

Harbourside Investments MDA Commentary

AS OF MARCH 2026



HARBOURSIDE
INVESTMENT MANAGEMENT

TABLE OF CONTENTS

<input type="checkbox"/>	MACRO SUMMARY	1
<input type="checkbox"/>	A CENTURY OF INVESTING	5
<input type="checkbox"/>	DEBT MARKET OVERVIEW AND THOUGHTS	10
<input type="checkbox"/>	EQUITY MARKET OVERVIEW AND THOUGHTS	18
<input type="checkbox"/>	PROPERTY MARKET OVERVIEW AND THOUGHTS	29
<input type="checkbox"/>	INFRASTRUCTURE MARKET OVERVIEW AND THOUGHTS	30
<input type="checkbox"/>	ALTERNATIVES OVERVIEW AND THOUGHTS	31
<input type="checkbox"/>	HARBOURSIDE GERROA MODERATELY CONSERVATIVE	35
<input type="checkbox"/>	HARBOURSIDE GERROA BALANCED	40
<input type="checkbox"/>	HARBOURSIDE GERROA BALANCED PENSION	45
<input type="checkbox"/>	HARBOURSIDE GERROA GROWTH	49
<input type="checkbox"/>	HARBOURSIDE GERROA GROWTH PENSION	54
<input type="checkbox"/>	HARBOURSIDE LORNE CONSERVATIVE	59
<input type="checkbox"/>	HARBOURSIDE LORNE BALANCED	62
<input type="checkbox"/>	HARBOURSIDE LORNE GROWTH	66
<input type="checkbox"/>	HARBOURSIDE FIXED INTEREST	70
<input type="checkbox"/>	HARBOURSIDE STRATEGIC FIXED INTEREST	72
<input type="checkbox"/>	HARBOURSIDE AUSTRALIAN SHARE DIRECT CORE	75
<input type="checkbox"/>	HARBOURSIDE AUSTRALIAN SHARE DIRECT SATELLITE	77
<input type="checkbox"/>	HARBOURSIDE AUSTRALIAN SHARE GROWTH	79
<input type="checkbox"/>	HARBOURSIDE AUSTRALIAN SHARE INCOME	82
<input type="checkbox"/>	HARBOURSIDE AUSTRALIAN SMALL COMPANIES	85
<input type="checkbox"/>	HARBOURSIDE INTERNATIONAL SHARE GROWTH	87
<input type="checkbox"/>	HARBOURSIDE INTERNATIONAL SHARE INCOME	92
<input type="checkbox"/>	ADANSONIA GLOBAL OPPORTUNITIES	95
<input type="checkbox"/>	HARBOURSIDE LISTED PROPERTY	98
<input type="checkbox"/>	HARBOURSIDE UNLISTED PROPERTY	101
<input type="checkbox"/>	HARBOURSIDE INFRASTRUCTURE	103
<input type="checkbox"/>	HARBOURSIDE ALTERNATIVES	106
<input type="checkbox"/>	HARBOURSIDE SPECIAL SITUATIONS	110

Macro Summary

Global markets experienced a volatile and ultimately weaker March quarter in 2026, as the Iran war in late February triggered a sharp repricing across energy, inflation expectations, and risk assets. While markets entered the year with a relatively stable footing, the surge in oil and gas prices and the associated tightening in financial conditions led to a pronounced sell-off through March, leaving many equity markets negative for the quarter.

Rather than delivering consistent gains, the period was defined by two distinct phases: a relatively contained and range-bound environment through January and early February, followed by a geopolitically driven drawdown as energy markets spiked and stagflation concerns intensified.

Quarter defined by shock, not continuity.

The defining feature of the March quarter was the rapid escalation of the Iran conflict and its transmission through global energy markets. Disruptions, both realised and anticipated, to supply chains and shipping routes through the Strait of Hormuz introduced a material shock to oil and gas markets.

Oil prices surged sharply through March, rising by more than 50% at peak levels during the period. This represented a significant terms-of-trade shock for energy-importing economies and a rapid tightening in global financial conditions.


Markets quickly shifted away from a “gradual disinflation and easing” narrative toward one increasingly focused on inflation persistence, delayed rate cuts, and downside risks to growth. The speed of this repricing was a key driver of cross-asset volatility.

Equities: March drawdown dominates outcomes.

Global equities finished the quarter under pressure, with March losses overwhelming some earlier stability. Major indices declined meaningfully from February highs, as higher energy prices, rising yields, and increased uncertainty drove a broad-based risk-off move.

The sell-off reflected a combination of a sharp rise in input costs (particularly energy), upward pressure on inflation expectations and bond yields, and a widening of equity risk premiums amid geopolitical uncertainty.

Sector performance diverged significantly. Energy stocks were clear outperformers, benefiting directly from higher commodity prices. In contrast, consumer discretionary, transport, and other energy-sensitive sectors lagged, reflecting margin pressure and demand concerns.



Growth and technology sectors experienced increased volatility, particularly where valuations remained elevated and sensitive to discount-rate shifts. While structural themes such as A.I. remained intact, near-term performance became more uneven.

Regionally, energy-importing economies, especially in Europe and parts of Asia, underperformed. Commodity-exporting markets, including Australia, were more resilient on a relative basis, though not immune to the broader risk-off environment.

Australian equities saw a similar pattern: strength in resources partially offset weakness elsewhere, but overall market returns were constrained by global sentiment and domestic growth concerns.

Fixed income, credit, and real assets.

Fixed-income markets were heavily influenced by the inflationary implications of the energy shock. Longer-dated bond yields rose through March as markets repriced inflation expectations and pushed back the timing of policy easing. This dynamic reduced the effectiveness of bonds as a hedge during the equity sell-off, particularly in the early phase of the shock.

Credit markets proved relatively resilient but did weaken at the margin. Spreads widened modestly, particularly in more cyclical segments, as investors reassessed growth risks and demanded higher compensation for uncertainty.

Real assets were the primary beneficiaries of the environment, particularly infrastructure. Energy markets were the central transmission channel, with oil and gas prices rising sharply due to supply disruptions and logistical constraints. Broader commodities were also supported, while gold benefited from safe-haven demand.

Macro: from disinflation to stagflation risk.

The macro narrative shifted materially over the course of the quarter. The energy shock complicated what had been a gradual disinflation trend, reintroducing upside risks to headline inflation and creating uncertainty around the policy outlook.

Higher fuel and energy costs fed through to increased production and transportation costs, weaker real household incomes, and softer consumer sentiment.

In the US, growth remained resilient in early-quarter data but showed signs of pressure as financial conditions tightened. The Federal Reserve adopted a more cautious stance, signalling that further easing would depend on inflation developments rather than follow a pre-set path. In Europe, already subdued growth conditions were further challenged by higher energy costs, reinforcing downside risks to activity. China's recovery remained uneven, with policy support offsetting but not fully overcoming structural headwinds.

In Australia, the policy backdrop tightened further during the quarter. The Reserve Bank of Australia raised the cash rate, responding to still-elevated services inflation and sticky domestic price pressures despite weak per-capita growth. This tightening occurred against an already subdued economic backdrop, with household consumption soft, labour-market momentum easing, and real incomes under pressure. The subsequent surge in global energy prices added a further layer of complexity, introducing upside risks to headline inflation at a time when the central bank was already concerned about inflation persistence.

Politics, geopolitics, and energy security. Geopolitics became the central driver of markets during the March quarter. The Iran war highlighted the vulnerability of global energy systems and the critical role of key transit routes such as the Strait of Hormuz.

Even partial disruptions were sufficient to trigger outsized moves in energy markets, underscoring the sensitivity to short-term supply and the market's sensitivity to geopolitical risk.

The episode reinforced several structural themes, including energy security as a key policy priority, increased volatility in commodity markets, and greater linkage between geopolitical events and macro outcomes. While markets showed some signs of stabilisation toward the end of the quarter, uncertainty around the duration and escalation of the conflict remained elevated.

Asset Class performance – March Quarter 2026

Sector	Quarter movement	1-Year movement	CYTD movement
Australian Shares	-1.61%	11.67%	-1.61%
Australian Shares (Small)	-10.87%	13.65%	-10.87%
Global Shares	-5.75%	9.19%	-5.75%
Global Shares hedged	-3.20%	20.01%	-3.20%
Global Emerging Markets	-2.80%	17.87%	-2.80%
Australian Property Securities	-16.63%	-2.26%	-16.63%
Global Property Securities (unhedged)	-1.50%	-1.90%	-1.50%
Global Property Securities (hedged)	0.84%	8.82%	0.84%
Global Infrastructure (unhedged)	5.47%	8.21%	5.47%
Global Infrastructure (hedged)	8.52%	16.92%	8.52%
Australian Fixed Interest	-0.34%	1.51%	-0.34%
International Fixed Interest	-0.25%	2.98%	-0.25%
Cash	0.91%	3.80%	0.91%

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

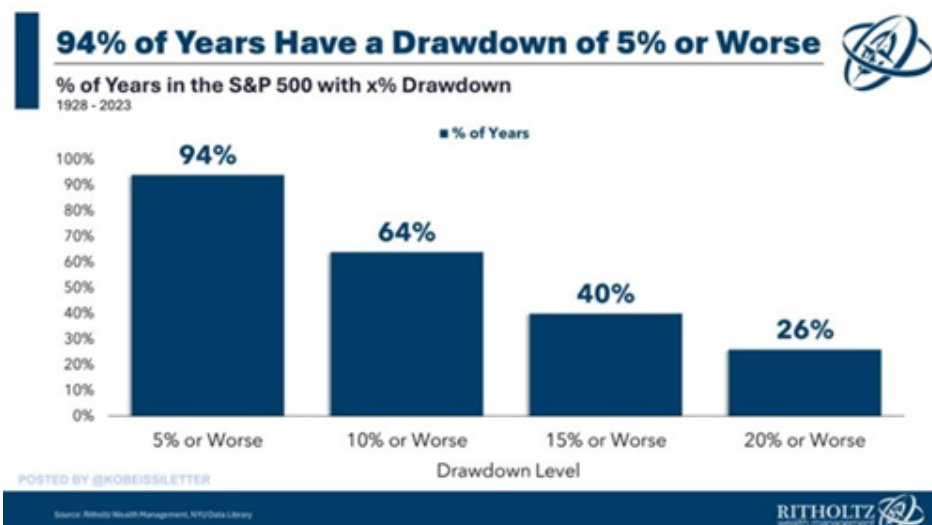
A Century of Investing

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

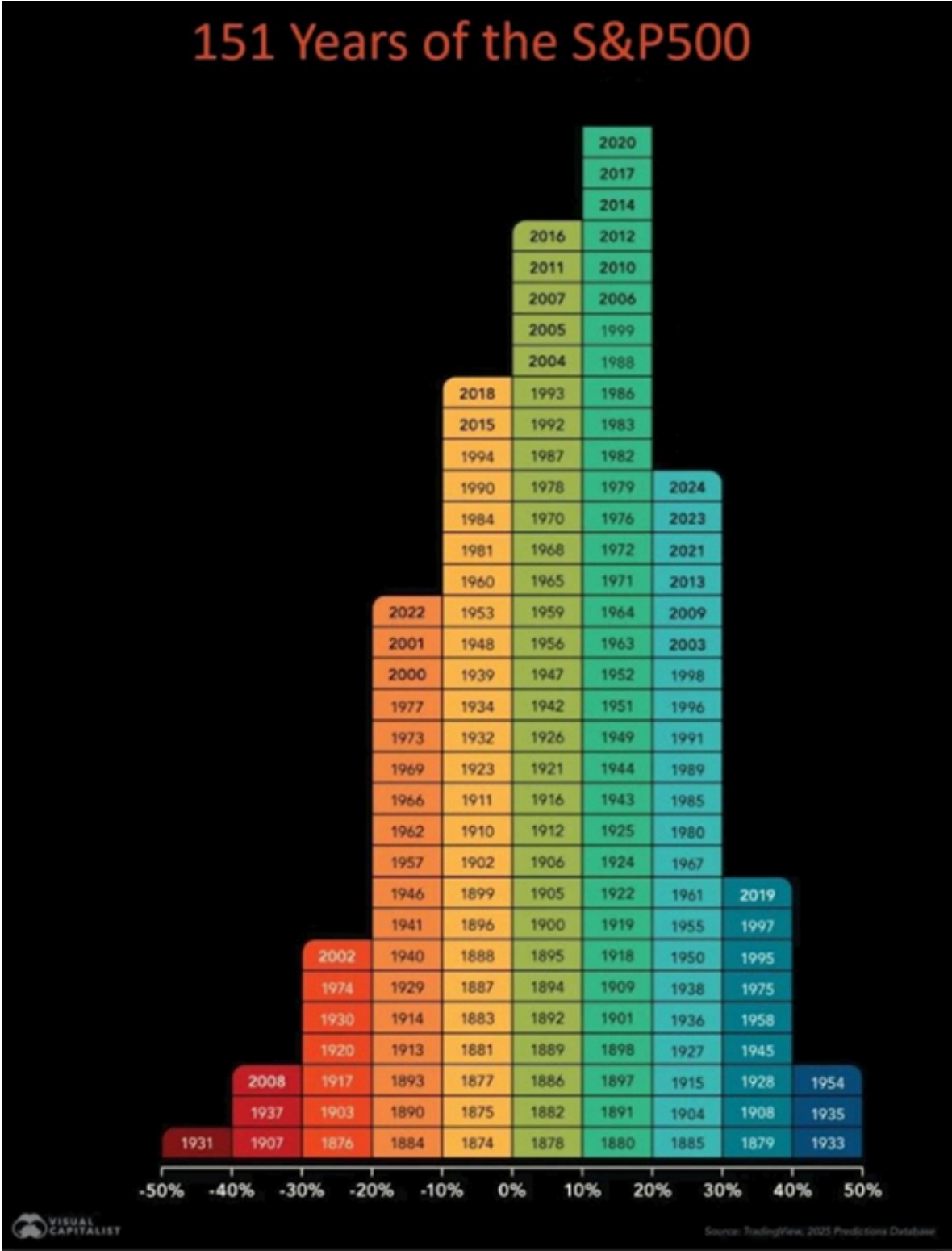
	Stocks	Bonds	Bills	Inflation
20s	14.0	-5.1	2.0	4.6
10s	13.6	6.9	0.6	1.8
00s	-0.9	7.7	2.8	2.5
90s	18.2	8.8	4.9	2.9
80s	17.5	12.6	8.9	5.1
70s	5.9	5.5	6.3	7.4
60s	7.8	1.4	3.9	2.5
50s	19.4	-0.1	1.9	2.2
40s	9.2	3.2	0.4	5.4
30s	-0.1	4.9	0.6	-2.0
1926 - 2024	10.4%	5.1%	3.3%	3.0%

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

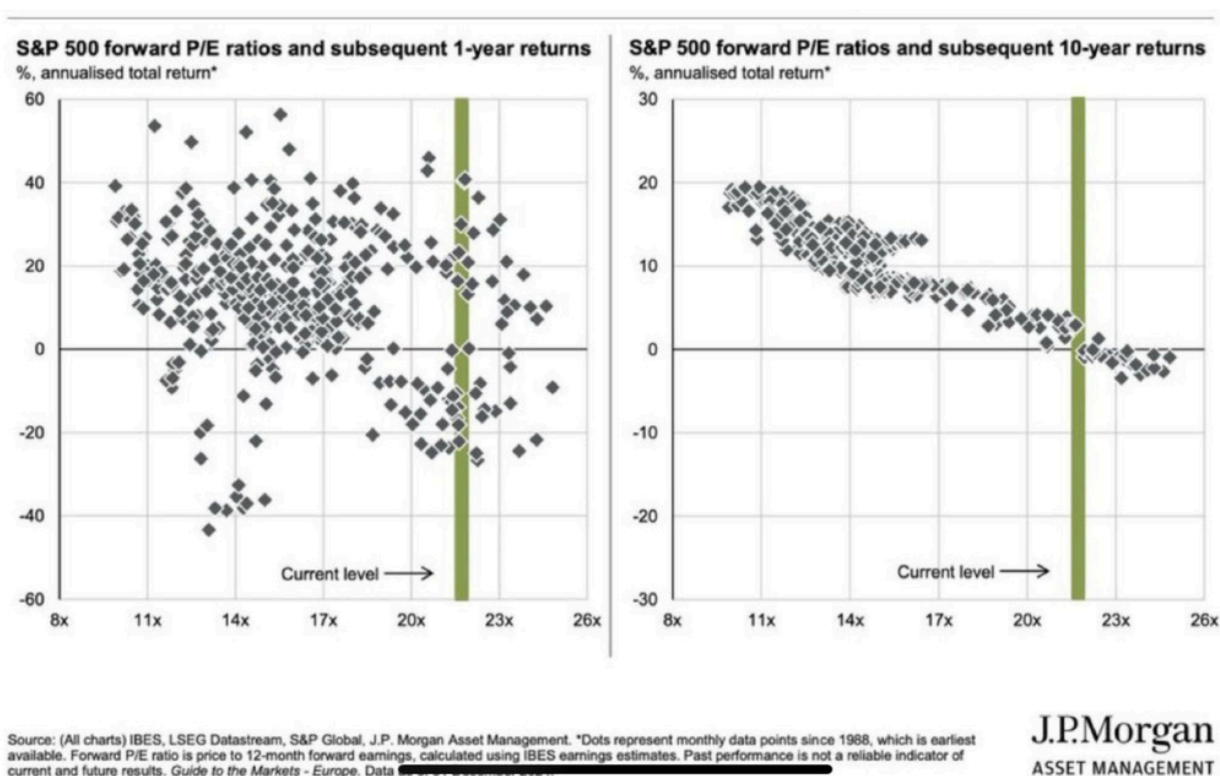
The chart below shows the probability of getting a drawdown in the S&P500 in any given year. Note that 1 in 4 years you can expect a drawdown of more than 20%.



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).

Inflation – Structural, not Transitory

Not an environment for passive, buy-and-hold equity strategies



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/Jan/1931	-32.9%	98	2/Jan/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/Jan/1932	-61.8%	205	1/Jan/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.

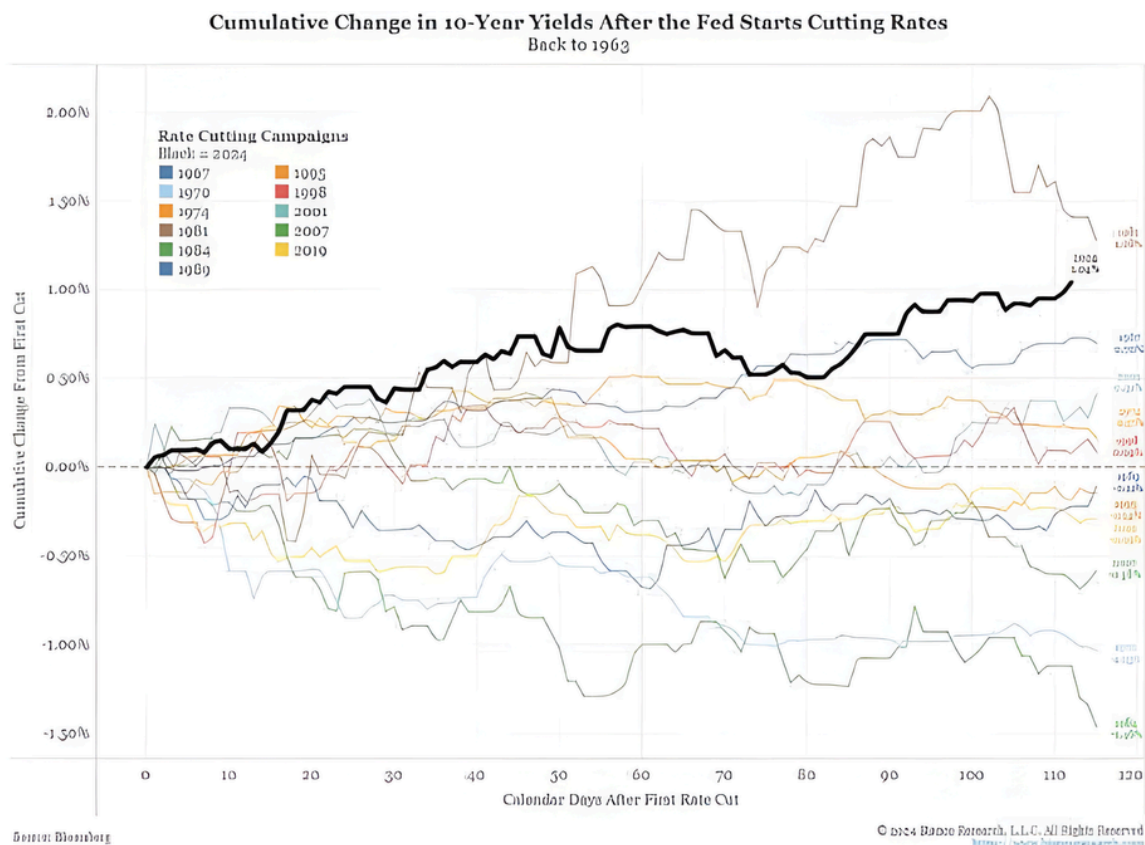
Debt Markets

Fixed income markets were heavily influenced by the inflationary implications of the energy shock. Longer-dated bond yields rose through March as markets repriced inflation expectations and pushed back the timing of policy easing. This dynamic reduced the effectiveness of bonds as a hedge during the equity sell-off, particularly in the early phase of the shock.

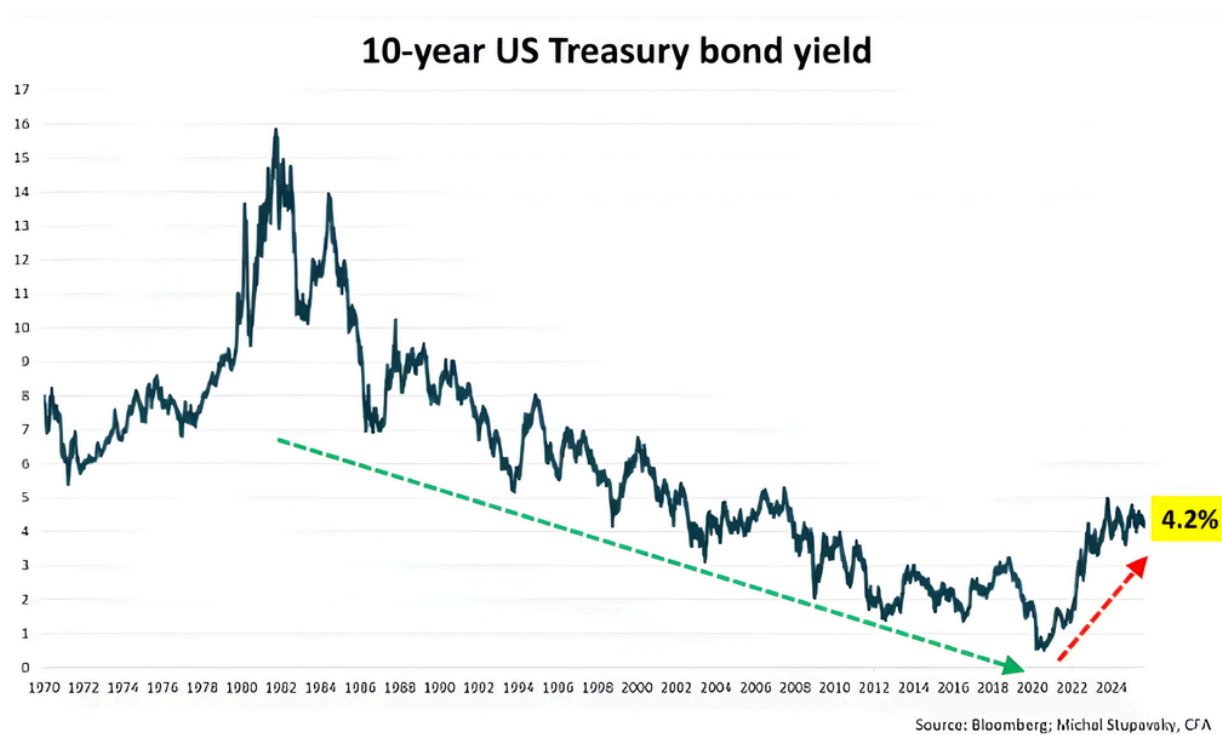
Credit markets proved relatively resilient but did weaken at the margin. Spreads widened modestly, particularly in more cyclical segments, as investors reassessed growth risks and demanded higher compensation for uncertainty.

Global central banks, including the US Federal Reserve, adopted a more cautious tone, emphasizing data dependence and acknowledging that the path to policy easing may be slower than previously anticipated. Corporate credit spreads widened modestly, reflecting increased risk aversion, although they remained relatively contained compared to historical stress periods.

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.



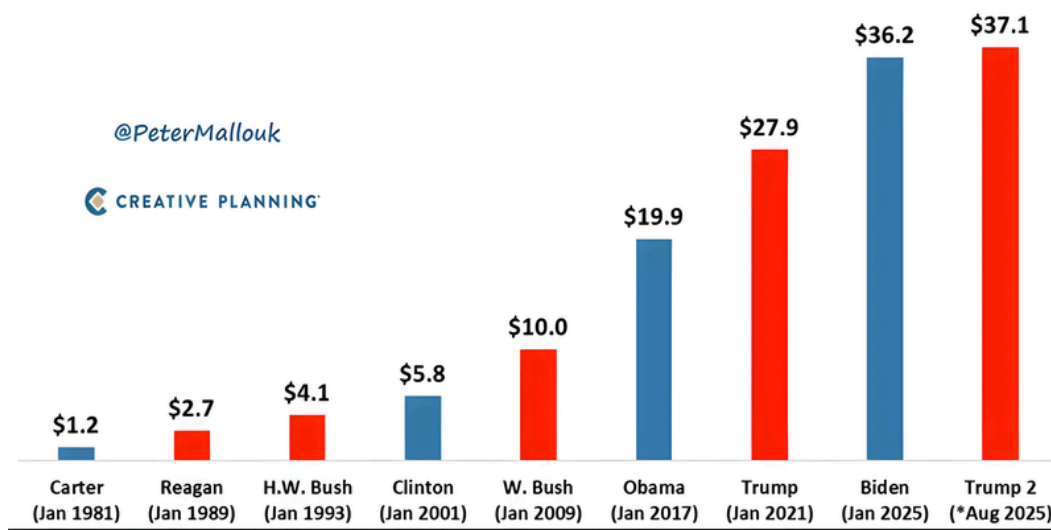
The current US fiscal position has a debt to GDP of 120% and according to many views including Reinhart and Rogoff who produced papers in 2010 and 2012 a level of debt to GDP above 90% sees a dramatic worsening in growth outcomes for economies. Important to note that the interest expense that needs to 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.

This has been a result of decades of increased spending from the US Government which now sees the US government debt not including unfunded liabilities at USD \$39 Trillion.

US National Debt at End of Each Presidency, in \$Trillions

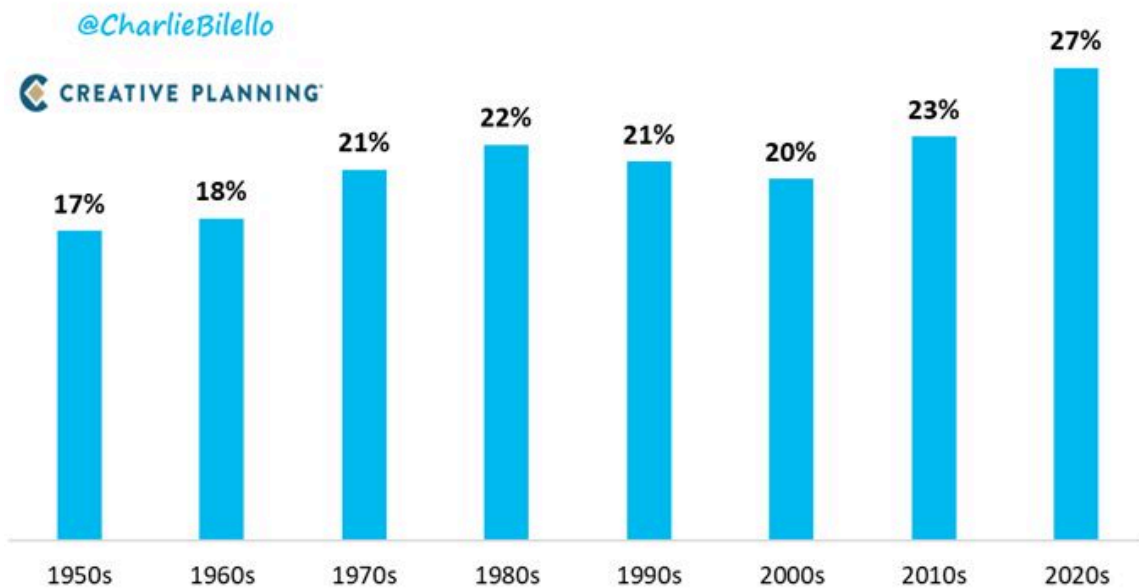
(Data via Treasury.gov: January 1981 - August 2025)

*As of 8/14/15, Less than 7 months into term

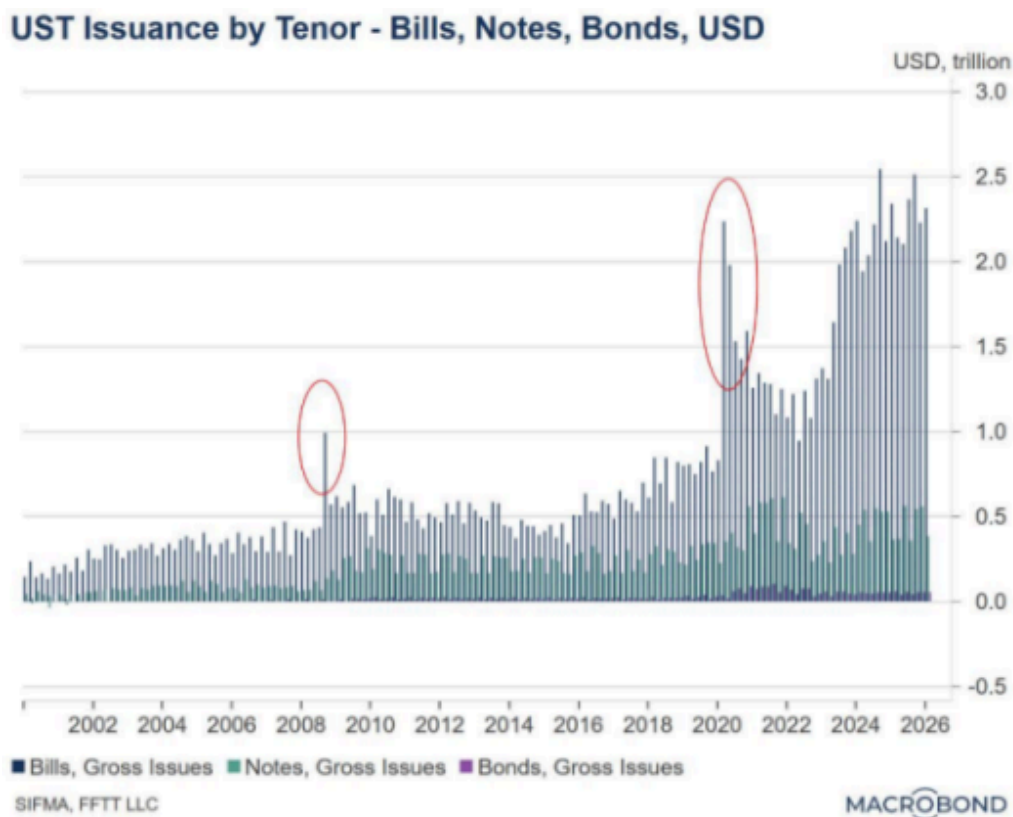


There is no appetite in Washington from either political party to look at winding back Government expenditures.

US Government Spending as % of GDP (Quarterly Averages by Decade - Q1 1950 - Q2 2025)



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 2026. 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. There is about USD \$10 Trillion of US debt to be refinanced in 2026.



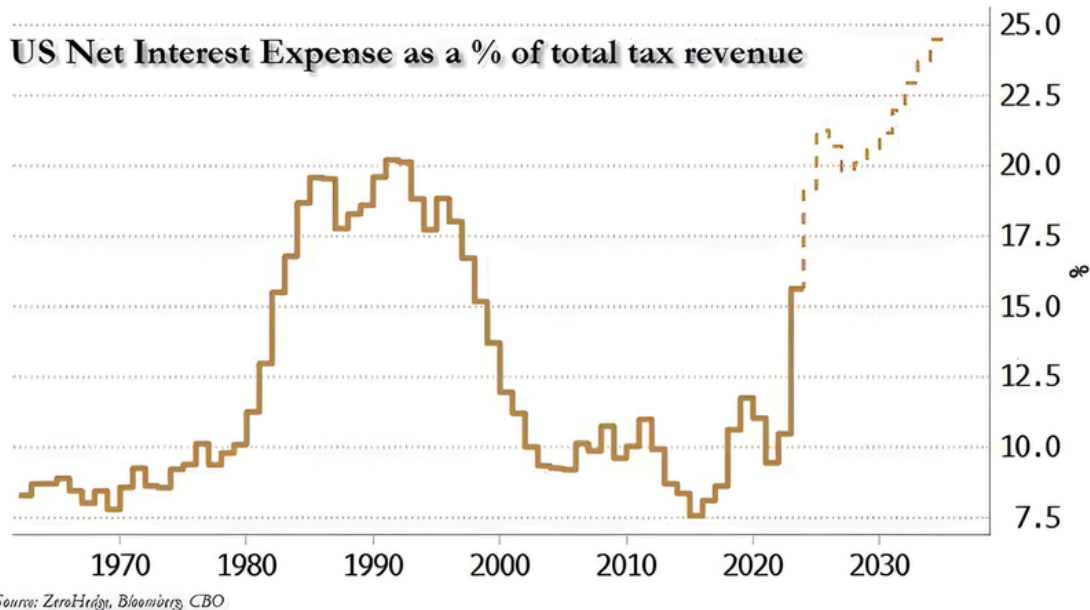
We believe that there will remain volatility in the debt markets as the deflationary view is supported by participants as rates are expected to decrease. However, within our strategies we remain concerned about the ability of interest rates to rise over the long term due to the re-emergence of inflation and the underlying demand and supply characteristics of the US Government debt and now the emergence of another war.

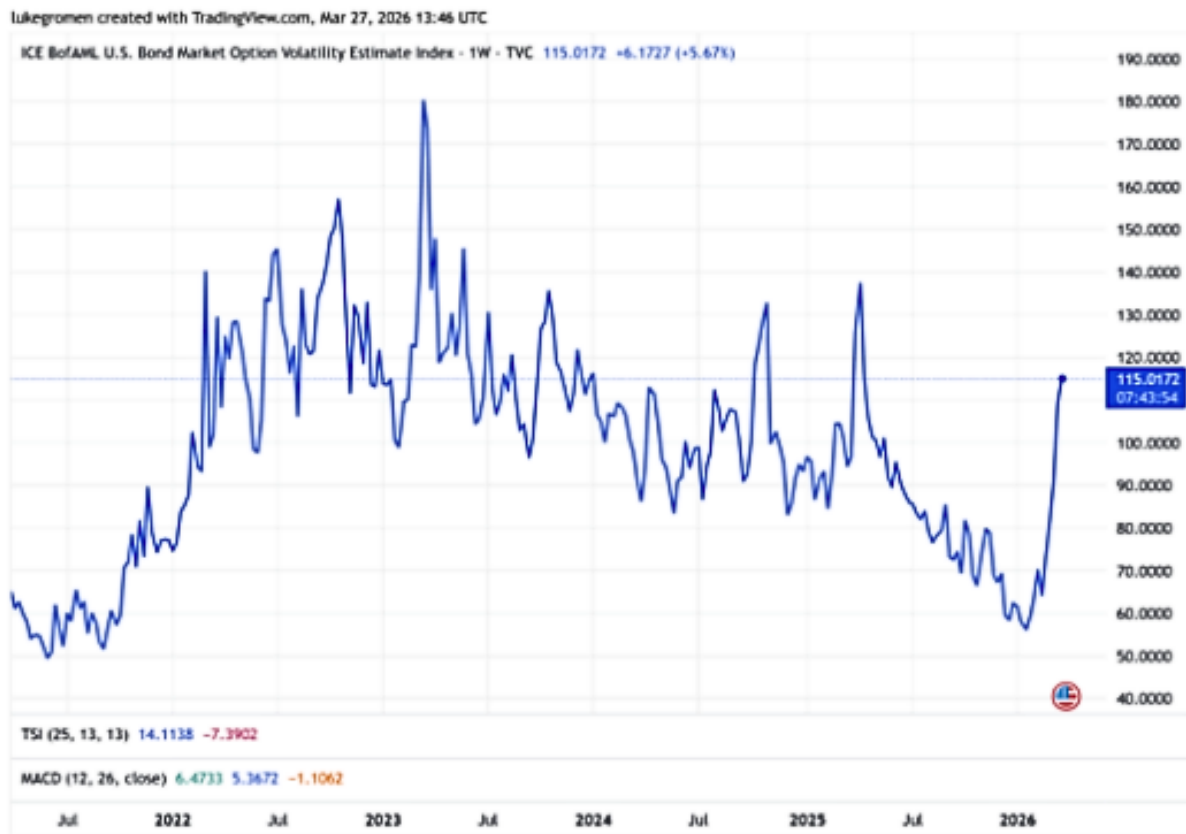
Total foreign holdings of US equities, Treasuries, and US credit



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 growing the economy, revaluing the US gold reserve to current prices and the increased use of Stable coins. The gold revaluation strategy will see the US be able to free up about USD \$1 trillion in cash so as to not go to debt markets which is really a short term reprieve rather than a solution. The later strategy is about coming up with another buyer of US debt given the lack of demand from other areas such as foreigners.

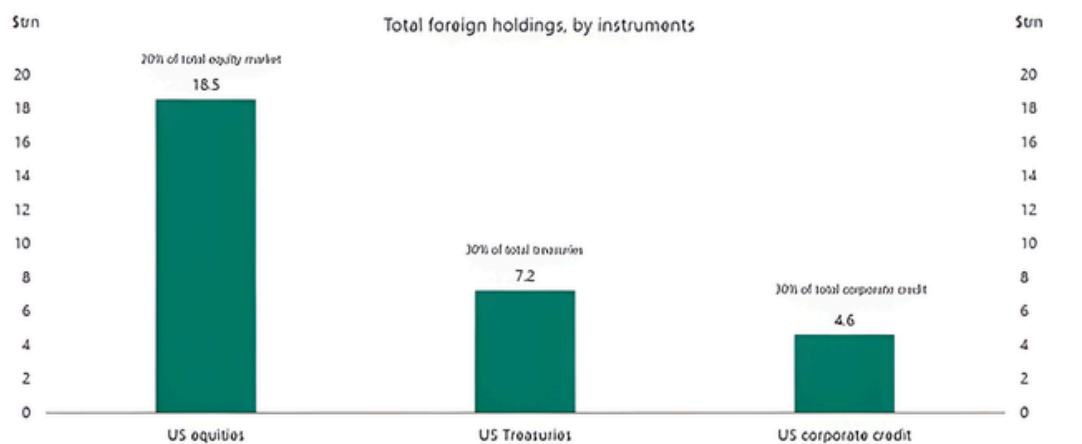




TV TradingView

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. The war in Iran has also seen more countries paying for oil in Chinese Yuan as they try to get passage in the Strait for the black gold.

Total foreign holdings of US equities, Treasuries, and US credit



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 especially the US might be in the middle of another lengthy and costly war.

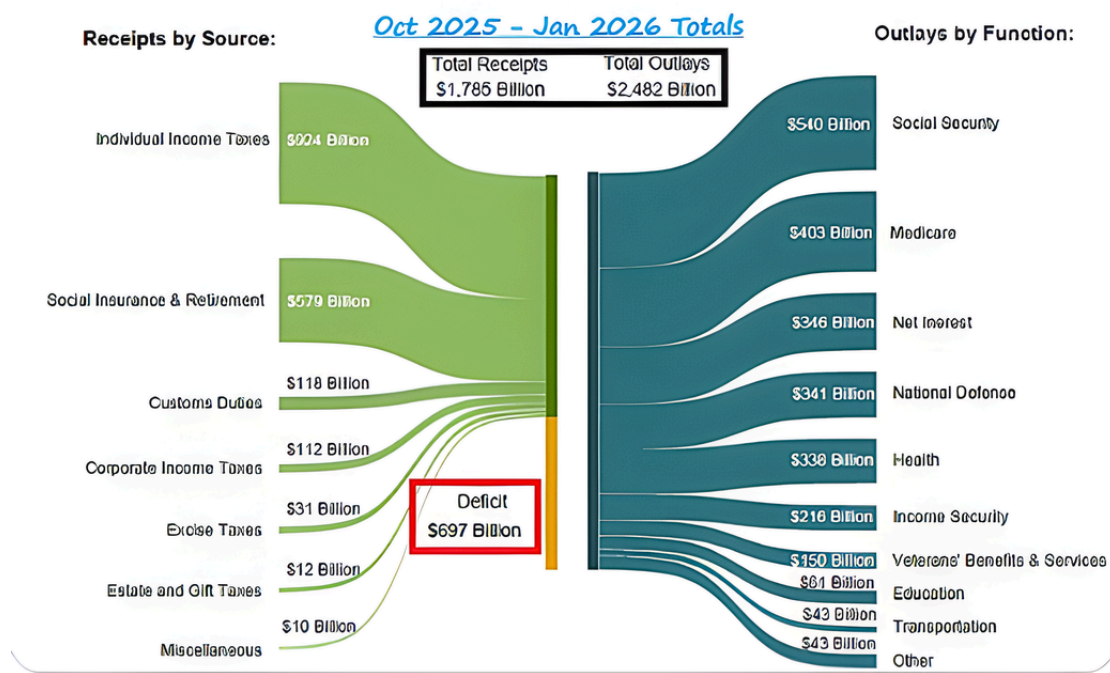
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Currently the US has USD \$39 Trillion in debt (not counting unfunded liabilities). We note that the average interest rate on this debt has risen and will continue to do so as debt rolls off existing arrangements and needs to be refinanced at current rates. There is an expected USD \$10 Trillion of US debt to be refinanced in 2026.

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

The US ran a deficit of USD \$697 Billion from Oct-Jan 2026.

Figure 2. Cumulative Receipts, Outlays, and Surplus/Deficit through Fiscal Year 2026



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.

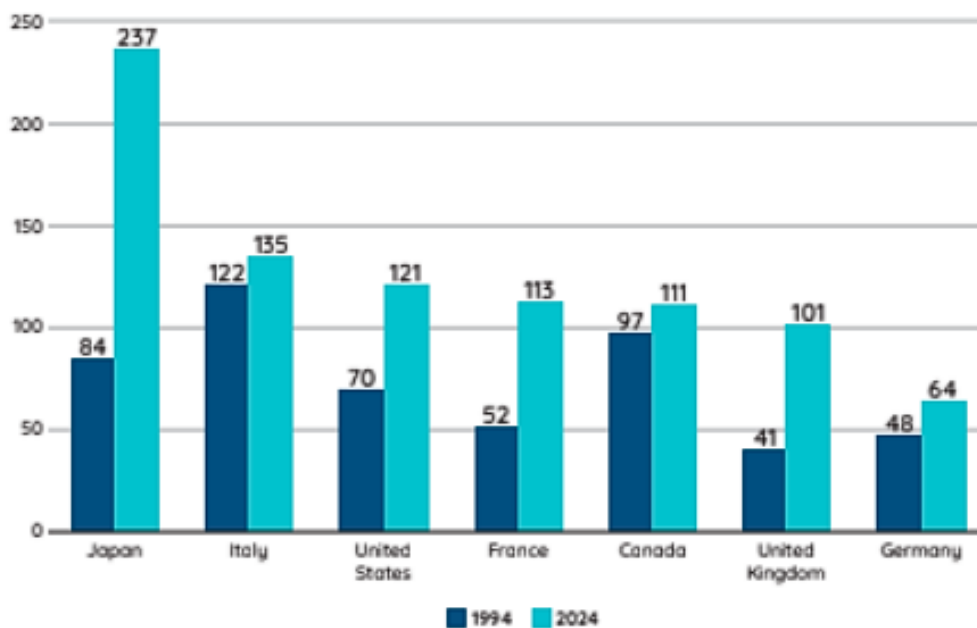
We believe that inflation is not yet beat which will make it difficult for the Central banks to reduce interest rates. Furthermore, historically as shown in our previous reports inflation has traditionally come in waves which will result in higher long term bond rates.



Note: PIES data are the 10 percent trimmed mean and median of responses provided by firms through 2026 Q1. Data are plotted in the quarter in which the forecasts were collected. Shaded areas indicate NBER recessions.

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. Furthermore, we believe that the Central bank will be forced to provide further liquidity be it through QE or other programs. This will enable the governments to inflate away the debt by undertaking yield curve control at lower rates than 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.

G7 Countries: General Government Debt to GDP (%)



Source: Talaria, IMF

We note that upward movements in long term interest rates is a global phenomenon but no more is this more pronounced than in Japan.

Japan 30 Year Treasury

JP30Y:JP:Japan

EXPORT ↴

WATCHLIST +

LIVESTREAM

American Greed

RT Quote | Exchange

Yield | 2:25 AM JST

3.663% ▲ +0.042

1D 5D 1M 3M 6M YTD 1Y 5Y ALL



Australia has also not escaped the grip of rising bond yields going through the 5% mark this quarter.

Australia 10 Year Bond

AU10Y:Australia

EXPORT ↴

WATCHLIST +

LIVESTREAM

American Greed

RT Quote | Exchange | AUD

Yield | 11:16 AM AET

4.988% ▲ +0.001

1D 5D 1M 3M 6M YTD 1Y 5Y ALL



Equity Markets

Global Equities

The MSCI World Index AUD declined (-5.75%) for the quarter but has risen 9.19% year to date.

Global equity markets weakened over the March quarter, with most major indices finishing lower as geopolitical risks, higher energy prices and shifting interest-rate expectations weighed on investor sentiment.

The Iran war was a key inflection point, triggering a sharp rise in oil prices and increasing concerns around global growth and inflation. This dynamic created a challenging backdrop for equities, particularly in March, where broad-based selling was evident across both developed and emerging markets.

Performance within sectors was mixed. Energy stocks outperformed strongly, benefiting from higher oil and gas prices, while defensive sectors such as utilities and healthcare showed relative resilience. In contrast, technology and other long-duration growth sectors came under renewed pressure as bond yields moved higher and valuations compressed.

Regionally, the United States held up better than most markets but still posted a negative return, as resilient economic data was offset by higher rates and valuation concerns. Europe and the UK were more directly impacted by energy price volatility, while Japan saw weaker performance amid currency fluctuations and global growth concerns.

Emerging markets were mixed but generally weaker with the index falling 2.87%, with oil-importing economies including China and India particularly impacted by higher energy costs. In contrast, Latin America performed strongly led by Brazil, whilst Korea and Taiwan held up well. The index for emerging markets is up 17.87% for the last 12 months.

Australian Equities

The S&P/ASX 200 Index AUD fell (-1.61%) for the quarter and rose 11.67% for the year.

The S&P/ASX Small Ordinaries Index AUD declined (-10.87%) for the quarter and rose 13.65% for the year.

Australian equities declined over the March quarter, with performance increasingly driven by macro factors rather than company-specific fundamentals. Rising bond yields, persistent inflation concerns and weaker global equity markets all contributed to downward pressure on valuations.

Sector performance diverged meaningfully. Resources were again a standout, supported by a sharp rise in energy prices and continued strength in select commodity markets, particularly oil and LNG. Energy-linked exposures including utilities benefited directly from geopolitical developments, while whilst telecommunications and consumer staples showed their defensive qualities.

By contrast, interest-rate-sensitive sectors including technology, real estate and consumer discretionary underperformed as higher yields weighed on growth expectations and discount rates. Financials were mixed, with major banks relatively resilient but lacking clear catalysts amid modest credit growth and increasing funding cost pressures.

Small and mid-cap stocks underperformed large caps, as tighter financial conditions and reduced liquidity saw investors favour more defensive and higher-quality exposures. Dispersion remained elevated, with balance-sheet strength and earnings visibility continuing to drive relative performance outcomes.

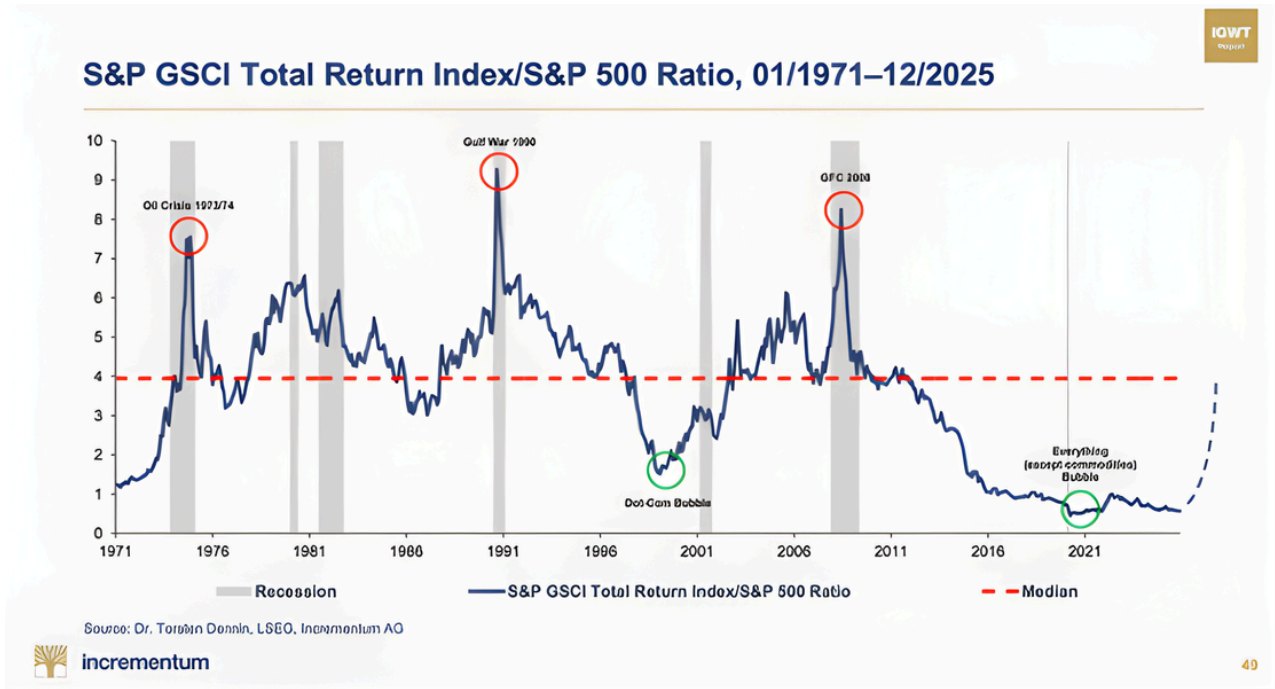
The developments in the Iran war have seen the price of oil move up significantly. We believe that if the Strait of Hormuz remains shut for too long than the price of oil will not only rise but there will be a question around will certain places be able to get access to oil at all. Australia has been exposed as being high vulnerable carrying far less than the recommended storage with most of its oil being imported.



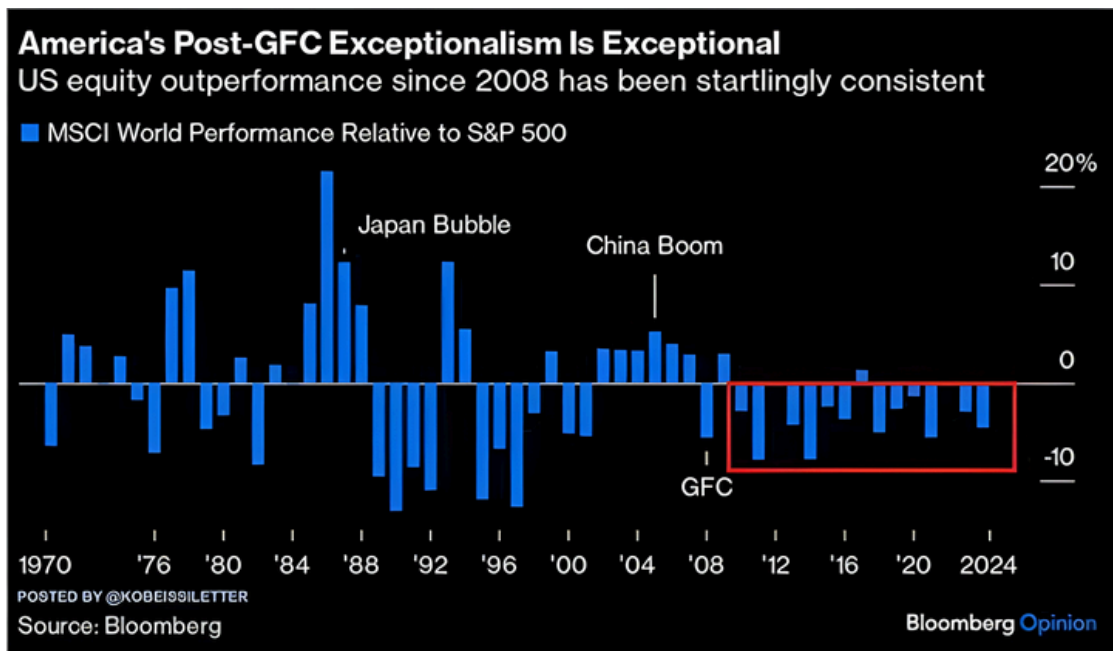
Source: Bloomberg

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.

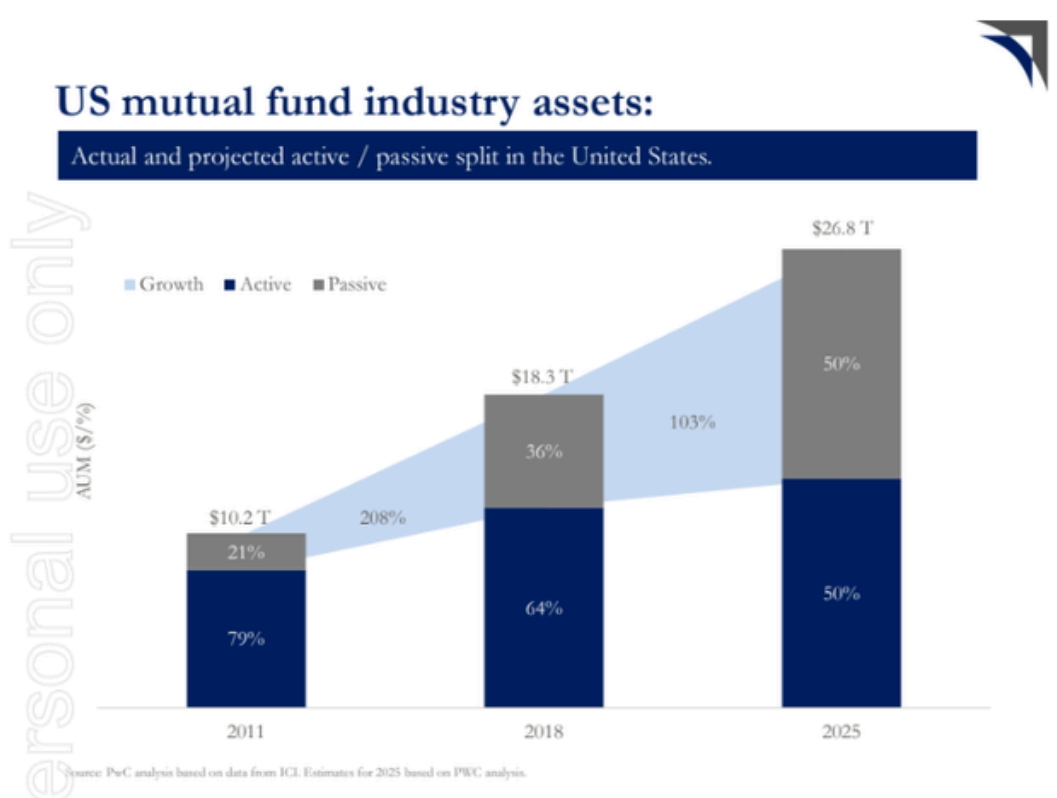
There are sectors that are looking reasonably priced such as commodities.



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.



The tech sector in the US looks weak and given its high correlation to Bitcoin that markets weakness also provides some insight. It should be said that there has been recent strong moves in the last couple of weeks in both the equities market and Bitcoin as we write this report.

Sector Duration (P/E)

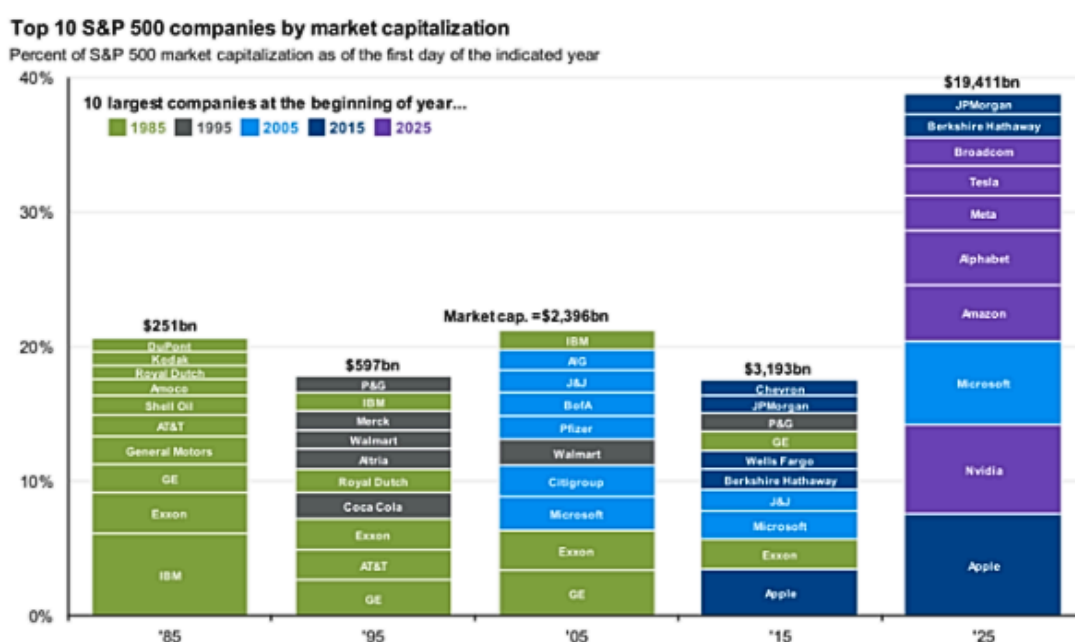


*Financial companies are excluded from this analysis, as their P/E ratios are heavily influenced by the leverage embedded in their business models and therefore provide a poor indication of duration.

Source: Talaria, Bloomberg

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.

At the moment there is an extraordinary amount of wealth tied up in the capitalisation of AI stocks in the US.



Source: JPM

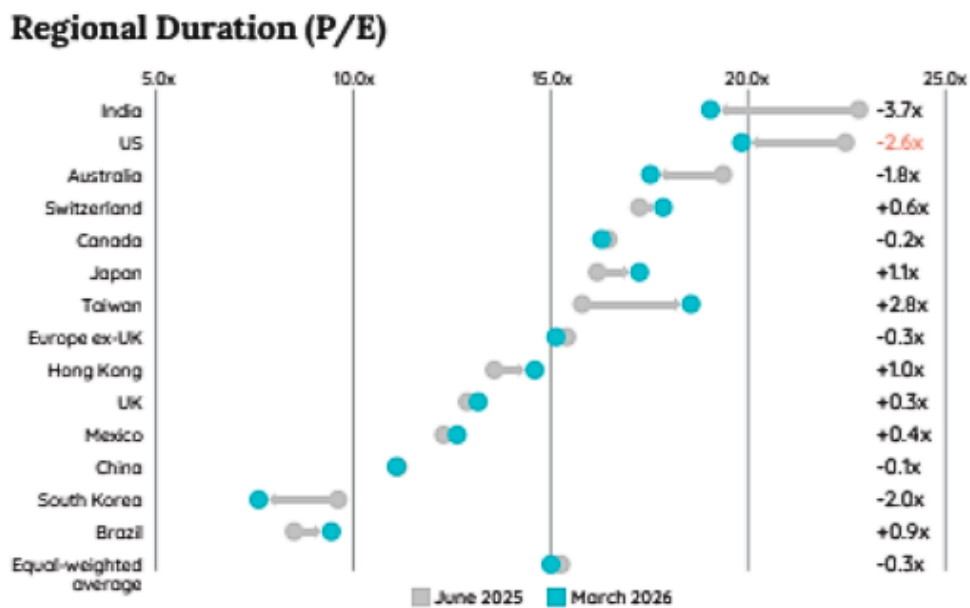
This set up seems to be very similar to the internet boom and then bust at the turn of the century.

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. Presently the US share market has over 70% of the total value in global share markets. The top 10 companies in the US are worth more than all of the total share markets of each country in the world.

We continue to like countries outside the US such as that represented by Emerging Markets.



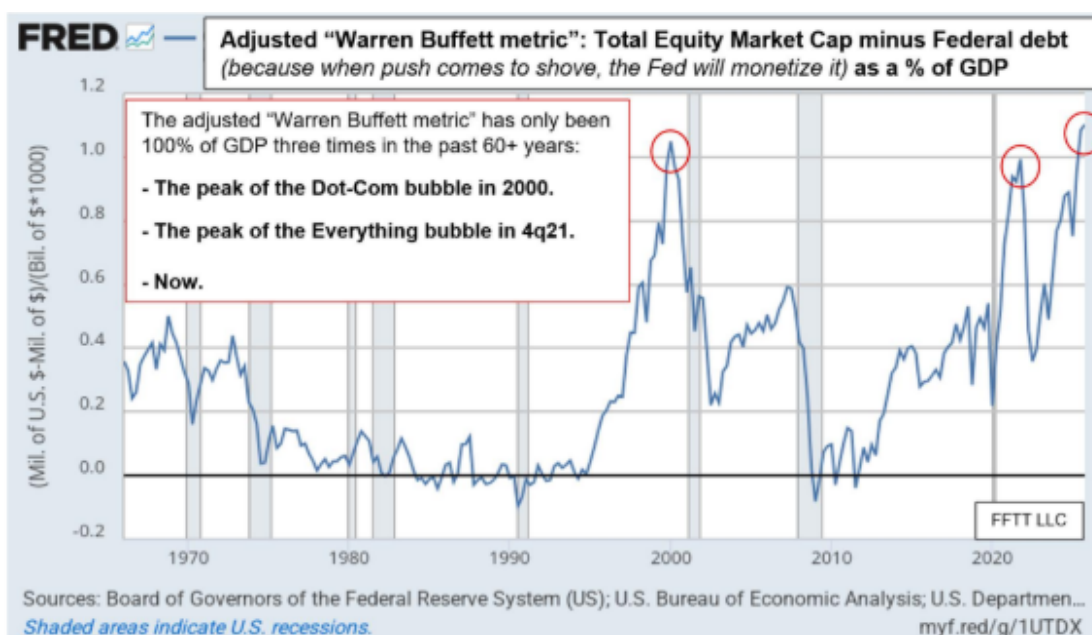
The US share market is the most expensive on a range of valuation metrics.



Source: Talaria, Bloomberg

The “Warren Buffett metric” was made famous by Warren Buffett in a December 1999 Fortune Magazine article that reviewed a speech Buffett had given in July of that year to corporate executives. The message was that Total Equity Market Cap divided by GDP was in his view the best rule of thumb for when the stock market was overvalued. Luke Gromen from Forest from the Trees research that we subscribe to and follow religiously said that the “Warren Buffett metric” needed to be adjusted to reflect this reality by subtracting Federal debt from US equity market cap before dividing by GDP, because if push came to shove, the Fed would print money to monetize US Federal debt.

We just hit an all time high.



It should be noted that there are valuation issues with the large capitalisation end of the Australian market as well.



Source: Bloomberg, LSEG, Betashares. Global Equities: MSCI All-Country World Index. Global Bonds: Bloomberg Global Aggregate Bond Index (\$A hedged). You cannot invest directly in an index. Past performance is not an indicator of future performance.

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. This would mean that the massive amount of capital in US Share markets (representing over 70% of the global share) would seek refuge in other markets.



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.

Should our view be right then capital will leave that part of the market and seek opportunity elsewhere in different countries or sectors.

Property

Listed property assets faced a more challenging environment over the quarter, as rising bond yields and inflation uncertainty weighed on long-duration assets. In contrast, listed infrastructure produced a strong result.

Australian A-REITs declined 16.63% over the quarter, underperforming the broader listed property market as RBA rate hikes led to higher discount rates and concerns around refinancing costs pressured valuations.

Global REITs experienced similar headwinds falling 1.50% but held up better with no central bank rate hikes and with signs that underlying property fundamentals remained relatively stable.

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 delivered more resilient performance gaining 5.47% over the quarter, supported by its defensive characteristics and, in some cases, direct exposure to energy markets. Energy infrastructure, in particular, benefited from higher commodity prices, while regulated utilities provided relatively stable earnings in an increasingly volatile environment.

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 maximizing 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%	0.25%	86.48%
08/02/1956	10/23/1957	-21.63%	-0.11%	21.52%
12/12/1961	06/26/1962	-27.97%	-0.06%	27.91%
02/09/1966	10/07/1966	-22.15%	0.00%	22.15%
11/25/1968	05/26/1970	-38.06%	-10.50%	25.56%
01/11/1973	10/03/1974	-48.20%	137.47%	185.67%
11/26/1980	09/09/1982	-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	10/06/1998	-22.29%	1.71%	24.00%
03/24/2000	10/10/2002	-50.50%	11.16%	61.66%
10/11/2007	03/06/2009	-57.69%	25.61%	63.30%
09/01/2018	12/26/2018	-20.21%	5.59%	25.80%
02/19/2020	03/23/2020	-35.41%	-3.63%	31.78%
01/03/2022	09/26/2022*	-10.90%	5.56%	16.46%
	Mean	-34.85%	9.83%	43.89%
	Median	-27.97%	1.38%	27.17%

Sources: 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.



Interestingly, the equity market when measured by gold not nominal dollars has actually fallen in value quite considerably.



Notwithstanding the recent strength in gold over the last few years mean you compare the value in gold relative world equities this ratio remains at very low levels and about 4.5 times away from the spike that occurred in 1980.

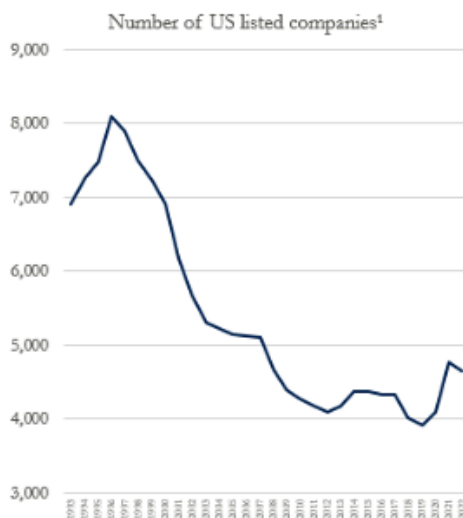


Source: Global X ETFs, Bloomberg data as of February 2026

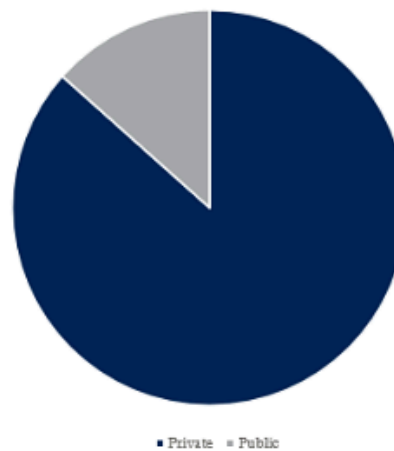
Another large part of this strategy involves accessing opportunities that are not available through public markets be they equities or bonds. As we can see from the graph below the private part of these markets has had considerable growth and comprises a large range of opportunities. According to The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

Private Equity dominates markets today

Private Equity capital is replacing public capital markets



Ownership of US companies with revenues over US\$100m²

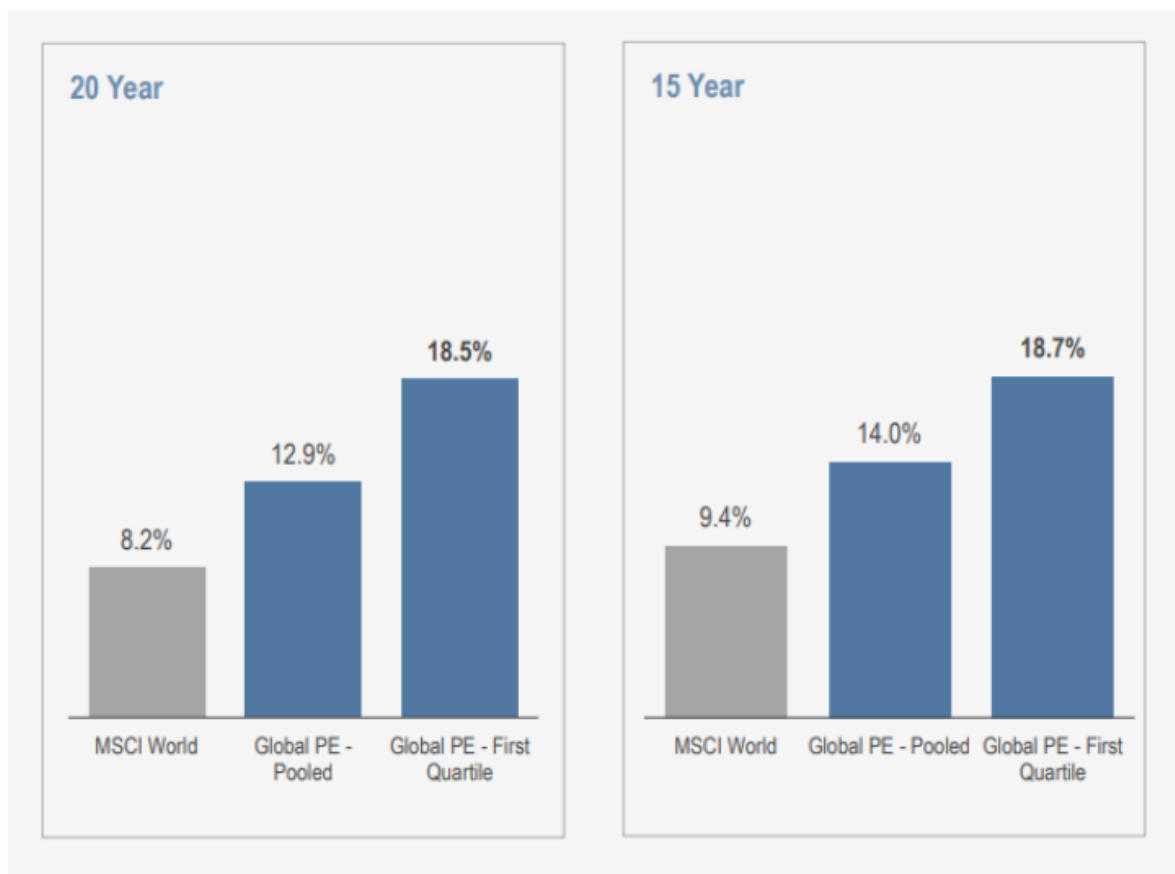


¹ Source: World Bank

² Sources: Hamilton Lane, CapitalIQ. As of January 2022

Please note that past performance is not indicative of future returns.

Whilst these investments are not liquid like the share market investors have been previously rewarded with higher returns to compensate them.



Source: Private equity data from Burgiss. Represents pooled horizon IRR and first quartile return for Global Private Equity as of 2025 Q1, which is the latest data available. Public market data sourced from Neuberger Berman as of 2025 Q1. Past performance is no guarantee of future results.

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 4.63 years with a yield to maturity of 6.03% and returned -1.14% for the quarter.
- Macquarie Dynamic Bond Fund which has interest rate duration of 5.5 years with a yield to maturity of 5.7% and returned -0.52% for the quarter.
- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.79 years and a yield to maturity of 5.73%. This fund returned 0.10% for the quarter.
- PM Capital Enhanced Yield Fund which has an interest rate duration of 0.93 years and an average term to maturity of 1.54 years. The fund returned 0.70% for the quarter.
- The Realm High Income Fund has an interest rate duration of 1.47 year and a yield to maturity of 5.95%. The fund returned -0.18% 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 than 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 0.69% 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 0.57% 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 -5.85% 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 0.37% for the last quarter.

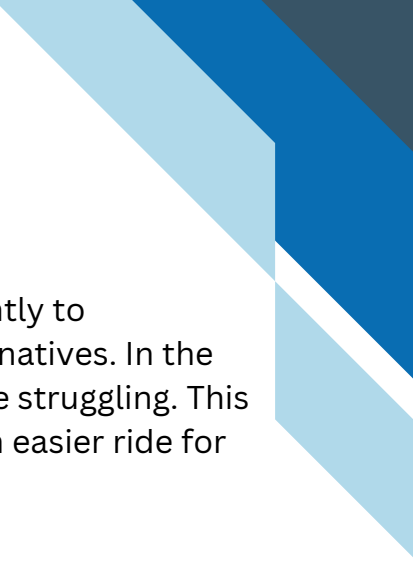
- Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund. Companies in the portfolio possess management teams that focus on creating value for shareholders through consistent and rational capital allocation policies with an emphasis on cash dividends, share repurchases and debt reduction – the key components of shareholder yield. The fund has returned 1.96% 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 3.69% 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.

- MVA – low cost equal weighted ETF to capture movements in ASX 200 AREIT. The investment had a return of -15.23% over the last quarter.

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.

- 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 63% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.01%.



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 2.66% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	13%
<i>Fixed Interest</i>	
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%
<i>Australian Shares</i>	
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%
<i>International Shares</i>	
GQG Partners Global Quality Dividend Income Fund	2%
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	2%
Talaria Global Equity Fund	3%
<i>Property</i>	
VanEck Property ETF (MVA)	2%
<i>Alternatives/Infrastructure</i>	
Dexus Core Infrastructure	3%
Atlas Infrastructure Australian Feeder fund (unhedged)	3%
VanEck Gold Bullion ETF (NUGG)	5%

Harbourside Gerroa Balanced

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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.

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- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.79 years and a yield to maturity of 5.73%. This fund returned 0.10% 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 than 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.

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- 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 0.37% 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 1.96% 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 3.69% over the quarter.

During the quarter we sold the following investments;

- 100% of Bell Emerging Companies Fund.
- We also reduced our exposure slightly from MVW and Allan Gray Australian Equity Fund.

During the quarter we bought the following investments;


- Started a position in Artisan Discovery Global Fund. The Fund typically avoids exposure to the largest companies, it may offer portfolio diversification and complementary exposure if used alongside other 'large company' benchmark-aware global equity funds and Australian equity strategies.
- Started a position in GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. This will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations.

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.

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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 2.66% 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 8.01% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	3%
Members Equity – At Call Account	0%
<i>Fixed Interest</i>	
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	4%
<i>Australian Shares</i>	
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%
<i>International Shares</i>	
GQG Partners Global Quality Dividend	2%
Epoch Gobal Equity Shareholder Yield Fund (Unhedged)	4%
Talaria Global Equity Fund	2%
Artisan Discovery Global Fund	3%
GQG Partners Emerging Markets Fund	2%
<i>Property</i>	
Dexus Wholesale Property	6%
Invesco Direct Property	3%
VanEck Australian Property ETF (MVA)	2%
<i>Alternatives/Infrastructure</i>	
Atlas Infrastructure Australian Feeder Fund (Unhedged)	2%
Aspect Diversified Futures Fund - Class A	2%
VanEck Gold Bullion ETF (NUGG)	11%

Harbourside Gerroa Balanced Pension

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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.

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- 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 3.69% over the quarter.

During the quarter we sold the following investments;

- We sold 100% of our exposure to Tyndall Australian Share Income.
- We reduced our exposure slightly from MVW.

During the quarter we bought the following investments;


- Started a position in Investors Mutual Australian Income Fund. The Fund focuses on providing investors with a reliable, and relatively high, income stream, as well as capital growth, with lower volatility than the ASX 300. It does this by investing in high-yielding listed Australian and NZ companies and hybrids, as well as conservative options trading to take advantage of the sharemarket's natural volatility.
- Started a position in GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. This will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations.

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.;

- MVA – low cost equal weighted ETF to capture movements in ASX 200 AREIT. The investment had a return of -15.23% over the last quarter.

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.

- 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 63% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.01%.



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 2.66% 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 8.01% over the last quarter.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
Cash	2%
<i>Members Equity – At Call Account</i>	0%
<i>Fixed Interest</i>	
<i>Bentham Global Income Fund</i>	6%
<i>Macquarie Dynamic Bond Fund</i>	7%
<i>Yarra Enhanced Income fund</i>	8%
<i>JCB Dynamic Alpha Fund</i>	8%
<i>Smarter Money Long Short Credit</i>	5%
<i>Realm High Income Fund</i>	2%
<i>Millbrook Credit Fund</i>	2%
<i>MSquared Mortgage Income Fund</i>	4%
<i>Australian Shares</i>	
<i>MVW - Market Vectors Equal Weight ETF</i>	6%
<i>Plato Australian Share Income Fund</i>	6%
<i>Investors Mutual Australian Income Fund</i>	7%
<i>Gyrostat Class A Fund</i>	6%
<i>International Shares</i>	
<i>GQG Partners Global Quality Dividend</i>	3%
<i>Epoch Gobar Equity Shareholder Yield Fund (Unhedged)</i>	2%
<i>GQG Partners Emerging Markets Fund</i>	2%
<i>Talaria Global Equity Fund</i>	3%
<i>Property</i>	
<i>Dexus Wholesale Property</i>	3%
<i>Invesco Direct Property</i>	2%
<i>VanEck Australian Property ETF (MVA)</i>	4%
<i>Alternatives/Infrastructure</i>	
<i>Atlas Infrastructure Australian Feeder Fund (Unhedged)</i>	2%
<i>Aspect Diversified Futures Fund - Class A</i>	2%
<i>VanEck Gold Bullion ETF (NUGG)</i>	10%

Harbourside Gerroa 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 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 4.63 years with a yield to maturity of 6.03% and returned -1.14% 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 0.57% 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 than 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 -5.85% over the quarter.

During the quarter we sold the following investments

- 100% of Bell Emerging Companies Fund.
- We also reduced our exposure slightly from MVW, GQG Partners Global Equity Fund, Sage Capital Absolute Return Fund and Allan Gray Australian Equity Fund.

During the quarter we bought the following investments;

- Started a position in Artisan Discovery Global Fund. The Fund typically avoids exposure to the largest companies, it may offer portfolio diversification and complementary exposure if used alongside other 'large company' benchmark-aware global equity funds and Australian equity strategies.
- Started a position in GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. This will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations.

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.

- 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 63% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.01%.

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 2.66% 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 8.01% 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 -16.48% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	4%
<i>Fixed Interest</i>	
Bentham Global Income Fund	6%
Yarra Enhanced Income Fund	3%
JCB Dynamic Alpha Fund	4%
Millbrook Credit Fund	3%
MSquared Mortgage Income Fund	2%
Realm High Income Fund	2%
<i>Australian Shares</i>	
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%
<i>International Shares</i>	
Vanguard International (hedged)	12%
Artisan Discovery Global Fund	4%
GQG Partners Global Equity Fund	2%
PGF - PM Capital Global Opportunities Fund	5%
<i>Property</i>	
Dexus Wholesale Property	5%
Invesco Direct Property	3%
<i>Alternatives/Infrastructure</i>	
Atlas Infrastructure Fund	4%
Barwon Global Listed Property	2%
Aspect Diversified Future Funds	2%
VanEck Gold Bullion ETF (NUGG)	12%

Harbourside Gerroa Growth 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 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 4.63 years with a yield to maturity of 6.03% and returned -1.14% for the quarter.
- Macquarie Dynamic Bond Fund which has interest rate duration of 5.5 years with a yield to maturity of 5.7% and returned -0.52% 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 than 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 0.37% 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 1.96% 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 3.69% over the quarter.

During the quarter we sold the following investments;

- 100% of our exposure to Bell Emerging Companies Fund.
- 100% of our exposure to Tyndall Australian Share Income
- We also reduced our exposure slightly from Clearbridge Infrastructure fund (Class A) and PGF - PM Capital Global Opportunities fund.


During the Quarter we bought the following investments;

- Started a position in GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. This will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations.
- Started a position in Investors Mutual Australian Income Fund. The Fund focuses on providing investors with a reliable, and relatively high, income stream, as well as capital growth, with lower volatility than the ASX 300. It does this by investing in high-yielding listed Australian and NZ companies and hybrids, as well as conservative options trading to take advantage of the sharemarket's natural volatility.

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.

- 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 63% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.01%.



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 2.66% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	3%
<i>Fixed Interest</i>	
Bentham Global Income Fund	6%
Macquarie Dynamic Bond Fund	3%
Yarra Enhanced Income Fund	3%
JCB Dynamic Alpha Fund	5%
Millbrook Credit Fund	5%
MSquared Mortgage Income Fund	2%
Realm High Income Fund	2%
<i>Australian Shares</i>	
YMAX - Top 20 Dividend Paying ETF	6%
Plato Australian Share Income Fund	6%
Investors Mutual Australian Income Fund	5%
Gyrostat Class A Fund	6%
<i>International Shares</i>	
Vanguard International (hedged)	5%
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	4%
PGF - PM Capital Global Opportunities Fund	5%
Talaria Global Equity Fund (hedged)	6%
GQG Partners Emerging Markets Fund	1%
GQG Partners Global Equity Fund	1%
<i>Property</i>	
Dexus Wholesale Property	4%
Invesco Direct Property	4%
<i>Alternatives/Infrastructure</i>	
Clearbridge Infrastructure Fund (Class A)	6%
Atlas Infrastructure Australian Feeder Fund (unhedged)	2%
VanEck Gold Bullion ETF (NUGG)	10%

Harbourside Lorne 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. 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 4.63 years with a yield to maturity of 6.03% and returned -1.14% for the quarter.
- Macquarie Dynamic Bond Fund which has interest rate duration of 5.5 years with a yield to maturity of 5.7% and returned -0.52% for the quarter.
- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.79 years and a yield to maturity of 5.73%. This fund returned 0.10% 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 than 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 0.69% 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 0.57% 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 -5.85% 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 0.37% 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 1.96% 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 3.69% over the quarter.

This strategy includes listed property and infrastructure.

- MVA – low cost equal weighted ETF to capture movements in ASX 200 AREIT. The investment had a return of -15.23% over the last quarter.
- 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 63% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.01%.

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 2.66% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	12%
<i>Fixed Interest</i>	
Bentham Global Income Fund	10%
Macquarie Dynamic Bond Fund	11%
Yarra Enhanced Income Fund	11%
JCB Dynamic Alpha Fund	9%
Smarter Money Long Short Credit	7%
PM Capital Enhanced Yield Fund	9%
<i>Australian Shares</i>	
Sage Capital Absolute Return Fund	6%
Gyrostat (Class A) Fund	5%
Plato Australian Shares Income Fund	4%
<i>International Shares</i>	
GQG Partners Global Quality Dividend Income Fund	2%
Talaria Global Equity Fund	3%
Epoch Global Share Yield (hedged) Fund	2%
<i>Property</i>	
VanEck Australian Property ETF (MVA)	2%
<i>Alternatives/Infrastructure</i>	
4D Infrastructure Fund (Hedged)	4%
VanEck Gold Bullion ETF (NUGG)	6%

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 4.63 years with a yield to maturity of 6.03% and returned -1.14% for the quarter.
- Macquarie Dynamic Bond Fund which has interest rate duration of 5.5 years with a yield to maturity of 5.7% and returned -0.52% for the quarter.
- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.79 years and a yield to maturity of 5.73%. This fund returned 0.10% 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 than 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 0.69% 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 0.57% 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 0.37% 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 1.96% 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 3.69% over the quarter.

During the quarter we sold the following investments;

- 100% of Bell Emerging Companies Fund.
- We also reduced our exposure slightly from MVW.

During the quarter we bought the following investments;

- Started a position in Artisan Discovery Global Fund. The Fund typically avoids exposure to the largest companies, it may offer portfolio diversification and complementary exposure if used alongside other 'large company' benchmark-aware global equity funds and Australian equity strategies.
- Started a position in GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. This will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations.

This strategy includes listed property and infrastructure.

- MVA – low cost equal weighted ETF to capture movements in ASX 200 AREIT. The investment had a return of -15.23% over 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 7.45% over the last 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 2.66% 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 8.01% 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 -16.48% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	5%
Members Equity – At Call Account	0%
<i>Fixed Interest</i>	
Bentham Global Income Fund	11%
Macquarie Dynamic Bond Fund	8%
Yarra Enhanced Income Fund	8%
JCB Dynamic Alpha Fund	9%
Smarter Money Long Short Credit	6%
<i>Australian Shares</i>	
MVW - Market Vectors Equal Weight ETF	8%
Allan Gray Australian Equity Fund Class B	5%
Artisan Discovery Global Fund	2%
Gyrostat Class A Fund	5%
GQG Partners Emerging Markets Fund	2%
<i>International Shares</i>	
Bell Global Emerging Companies Fund	3%
Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund	3%
Talaria Global Equity Fund	3%
<i>Property</i>	
VanEck Australian Property ETF (MVA)	4%
<i>Alternatives/Infrastructure</i>	
4D Infrastructure Fund (hedged)	4%
Barwon Global Listed Private Listed	2%
Aspect Diversified Futures Fund – Class A	2%
VanEck Gold Bullion ETF (NUGG)	10%

Harbourside Lorne 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 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 4.63 years with a yield to maturity of 6.03% and returned -1.14% for the quarter.
- Macquarie Dynamic Bond Fund which has interest rate duration of 5.5 years with a yield to maturity of 5.7% and returned -0.52% for the quarter.
- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.79 years and a yield to maturity of 5.73%. This fund returned 0.10% 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 0.57% 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 than 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 -5.85% over the quarter.

This strategy includes listed property and infrastructure.

- MVA – low cost equal weighted ETF to capture movements in ASX 200 AREIT. The investment had a return of -15.23% over 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 7.45% over the last quarter.

During the quarter we bought the following investments:

- Started a position in Artisan Discovery Global Fund. The Fund typically avoids exposure to the largest companies, it may offer portfolio diversification and complementary exposure if used alongside other ‘large company’ benchmark-aware global equity funds and Australian equity strategies.
- Started a position in GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. This will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations.

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 2.66% 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 8.01% 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 -16.48% over the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
Cash	4%
<i>Fixed Interest</i>	
Bentham Global Income Fund	9%
Macquarie Dynamic Bond Fund	3%
Yarra Enhanced Income Fund	3%
JCB Dynamic Alpha Fund	3%
<i>Australian Shares</i>	
Sage Capital Absolute Return Fund	10%
Allan Gray Australian Equity Fund Class B	4%
DNR Capital Australian Emerging Companies Fund	4%
USB Microcap Fund	3%
<i>International Shares</i>	
Vanguard International (hedged)	11%
Artisan Discovery Global Fund	4%
GQG Partners Global Equity Fund	5%
PGF - PM Capital Global Opportunities Fund	5%
GQG Partners Emerging Markets Fund	5%
<i>Property</i>	
VanEck Australian Property ETF (MVA)	10%
<i>Alternatives/Infrastructure</i>	
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.

Fixed income markets experienced a reversal of the disinflation-driven optimism seen late in 2025, as higher energy prices and geopolitical risks led to a reassessment of the inflation outlook.

Bond yields moved higher across most major markets, with Australian yields rising notably over the quarter as the RBA took a more aggressive stance on inflation. As a result, both domestic and global fixed income delivered negative returns, particularly in longer-duration segments.

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 5.08 years and a yield to maturity of 4.99%. The fund returned -0.44% for the quarter.
- The PIMCO Global Bond Fund has an interest rate duration of 6.77 years and a yield to maturity of 5.91%. The fund returned -1.56% for the quarter.

- PM Capital Enhanced Yield Fund which has an interest rate duration of 0.93 years and an average term to maturity of 1.54 years. The fund returned 0.70% for the quarter.
- The Realm High Income Fund has an interest rate duration of 1.47 year and a yield to maturity of 5.95%. The fund returned -0.18% for the quarter.
- The Arculus Fixed Income Fund has an interest rate duration of 0.79 and a yield to maturity of 4.92%. The fund returned 0.71% 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 than 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 %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	2%
<i>Fixed Interest</i>	
<i>PM Capital Enhanced Fund</i>	18%
<i>Arculus Fixed Income Fund</i>	20%
<i>Western Asset Australian Bond Fund</i>	20%
<i>PIMCO Global Bond Fund</i>	20%
<i>Realm High Income Fund</i>	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.

Fixed income markets experienced a reversal of the disinflation-driven optimism seen late in 2025, as higher energy prices and geopolitical risks led to a reassessment of the inflation outlook.

Bond yields moved higher across most major markets, with Australian yields rising notably over the quarter as the RBA took a more aggressive stance on inflation. As a result, both domestic and global fixed income delivered negative returns, particularly in longer-duration segments.

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 4.63 years with a yield to maturity of 6.03% and returned -1.14% for the quarter.
- Macquarie Dynamic Bond Fund which has interest rate duration of 5.5 years with a yield to maturity of 5.7% and returned -0.52% for the quarter.

- Yarra Enhanced Income Fund – Class A has interest rate duration of 1.79 years and a yield to maturity of 5.73%. This fund returned 0.10% for the quarter.
- Private Credit Debt transactions secured by real estate at rates greater than 7% per annum.

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 than 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 0.69% for the quarter.

During the quarter we sold;

- 100% of our position in 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.

During the quarter we bought the following investments;

- We increased our holdings in MSquared.
- Colchester Emerging Market Bond Fund which aims to generate income and increase the amount invested in a globally diversified portfolio of government bonds and currencies in emerging markets.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
Cash	3%
<i>Fixed Interest</i>	
<i>Bentham Global Income Fund</i>	15%
<i>Macquarie Dynamic Bond Fund</i>	14%
<i>Yarra Enhanced Income Fund</i>	14%
<i>JCB Dynamic Alpha</i>	14%
<i>Smarter Money Long Short Credit</i>	14%
<i>Direct Mortgages / Private Credit</i>	2%
<i>Millbrook Credit Fund</i>	4%
<i>MSquared Mortgage Income Fund</i>	14%
<i>Colchester Emerging Market Bond Fund</i>	6%

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 S&P/200 Index achieved a return of negative 1.61% for the quarter, but is still up 11.67% for the 12 months.

Australian equities declined over the March quarter, with performance increasingly driven by macro factors rather than company-specific fundamentals. Rising bond yields, persistent inflation concerns and weaker global equity markets all contributed to downward pressure on valuations.

Sector performance diverged meaningfully. Resources were again a standout, supported by a sharp rise in energy prices and continued strength in select commodity markets, particularly oil and LNG. Energy-linked exposures including utilities benefited directly from geopolitical developments, while whilst telecommunications and consumer staples showed their defensive qualities.

By contrast, interest-rate-sensitive sectors including technology, real estate and consumer discretionary underperformed as higher yields weighed on growth expectations and discount rates. Financials were mixed, with major banks relatively resilient but lacking clear catalysts amid modest credit growth and increasing funding cost pressures.

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	
Mineral Resources	MIN
Metcash	MTS

The following shares were bought over the Quarter

Holding Name	
Woolworths Group	WOW
Rio Tinto	RIO

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

Harbourside Australian Share Direct Satellite

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 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



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

No shares were held, **currently sitting 100% in cash.**

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 S&P/200 Index achieved a return of negative 1.61% for the quarter, but is still up 11.67% for the 12 months.

Australian equities declined over the March quarter, with performance increasingly driven by macro factors rather than company-specific fundamentals. Rising bond yields, persistent inflation concerns and weaker global equity markets all contributed to downward pressure on valuations.

Sector performance diverged meaningfully. Resources were again a standout, supported by a sharp rise in energy prices and continued strength in select commodity markets, particularly oil and LNG. Energy-linked exposures including utilities benefited directly from geopolitical developments, while whilst telecommunications and consumer staples showed their defensive qualities.

By contrast, interest-rate-sensitive sectors including technology, real estate and consumer discretionary underperformed as higher yields weighed on growth expectations and discount rates. Financials were mixed, with major banks relatively resilient but lacking clear catalysts amid modest credit growth and increasing funding cost pressures.

Small and mid-cap stocks underperformed large caps, as tighter financial conditions and reduced liquidity saw investors favour more defensive and higher-quality exposures. Dispersion remained elevated, with balance-sheet strength and earnings visibility continuing to drive relative performance outcomes.

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 -5.85% over the quarter.
- Australian Eagle Trust which is a long short fund that returned -0.26% 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;

- AFI – low cost Listed Investment Company based on the ASX 200.
- 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 -3.56% 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 -0.80% over the last quarter.
- First Sentier Ex20 Aust Shares which focuses on small to mid sized companies. This fund has achieved return of -23.68% over the last quarter.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
<i>Members Equity - At Call Account</i>	4%
<i>Australian Shares</i>	
<i>Sage Capital Absolute Return Fund</i>	19%
<i>AFIC Australian Foundation Investment Company</i>	19%
<i>MVW - Market Vectors Equal Weight ETF</i>	19%
<i>Allan Gray Aust Equity Fund (Class B)</i>	9%
<i>Australian Eagle Trust</i>	15%
<i>First Sentier Ex20 Australian Shares</i>	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 S&P/200 Index achieved a return of negative 1.61% for the quarter, but is still up 11.67% for the 12 months.

Australian equities declined over the March quarter, with performance increasingly driven by macro factors rather than company-specific fundamentals. Rising bond yields, persistent inflation concerns and weaker global equity markets all contributed to downward pressure on valuations.

Sector performance diverged meaningfully. Resources were again a standout, supported by a sharp rise in energy prices and continued strength in select commodity markets, particularly oil and LNG. Energy-linked exposures including utilities benefited directly from geopolitical developments, while whilst telecommunications and consumer staples showed their defensive qualities. By contrast, interest-rate-sensitive sectors including technology, real estate and consumer discretionary underperformed as higher yields weighed on growth expectations and discount rates. Financials were mixed, with major banks relatively resilient but lacking clear catalysts amid modest credit growth and increasing funding cost pressures.

Small and mid-cap stocks underperformed large caps, as tighter financial conditions and reduced liquidity saw investors favour more defensive and higher-quality exposures. Dispersion remained elevated, with balance-sheet strength and earnings visibility continuing to drive relative performance outcomes.

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 3.69% over the quarter.

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 0.90% 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 -2.81% over the last 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 -3.65% over the last quarter.

During the quarter we sold the following investments;

- 100% of our exposure to Tyndall Australian Share Income.

During the quarter we bought the following investments;

- Started a position in Investors Mutual Australian Income Fund. The Fund focuses on providing investors with a reliable, and relatively high, income stream, as well as capital growth, with lower volatility than the ASX 300. It does this by investing in high-yielding listed Australian and NZ companies and hybrids, as well as conservative options trading to take advantage of the sharemarket’s natural volatility.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
Cash	4%
<i>Australian Shares</i>	
<i>YMAX Betashares Top 20 Equity Yield ETF</i>	20%
<i>Plato Australian Shares Income Fund</i>	20%
<i>Investors Mutual Australian Income Fund</i>	18%
<i>Gyrostat Class A Fund</i>	20%
<i>Solaris Australian Equity Income Fund</i>	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 negative 10.87% for the quarter, but is still up 13.65% for the 12 months.

Small and mid-cap stocks underperformed large caps, as tighter financial conditions and reduced liquidity saw investors favour more defensive and higher-quality exposures. Dispersion remained elevated, with balance-sheet strength and earnings visibility continuing to drive relative performance outcomes.

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 capitalised companies. This product has achieved performance of -7.97% over the last quarter.

- o UBS Microcap Fund which invests in a portfolio of 35-65 micro capitalized companies. This product has achieved performance of -11.45% over the last quarter.
- o DNR Emerging Companies Fund which invests in a portfolio of 20-45 small capitalization companies. This product has achieved performance of -4.31% 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 %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	3%
<i>Australian Shares</i>	
<i>Microequities Value Income Fund</i>	32%
<i>UBS Microcap Fund</i>	32%
<i>DNR Emerging Companies</i>	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 MSCI ACWI NR AUD Index achieved a return of negative 5.75% for the quarter, but is still up 9.19% for the 12 months.

Global equity markets weakened over the March quarter, with most major indices finishing lower as geopolitical risks, higher energy prices and shifting interest-rate expectations weighed on investor sentiment.

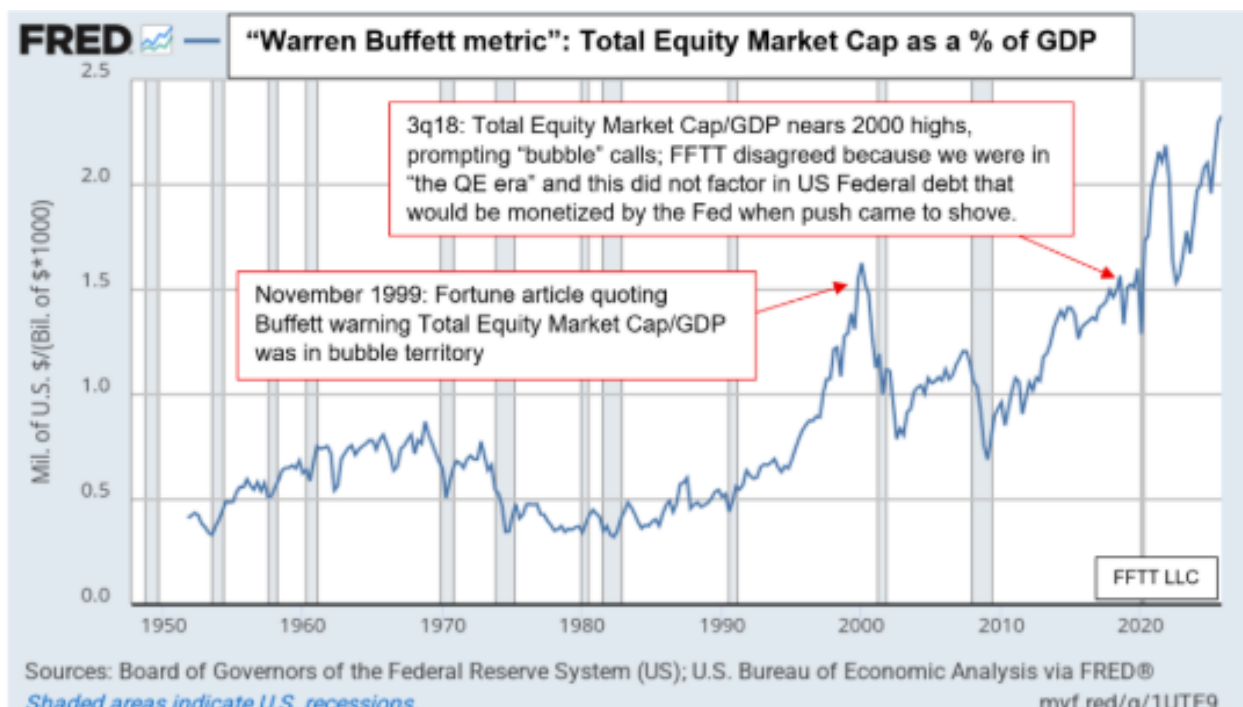
The Iran war was a key inflection point, triggering a sharp rise in oil prices and increasing concerns around global growth and inflation. This dynamic created a challenging backdrop for equities, particularly in March, where broad-based selling was evident across both developed and emerging markets.

Performance within sectors was mixed. Energy stocks outperformed strongly, benefiting from higher oil and gas prices, while defensive sectors such as utilities and healthcare showed relative resilience. In contrast, technology and other long-duration growth sectors came under renewed pressure as bond yields moved higher and valuations compressed.

Regionally, the United States held up better than most markets but still posted a negative return, as resilient economic data was offset by higher rates and valuation concerns. Europe and the UK were more directly impacted by energy price volatility, while Japan saw weaker performance amid currency fluctuations and global growth concerns.

Emerging markets were mixed but generally weaker, with oil-importing economies including China and India particularly impacted by higher energy costs. In contrast, Latin America performed strongly led by Brazil, whilst Korea and Taiwan held up well.

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.



Source: Forest From the Trees

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;

- T Rowe Price Global Equity fund that invests in international companies including emerging markets. This fund currently has 35% in the technology sector. This fund is not hedged in AUD so it will be also subject to currency movements. The fund returned -7.03% for the last quarter.
- GQG Partners Global Equity fund that invests in international companies including emerging markets. This fund currently has 15% in the Healthcare sector and 24% in Financials. 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 -10.83% for the last quarter and has large positions in materials/commodities (21%) and financials (34%).
- Pzena Emerging Markets Value Fund seeks to invest in stocks that sell at a substantial discount to their intrinsic value but have solid long-term prospects. The fund's objective is to achieve long-term growth of capital by investing in a portfolio of equity securities of companies in non-developed countries.
- GQG Partners Emerging Markets Fund seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management.

As noted in our Macro summary we believe there are opportunities to get access to cheaper valued opportunities in the Emerging markets. The last 2 investments above will give us more exposure to smaller companies (given the excessive valuations at the larger end of the spectrum) and a higher exposure in markets outside the USA primarily through Emerging markets where we like the growth characteristics and underlying valuations (see below).

	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

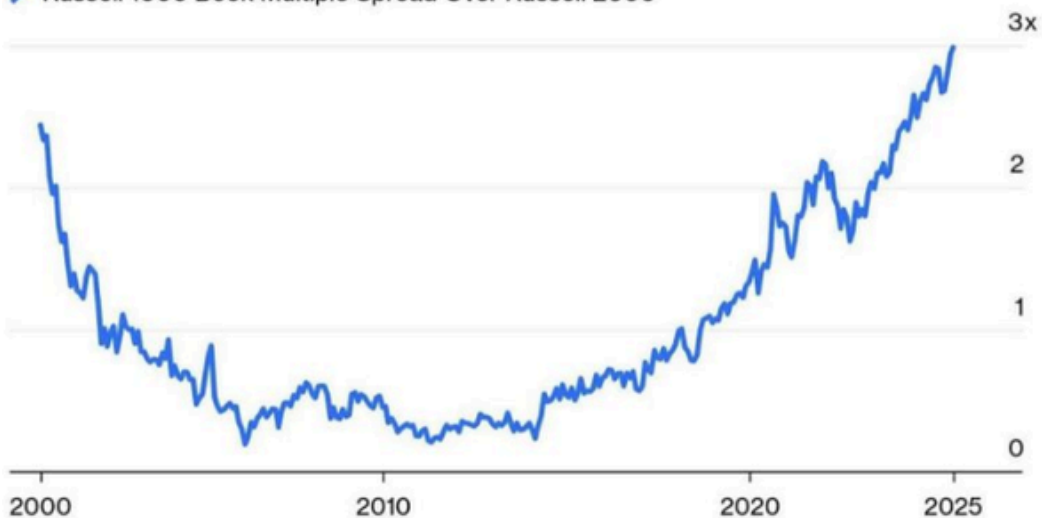


We tilted the portfolio towards the smaller capitalisation space as there are more reasonable valuations in that space.

Small Caps' Unmissable Deep Discount

The premium in large caps' book multiples is the widest in 25 years

— Russell 1000 Book Multiple Spread Over Russell 2000



Source: Bloomberg

Bloomberg Opinion

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	5%
<i>International Shares</i>	
<i>Vanguard International (hedged)</i>	25%
<i>Artisan Discovery Fund</i>	9%
<i>T Rower Price Global Equity</i>	10%
<i>GQG Partners Global Equity Fund</i>	17%
<i>PGF - PM Capital Global Opportunities Fund</i>	20%
<i>Pzena Emerging markets Value Fund</i>	7%
<i>GQG Partners Emerging Markets Equity Fund</i>	7%

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 MSCI ACWI NR AUD Index achieved a return of negative 5.75% for the quarter, but is still up 9.19% for the 12 months.

Global equity markets weakened over the March quarter, with most major indices finishing lower as geopolitical risks, higher energy prices and shifting interest-rate expectations weighed on investor sentiment.

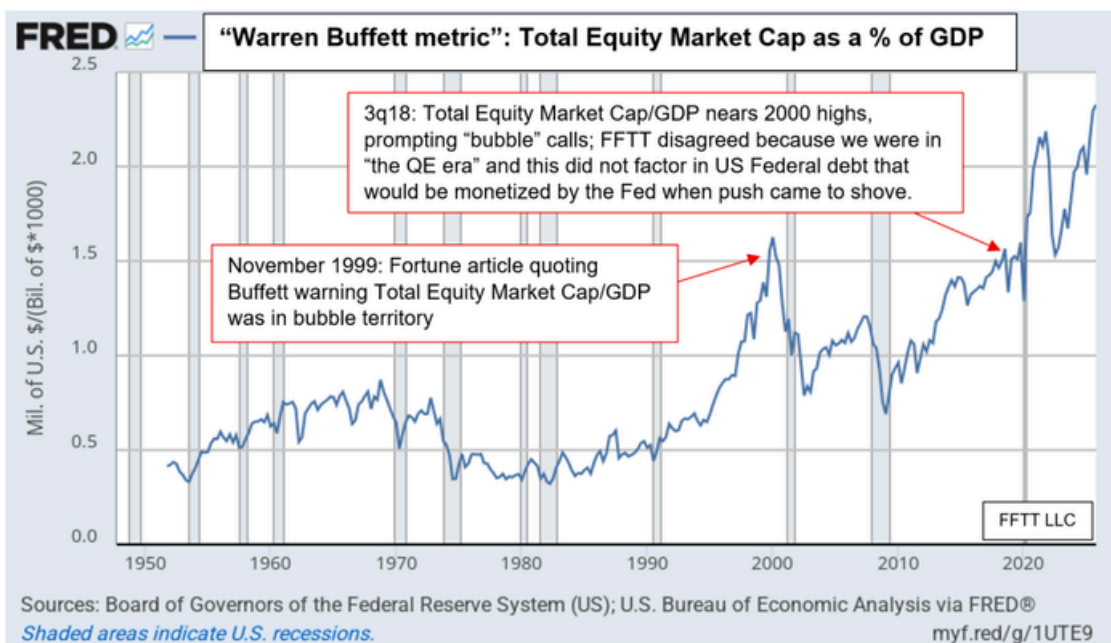
The Iran war was a key inflection point, triggering a sharp rise in oil prices and increasing concerns around global growth and inflation. This dynamic created a challenging backdrop for equities, particularly in March, where broad-based selling was evident across both developed and emerging markets.

Performance within sectors was mixed. Energy stocks outperformed strongly, benefiting from higher oil and gas prices, while defensive sectors such as utilities and healthcare showed relative resilience. In contrast, technology and other long-duration growth sectors came under renewed pressure as bond yields moved higher and valuations compressed.

Regionally, the United States held up better than most markets but still posted a negative return, as resilient economic data was offset by higher rates and valuation concerns. Europe and the UK were more directly impacted by energy price volatility, while Japan saw weaker performance amid currency fluctuations and global growth concerns.

Emerging markets were mixed but generally weaker, with oil-importing economies including China and India particularly impacted by higher energy costs. In contrast, Latin America performed strongly led by Brazil, whilst Korea and Taiwan held up well.

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.



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 0.37% 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 1.96% 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 10.91% 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 8.87% for the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	5%
<i>International Shares</i>	
<i>GQG Partners Global Quality Dividend Income Fund</i>	23%
<i>Clearbridge Infrastructure Fund (class A)</i>	18%
<i>Epoch Global Equity Shareholder Yield Fund (Unhedged) Fund</i>	24%
<i>Talaria Global Equity Income Fund</i>	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 MSCI ACWI NR AUD Index achieved a return of negative 5.75% for the quarter, but is still up 9.19% for the 12 months.

Global equity markets weakened over the March quarter, with most major indices finishing lower as geopolitical risks, higher energy prices and shifting interest-rate expectations weighed on investor sentiment.

The Iran war was a key inflection point, triggering a sharp rise in oil prices and increasing concerns around global growth and inflation. This dynamic created a challenging backdrop for equities, particularly in March, where broad-based selling was evident across both developed and emerging markets.

Performance within sectors was mixed. Energy stocks outperformed strongly, benefiting from higher oil and gas prices, while defensive sectors such as utilities and healthcare showed relative resilience. In contrast, technology and other long-duration growth sectors came under renewed pressure as bond yields moved higher and valuations compressed.

Regionally, the United States held up better than most markets but still posted a negative return, as resilient economic data was offset by higher rates and valuation concerns. Europe and the UK were more directly impacted by energy price volatility, while Japan saw weaker performance amid currency fluctuations and global growth concerns.

Emerging markets were mixed but generally weaker, with oil-importing economies including China and India particularly impacted by higher energy costs. In contrast, Latin America performed strongly led by Brazil, whilst Korea and Taiwan held up well.

Performance

Adansonia Global Opportunities Portfolio (SMA)

Performance To 31 March 2026	Portfolio Return After Expenses	MSCI World Net Index AUD	Outperformance
1 Month	-5.70%	-3.44%	-2.26%
3 Months	-16.18%	-6.79%	-9.39%
6 Months	-12.29%	-4.69%	-7.59%
12 Months	2.87%	7.65%	-4.77%
3 Years (pa)	14.26%	15.61%	-1.35%
5 Years (pa)	10.54%	12.47%	-1.93%
7 Years (pa)	12.89%	12.75%	+0.14%
Since Inception* (pa)	13.80%	13.56%	+0.24%

*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 future performance. #Adjusted for post record day demerger of Versant from Comcast

**Indicative Holdings
(Holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
<i>Members Equity - At Call Account</i>	8%
<i>International Shares</i>	
<i>AMZN - Amazon.com Inc</i>	
<i>BN - Brookfield Corp</i>	
<i>CMCSA - Comcast Corporation</i>	
<i>GOOGL - Alphabet Inc Class A</i>	
<i>JPM - JP Morgan Chase & Co</i>	
<i>MC - Louis Vuitton</i>	
<i>MSFT - Microsoft Corp</i>	
<i>TSM - Taiwan Semiconductor</i>	
<i>UBER - Uber Technologies Inc</i>	
<i>UMG - Universal Music Group</i>	
<i>V - Visa Inc</i>	
<i>P911 - Dr ING HC F Porsche AG Preference</i>	
<i>TMO - Thermo Fisher Scientific Inc</i>	

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 S&P/ASX 200 A-REIT TR Index achieved a return of negative 16.63% for the quarter. Listed property assets faced a more challenging environment over the quarter, as rising bond yields and inflation uncertainty weighed on long-duration assets. In contrast, listed infrastructure produced a strong result.

Australian A-REITs declined, underperforming the broader listed property market as RBA rate hikes led to higher discount rates and concerns around refinancing costs pressured valuations. Global REITs experienced similar headwinds but held up better with no central bank rate hikes and with signs that underlying property fundamentals remained relatively stable.

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. The investment had a return of -15.23% over the last quarter.

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

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 5.43% per annum and returned -6.30% for the quarter.
- GPT – Diversified property holding with reasonable Gearing levels providing a dividend yield of 5.2% per annum and returned -16.42% 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 -6.17% 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 -16.93% 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 -16.33% 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 -4.83% for the quarter.
- TOT -A high quality portfolio of commercial property in diverse locations that is trading at a 30% discount to NTA. Looking to yield approximately 7.5% and returned 1.24% for the quarter.
- DXC – The portfolio is leased to leading Australian and international convenience retail customers. It has a long-weighted average lease expiry, benefitting from contracted annual rent increases, providing a high level of income security. DXC has a conservative approach to capital management with a target gearing range of 25–40%. DXC's portfolio of convenience retail assets are located in Queensland, New South Wales, Western Australia, South Australia and Victoria.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	4%
<i>Australian Listed Property</i>	
<i>MVA - VanEck Property ETF</i>	36%
<i>GDI - GDI Property Group</i>	8%
<i>TOT - 360 Capital REIT</i>	5%
<i>GPT - GPT Group</i>	8%
<i>VCX - Vicinity Centres</i>	8%
<i>COF - Centuria Office REIT</i>	8%
<i>CLW - Charter Hall long WALE REIT</i>	8%
<i>CQR - Charter Hall Retail REIT</i>	8%
<i>DXC - Dexu Convenience Retail REIT</i>	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 2.28% over the quarter.
- Corval Property Income Fund is a fund that has a diverse holding of direct property in Australia.

We have “active” exposure to International direct property and REIT’s 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 -1.55% over the quarter.

During the quarter we added an additional exposure through;

- Newmark Property Income Fund is a fund that has a diverse holding of direct property and listed property securities in Australia.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	10%
<i>International Unlisted and Listed Property</i>	
<i>Dexus Wholesale Australian Property Fund</i>	30%
<i>Corval Property Fund</i>	15%
<i>Invesco Direct Property Fund</i>	30%
<i>Newmark Property Income Fund</i>	15%

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 TR AUD Index achieved a return of 5.47% for the quarter.

Global listed infrastructure delivered more resilient performance, supported by its defensive characteristics and, in some cases, direct exposure to energy markets. Energy infrastructure, in particular, benefited from higher commodity prices, while regulated utilities provided relatively stable earnings in an increasingly volatile environment.

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 -3.93% 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.

It was announced during the quarter that this investment will be closing, which is disappointing. We are liaising with management on why this is the case and then we will be planning how we transfer out of this asset into its replacement.

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 63% of the portfolio in Europe (against a benchmark of 18%). Over the last quarter the fund returned 8.01%.
- 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 10.91% 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 7.45% over the last quarter.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	17%
<i>International Unlisted and Listed Infrastructure</i>	
<i>Dexus Core Infrastructure Fund</i>	15%
<i>Atlas Infrastructure Australia Feeder Fund</i>	28%
<i>Clearbridge Infrastructure Income Fund (Class A)</i>	20%
<i>4D Global Infrastructure Fund</i>	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 \$4,340 per ounce. The investment returned 2.66% over the last quarter and 55.04% over the last 12 months.

Gold Shines When The Equity Bear Eats!

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

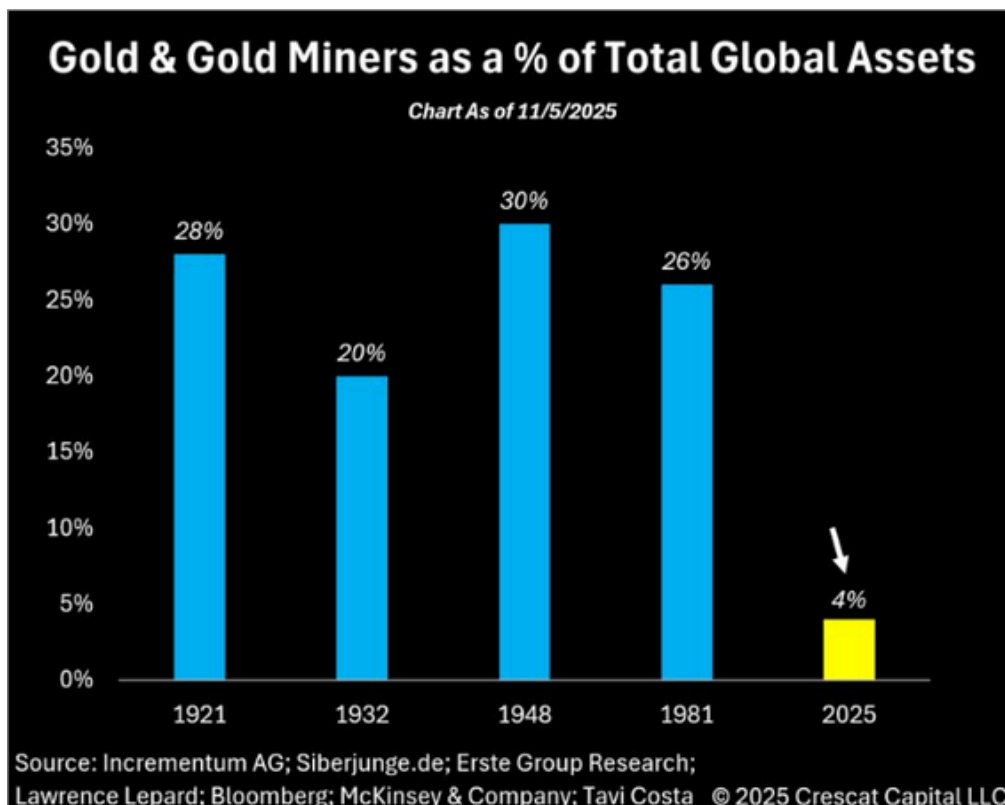
Date of the Market High	Date of the Market Low	S&P 500 Return	Gold Return	Gold Relative to S&P500
09/16/1929	06/01/1932	-86.19%	0.39%	86.48%
08/02/1956	10/22/1957	-21.63%	-0.11%	21.52%
12/12/1961	06/26/1962	-27.97%	-0.06%	27.91%
02/09/1966	10/07/1966	-22.16%	0.00%	22.16%
11/29/1968	05/26/1970	-36.06%	-10.50%	25.56%
01/11/1973	10/03/1974	-48.20%	137.47%	185.67%
11/09/1980	08/09/1982	-27.27%	-45.78%	-18.51%
08/25/1987	10/20/1987	-35.94%	1.98%	37.32%
07/16/1990	10/11/1990	-20.36%	6.81%	27.17%
07/17/1998	10/06/1998	-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%	25.60%
02/19/2020	03/23/2020	-35.41%	-3.63%	31.78%
01/03/2022	09/26/2023*	-10.90%	5.50%	16.40%
	Mean	-34.85%	5.03%	43.88%
	Median	-27.97%	1.33%	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.

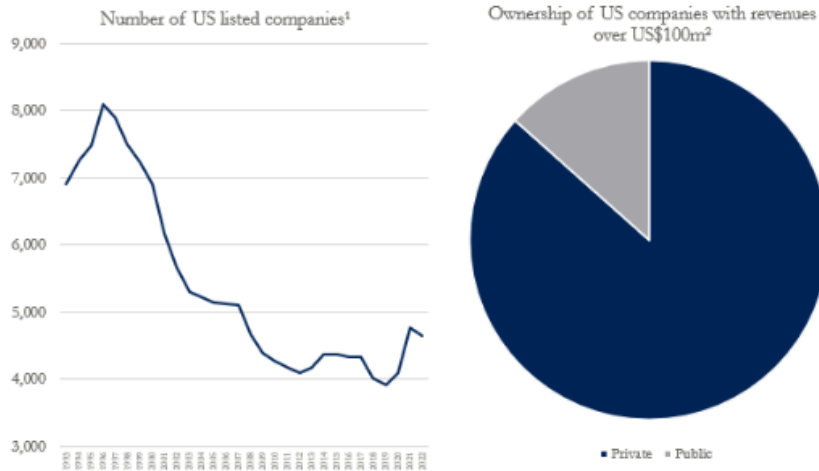
We would also note that by historical standards the amount of wealth held by investors in gold is at historically low levels.



- ETPMAG:ASX which gives investors exposure to silver metal.
- ROYL: This ASX listed ETF provides exposure to a global companies that earn substantial portion of their revenue from royalty related income and intellectual property incomes. The fund returned 8.50% for 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 8.01% over the last quarter.
- The Schroder Specialist Private Equity Fund (the Fund, or the Australian feeder Fund) invests substantially all of its assets in the Schrodgers Capital Semi-Liquid Global Private Equity, a Luxembourg fund (the Underlying Fund). The fund returned -6.68% for the last quarter.
- LEND gives investors exposure to a portfolio of 25 of the largest listed companies involved in private credit. The fund returned -9.60% 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 -16.48% over the last quarter.
- Partners Group Global Value Fund invests in private equity. The fund returned -3.51% over the last quarter.

Private Equity dominates markets today

Private Equity capital is replacing public capital markets



¹ Source: World Bank

² Sources: Hamilton Lane, [CapIQ](#), As of January 2022

Please note that past performance is not indicative of future returns.

- o 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 3.87% for the last quarter.

Indicative Holdings (holdings may vary per client portfolio)	
Holding Name	Holding %
<i>Cash</i>	
<i>Xplore - At Call Account</i>	5%
<i>Alternatives</i>	
<i>ROYL</i>	12%
<i>PM Gold or NUGG</i>	16%
<i>Aspect Futures Diversified Class A</i>	10%
<i>ETPMAG</i>	6%
<i>Schroder Special Private Equity</i>	11%
<i>LEND</i>	11%
<i>Barwon Global Listed Private Equity</i>	10%
<i>Partners Group Global Value Fund</i>	9%
<i>P/E FX Global Alpha Fund</i>	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.

During the quarter we bought the following investments;

- SLVM – Silver Miners ETF

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 0.21% over the last quarter.

h Grade Copper Sep '25 (HGU25)

5.8715 +0.0520 (+0.89%) 22:01 CT [COMEX]

5,010.93 9,071.01

CHART PANEL for Thu, Jul 24th, 2025

Full Screen Chart

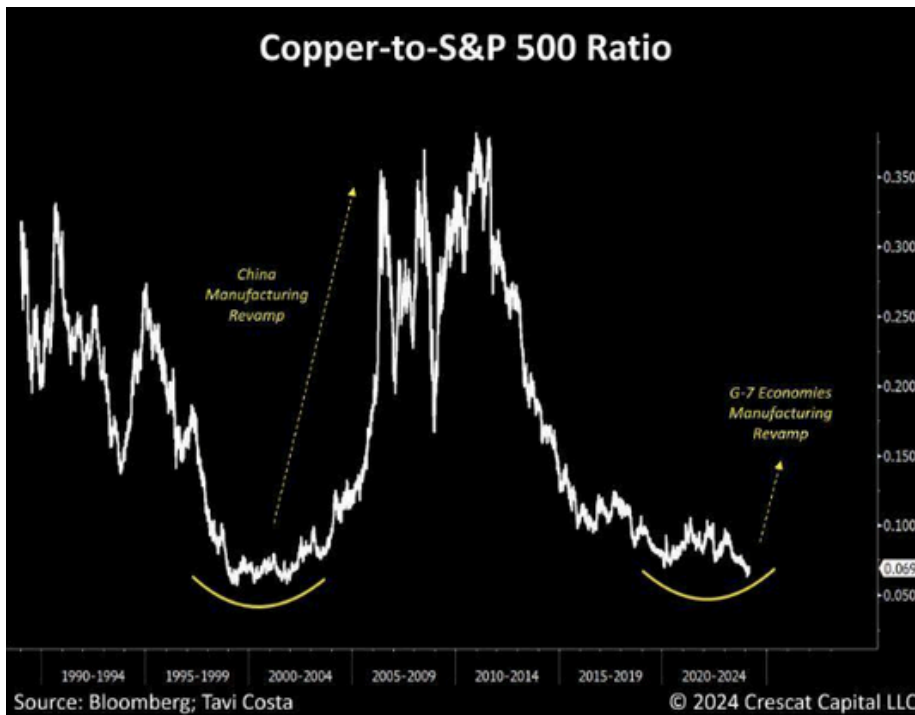
Notes My Charts Alerts Watch Actions Help

Symbol... Daily Nearby None Indicators Compare FD 1x1

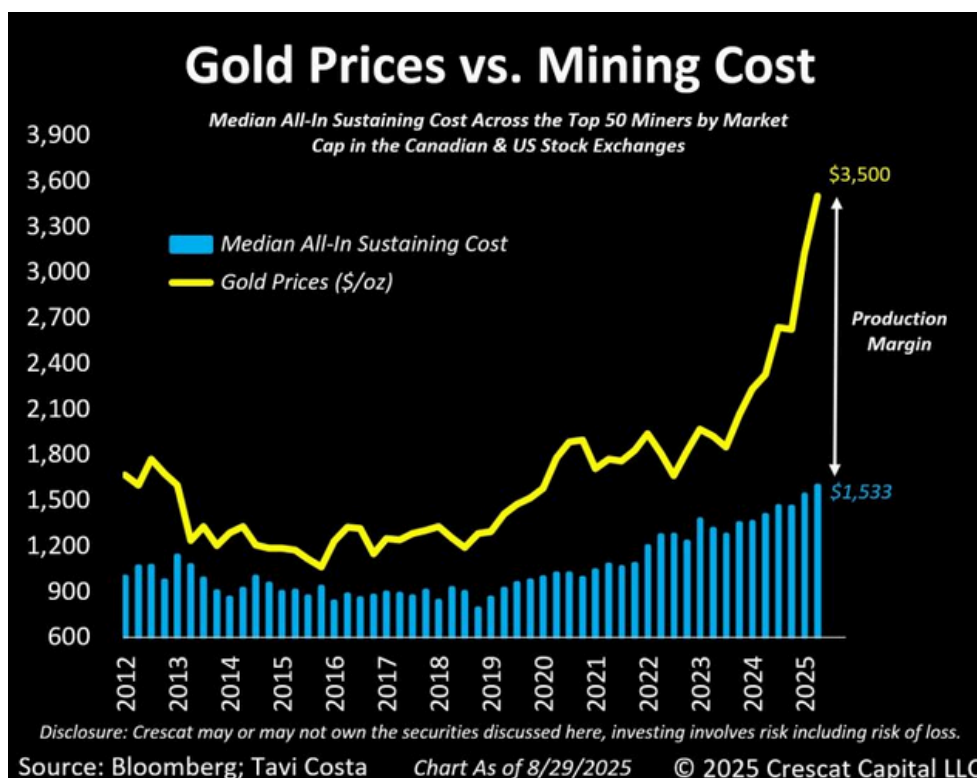
Templates



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



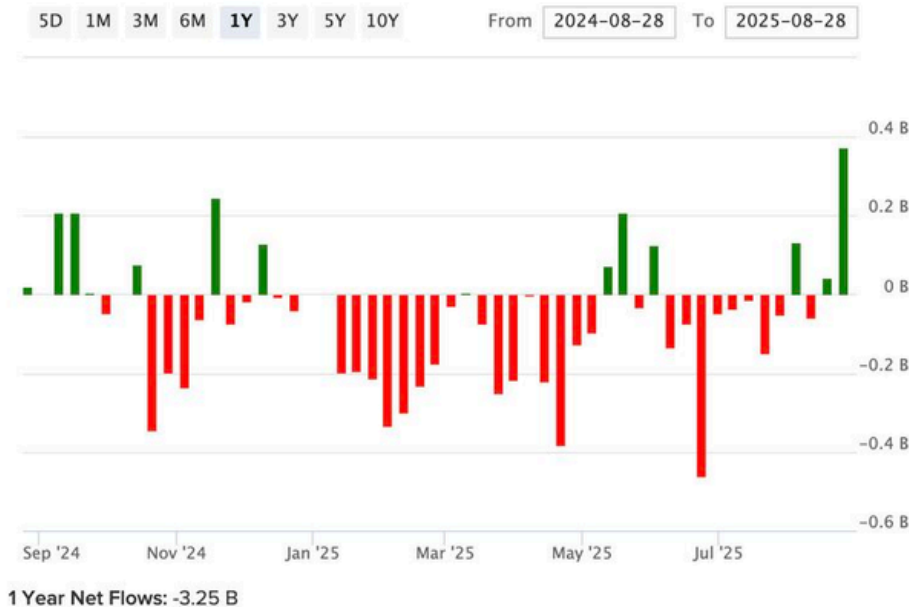
- o GDV – This is a leveraged play on gold. If the price of gold increases, then by definition the profits of gold miners will increase (at a much greater rate than the gold price assuming their costs stay the same). Furthermore, by historical standards companies are trading a lower rate to the underlying gold price (refer to diagram below). GDV increased by 3.89% over the quarter.



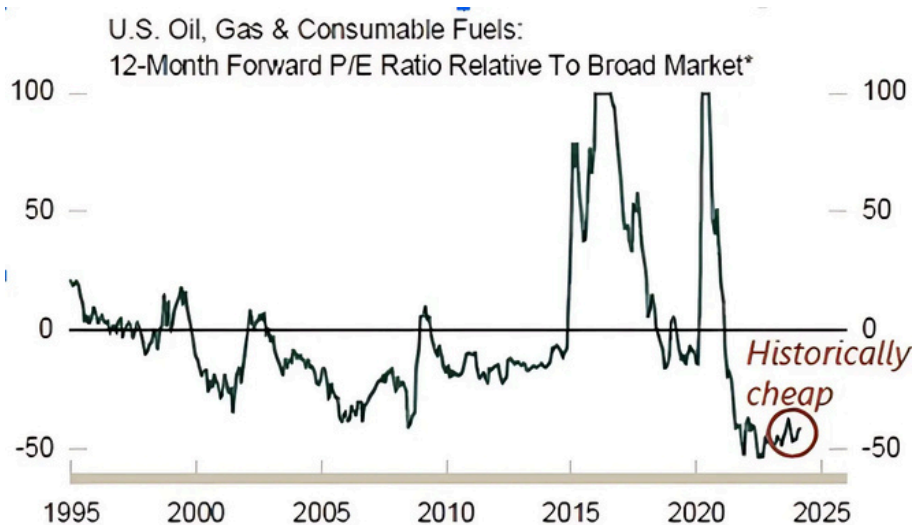
Retail investors are starting to look at increasing their exposure to Gold.

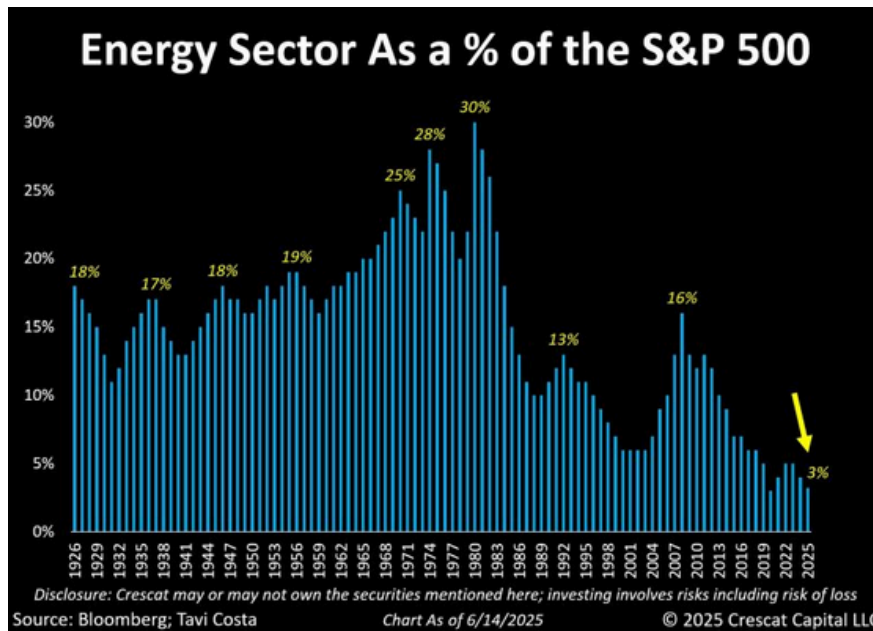
GDX Fund Flows Charts

View charts featuring ETF fund flow data.



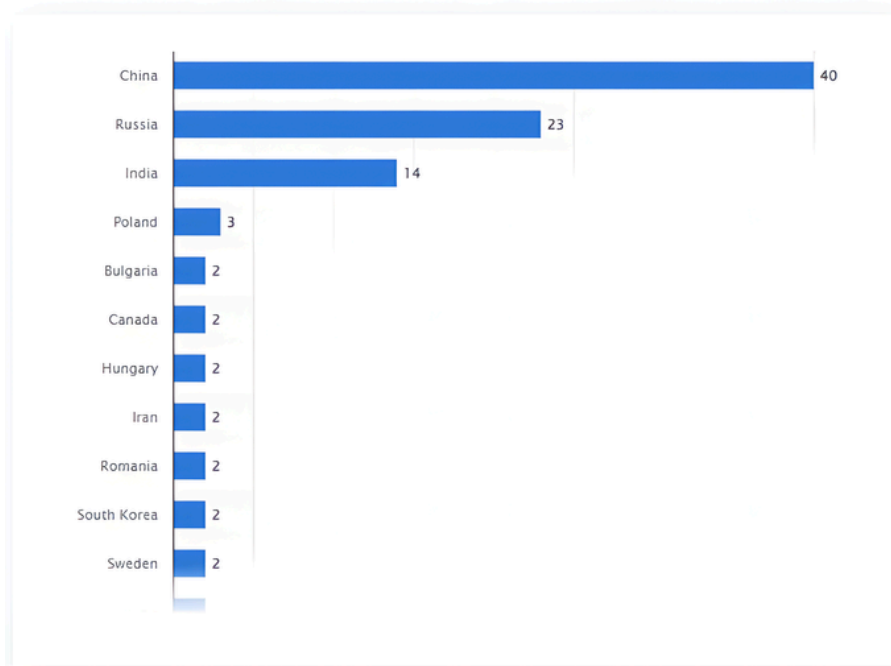
- o (FUEL) Betashares Global Energy Companies ETF – a diverse holding of international energy companies hedged into Australian dollars. We believe the demand for energy increases each year and there is potential supply constraints coming due to an underinvestment as a result of climate change related policies and actions. Over the last Quarter this investment returned 36.02%.



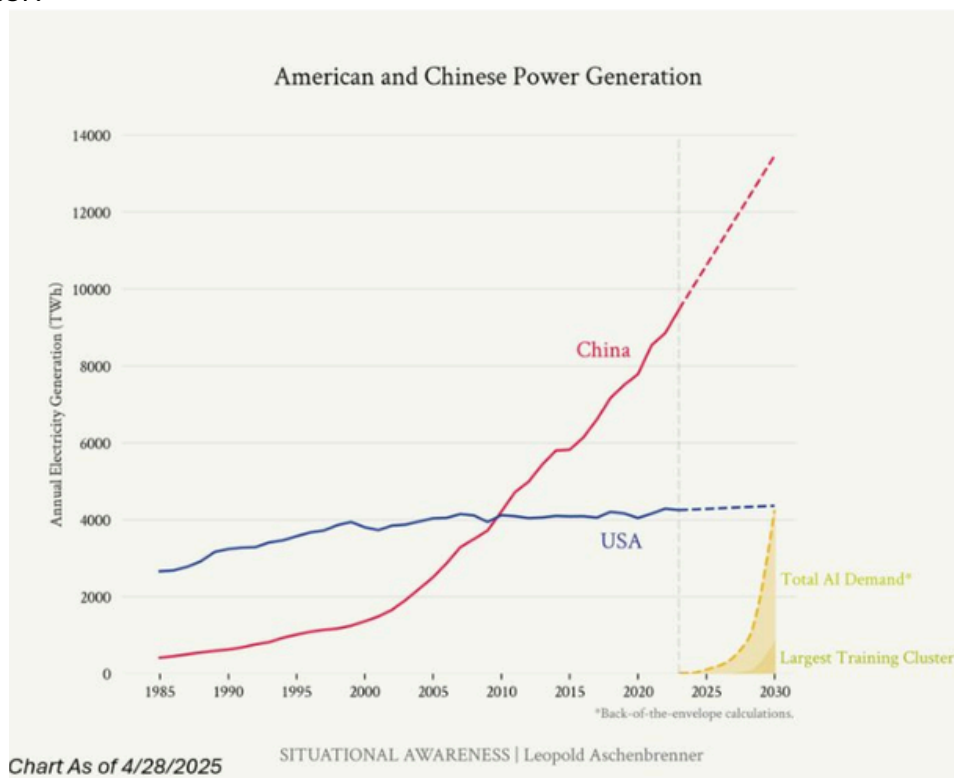


- L1 Catalyst Fund is a high conviction, activist fund that seeks to deliver positive catalysts that unlock major share price upside for investors. It invests in a small number of companies at any one time, ensuring the team has market-leading company and industry knowledge and is fully focused on providing value-adding opportunities to company boards and management teams. The fund returned 1.79% for the last quarter.
- Perennial Natural Resources Trust. The aim of the Trust is to grow the value of your investment over the long term by investing in a portfolio of listed and unlisted companies exposed to commodity production. The fund returned 2.76% for the last quarter.
- 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 -1.81% over the last quarter.
- 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 14.06% over the last quarter.

Number of planned nuclear power reactors worldwide



- TOT A high quality portfolio of commercial property in diverse locations that is trading at a 30% discount to NTA and paying a yield of 7.5%. The fund returned 1.24% over the last quarter.
- 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 -11.03% over the last quarter.



- Pzena Emerging Markets Value Fund. The fund seeks to invest in stocks that sell at a substantial discount to their intrinsic value but have solid long-term prospects. The fund's objective is to achieve long-term growth of capital by investing in a portfolio of equity securities of companies in non-developed countries.
- GQG Partners Emerging Markets Fund. GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management.

**Indicative Holdings
(holdings may vary per client portfolio)**

Holding Name	Holding %
<i>Cash</i>	
Xplore - At Call Account	2%
<i>Australian Shares</i>	
L1 Catalyst Fund	10%
<i>International Shares</i>	
Perennial Natural Resources Trust	4%
Pzena Emerging Markets Value Fund	8%
GQG Emerging Markets	6%
WIRE - Global X Copper Miners ETF	8%
GDX - VanEck Gold Miners ETF	18%
ASIA - BetaShares ASIA Technology Tigers ETF	7%
URNM - BetaShares Global Uranium ETF	7%
FUEL - BetaShares Global Energy Companies	9%
IZZ - iShares FTSE China Large Cap ETF	8%
ETPMAG - Global X Physical Silver Structured	4%
TOT - 360 Capital REIT	4%
SLVM - Global X Silver Miners ETF	5%



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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