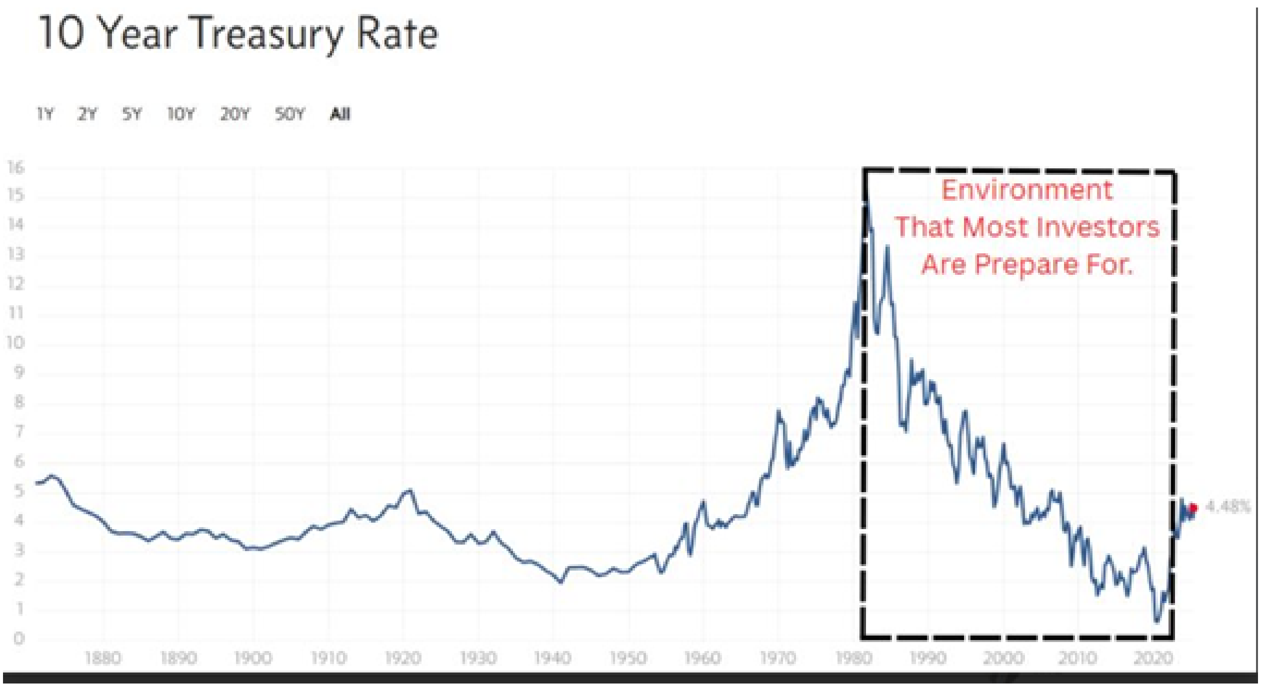
Volatility increased, with the MOVE index (measuring Treasury bond market volatility) spiking in April due to tariff uncertainties and rising in Q2 as fiscal deficit concerns grew. The Federal Reserve held rates steady at 4.25%–4.50%, with markets anticipating a potential rate cut in September. Inflation concerns, particularly from potential tariff-driven price increases, and a strong U.S. economy kept yields elevated, limiting bond price gains.

Cash delivered another steady (1.1%), as yields remained anchored by central bank policy, with RBA cutting rates at their May meeting to 3.85%.

As per the graph below the continued higher bond yields during the quarter and the volatility of the market, is telling us that the market is again concerned about inflation. Historically, this situation has not happened too many times in the midst of interest rate cuts by Central banks.

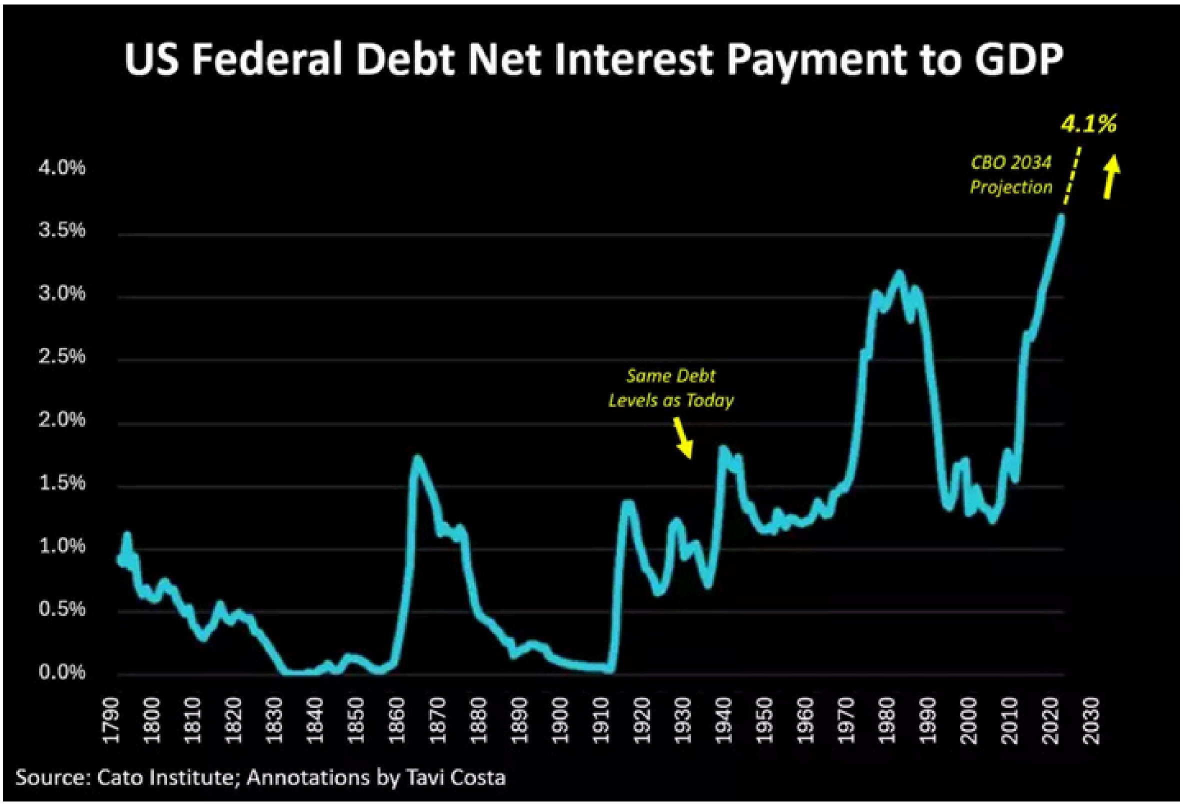


The 40 year bull market in bonds has appeared to have finished. This tailwind for asset market has now finished and may become a headwind.

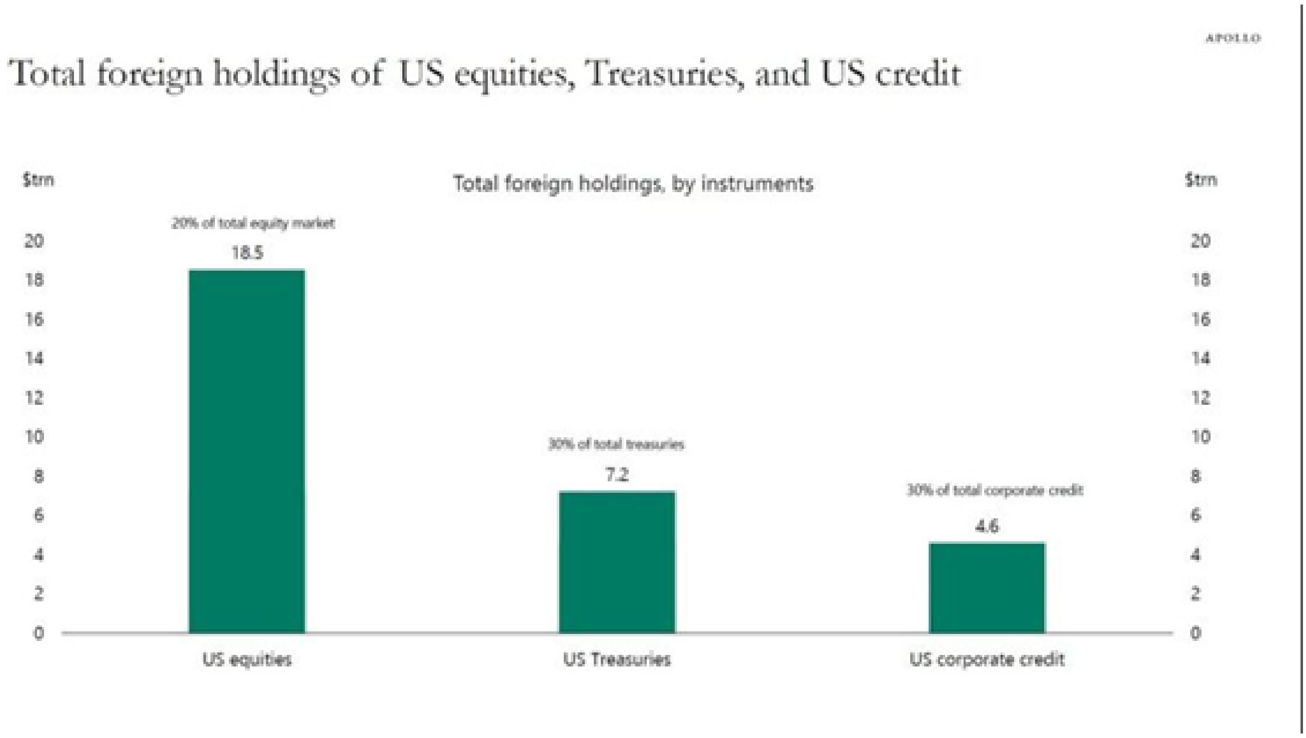


The current US fiscal position has a debt to GDP of 120% and according to many views including Reinhardt and Rogoff who produced papers in 2010 and 2012 a level of debt to GDP above 90% sees a dramatic worsening in growth outcomes for economies. Important to note that the interest expense that needs to be met by the US has escalated with the increase in rates over the last couple of years. The interest expense has now surpassed the annual military defense spending. Renowned Economist and Historian Niall Ferguson has noted that historically this has marked the end of Empires.

Treasury Secretary Scott Besant criticized past decisions of Janet Yellen where she was undertaking recent US financing being done at the short end of the curve which has contributed to some USD$9 Trillion worth of government debt maturing in 2025. This debt will be at the current interest rate which is considerably higher than it was 3- 5 years ago. Interestingly, they did not roll that debt in the first half of the year they rolled into treasuries and they are now applying pressure to Jay Powell to cut interest rates hoping this will provide them the cover to term the debt out.

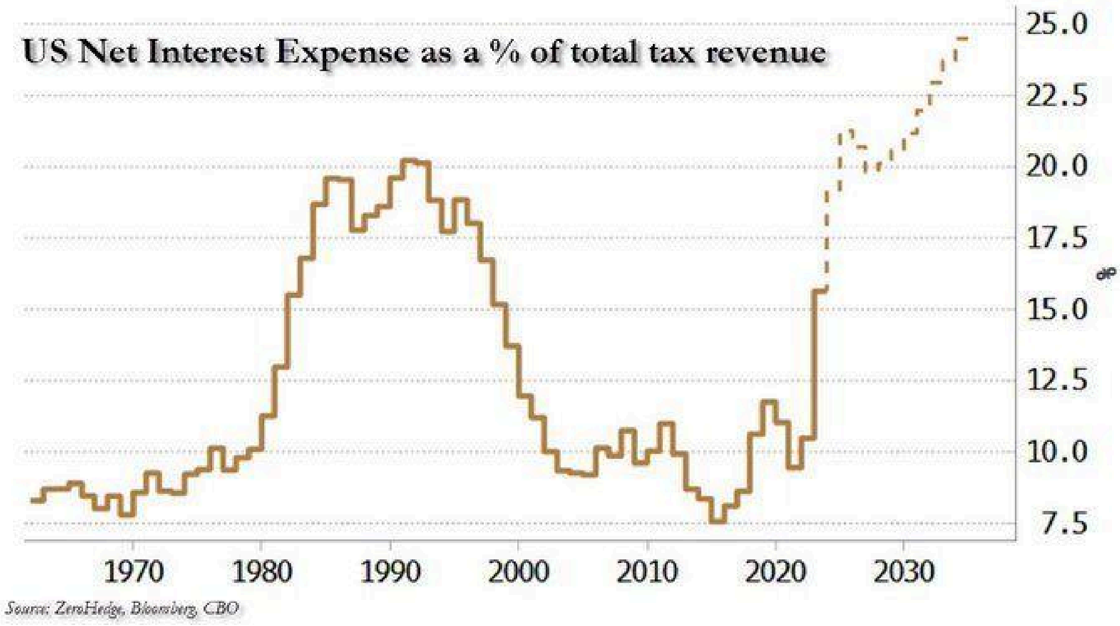


We believe that there will remain volatility in the debt markets as the deflationary view is supported by participants as rates are expected to decrease. However, within our strategies we remain concerned about the ability of interest rates to rise over the long term due to the re-emergence of inflation and the underlying demand and supply characteristics of the US Government debt. We also note that in the last few years that foreign Central banks demand for US bonds have not grown relative to the size of the debt issuance. This means the US government is effectively now crowding out the private sector. As discussed previously in these pages we believe that there is a very real risk that the policies of Donald Trump may see this de dollarisation process for other countries accelerate leaving less demand for US assets including Government bonds as other countries push back against the new America First regime.



As expected in previous commentary the DOGE initiative did not find the level of cost savings required to fundamentally move the needle on the US debt. As we have stated previously in our communication unless they start looking at big ticket items such as military spending and entitlements like social security and Medicare we don't think any meaningful progress will be made. We don't think that is likely for political and practical reasons.

The Trump administration and the market is now coming up with other narratives on how they will tackle this problem including revaluing the US gold reserve to current prices and the increased use of Stable coins. The former will see the US be able to free up about USD $800 Billion in cash so as to not go to debt markets which is really a short term reprieve rather than a solution. The later is about coming up with another buyer of US debt given the lack of demand from other areas such as foreigners.



Currently the US has USD $37 Trillion in debt (not counting unfunded liabilities). We note that the average interest rate on this debt has risen and will continue to do so as debt rolls off existing arrangements and needs to be refinanced at current rates.

In the context of the fact that tax receipts of USD $5.2 Trillion and the US spends around USD $1 Trillion on defense and USD $4.1 Trillion on other mandatory expenses none of these metrics look good.

This leaves the US with the following choice of how to deal with this issue;

1. Austerity (Cut spending)
2. Raise Taxes
3. Inflate away the debt

Politically the last option is more palatable and has been the course pursued by others in history faced with this predicament.

Whilst the markets have the view that inflation is being conquered and interest rates are going to be reduced in 2025 we believe that inflation is not yet beat which will make it difficult for the Central banks to reduce interest rates. Furthermore, historically as shown in our previous reports inflation has traditionally come in waves.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely long duration government bonds losing massively in real terms over the short to medium term.

Equity Markets

Global Equities

Global equities staged a recovery in Q2, buoyed by easing rate expectations, reduced recession fears, and selective rotations back into quality growth assets.

The U.S. S&P 500 and Nasdaq both registered strong gains (10.8% and 12% respectively in USD terms), clawing back some of their Q1 losses. Despite ongoing headline risks from Trump-era tariffs and regulatory pressure on mega-cap tech, investor focus shifted toward earnings resilience and long-term AI adoption. Notably, companies with diversified revenue bases and pricing power outperformed.

European equities posted strong performance, with the STOXX Europe 600 (6.3%) continuing to benefit from increased fiscal spending commitments, a softer euro, and growing rotation from overvalued U.S. names. Germany was the highlight was increased fiscal spending commitments specifically in defence (weapons) saw investors flock into industrial and defence-adjacent stocks in the country.

Japanese returns were exceptionally strong (12%), in stark contrast to the strongly negative returns in the March quarter. Key drivers included a domestic demand and consumption revival, a steeper bond yield curve supported financial and domestic cyclical names, and positive sentiment regarding corporate earnings & governance reforms.

Returns were mixed across the emerging market region but were still strong at a broad level (6.5%) helped by a weakening US dollar. Korea and Taiwan were the highlights, followed by Eastern Europe. In contrast, index heavyweights China and India were weaker than recent quarters, as tariff-related risks rose worrying investors.

In AUD terms, global equities returned 6% for the quarter. The performance gap between growth and value re-widened with investors rotating aggressively back into US and technology names post “Liberation Day” (week).

Australian Equities

The Australian equity market rebounded strongly in Q2 2025, reversing its steep March quarter losses. The S&P/ASX 200 gained approximately +9.5% for the quarter, driven by a broad-based rally across both cyclical and growth-oriented sectors.

Key tailwinds included stabilising commodity prices, dovish signals from the RBA, and improving business sentiment. While domestic inflation remained sticky, signs of moderating cost pressures in non-discretionary sectors offered a reprieve.

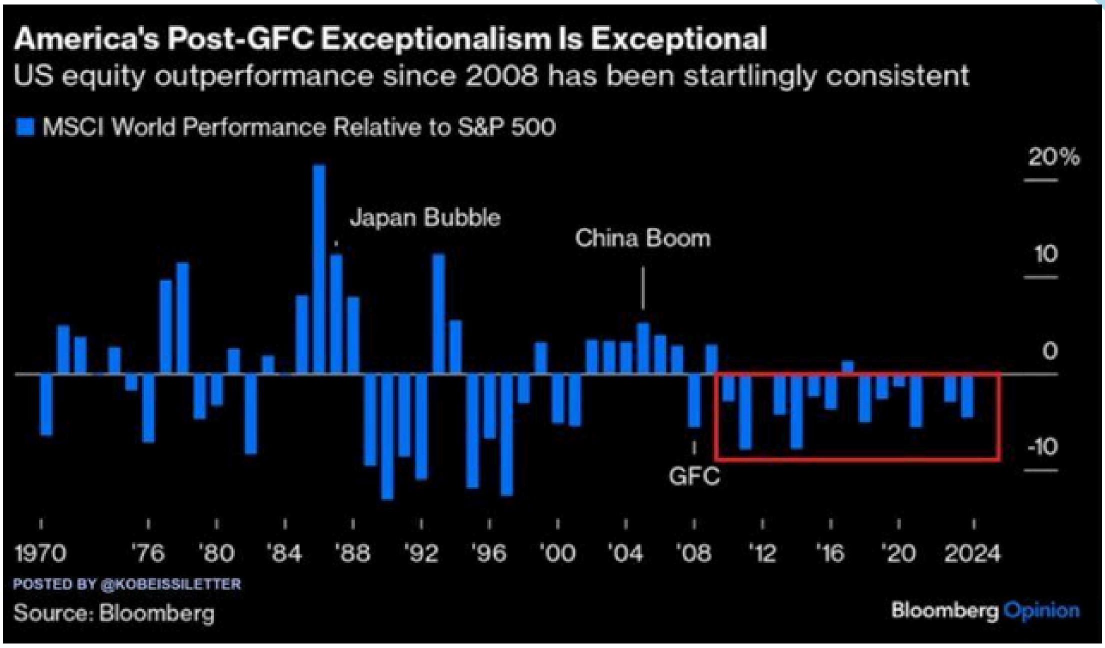
Small-cap stocks, which were particularly hard hit in Q1, saw a resurgence as investor appetite returned. The S&P/ASX Small Ordinaries rose by +8.6%, supported by strength in industrials, IT, and consumer-facing businesses.

Sectors that had lagged previously, including Information Technology and Discretionary, led the charge, while more defensive areas like Healthcare and Utilities took a back seat. Energy stocks also recovered as global oil prices found a near-term floor.

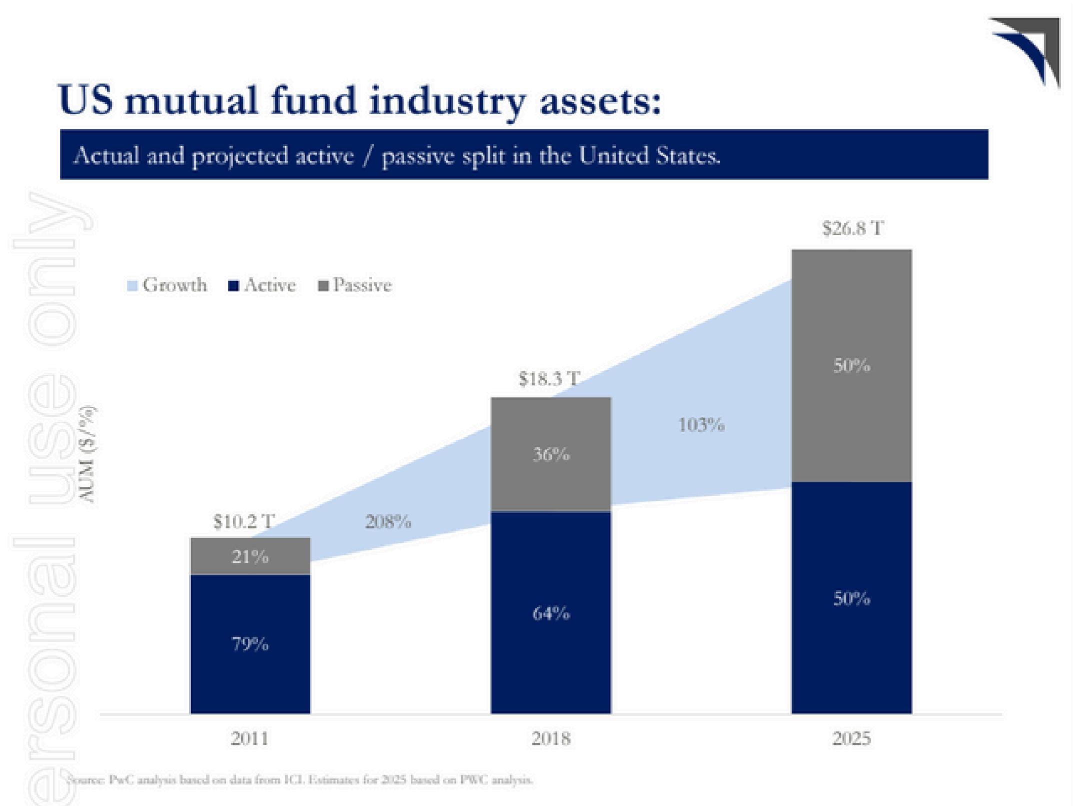
The technology sector, particularly driven by AI and data centre trends, and banking stocks like Commonwealth Bank, which hit record highs, were key contributors to the gains. Gold miners also performed exceptionally, rising over 50%, while materials and energy stocks lagged due to slowing growth in China and tariff impacts. Defensive buying from US and overseas investors further supported large-cap stocks, with investors seeing the Australian market as a relative safe-haven (at least in the near term).

Within equities whilst we remain concerned about the potential volatility within domestic and international equity markets and current geo political issues and uncertainties. However, the main issue we see going forward is that of valuation and the fact that you make your money when you buy not when you sell.

We believe there is an opportunity for sectors and countries that have been “unloved” to provide some good value going forward as some of the enthusiasm of the more “loved” sectors in predominantly the US economy has a reality check with regards to expectations and valuations. The US markets have outperformed all countries for quite some time as demonstrated in the graph below

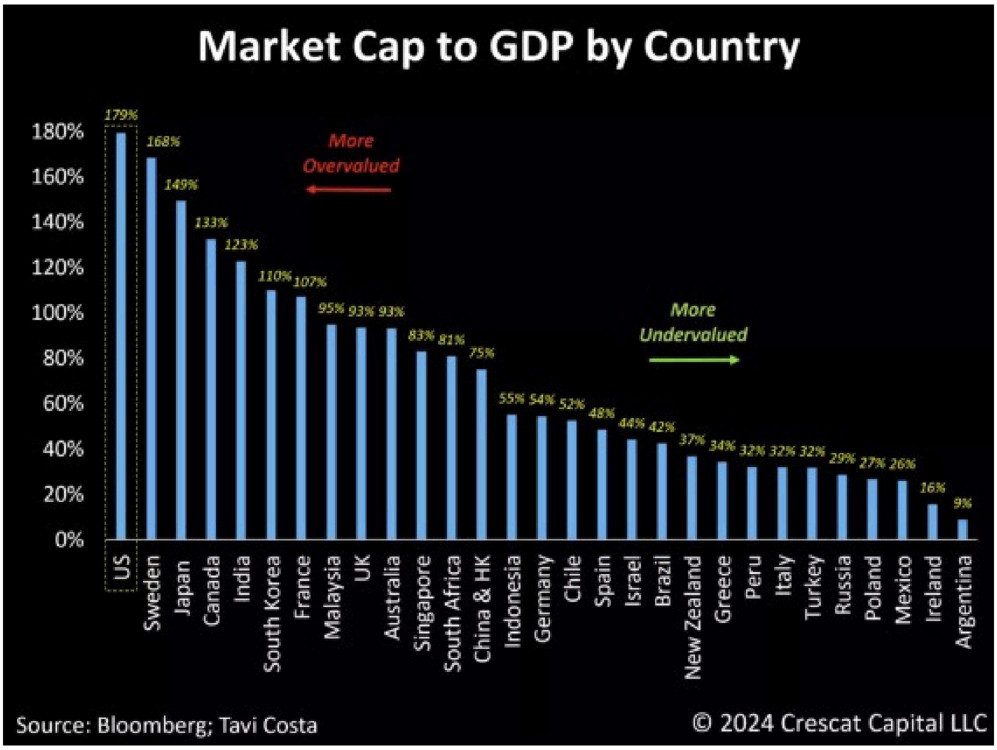


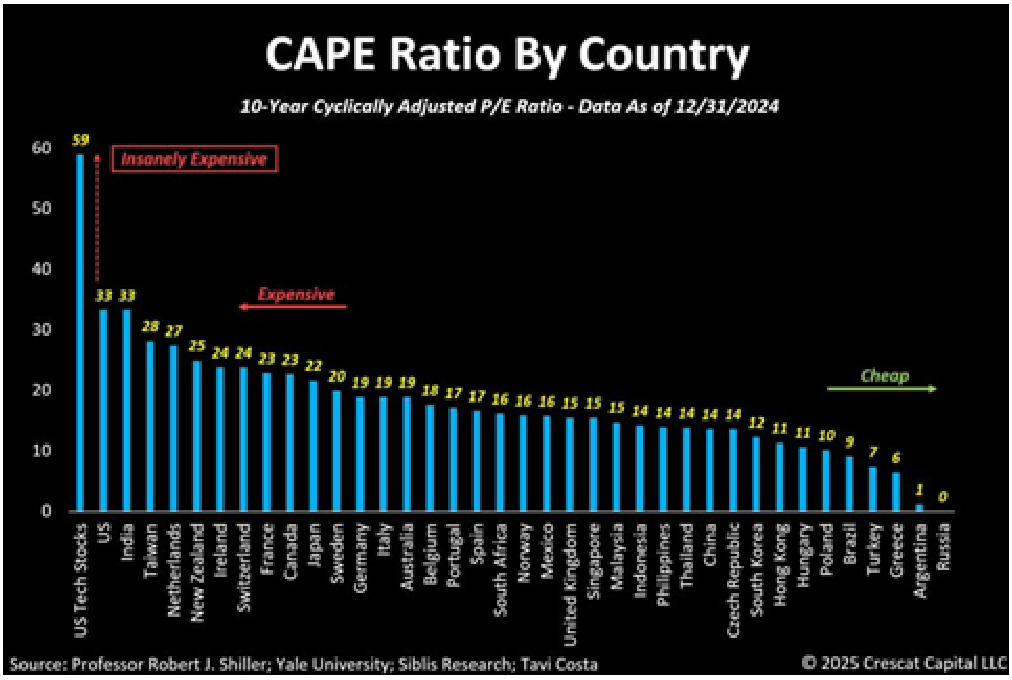
This has seen large US businesses getting large capital flows resulting in higher prices. In our view these moves have been exacerbated by the "Passive investment Phenomenon" where it becomes a self fulfilling prophecy and at some stage these markets will correct to reflect fundamentals.



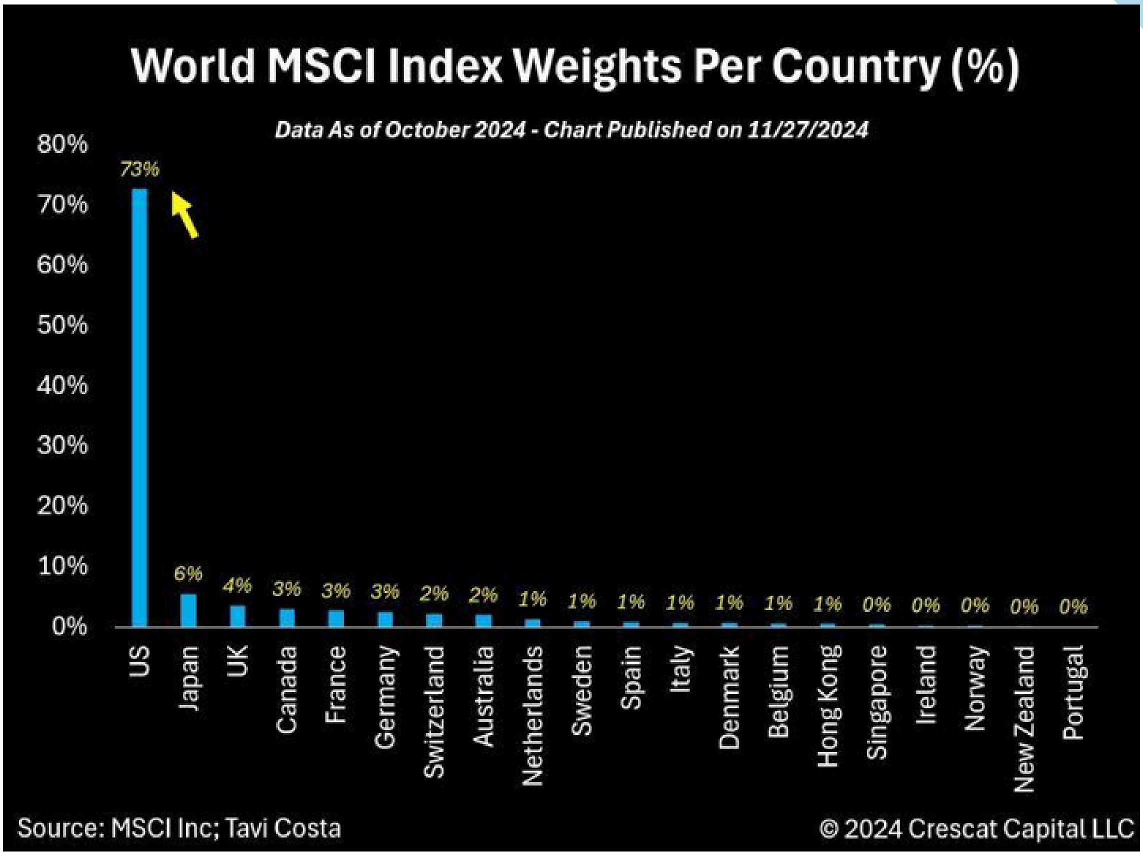
As mentioned in the previous section covering debt it is possible that as other countries adjust to the new environment including Trump's "America First Agenda" that funds may be repatriated or allocated outside the US where currently most of the funds are being put.

Furthermore, different countries provide opportunities for investors that are willing to search for more attractive valuations. This is why we have skewed our portfolio to an active approach as opposed to a low cost passive approach.

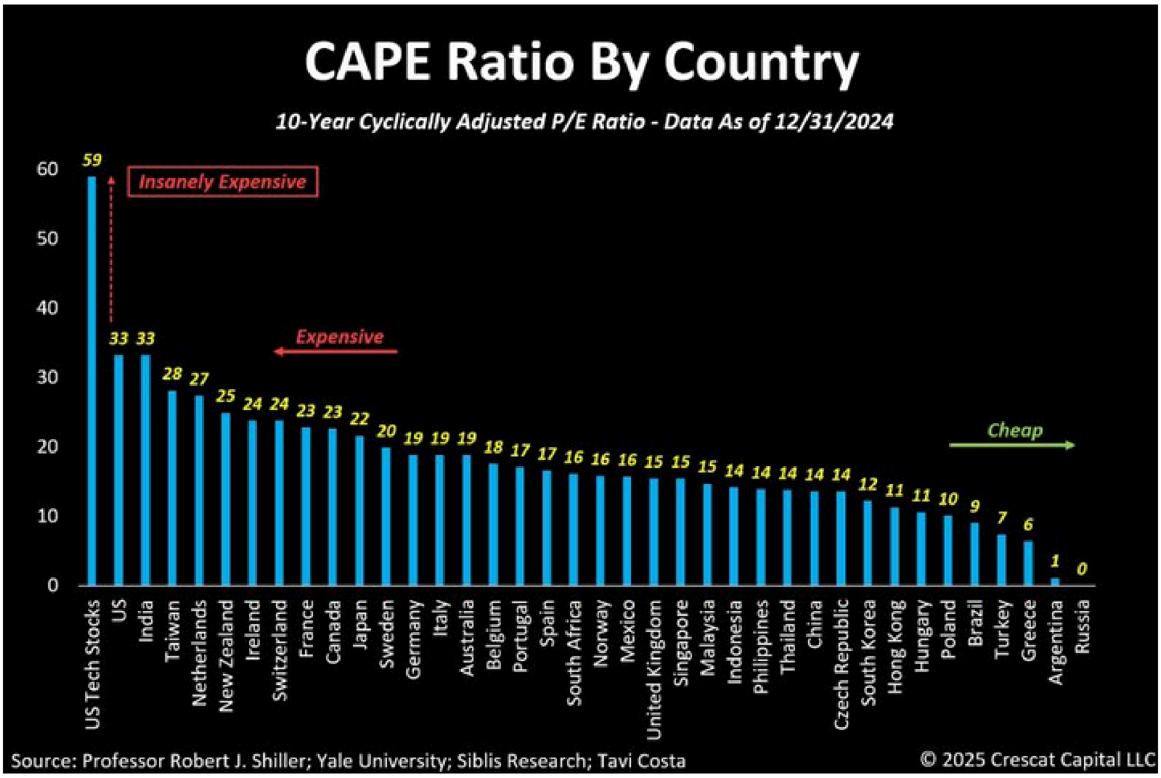


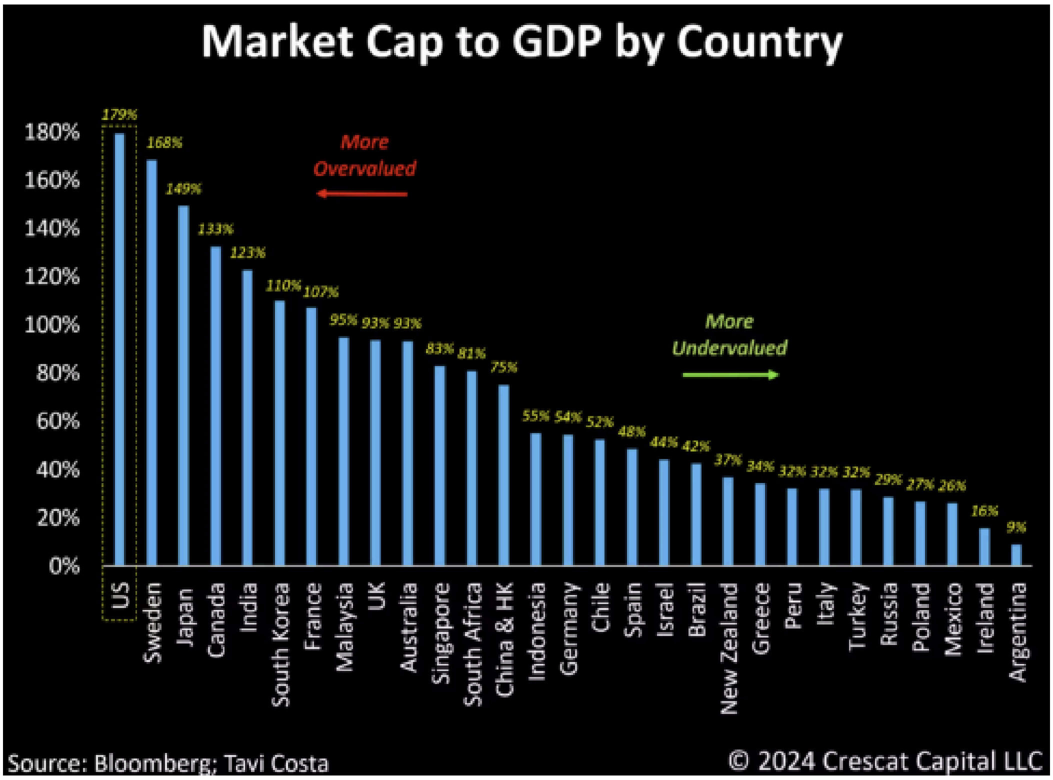


In the chart above we can see that the US share market has the highest valuations.



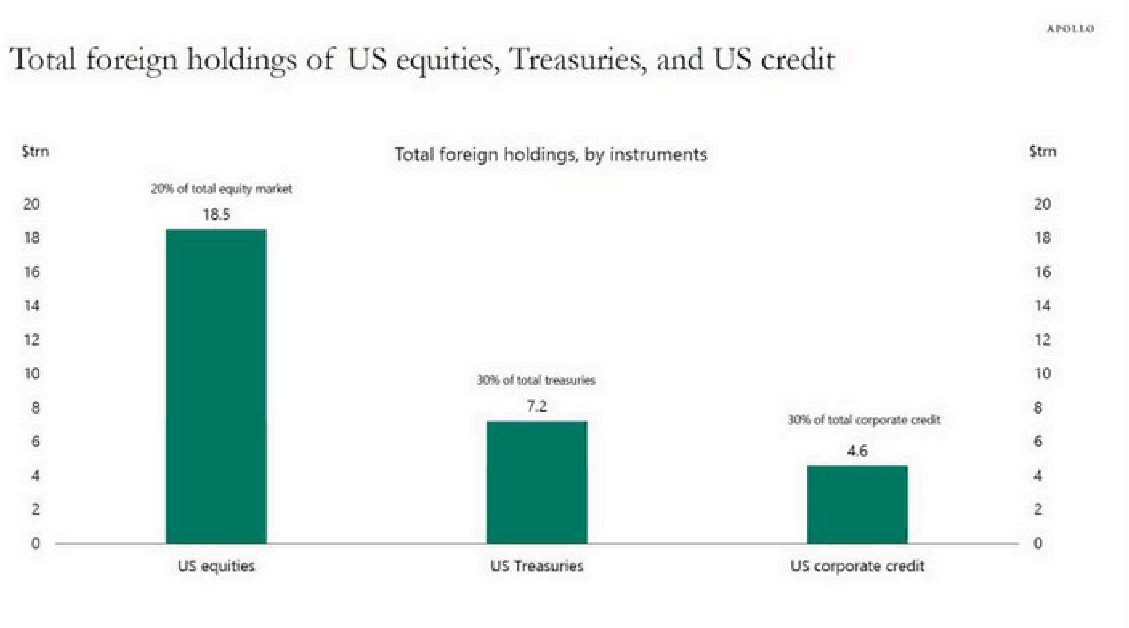
Furthermore, different countries provide opportunities for investors that are willing to search for more attractive valuations. This is why we have skewed our portfolio to an active approach as opposed to a low cost passive approach.





In the chart above we can see that the US share market has the highest valuations.

The chart below is interesting in that it shows that foreigners holding of US equities are high by historical standards. We will be interested to watch how Trump's policies of America First may potentially lead to other countries repatriating their funds back home or to elsewhere. We believe this has started to happen this year.



In saying this we are aiming to invest in shares that will provide us with growth over the long term. We would note that a lot of the growth in the US share market over the last couple of years has happened in a group of tech companies and we are skeptical that these valuations will hold for the long term. We have therefore positioned our holdings so as to reduce exposure to those sectors we see as overvalued.

Property

Australian REITs performed exceptionally well in the June quarter (13.7%), with Goodman Group (data centres) doing most of the heavy lifting as technology stocks mounted a strong recovery in the 2nd half of the quarter. In contrast global listed property (3.25% AUD hedged) and global listed infrastructure (2.33% AUD hedged) provided more muted returns, underwhelming versus broader Australian and global equities.

Listed property securities experienced varied performance globally, with some underperformance in some markets. This underperformance was attributed to macroeconomic uncertainties, including tariff-related volatility and interest rate concerns, which impacted investor sentiment toward real estate.

Whilst the “work from home” phenomenon has hurt the office sector of the property market we believe over the long term that property will be a beneficiary of higher inflation. We also note that there has been a push back to these Work from Home Policies most notably from Donald Trump after winning the US Election. Whilst the workers love the broad based work from home arrangements it's clear that management are not necessarily fans and wish to be more selective. Therefore, we would not be surprised if there are some swings back to working from the office in the next few years.

We have a diversified approach to this sector which includes office, industrial, retail and specialized properties. We have exposure to this asset class through both listed and unlisted property maximizing the opportunity set whilst reducing the volatility of the portfolio.

Infrastructure

Global listed infrastructure securities performed relatively well in the June quarter of 2025, supported by defensive characteristics and structural growth drivers. Key themes included rising power demand, particularly for data centres, and a focus on clean energy and energy security, which bolstered investor interest.

We believe over the long term that infrastructure will be a beneficiary of higher inflation as the developing world in particular continues to build infrastructure for the increase in living standards being demanded by their population. We have exposure to this asset class through both listed and unlisted infrastructure maximising the opportunity set whilst reducing the volatility of the portfolio.

Alternatives

This part of the portfolio is looking for assets that will generate uncorrelated returns from traditional equity and bond markets.

In the alternates space we hold precious metals as a hedge against money printing and inflationary expectations moving forward driven by the end of cheap energy, cheap labour and cheap money.

Gold has a low correlation with bonds and equities which makes it ideal to decrease portfolio volatility.

Gold Shines When The Equity Bear Eats!

Performance of the S&P 500 vs. Gold during S&P 500 Bear Markets

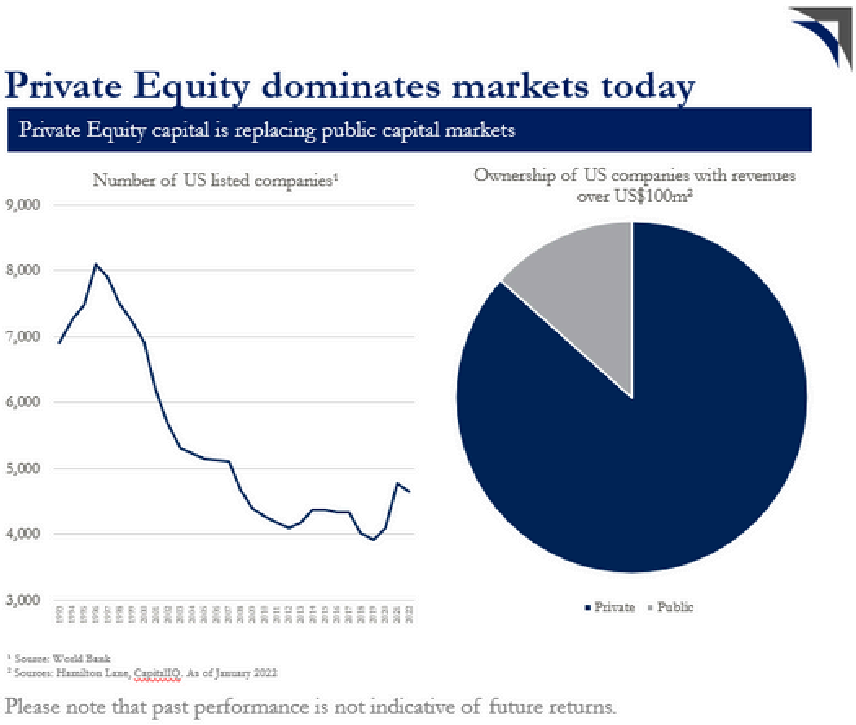
Date of the Market High	Date of the Market Low	S&P 500 Return	Gold Return	Gold Relative to S&P500
09/16/1929	06/01/1932	-86.19%	0.29%	86.48%
08/02/1956	10/22/1957	-21.63%	-0.11%	21.52%
12/12/1961	06/26/1962	-27.97%	-0.06%	27.91%
02/09/1966	10/07/1966	-22.18%	0.00%	22.18%
11/29/1968	05/26/1970	-36.06%	-10.50%	25.56%
01/11/1973	10/03/1974	-48.20%	137.47%	185.67%
11/28/1980	08/09/1982	-27.27%	-45.78%	-18.51%
08/25/1987	10/20/1987	-35.94%	1.38%	37.32%
07/16/1990	10/11/1990	-20.36%	6.81%	27.17%
07/17/1998	10/08/1998	-22.29%	1.71%	24.00%
03/24/2000	10/10/2002	-50.50%	11.18%	61.68%
10/11/2007	03/06/2009	-57.69%	25.61%	83.30%
09/21/2018	12/26/2018	-20.21%	5.59%	25.80%
02/19/2020	03/23/2020	-35.41%	-3.63%	31.78%
01/03/2022	09/26/2023*	-10.90%	5.56%	16.46%
	Mean	-34.85%	9.03%	43.89%
	Median	-27.97%	1.38%	27.17%

Source: Cornerstone Macro, Bloomberg, Reuters Eikon (*Lowest closing price since 01/03/2022), Incrementum AG

Incrementum

We also believe the breaking of the traditional correlation between Gold and real interest rates is telling us that there is a new dynamic within markets.

Another large part of this strategy involves accessing opportunities that are not available through public markets be they equities or bonds. As we can see from the graph below the private part of these markets has had considerable growth and comprises a large range of opportunities. According to The Centre of Middle Market in 2023 more than 86% of US Companies that had revenue greater than US$100mio was held in private hands.



Harbourside Gerroa Moderately Conservative

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for Moderately Conservative investors through a diversified portfolio of assets including debt, equity, property, infrastructure and Alternatives. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.54 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

- PM Capital Enhanced Yield Fund which has an interest rate duration of 0.47 years and an average term to maturity of 1.59 years. The fund returned 1.32% for the quarter.

- The Realm High Income Fund has an interest rate duration of 0.38 year and a yield to maturity of 6.52%. The fund returned 1.44% for the quarter.

- Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.
- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Accordingly, we have exposure to a number of actively traded positions whose performance is not reliant on the direction of interest rates namely;

- Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.
- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

During the quarter we increased our exposure to Private credit debt through additional allocations to the following:

- 2% allocation to the Millbrook Credit Fund.
- 5% allocation to MSquared Mortgage Income Fund

These positions were funded through trimming our current holdings in Bentham and Macquarie.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Sage Capital Absolute Return Fund is a market neutral fund that has no to minimal exposure to the underlying direction of the market. This investments performance will be purely dictated by the skill of the manager and the impact of the results of the short positions relative to the long positions. Sage has returned -2.78% over the quarter.

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund's return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.

- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction — the key components of shareholder yield. The fund returned 2.81% over the quarter.

- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter.

This strategy includes both listed and unlisted property as it is not able to be traded on a daily basis making it less volatile. At the end of the day the assets within the unlisted and listed space are the same and their valuation over time should get to the same place. In saying that is not how markets behave and the fact the returns of the two ways of accessing property are not correlated is beneficial for portfolio construction.

In this strategy we have exposure to both unlisted and listed exposures to infrastructure. As for property the different ways to access the same assets provides correlation benefits in portfolio construction.

In this strategy we are looking to hold assets that will behave differently to traditional bond and equity markets. These assets are known as Alternatives. In the perfect world this portfolio will perform well when equity markets are struggling. This low correlation will take the volatility out of the portfolio making it an easier ride for the investor.

In this strategy we have the following investments in the Alternates space:

- NUGG is backed by physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	4%
Members Equity – At Call Account	6%
Fixed Interest	
Bentham Global Income Fund	8%
Macquarie Dynamic Bond Fund	9%
Yarra Enhanced Income Fund	5%
JCB Dynamic Alpha Fund	5%
Smarter Money Long Short Credit	5%
Realm High Income Fund	5%
PM Capital Enhanced Yield	9%
Millbrook Credit Fund	2%
MSquared Mortgage Income Fund	5%
Australian Shares	
MVW - Market Vectors Equal Weight ETF	2%
Allan Gray Australian Equity Fund Class B	3%
Sage Capital Absolute Return Fund	3%
Gyrostat (Class A) Fund	3%
Plato Australian Shares Income Fund	3%
International Shares	
GQG Partners Global Quality Dividend Income Fund	2%
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	2%
Talaria Global Equity Fund	3%
Property	
Dexus Wholesale Property	3%
Charter Hall Maxim AREIT	2%
Alternatives/Infrastructure	
Dexus Core Infrastructure	3%
Atlas Infrastructure Australian Feeder Fund (unhedged)	3%
VanEck Gold Bullion ETF (NUGG)	5%

Harbourside Gerroa Balanced

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for balanced investors. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.54 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Accordingly, we have exposure to a number of actively traded positions whose performance is not reliant on the direction of interest rates namely;

- Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.
- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

During the quarter we increased our exposure to Private credit debt through additional allocations to the following:

- 2% allocation to the Millbrook Credit Fund.
- 5% allocation to MSquared Mortgage Income Fund

These positions were funded through trimming our current holdings in Yarr, JCB and Macquarie.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund's return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.
- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction — the key components of shareholder yield. The fund returned 2.81% over the quarter.
- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter.

This strategy includes both listed and unlisted property as it is not able to be traded on a daily basis making it less volatile. At the end of the day the assets within the unlisted and listed space are the same and their valuation over time should get to the same place. In saying that is not how markets behave and the fact the returns of the two ways of accessing property are not correlated is beneficial for portfolio construction.

In this strategy we have exposure to both unlisted and listed exposures to infrastructure. As for property the different ways to access the same assets provides correlation benefits in portfolio construction.

In this strategy we are looking to hold assets that will behave differently to traditional bond and equity markets. These assets are known as Alternatives. In the perfect world this portfolio will perform well when equity markets are struggling. This low correlation will take the volatility out of the portfolio making it an easier ride for the investor.

In this strategy we have the following investments in the Alternates space:

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

- Aspect Futures Diversified Class A look to generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The fund returned –11.76% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	3%
Members Equity – At Call Account	0%
Fixed Interest	
Bentham Global Income Fund	9%
Macquarie Dynamic Bond Fund	7%
Yarra Enhanced Income fund	7%
JCB Dynamic Alpha Fund	9%
Smarter Money Long Short Credit	4%
Millbrook Credit Fund	2%
MSquared Mortgage Income Fund	5%
Australian Shares	
MVW - Market Vectors Equal Weight ETF	*8%*
Allan Gray Australian Equity Fund Class B	*3%*
Gyrostat (Class A) Fund	5%
DNR Capital Australian Emerging Companies Fund	*2%*
International Shares	
GQG Partners Global Quality Dividend	*2%*
Epoch Gobal Equity Shareholder Yield Fund (Unhedged)	*4%*
Talaria Global Equity Fund	*2%*
Bell Global Emerging Companies Fund	*3%*
Property	
Dexus Wholesale Property	5%
Invesco Direct Property	*3%*
Alternatives/Infrastructure	
Dexus Core Infrastructure	*3%*
Atlas Infrastructure Australian Feeder Fund (Unhedged)	*2%*
Aspect Diversified Futures Fund - Class A	*2%*
VanEck Gold Bullion ETF (NUGG)	*10%*

Harbourside Gerroa Balanced Pension

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio. This portfolio is aimed to deliver risk adjusted returns for balanced investors that are looking to generate an income. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.54 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Accordingly, we have exposure to a number of actively traded positions whose performance is not reliant on the direction of interest rates namely:

- Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.
- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund’s return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.

- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction — the key components of shareholder yield. The fund returned 2.81% over the quarter.

- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter.

This strategy includes both listed and unlisted property as it is not able to be traded on a daily basis making it less volatile. At the end of the day the assets within the unlisted and listed space are the same and their valuation over time should get to the same place. In saying that is not how markets behave and the fact the returns of the two ways of accessing property are not correlated is beneficial for portfolio construction.

In this strategy we have exposure to both unlisted and listed exposures to infrastructure. As for property the different ways to access the same assets provides correlation benefits in portfolio construction.

In this strategy we are looking to hold assets that will behave differently to traditional bond and equity markets. These assets are known as Alternatives. In the perfect world this portfolio will perform well when equity markets are struggling. This low correlation will take the volatility out of the portfolio making it an easier ride for the investor.

In this strategy we have the following investments in the Alternates space:

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

- Aspect Futures Diversified Class A look to generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The fund returned –11.76% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	3%
Members Equity – At Call Account	0%
Fixed Interest	
Bentham Global Income Fund	5%
Macquarie Dynamic Bond Fund	7%
Yarra Enhanced Income Fund	8%
JCB Dynamic Alpha Fund	7%
Smarter Money Long Short Credit	5%
Realm High Income Fund	2%
Private Credit/Mortgages	2%
Australian Shares	
MVW - Market Vectors Equal Weight ETF	6%
Plato Australian Shares Income Fund	6%
Tyndall Australian Share Income	7%
Gyrostat Class A Fund	6%
International Shares	
GQG Partners Global Quality Dividend Income Fund	4%
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	2%
Talaria Global Equity Fund	4%
Property	
Charter Hall Maxim Property Securities	3%
Dexus Wholesale Property	3%
Invesco Direct Property	3%
Alternatives/Infrastructure	
Dexus Core Infrastructure	3%
Atlas Infrastructure Australian Feeder Fund	2%
Aspect Diversified Futures Fund – Class A	2%
VanEck Gold Bullion ETF (NUGG)	10%

Harbourside Gerroa Growth

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Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for Growth investors. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

During the quarter we increased our exposure to Private credit debt through additional allocations to the following:

- 2% allocation to the Realm High Income Fund.

- 2% allocation to MSquared Mortgage Income Fund

These positions were funded through existing cash holdings.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Sage Capital Absolute Return Fund is a market neutral fund that has no to minimal exposure to the underlying direction of the market. This investment's performance will be purely dictated by the skill of the manager and the impact of the results of the short positions relative to the long positions. Sage has returned -2.78% over the quarter.

This strategy includes both listed and unlisted property as it is not able to be traded on a daily basis making it less volatile. At the end of the day the assets within the unlisted and listed space are the same and their valuation over time should get to the same place. In saying that is not how markets behave and the fact the returns of the two ways of accessing property are not correlated is beneficial for portfolio construction.

In this strategy we have exposure to both unlisted and listed exposures to infrastructure. As for property the different ways to access the same assets provides correlation benefits in portfolio construction.

In this strategy we are looking to hold assets that will behave differently to traditional bond and equity markets. These assets are known as Alternatives. In the perfect world this portfolio will perform well when equity markets are struggling. This low correlation will take the volatility out of the portfolio making it an easier ride for the investor.

In this strategy we have the following investments in the Alternates space:

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

- Aspect Futures Diversified Class A look to generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The fund returned −11.76% over the last quarter.

- Barwon Global Listed Private Equity invests in publicly-traded stocks that offer exposure to the equity and debt of private equity-backed companies. The strategies span private equity buyouts, private debt, growth equity and venture capital. The portfolio typically consists of 20 to 25 securities at any one time, seeking the best opportunities from the investment universe while providing diversification across geographies, deal stages and vintages. The fund returned 3.92% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	3%
Fixed Interest	
Bentham Global Income Fund	7%
Yarra Enhanced Income Fund	3%
JCB Dynamic Alpha Fund	4%
Private Credit / Mortgages	4%
MSquared Mortgage Income Fund	2%
Realm High Income Fund	2%
Australian Shares	
MVW - Market Vectors Equal Weight ETF	*6%*
Allan Gray Australian Equity Fund Class B	*6%*
Sage Capital Absolute Return Fund	*6%*
UBS Microcap Fund	*3%*
DNR Capital Australian Emerging Companies fund	*4%*
International Shares	
Vanguard International (hedged)	*12%*
Bell Global Emerging Companies	*4%*
GQG Partners Global Equity Fund	*5%*
PGF - PM Capital Global Opportunities Fund	*5%*
Property	
Dexus Wholesale Property	*5%*
Invesco Direct Property	*3%*
Alternatives/Infrastructure	
Dexus Core Infrastructure	*2%*
Barwon Global Listed Property	*2%*
Aspect Diversified Future Funds	*2%*
VanEck Gold Bullion ETF (NUGG)	*10%*

Harbourside Gerroa Growth Pension

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Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for Growth investors who are in pension phase. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

During the quarter we increased our exposure to Private credit debt through additional allocations to the following:

- 2% allocation to the Realm High Income Fund.
- 2% allocation to MSquared Mortgage Income Fund

These positions were funded through existing cash holdings.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund's return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.

- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction — the key components of shareholder yield. The fund returned 2.81% over the quarter.

- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter.

This strategy includes both listed and unlisted property as it is not able to be traded on a daily basis making it less volatile. At the end of the day the assets within the unlisted and listed space are the same and their valuation over time should get to the same place. In saying that is not how markets behave and the fact the returns of the two ways of accessing property are not correlated is beneficial for portfolio construction.

In this strategy we have exposure to both unlisted and listed exposures to infrastructure. As for property the different ways to access the same assets provides correlation benefits in portfolio construction.

In this strategy we are looking to hold assets that will behave differently to traditional bond and equity markets. These assets are known as Alternatives. In the perfect world this portfolio will perform well when equity markets are struggling. This low correlation will take the volatility out of the portfolio making it an easier ride for the investor.

In this strategy we have the following investments in the Alternates space:

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
Cash	
Cash	2%
Fixed Interest	
Bentham Global Income Fund	7%
Macquarie Dynamic Bond Fund	2%
Yarra Enhanced Income Fund	3%
JCB Dynamic Alpha Fund	4%
Private Credit / Mortgages	4%
MSquared Mortgage Income Fund	2%
Realm High Income Fund	2%
Australian Shares	
YMAX - Top 20 Dividend Paying ETF	6%
Plato Australian Share Income Fund	6%
Tyndall Australian Share Income	5%
Gyrostat Class A Fund	6%
International Shares	
Vanguard International (hedged)	5%
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	4%
PGF - PM Capital Global Opportunities Fund	6%
Talaria Global Equity Fund (hedged)	6%
GQG Partners Global Equity Fund	2%
Property	
Dexus Wholesale Property	4%
Invesco Direct Property	4%
Alternatives/Infrastructure	
Dexus Core Infrastructure	2%
Clearbridge Infrastructure Fund (Class A)	6%
Atlas Infrastructure Australian Feeder Fund (unhedged)	2%
VanEck Gold Bullion ETF (NUGG)	10%

Harbourside Lorne Moderately Conservative

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Please note that each client may have different performance and you should use the actual performance data for each client's portfolio.

This portfolio is aimed to deliver risk adjusted returns for Moderately Conservative investors. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.54 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Accordingly, we have exposure to a number of actively traded positions whose performance is not reliant on the direction of interest rates namely;

- Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.

- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Sage Capital Absolute Return Fund is a market neutral fund that has no to minimal exposure to the underlying direction of the market. This investments performance will be purely dictated by the skill of the manager and the impact of the results of the short positions relative to the long positions. Sage has returned -2.78% over the quarter.

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund's return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.

- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter.

This strategy includes listed property and infrastructure.

In this strategy we have the following investments in the Alternates space:

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	**5%**
Members Equity - At Call Account	**9%**
Fixed Interest	
Bentham Global Income Fund	**15%**
Macquarie Dynamic Bond Fund	**11%**
Yarra Enhanced Income Fund	**11%**
JCB Dynamic Alpha Fund	**9%**
Smarter Money Long Short Credit	**6%**
Australian Shares	
Sage Capital Absolute Return Fund	***5%***
Gyrostat (Class A) Fund	***4%***
Plato Australian Shares Income Fund	***4%***
International Shares	
GQG Partners Global Quality Dividend Income Fund	***3%***
Talaria Global Equity Fund	***4%***
Property	
Charterhall Maxim AREITS Securities Fund	***5%***
Alternatives/Infrastructure	
4D Infrastructure Fund (Hedged)	***4%***
VanEck Gold Bullion ETF (NUGG)	***5%***

Harbourside Lorne Balanced

Performance measurements including the long term performance relative to benchmark is contained within the "MDA Quarterly Performance" report. The economic news and happenings of the quarter is contained within the "Quarterly Market Commentary" report.

Please note that each client may have different performance and you should use the actual performance data for each client's portfolio.

This portfolio is aimed to deliver risk adjusted returns for Balanced investors. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.54 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Accordingly, we have exposure to a number of actively traded positions whose performance is not reliant on the direction of interest rates namely:

● Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.

● JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund's return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.

- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter.

- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction — the key components of shareholder yield. The fund returned 2.81% over the quarter.

In this strategy we have the following investments in the Alternates space;

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.
- Aspect Futures Diversified Class A look to generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The fund returned −11.76% over the last quarter.
- Barwon Global Listed Private Equity invests in publicly-traded stocks that offer exposure to the equity and debt of private equity-backed companies. The strategies span private equity buyouts, private debt, growth equity and venture capital. The portfolio typically consists of 20 to 25 securities at any one time, seeking the best opportunities from the investment universe while providing diversification across geographies, deal stages and vintages. The fund returned 3.92% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	3%
Members Equity – At Call Account	0%
Fixed Interest	
Bentham Global Income Fund	12%
Macquarie Dynamic Bond Fund	7%
Yarra Enhanced Income fund	7%
JCB Dynamic Alpha Fund	8%
Smarter Money Long Short Credit	5%
Australian Shares	
MVW - Market Vectors Equal Weight ETF	*8%*
Gyrostat (Class A) Fund	*6%*
Allan Gray Australian Equity Fund Class B	*5%*
DNR Capital Australian Emerging Companies Fund	*2%*
International Shares	
Bell Global Emerging Companies Fund	*3%*
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	*3%*
Talaria Global Equity Fund	*3%*
Property	
Charter Hall Maxim Real Estate	*10%*
Alternatives/Infrastructure	
4D Infrastructure Fund (hedged)	*4%*
VanEck Gold Bullion ETF (NUGG)	*10%*
Barwon Global Listed Private Equity	*2%*
Aspect Futures Diversified Class A	*2%*

Harbourside Lorne Growth

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Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for Growth investors. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.45 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Given risk discussed earlier in this report we are looking to be very selective in equity markets we are looking to reduce the market risk associated with the portfolio. This means that our relative performance should be less in both rising and falling markets. As above we are concerned with current valuations and the increasing interest rates that this will see to a correction in equity markets. This is reflected in our holdings within equities of the following;

- Sage Capital Absolute Return Fund is a market neutral fund that has no to minimal exposure to the underlying direction of the market. This investments performance will be purely dictated by the skill of the manager and the impact of the results of the short positions relative to the long positions. Sage has returned -2.78% over the quarter.

This strategy includes listed property and infrastructure.

In this strategy we have the following investments in the Alternates space.

- NUGG is backed by Physically allocated metal in the Perth Mint. The fund returned 0.29% over the last quarter.

- Aspect Futures Diversified Class A look to generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The fund returned –11.76% over the last quarter.

- Barwon Global Listed Private Equity invests in publicly-traded stocks that offer exposure to the equity and debt of private equity-backed companies. The strategies span private equity buyouts, private debt, growth equity and venture capital. The portfolio typically consists of 20 to 25 securities at any one time, seeking the best opportunities from the investment universe while providing diversification across geographies, deal stages and vintages. The fund returned 3.92% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	7%
Fixed Interest	
Bentham Global Income Fund	8%
Macquarie Dynamic Bond Fund	2%
Yarra Enhanced Income Fund	2%
JCB Dynamic Alpha Fund	3%
Australian Shares	
Sage Capital Absolute Return Fund	***12%***
Allan Gray Australian Equity Fund Class B	***6%***
DNR Capital Australian Emerging Companies Fund	***4%***
USB Microcap Fund	***3%***
International Shares	
Vanguard International (hedged)	***12%***
Bell Global Emerging Companies	***4%***
GQG Partners Global Equity Fund	***5%***
PGF - PM Capital Global Opportunities Fund	***5%***
Property	
Charter Hall Maxim AREIT Securities	***10%***
Alternatives/Infrastructure	
4D Infrastructure Fund (hedged)	***2%***
Barwon Global Listed Private Equity	***3%***
Aspect Diversified Futures Fund	***2%***
VanEck Gold Bullion ETF (NUGG)	***10%***

Harbourside Fixed Interest
Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure to fixed income and interest rate securities. We do this through the risks that we accept and those that we mitigate. This portfolio will not have access to unlisted or closed ended funds. The focus is on investing in high grade government and corporate debt through specialist managers.

This portfolio will not have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

Total performance wise, the Australian treasury bonds (Bloomberg AusBond Govt 0+Yr) gained (+2.6%) for the quarter, whilst Global Treasury bonds (Bloomberg Global Treasury TR Hedged) returned (+1.5%) for the quarter.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- The Western Asset Aust Bond Fund has an interest rate duration of 5.2 years and a yield to maturity of 4.52%. The fund returned 2.69% for the quarter.

- The PIMCO Global Bond Fund has an interest rate duration of 6.6 years and a yield to maturity of 4.45%. The fund returned 1.61% for the quarter.

- PM Capital Enhanced Yield Fund which has an interest rate duration of 0.47 years and an average term to maturity of 1.59 years. The fund returned 1.32% for the quarter.

- The Realm High Income Fund has an interest rate duration of 0.38 year and a yield to maturity of 6.52%. The fund returned 1.44% for the quarter.

- The Arculus Fixed Income Fund has an interest rate duration of 0.15 and a yield to maturity of 5.26%. The fund returned 1.24% for the quarter.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**2%**
Fixed Interest	
PM Capital Enhanced Fund	**18%**
Arculus Fixed Income Fund	**20%**
Western Asset Australian Bond Fund	**20%**
PIMCO Global Bond Fund	**20%**
Realm High Income Fund	**20%**

Harbourside Strategic Fixed Interest

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure to fixed income and interest rate securities. We do this through the risks that we accept and those that we mitigate. Unlike the Fixed Interest Strategy this strategy is unconstrained and will look for opportunities outside high grade government and corporate debt through specialist managers and direct investment.

This portfolio is unconstrained in nature and will have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

Total performance wise, the Australian treasury bonds (Bloomberg AusBond Govt 0+Yr) gained (+2.6%) for the quarter, whilst Global Treasury bonds (Bloomberg Global Treasury TR Hedged) returned (+1.5%) for the quarter.

Previously we had increased the duration in the portfolio to protect us against a decrease in interest rate decreases. In saying that we were still underweight in duration to protect against the fact that long term interest rates may continue to rise for reasons discussed in the Debt Markets Overview contained in this report.

- Bentham Global Income Fund which has interest rate duration of 6.4 years with a yield to maturity of 5.40% and returned 1.69% for the quarter.

- Macquarie Dynamic Bond Fund which has interest rate duration of 6.4 years with a yield to maturity of 4.1% and returned 1.61% for the quarter.

- JCB Dynamic Alpha Bond Fund designed as an absolute return product, that aims to deliver stable and consistent returns over time - regardless of share and bond market movements. This fund returned 1.02% over the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.45 years and a yield to maturity of 6.24%. This fund returned 1.62% for the quarter.

- Private Credit Debt transactions secured by real estate at rates greater than 7% per annum.

During the quarter we increased our exposure to Private credit debt through through additional allocations to the following:

- 5% allocation to the Millbrook Credit Fund.

- 10% allocation to MSquared Mortgage Income Fund

These positions were funded through trimming our current holdings in Bentham, Macquarie and Yarra.

Over the long term we remain concerned that the large levels of government debt (particularly in the US), the levels of annual deficits and the stickiness of inflation will see another period of financial repression. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates then inflation. This would see investors who are holding the wrong type of fixed interest investments namely government bonds losing massively in real terms over the short to medium term.

Accordingly, we have exposure to a number of actively traded positions whose performance is not reliant on the direction of interest rates namely :

- Smarter Money Long Short Credit Fund which returned 1.70% for the quarter.

- JCB Dynamic Alpha Fund has interest rate duration of 1.5 years and a yield to maturity of 4.56%. The fund returned 1.02% for the quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	**3%**
Fixed Interest	
Bentham Global Income Fund	**19%**
Macquarie Dynamic Bond Fund	**15%**
Yarra Enhanced Income Fund	**15%**
JCB Dynamic Alpha	**15%**
Smarter Money Long Short Credit	**15%**
Direct Mortgages / Private Credit	**3%**
Millbrook Credit Fund	**5%**
MSquared Mortgage Income Fund	**10%**

Harbourside Australian Share Direct Core

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure to a low cost diversified holding of direct ASX shares. We do this through the risks that we accept and those that we mitigate.

We discuss our view regarding each of these asset classes in their respective part of this report.

The Australian equity market (as measured by the S&P/ASX 200), ended the quarter up (9.5%).

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

The following shares were sold over the Quarter

Holding Name		Holding %
No changes	-	-

The following shares were bought over the Quarter

Holding Name		Holding %
No changes	-	-

Indicative Holdings (holdings may vary per client portfolio)		
Holding Name		**Holding %**
Cash		
Xplore - At Call Account		4%
Australian Shares		
MTS - Metcash	*Consumer Staple*	6%
MQG - Macquarie Group Limited	*Financials*	6%
GPT - GPT Group	*Real Estate*	6%
CSL - CSL Ltd	*Biotechnology*	6%
WDS - Woodside Energy Group Ltd	*Energy*	6%
WOR - Worley Limited	*Industrials*	6%
BHP - BHP Group Limited	*Materials*	6%
ANZ - ANZ Group Holdings Limited	*Financials*	6%
MIN - Mineral Resources Limited	*Materials*	6%
NEM - Newmont Corporation	*Materials*	6%
RMD - Resmed Inc	*Health Care Equipment*	6%
ALD - Ampol Limited	*Energy*	6%
TLS - Telstra Group Limited	*Communication Services*	6%
ALL - Aristocrat Leisure Limited	*Consumer Discretionary*	6%
TCL - Transurban	*Industrials*	6%
SDF - Steadfast Group Limited	*Financials*	6%

Harbourside Australian Share Direct Satellite

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Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This is a direct portfolio of equities that is managed on a momentum basis and the underlying fundamentals of the business or the shares are not considered. The holdings will be outside the ASX100 and the strategy will go to cash when momentum has turned negative. The turnover of this portfolio is high and this should be considered for taxation consequences.

This strategy is ideal to be blended with the Harbourside Australian Smaller Companies strategy which is a long only strategy.

We discuss our view regarding each of these asset classes in their respective part of this report.

The following shares were held at the end of the Quarter.

Indicative Holdings (holdings may vary per client portfolio)		
Holding Name		**Holding %**
Cash		
Xplore - At Call Account		**6.5%**
Australian Shares		
ASB - Austal Limited	*Technology*	**8.5%**
BVS - Bravura Solutions Limited	*Financials*	**8.5%**
DVP - Develop Global Limited	*Minerals*	**8.5%**
EOL - Energy One Limited	*Technology*	**8.5%**
FWD - Fleetwood Corp Limited	*Industrials*	**8.5%**
GDG - Generation Development Group Limited	*Financials*	**8.5%**
GOR - Gold Road Resources Limited	*Minerals*	**8.5%**
REG - Regis Healthcare Limited	*Healthcare*	**8.5%**
RRL - Regis Resources Limited	*Minerals*	**8.5%**
SPR - Spartan Resources Limited	*Minerals*	**8.5%**
TPW - Temple & Webster Group Limited	*Retail*	**8.5%**

Harbourside Australian Share Growth

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on capital growth and moderate franked dividends through specialist investment managers. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

The Australian equity market (as measured by the S&P/ASX 200), ended the quarter up (9.5%).

In this portfolio we remain concerned about the potential volatility within Australian equity markets. In saying this we are aiming to invest in shares that will provide us growth over the long term.

To this end we have taken some very active positions to reduce the amount of market risk (or Beta) that we are taking in the portfolios. The holdings which fit into this category include;

- Sage Capital Absolute Return Fund is a market neutral fund that has no to minimal exposure to the underlying direction of the market. This investments performance will be purely dictated by the skill of the manager and the impact of the results of the short positions relative to the long positions. Sage has returned -2.78% over the quarter.

- Australian Eagle Trust which is a long short fund that returned 9.6% over the quarter. This fund uses leverage to ramp up returns should they wish.

We have a low cost “passive” exposure and will capture the movements of the Australian share market through the following exposures;

- A200 – low cost ETF which is an index of the ASX 200. The fund returned 5.32% over the last quarter. This investment was replaced by AFIC during the quarter.

- MVW – low cost equal weighted ETF to capture movements in ASX 200 but it has an underweight position for financials (banks) and resources. The fund returned 8.36% over the last quarter.

We have “active” exposure to the ASX200 through the following exposures;

- Allan Gray which is a deep value manager. This product only has fees payable if they beat their benchmark. The fund returned 1.54% over the last quarter.

- First Sentier Ex20 Aust Shares which focuses on small to mid sized companies. This fund has achieved return of 19.39% over the last quarter.

During the quarter we increased our exposure to AFIC Australian Foundation Investment Company by reducing our exposure to Betashares A200. AFIC is a listed investment company that has a similar sort of portfolio to A200 but it is a listed investment company and we were able to acquire it a discount to Net Tangible Assets. In short this means we got access to a $1 worth of value for about $0.95 thus providing us higher dividends over time.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Members Equity - At Call Account	**4%**
Australian Shares	
Sage Capital Absolute Return Fund	**19%**
AFIC Australian Foundation Investment Company	**19%**
MVW - Market Vectors Equal Weight ETF	**19%**
Allan Gray Aust Equity Fund (Class B)	**9%**
Australian Eagle Trust	**15%**
First Sentier Ex20 Australian Shares	**15%**

Harbourside Australian Share Income

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on franked dividends and income through specialist investment managers. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

The Australian equity market (as measured by the S&P/ASX 200), ended the quarter up (9.5%).

In this portfolio we remain concerned about the potential volatility within Australian equity markets. In saying this we are aiming to invest in shares that will provide us a reliable income stream and share growth over the long term.

To this end we have taken some very active positions to reduce the amount of market risk (or Beta) that we are taking in the portfolios. The holdings which fit into this category include;

- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter and achieved 9.85% for the year.

We have a low cost "passive" exposure and will capture the movements of the Australian share market through the following exposures;

- YMAX – low cost ETF which is an index of the ASX 20 high yielding stocks. Over 60% of this portfolio in Materials and financials. This fund returned 5.32% over the quarter.

We have "active" exposure to the ASX200 through the following exposures;

- Plato Australian Share Income Fund is designed to provide an annual gross yield including franking credits that exceed the yield of the benchmark. This product has returned 9.91% over the last quarter.

- Tyndall Australian Share Income aims to provide a tax effective income stream that exceeds the yield on the ASX 200 with capital growth over the long term. This fund returned 7.20% over the quarter.

- Solaris Australian Equity Income Fund - The Fund aims to provide investors with access to an actively managed portfolio of listed Australian securities (as well as securities expected to be listed on an Australian exchange) with a focus on providing income. This fund returned 8.62% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Cash	**2%**
Australian Shares	
YMAX Betashares Top 20 Equity Yield ETF	**20%**
Plato Australian Shares Income Fund	**20%**
Tyndall Australian Share Income	**20%**
Gyrostat Class A Fund	**20%**
Solaris Australian Equity Income Fund	**18%**

Harbourside Australian Share Smaller Companies

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on capital growth and moderate franked dividends through specialist investment managers outside large capitalisation Australian shares. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

The S&P/ASX Small Ordinaries Accumulation Index achieved a return of 8.6% for the quarter.

In this portfolio we remain concerned about the potential volatility within Australian equity markets. In saying this we are aiming to invest in shares that will provide us high growth through investing in smaller companies that are looking to grow. Nonetheless we have exposure to two funds through Microequities and UBS that focus on small companies that have existing income streams thus providing us a long term protection mechanism against volatility.

In this space we believe that active management has consistently shown to add value so we don’t have a passive exposure.

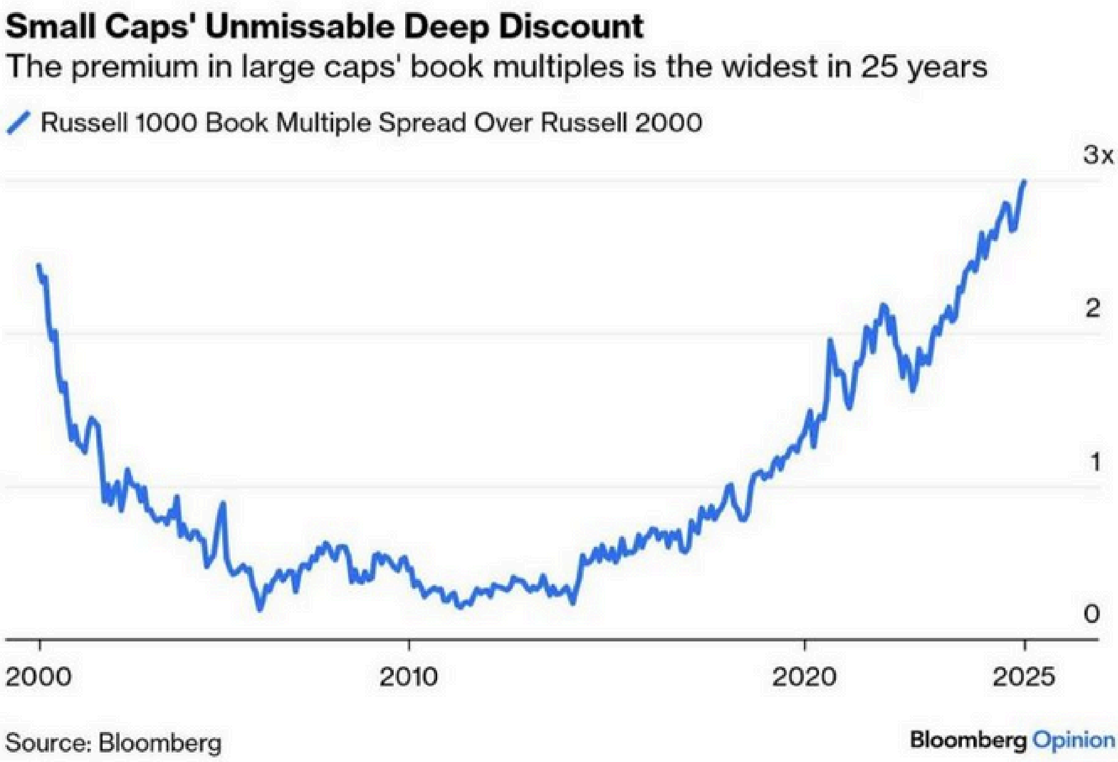
We have “active” exposure through the following exposures;

- Microequities Value Income Fund which invests in a concentrated portfolio of micro capitalized companies. This product has achieved performance of 0.47% over the last quarter.

- UBS Microcap Fund which invests in a portfolio of 35-65 micro capitalized companies. This product has achieved performance of 3.91% over the last quarter.

- DNR Emerging Companies Fund which invests in a portfolio of 20-45 small capitalization companies. This product has achieved performance of 16.40% over the last quarter.

We would note that the valuation discrepancy between large companies and smaller companies globally are at historic high levels. Any reversion to the mean will see the smaller end of the market increasing relative to the larger end of town.



Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**3%**
Australian Shares	
Microequities Value Income Fund	**32%**
UBS Microcap Fund	**32%**
DNR Emerging Companies	**33%**

Harbourside International Share Growth

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on capital growth and moderate dividend income from international equities through specialist investment managers. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

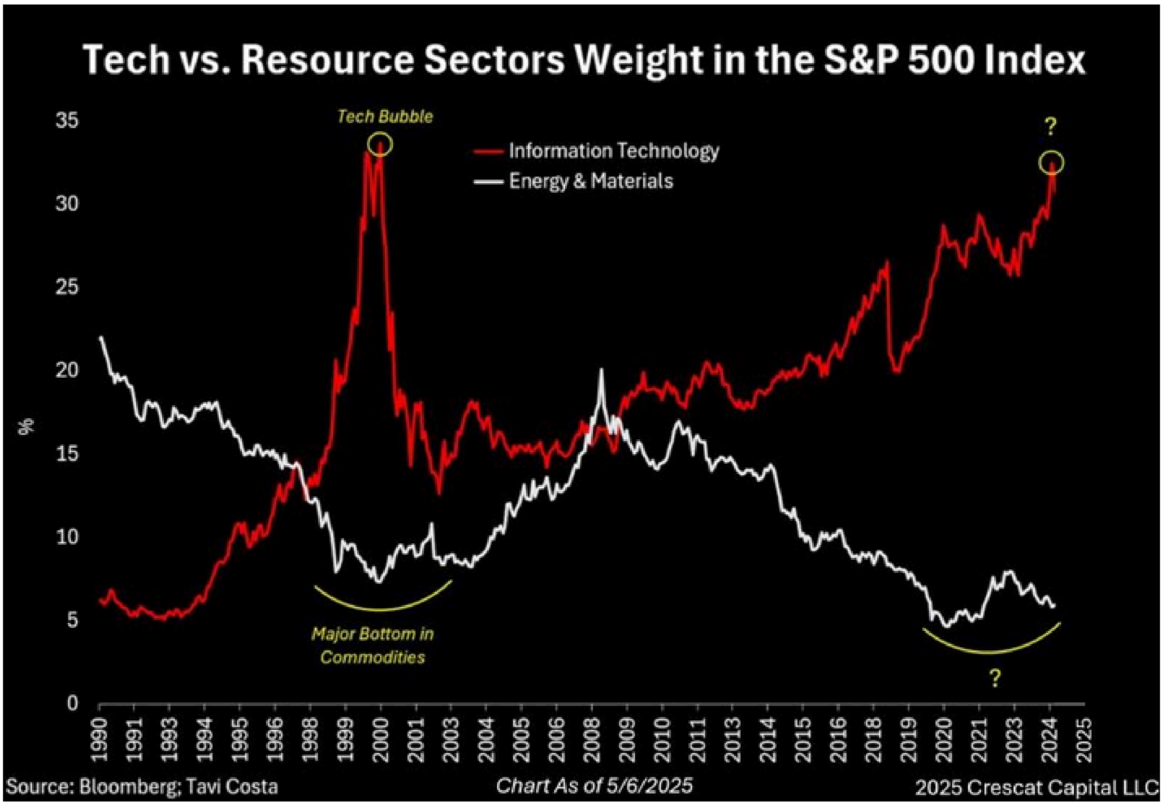
We discuss our view regarding each of these asset classes in their respective part of this report.

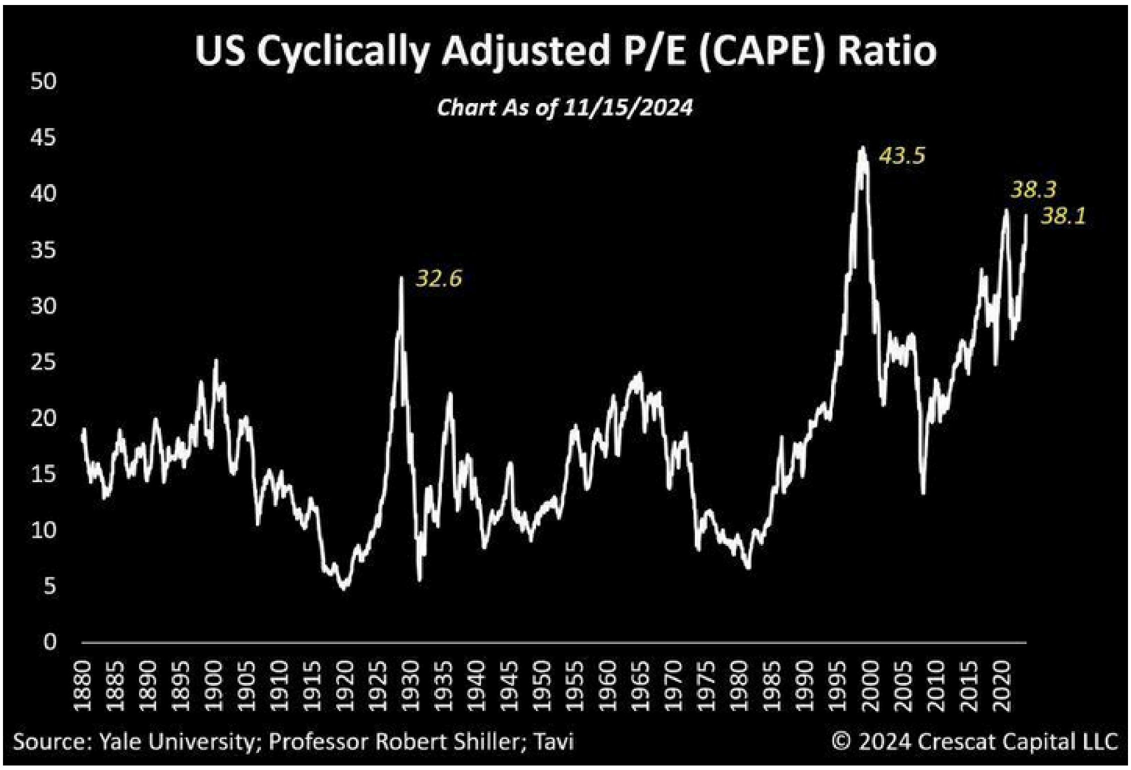
The U.S. S&P 500 and Nasdaq both registered strong gains (10.8% and 12% respectively in USD terms), clawing back some of their Q1 losses.

Returns were mixed across the emerging market region but were still strong at a broad level as measured by MSCI EM Index (6.5%) helped by a weakening US dollar.

In AUD terms, global equities (MSCI All Countries World NR AUD) returned 6% for the quarter.

In this portfolio we remain concerned about the potential volatility within international equity markets in particular with valuations in certain sectors like technology. In saying this we are aiming to invest in shares that will provide us a reliable share growth over the long term.





We have a low cost “passive” exposure and will capture the movements of the international share market through the following exposures;

- Vanguard (hedged) – low cost exposure of the MSCI index ex Australia. The fund returned 9.40% over the quarter

To this end we have taken some very active positions to reduce the amount of market risk (or Beta) that we are taking in the portfolios.

We have “active” exposure through the following exposures;

- Bell Global Emerging Companies is a fund that invests in small and mid capitalized companies. We believe that the value metrics in this space is superior to the large cap space at the moment. This fund is not hedged in AUD so it will be also subject to currency movements. The fund returned 1.62% for the last quarter.

- T Rowe Price Global Equity fund that invests in international companies including emerging markets. This fund currently has 24.9% in the technology sector. This fund is not hedged in AUD so it will be also subject to currency movements. The fund returned 4.71% for the last quarter.

- GQG Partners Global Equity fund that invests in international companies including emerging markets. This fund currently has 24% in the Healthcare sector. This fund is not hedged in AUD so it will be also subject to currency movements. The fund returned -5.09% for the last quarter.

- PGF invests in international companies including emerging markets. This fund does manage the AUD exposure so it will be also subject to currency movements of varying degrees depending on strategy of the manager. The fund returned 7.18% for the last quarter and has large positions in materials/commodities (28%) and financials (35%).

- Martin Currie Emerging Markets invests in international companies directly exposed to emerging markets. This fund does not manage the AUD exposure so it will be also subject to currency movements. The fund has returned 4.25% for the last quarter and is invested heavily in technology (29%) and financials (26%).

As noted in our Macro summary we believe there are opportunities to get access to cheaper valued opportunities in the Emerging markets.

	NASDAQ	MSCI Emerging Markets	MSCI Emerging Markets discount
P/E	43	15	-65%
EV/EBITDA	22	9	-59%
EV/Sales	4,5	1,7	-62%
P/FCF	45	23	-49%
Average discount			**-59%**
Expected 12-month EPS growth	28%	19%	

Source: Bloomberg; Michal Stupavsky, CFA

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**2%**
International Shares	
Vanguard International (hedged)	**25%**
Bell Global Emerging Companies	**13%**
T Rower Price Global Equity	**13%**
GQG Partners Global Equity Fund	**20%**
PGF - PM Capital Global Opportunities Fund	**18%**
Martin Currie Emerging Markets	**9%**

Harbourside International Share Income

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on income from international equities through specialist investment managers. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

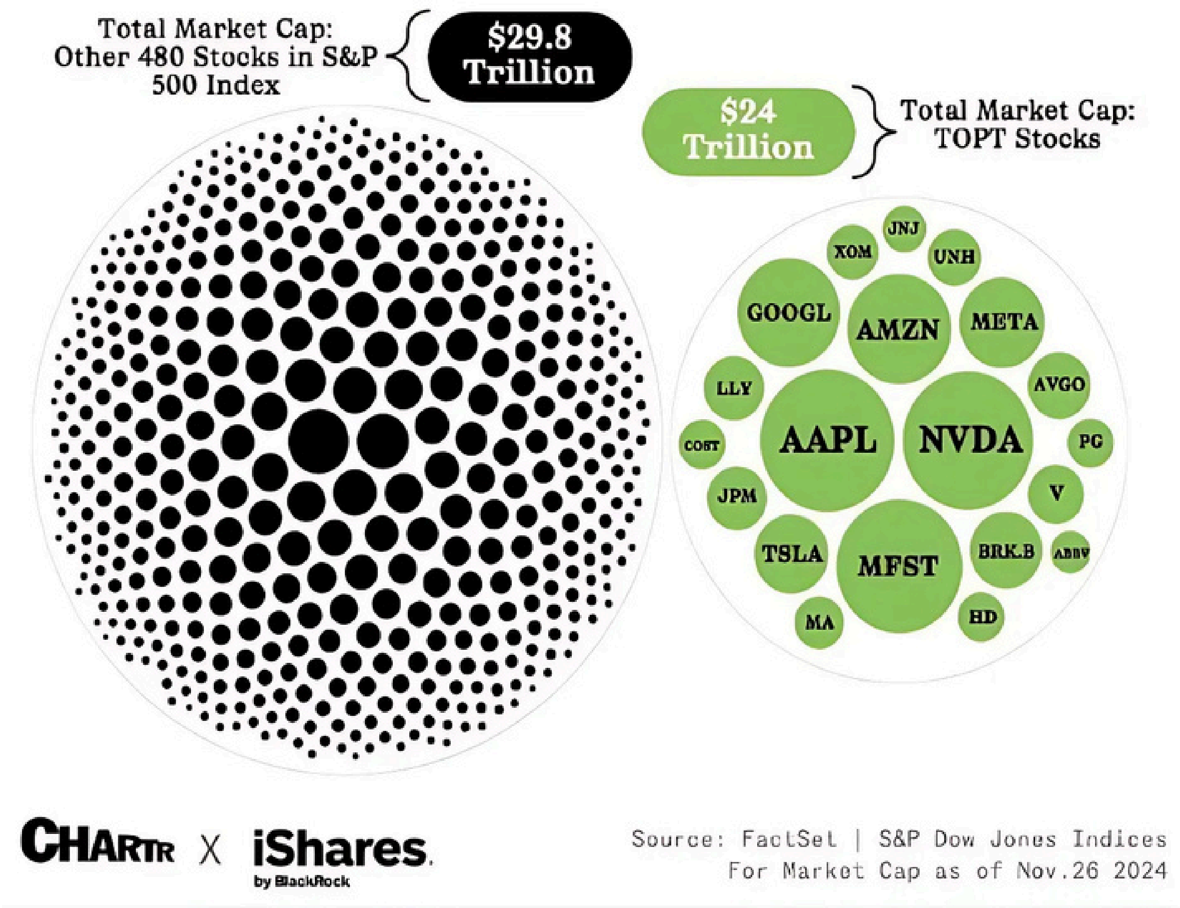
The U.S. S&P 500 and Nasdaq both registered strong gains (10.8% and 12% respectively in USD terms), clawing back some of their Q1 losses.

Returns were mixed across the emerging market region but were still strong at a broad level as measured by MSCI EM Index (6.5%) helped by a weakening US dollar.

In AUD terms, global equities (MSCI All Countries World NR AUD) returned 6% for the quarter.

In this portfolio we remain concerned about the potential volatility within international equity markets in particular with valuations in certain sectors like technology. In saying this we are aiming to invest in shares that will provide us a reliable income stream and capital growth over the long term. We are continuing to position ourselves to be able to take advantage of the rotation out of these stocks once the air is eventually released from the tech bubble.

The Value Of The 20 Stocks In The ETF TOPT Nearly Equals The Rest Of The S&P 500



To this end we have taken some very active positions to reduce the amount of market risk (or Beta) that we are taking in the portfolios. The holdings which fit into this category include;

- Talaria Global Equity Income Fund has an investment process that takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Besides owning underlying shares the Fund sells exchange traded options to generate option premiums which add to the Fund's return. Put option sales are always fully cash backed and call option sales are always fully equity backed. As a result, the Fund does not take on leverage from its use of options. The fund has returned -2.07% for the last quarter.

- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction — the key components of shareholder yield. The fund has returned 2.81% for the last quarter.

- Clearbridge Infrastructure Fund (hedged) invests in listed infrastructure assets that provides inflation protection growth and consistent income. This fund is hedged in AUD so it will not be subject to currency movements. The fund returned 4.02% for the last quarter.

- GQG Partners Global Quality Value fund that invests in international companies including emerging markets that pay dividends. This fund is not hedged in AUD so it will be also subject to currency movements. The fund returned -3.26% for the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**2%**
International Shares	
GQG Partners Global Quality Dividend Income Fund	**26%**
Clearbridge Infrastructure Fund (class A)	**18%**
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	**24%**
Talaria Global Equity Income Fund	**30%**

Adansonia Global Opportunities

Performance measurements including the long term performance relative to benchmark is contained within the “Quarterly MDA Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is a high conviction, directly invested, long only global equities portfolio reported in Australian Dollars.

The product employs a structured and disciplined investment process that seeks fundamental value, recognising that growth is a key determinant of a company’s valuation. The investment strategy marries top-down investment idea generation with bottom-up valuation support and explores both revenue and margin drivers of listed equities. The results of which provide more robust valuations and insight into the investment outlook. The portfolio typically holds between 10 and 30 companies, with a strong bias towards blue-chip multinational businesses within sectors expected to deliver long-term revenue growth above nominal GDP; and which are highly profitable and cash generative. The portfolio favours investing in listed equities on developed market stock exchanges.

We discuss our view regarding each of these asset classes in their respective part of this report.

The U.S. S&P 500 and Nasdaq both registered strong gains (10.8% and 12% respectively in USD terms), clawing back some of their Q1 losses.

Returns were mixed across the emerging market region but were still strong at a broad level as measured by MSCI EM Index (6.5%) helped by a weakening US dollar.

In AUD terms, global equities (MSCI All Countries World NR AUD) returned 6% for the quarter.

Performance

Adansonia Global Opportunities Portfolio (SMA)

Available on the Shartru MDA

Performance To 30 June 2025	Portfolio Return After Expenses	MSCI World Net Index AUD	Outperformance
1 Month	3.01%	1.96%	+1.05%
3 Months	8.32%	5.82%	+2.51%
6 Months	4.20%	2.94%	+1.26%
12 Months	17.38%	17.99%	-0.62%
3 Years (pa)	22.57%	20.05%	+2.52%
5 Years (pa)	16.19%	15.59%	+0.60%
Since Inception* (pa)	**16.46%**	**14.96%**	**+1.51%**

*Inception 30 Jan 2019. Source: Mason Stevens (unaudited) from inception to end April 22 after brokerage at 0.33%. Factset, Xplore/Hub 24. Brokerage rates and minimum brokerage amounts can vary between platforms. Past performance is not a reliable indicator of fu ture performance.

Indicative Holdings (Holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Members Equity - At Call Account	**6%**
International Shares	
AMZN - Amazon.com Inc	**5%**
BN - Brookfield Corp	**8%**
CMCSA - Comcast Corporation	**6%**
GOOGL - Alphabet Inc Class A	**10%**
JPM - JP Morgan Chase & Co	**11%**
MC - Louis Vuitton	**3%**
MSFT - Microsoft Corp	**10%**
TSM - Taiwan Semiconductor	**8%**
UBER - Uber Technologies Inc	**8%**
UMG - Universal Music Group	**5%**
V - Visa Inc	**12%**
P911 - Dr ING HC F Porsche AG Preference	**3%**
TMO - Thermo Fisher Scientific Inc	**5%**

Harbourside Listed Property

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on income investing in Australian REITS by direct investment and through specialist investment managers. We do this through the risks that we accept and those that we mitigate.

This portfolio will not have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

The domestic listed property sector as measured by the S&P/ASX 200 A-REIT TR Index, rose (13.70) during the quarter.

We have a low cost “passive” exposure and will capture the movements of the Australian share market through the following exposures;

- MVA – low cost equal weighted ETF to capture movements in ASX 200 AREIT.

We have “active” exposure to the ASX200 through the following exposures;

- Charter Hall Maxim Property Securities Fund is a fund that has a diverse holding of AREIT’s and returned 18.21% for the quarter. Charter Hall Maxim Property Securities Fund is a fund that has a diverse holding of AREIT’s.

We have direct holdings in AREIT’s that we like the fundamentals and are collection of rent vehicles.

- GDI – Bulk of the assets are office property and are located in Perth with 85% occupancy and debt well managed. Currently yielding approximately 7.50% per annum and returned 3.88% for the quarter.

- URW – Turnaround Retail story after buying the very expensive offshore Westfield assets. Top assets located globally supported by lowering of debt levels and now looking to yield approximately 3.8% per annum and returned 12.36% for the quarter.

- GPT – Diversified property holding with reasonable Gearing levels providing a dividend yield of 5.2% per annum and returned 13.76% for the quarter.

- VCX – Retail portfolio where occupancy improved to 99.1% up from 98.8%, the highest level since the start of COVID-19. Weighted average lease expiry of the portfolio rose to 3.6 years from 3.3 years. Solid tenant sales are supporting leasing spreads, which averaged positive 3.3% in the half. Most new leases have fixed annual escalators of at least 4%. Looking to yield approximately 5.1% per annum and it returned 12.27% for the quarter.

- COF – 90% in A grade office with WALE of 4.4 years. Debt levels high at 40% but no debt maturing until FY2026. Currently yielding approximately 8.10% per annum and returned 2.24% for the quarter.

- CLW – A strong portfolio of blue chip tenants with long leases. Debt level are higher (not maturing for some time) but longer WALE protects against this. Looking to yield approximately 8.10% per annum and returned 12.26% for the quarter.

- CQR - The CQR portfolio continues to be strategically weighted towards high quality major convenience retail tenants. Major tenants Woolworths, Coles, bp, Wesfarmer, Aldi, Ampol and Gull represented 57% of rental income. The total portfolio WALE is 7.1 years and majors WALE is 10.5 years. Current dividend yield is 6.6% per annum and returned 10.73% for the quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	6%
Australian Listed Property	
Charter Hall Maxim Property Securities	40%
MVA - VanEck Property ETF	4%
GDI - GDI Property Group	7%
URW - Unibail-Rodamco-Westfield	8%
GPT - GPT Group	7%
VCX - Vicinity Centres	7%
COF - Centuria Office REIT	7%
CLW - Charter Hall long WALE REIT	7%
CQR - Charter Hall Retail REIT	7%

Harbourside Unlisted Property

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on income through specialist investment managers in property. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

This portfolio behaves differently to listed property as it is not able to be traded on a daily basis making it less volatile. At the end of the day the assets within the unlisted and listed space are the same and their valuation over time should get to the same place. In saying that is not how markets behave and the fact the returns of the two ways of accessing property are not correlated is beneficial for portfolio construction.

We discuss our view regarding each of these asset classes in their respective part of this report.

We have “active” exposure to Australia direct property and REITs through the following exposures;

- Dexus Wholesale Australian Property Fund is a fund that has a diverse holding of direct property in Australia and AREIT’s. The fund has returned 0.87% over the quarter.

We have “active” exposure to International direct property and REITs through the following exposures;

- Invesco Direct Property Fund is a fund that has a diverse holding of direct property in International (US, Europe and Asia) and REITS. The fund has returned -1.30% over the quarter.

- Dexus Core Property Fund is a fund that has a diverse holding of direct property in US/Australasia and REITS/AREIT’s. This fund is in the process of being wound down.

During the quarter we added an additional exposure through;

- Corval Property Fund is a fund that has a diverse holding of direct property in Australia. The fund has returned 2.71% over the quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**20%**
International Unlisted and Listed Property	
Dexus Wholesale Australian Property Fund	**30%**
Corval Property Fund	**20%**
Invesco Direct Property Fund	**30%**

Harbourside Infrastructure

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

This portfolio is aimed to deliver risk adjusted returns for investors that are looking for exposure that focuses on income through infrastructure through specialist investment managers. We do this through the risks that we accept and those that we mitigate.

This portfolio will have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

The FTSE Global Core Infra 50/50 index fell (-0.6%) for the quarter in USD terms and (+2.3%) in AUD terms.

In this portfolio we have exposure to both unlisted and listed exposures to infrastructure. As for property the different ways to access the same assets provides correlation benefits in portfolio construction.

We have “active” exposure to Australia direct infrastructure and listed infrastructure through the following exposures;

- Dexus Core Infrastructure Fund is a fund that has a diverse holding of direct infrastructure in Australia. The fund returned -6.54% over the quarter.

The unlisted component of the portfolio comprises Australia Pacific Airports Corporation (APAC) (Melbourne and Launceston Airports), Powerco, AquaTower, SA Schools, Port Hedland International Airport (PHIA), ConGlobal (formerly ITS ConGlobal), London Luton Airport (LLA), Australian National University Student Accommodation (ANU), Macarthur Wind Farm, Auckland South Corrections Facility (ASCF), Royal Adelaide Hospital (RAH), Dexus Diversified Infrastructure Trust, InfraBridge Global Infrastructure Fund and InfraBridge Global Infrastructure Fund II.

We have “active” exposure to Australian and International listed Infrastructure through the following exposures;

- Atlas Infrastructure Australia Feeder Fund aims to provide investors with real, long term returns in excess of inflation through investment in a high conviction portfolio of the highest quality listed infrastructure companies across developed markets. Presently, this fund is holding about 52% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.77%.

- Clearbridge Infrastructure Fund (hedged) invests in listed infrastructure assets that provides inflation protection growth and consistent income. This fund is hedged in AUD so it will not be subject to currency movements. The fund returned 4.02% for the last quarter.

- 4D Global Infrastructure Fund (hedged) is a fund that has a diverse holding of infrastructure in the developed world and Emerging markets (about 30%). This fund is hedged in AUD so it will not be subject to currency movements. This fund returned 8.50% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**2%**
International Unlisted and Listed Infrastructure	
Dexus Core Infrastructure Fund	**30%**
Atlas Infrastructure Australia Feeder Fund	**28%**
Clearbridge Infrastructure Income Fund (Class A)	**20%**
4D Global Infrastructure Fund	**20%**

Harbourside Alternatives

Performance measurements including the long term performance relative to benchmark is contained within the "MDA Quarterly Performance" report. The economic news and happenings of the quarter is contained within the "Quarterly Market Commentary" report.

Please note that each client may have different performance and you should use the actual performance data for each client's portfolio.

In this portfolio we are looking to hold assets that will behave differently to traditional bond and equity markets. In the perfect world this portfolio will perform well when equity markets are struggling. This low correlation will take the volatility out of the portfolio making it an easier ride for the investor.

This portfolio will have access to unlisted or closed ended funds.

We discuss our view regarding each of these asset classes in their respective part of this report.

The holdings currently in the strategy include;

- PMGOLD/NUGG – We are holding a claim on gold bullion held in the Perth Mint. This is also secured by the Western Australian Government. Gold provides correlation benefits to the portfolio and protection against "money printing" from Central banks. The gold price settled the quarter at a USD high of $3,264 per ounce.

Gold Shines When The Equity Bear Eats!

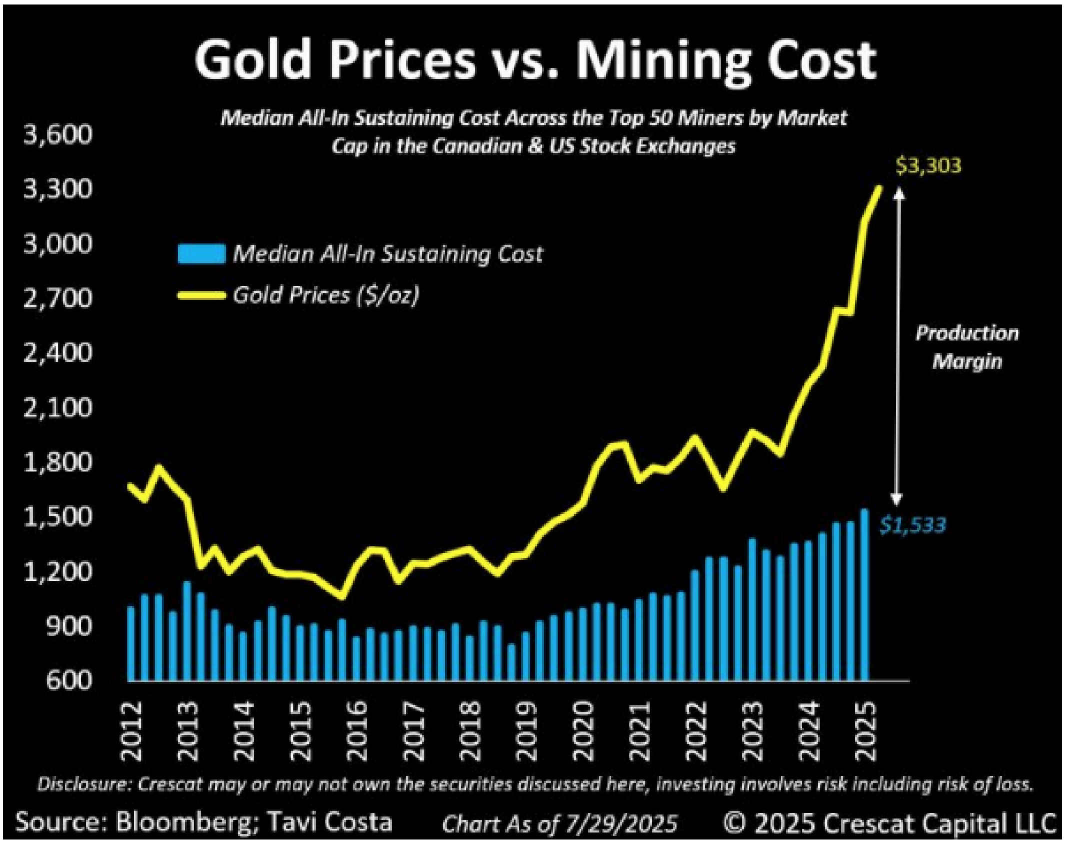
Performance of the S&P 500 vs. Gold during S&P 500 Bear Markets

Date of the Market High	Date of the Market Low	S&P 500 Return	Gold Return	Gold Relative to S&P500
09/16/1929	06/01/1932	-86.19%	0.29%	86.48%
08/02/1956	10/22/1957	-21.63%	-0.11%	21.52%
12/12/1961	06/26/1962	-27.97%	-0.06%	27.91%
02/09/1966	10/07/1966	-22.18%	0.00%	22.18%
11/29/1968	05/26/1970	-36.06%	-10.50%	25.56%
01/11/1973	10/03/1974	-48.20%	137.47%	185.67%
11/28/1980	08/09/1982	-27.27%	-45.78%	-18.51%
08/25/1987	10/20/1987	-35.94%	1.38%	37.32%
07/16/1990	10/11/1990	-20.36%	6.81%	27.17%
07/17/1998	10/08/1998	-22.29%	1.71%	24.00%
03/24/2000	10/10/2002	-50.50%	11.18%	61.68%
10/11/2007	03/06/2009	-57.69%	25.61%	83.30%
09/21/2018	12/26/2018	-20.21%	5.59%	25.80%
02/19/2020	03/23/2020	-35.41%	-3.63%	31.78%
01/03/2022	09/26/2023*	-10.90%	5.56%	16.46%
	Mean	-34.85%	9.03%	43.89%
	Median	-27.97%	1.38%	27.17%

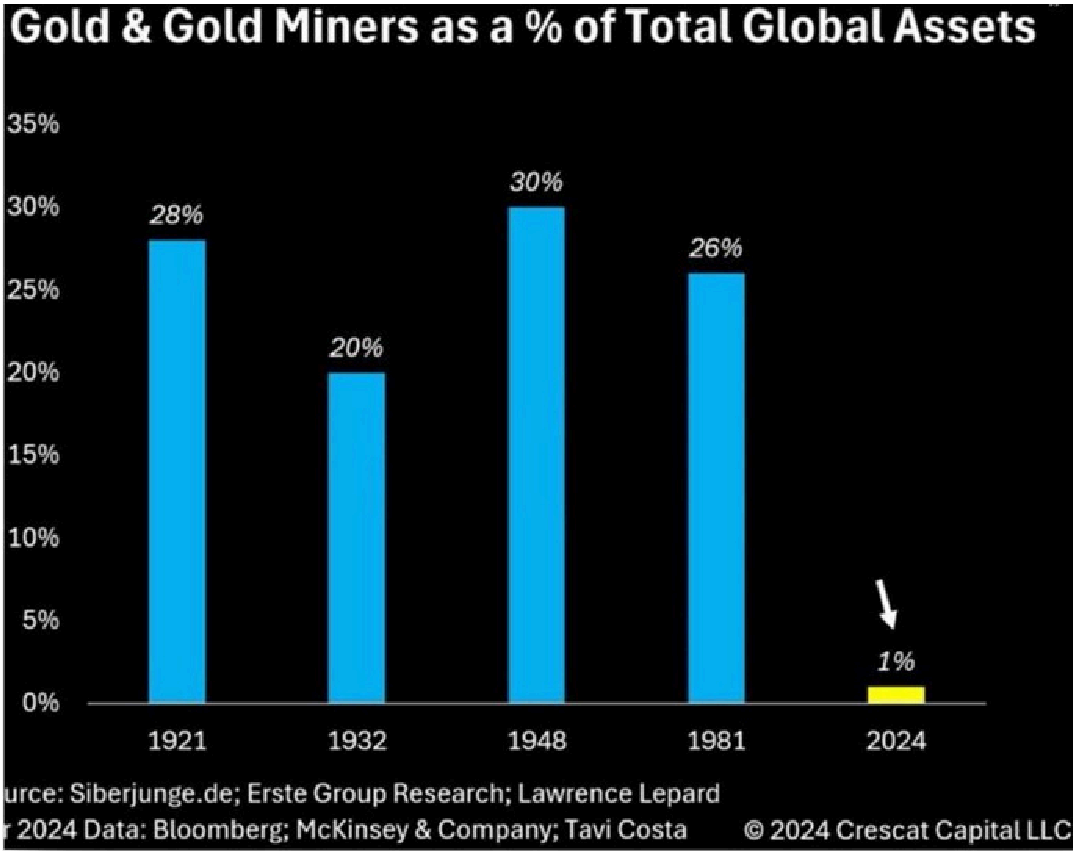
Source: Cornerstone Macro, Bloomberg, Reuters Eikon (*Lowest closing price since 01/03/2022), Incrementum AG

Incrementum

The increasing price of Gold has been delivered on the back of strong Central Bank demand for bullion particularly in Emerging Market economies.



We would also note that by historical standards the amount of wealth held by investors in gold is at historically low levels.



- ROYL This ASX listed ETF provides exposure to a global companies that earn a substantial portion of their revenue from royalty related income and intellectual property incomes. The fund returned 3.40% for the last quarter and 28.34% over the last 12 months.

- Aspect Futures Diversified Class A looks to generate significant medium-term capital growth independent of overall movements in traditional stock and bond markets within a rigorous risk management framework. The fund returned -11.76% over the last quarter and has returned -20.79% for the last 12 months.

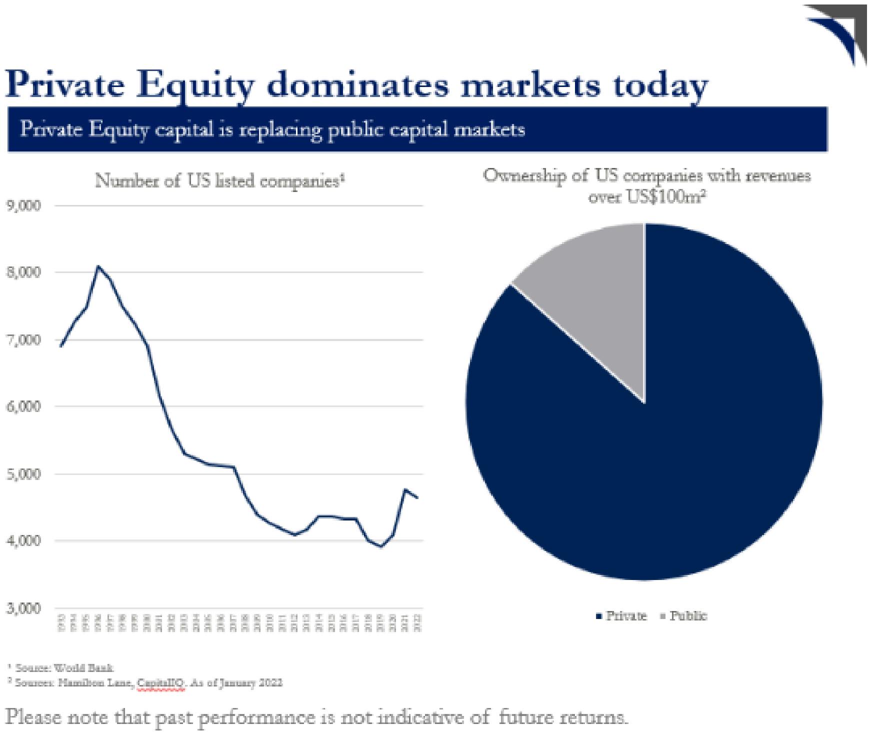
- Fortlake Real Higher Income Fund is a short term fixed interest strategy that seeks to protect investors against inflation risk by using specialised techniques, which enable the hedging of inflation. The fund returned -4.96% over the quarter.

- The Schroder Specialist Private Equity Fund (the Fund, or the Australian feeder Fund) invests substantially all of its assets in the Schroders Capital Semi-Liquid Global Private Equity, a Luxembourg fund (the Underlying Fund). The fund returned 0.83% for the last quarter.

- The TRENDS Managed Futures Strategy seeks to provide positive returns when investors need them the most, particularly during equity market downturns, by capturing momentum across equities, fixed income, currencies, and commodities. The fund returned -4.36% over the last quarter and -13.16% for the last 12 months.

- Barwon Global Listed Private Equity invests in publicly-traded stocks that offer exposure to the equity and debt of private equity-backed companies. The strategies span private equity buyouts, private debt, growth equity and venture capital. The portfolio typically consists of 20 to 25 securities at any one time, seeking the best opportunities from the investment universe while providing diversification across geographies, deal stages and vintages. The fund returned 3.92% over the last quarter.

- Partner Group Global Value Fund invests in private equity.



- P/E FX Global Alpha Fund Aims to generate long-term total returns by investing in exchange-traded futures providing exposure to currencies and gold. The fund returned 21.05% for the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**10%**
Alternatives	
ROYL	**10%**
PM Gold or NUGG	**10%**
Aspect Futures Diversified Class A	**10%**
Fortlake Real Higher Income Fund	**10%**
Schroder Special Private Equity	**10%**
PIMCO Trends Managed Futures	**10%**
Barwon Global Listed Private Equity	**10%**
Partners Group Global Value Fund	**10%**
P/E FX Global Alpha Fund	**10%**

Harbourside Special Situations

Performance measurements including the long term performance relative to benchmark is contained within the “MDA Quarterly Performance” report. The economic news and happenings of the quarter is contained within the “Quarterly Market Commentary” report.

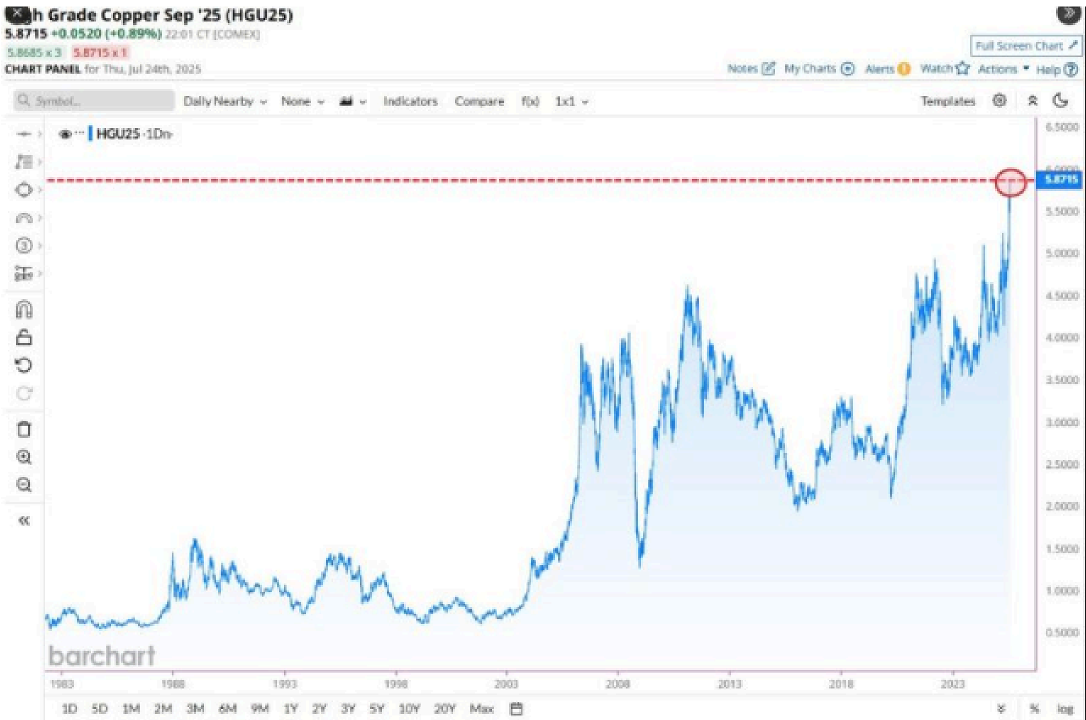
Please note that each client may have different performance and you should use the actual performance data for each client’s portfolio.

In this portfolio we are looking to hold assets that provide compelling opportunities over the short or long term. This should be included as part of your international equity exposure as it will be highly correlated to that sector.

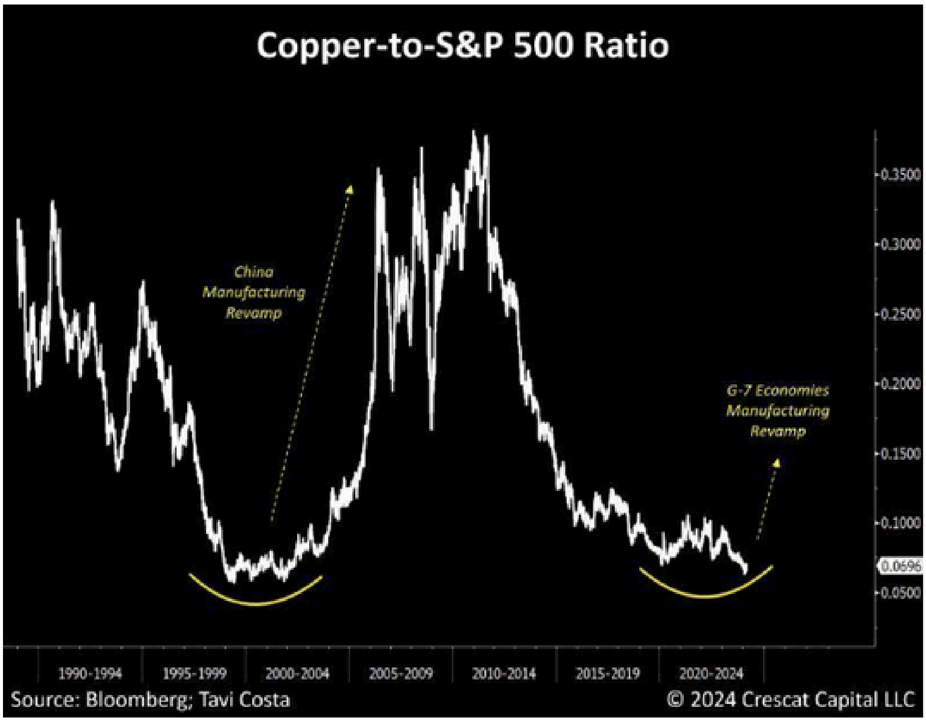
This portfolio will have access to unlisted or closed ended funds.

The holdings currently in the strategy include;

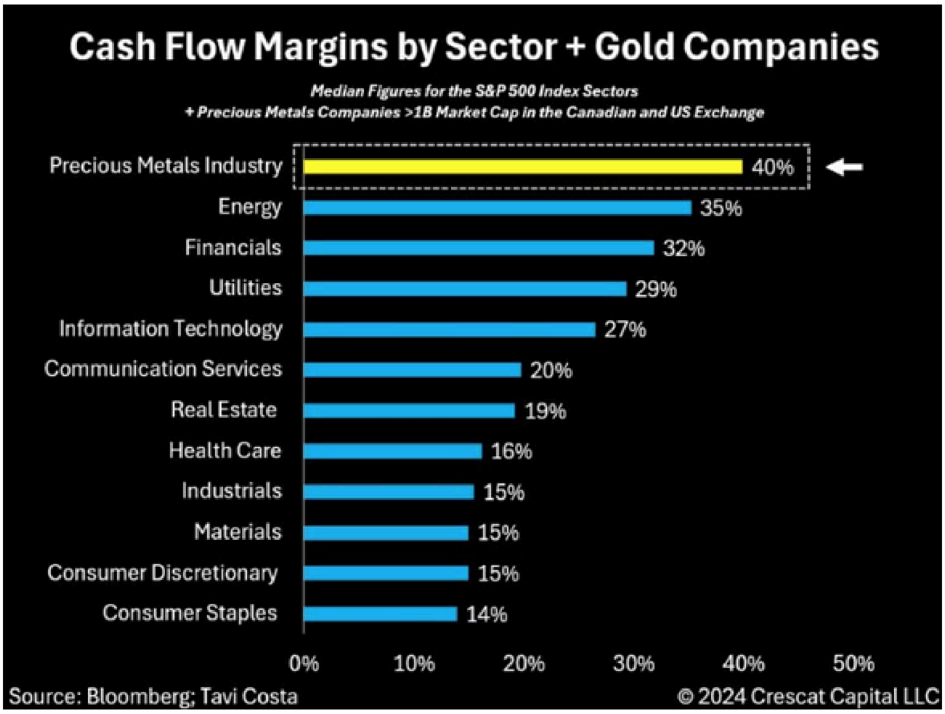
- WIRE – This is a leveraged play on the Copper price. WIRE provides access to a global basket of copper miners which stand to benefit from being a key part of the value chain facilitating growth in major areas of innovation such as technology, infrastructure and clean energy. The fund returned 9.58% over the last quarter.

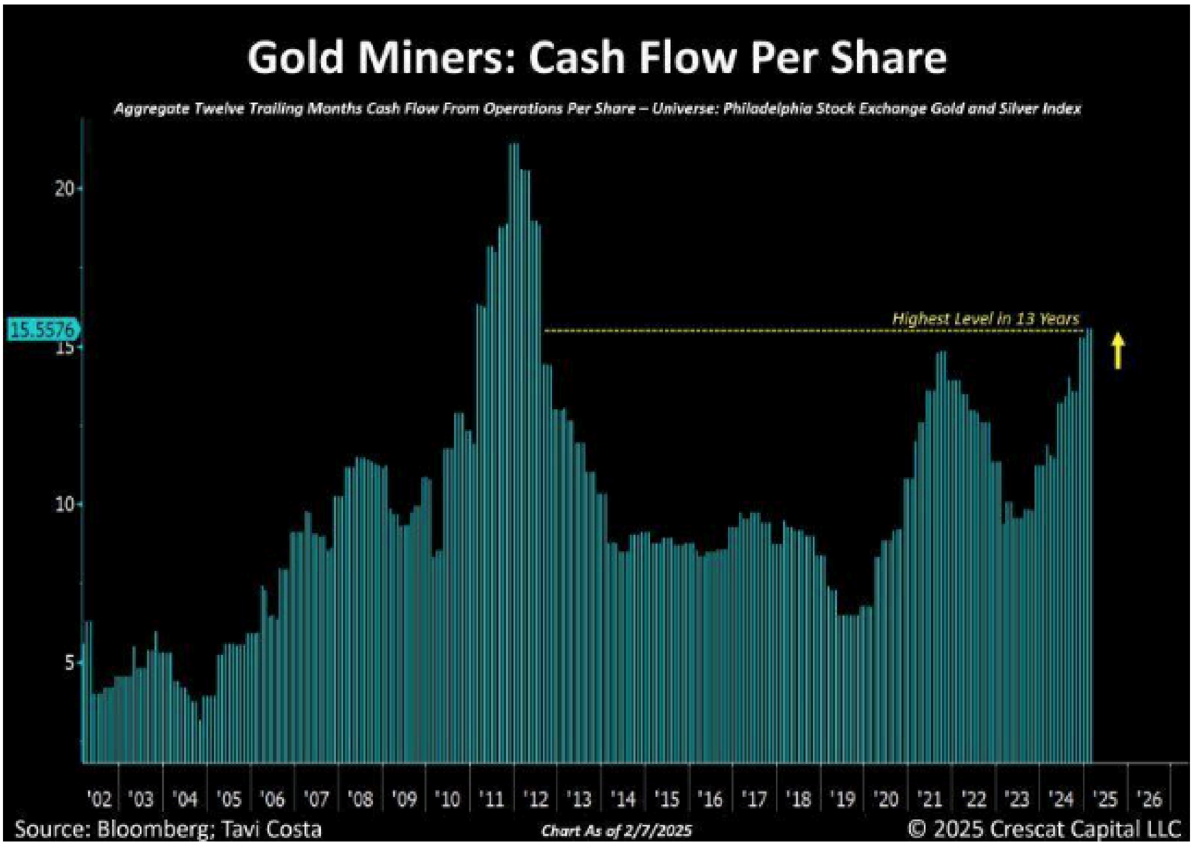


The copper pricing is moving up and the valuations of copper companies to the S&P 500 look very attractive.



- GDX - This is a leveraged play on gold. If the price of gold increases, then by definition the profits of gold miners will increase (at a much greater rate than the gold price assuming their costs stay the same). Furthermore, by historical standards companies are trading a lower rate to the underlying gold price (refer to diagram below). GDX increased by 7.78% over the quarter and has returned 54.25% over the last 12 months.





- (FUEL) Betashares Global Energy Companies ETF – a diverse holding of international energy companies hedged into Australian dollars. We believe the demand for energy increases each year and there are potential supply constraints coming due to an underinvestment as a result of climate change related policies and actions. Over the last Quarter this investment returned -5.53%.

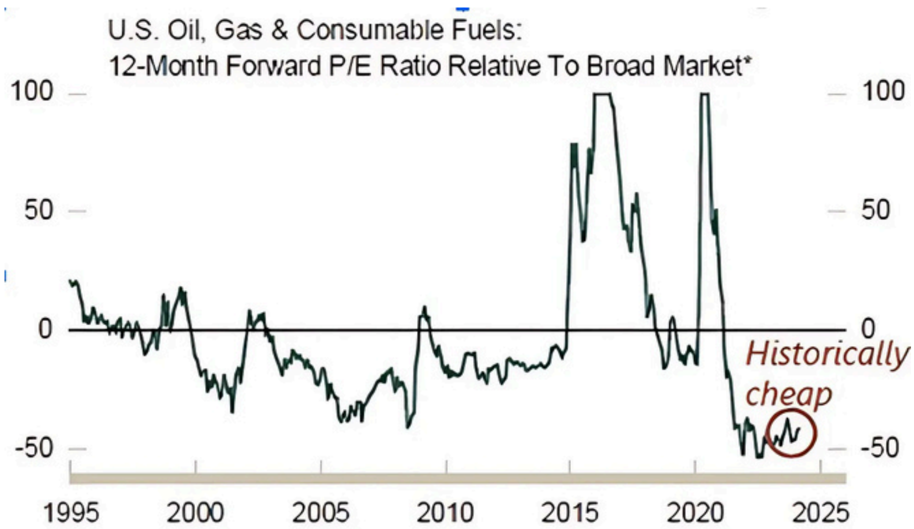


Chart 53: Global Energy
Net% of FMS investors overweight energy

Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

- L1 Catalyst Fund is a high conviction, activist fund that seeks to deliver positive catalysts that unlock major share price upside for investors. It invests in a small number of companies at any one time, ensuring the team has market-leading company and industry knowledge and is fully focused on providing value-adding opportunities to company boards and management teams. The fund returned 3.89% for the last quarter.

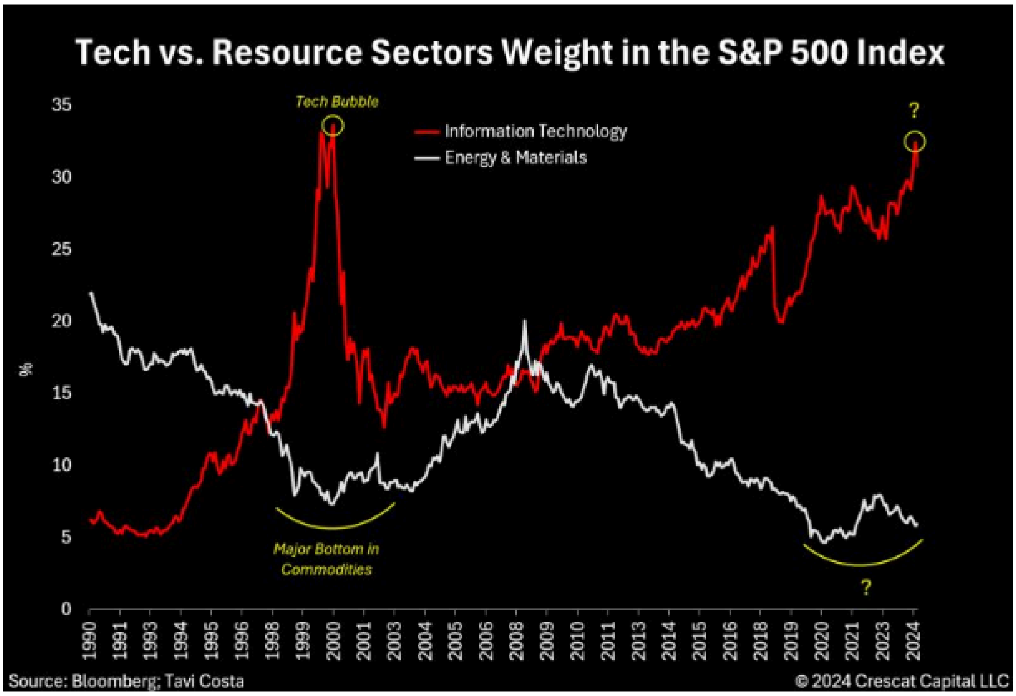
- Gyrostat Class A fund. This fund will provide returns that are lowly correlated with the share market through using options and hedging strategies. This fund returned 1.66% over the quarter and achieved 9.85% for the year.

- Artisan Global Discovery Fund is a Global small company investor. The fund returned 5.23% over the last quarter and 19.29% for the last 12 months.

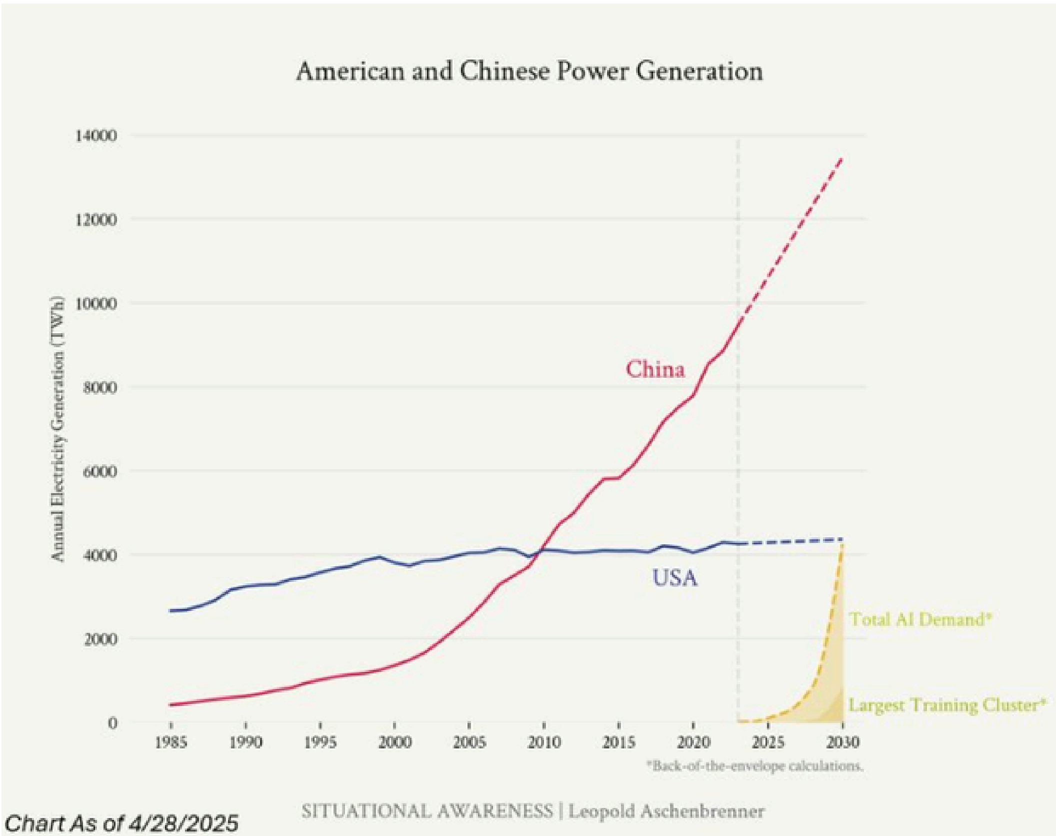
- ASIA aims to track the performance of an index (before fees and expenses) comprising the 50 largest technology and online retail stocks in Asia (ex-Japan), including technology giants such as Alibaba, Tencent, Baidu and JD.com. The fund returned 9.12% over the last quarter and 30.03% over the last 12 months.

- URNM aims to track the performance of an index (before fees and expenses) that provides exposure to a portfolio of leading companies in the global uranium industry. The fund returned 39.68% over the last quarter and 1.10% for the last 12 months.

- Janus Henderson Global Natural Resources Fund invests in high quality mining, energy and agriculture companies with flexibility to invest across the supply chain, taking advantage of price shifts between upstream and downstream sectors and across industries. The fund returned 2.29% over the last quarter and 5.27% for the last 12 months.



- IZZ The fund aims to provide investors with the performance of the FTSE China 50 Index, before fees and expenses. The index is designed to measure the performance of 50 of the largest and most liquid Chinese companies which trade on the Hong Kong Stock Exchange. The fund returned -1.45% over the last quarter and 46.55% for the last 12 months.



Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	**Holding %**
Cash	
Xplore - At Call Account	**4%**
Australian Shares	
L1 Catalyst Fund	**10%**
Gyrostat Absolute Return Income Fund Class A	**10%**
International Shares	
Artisan Global Discovery Fund	**9%**
WIRE - Global X Copper Miners ETF	**7%**
GDX - VanEck Gold Miners ETF	**19%**
ASIA - BetaShares ASIA Technology Tigers ETF	**7%**
URNM - BetaShares Global Uranium ETF	**7%**
FUEL - BetaShares Global Energy Companies	**8%**
IZZ - iShares FTSE China Large Cap ETF	**10%**
Janus Henderson Global Natural Resources Fund	**9%**

DISCLAIMER

This information is general advice and does not take account of investors objectives, financial situation or needs. Before acting on this general advice, investors should therefore consider the appropriateness of the advice having regard to their objectives, financial situation or needs.

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