Fund Objectives

The funds will invest in a mixture of asset classes to form a multi-asset portfolio with the aim to earn investors a return of CPI + 3% p.a in the Balanced Fund and CPI + 4% p.a in the Growth Fund over rolling 7-year periods after fees and expenses.

Balanced Fund	**Quarter Return**	**Since Inception (Aug 31st 2023)**
Price Return*	3.651%	3.340%
Distribution Return**	0.500%	0.500%
Total Return	4.152%	3.840%
Growth Fund	**Quarter Return**	**Since Inception (Aug 31st 2023)**
Price Return*	4.391%	3.890%
Distribution Return**	0.375%	0.375%
Total Return	4.768%	4.265%

* Price to price return including management and performance fees. ** Represents distributions as a proportion of total net return.

Portfolios Review

The Euree Asset Management Multi Asset Balanced and Growth Funds returned 4.15% and 4.768% over the quarter respectively. This included unit price capital appreciation of 3.65% and a distribution income of 0.5% for the Balanced Fund and unit price appreciation of 4.39% and distribution return of 0.375% for the Growth Fund.

Global equity and bond markets rallied over the latter half of the quarter, with sentiment around rate cuts starting to get priced into markets and a "soft landing" scenario become traders highest probability outcome.

The biggest contributors to the Funds appreciation over the period were the positions in International Equites, with particularly strong returns coming from the U.S large caps. Our slight underweight to the asset over the quarter reflected some caution around current stretched valuations and diminishing market breadth. As such, The Funds increased allocation towards our active manager, reducing concentration within the "Magnificent 7" stocks (Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA and Tesla). Although we remain cautious about pullbacks in the broader equities market as complacency sets in, Euree remains cautiously optimistic about the asset class over the short term and will look to maintain a neutral stance in the asset class, looking for neglected equities to reprice higher should the consumer and economy retain resilience.

The fixed income and alternatives sleeves were also positive contributors to the portfolio, with positions in Gold acting as both a buffer against consistent heightened geopolitical risk, as well as a hedge against lower real rates, with particularly volatile fixed income markets.

In the Funds fixed income portfolio, Euree held an underweight to duration, preferring a higher floating rate note exposure and shorter duration managers over longer duration index positions. This was a positive contributor to the performance during the first half of October, but downside inflation surprises and the expectation of peak interest rates drove the longer end of the yield curve lower with the US 10 Year Treasury going from a peak of just over 5% to falling below 4% within a number of weeks. This benefitted the longer duration aspects of the portfolio with a higher exposure to 10–15-year treasuries and bonds. The Funds exposure to A-REITS through the Euree A-REIT Securities Fund benefitted from the drop in yields and was a positive contributor to the portfolio over the December quarter.

Positioning for 2024

It's a nervous task writing an outlook on U.S equities in the midst of reporting season, but we believe that the strong consumer spending, labour market and the low fixed long-term debt both in companies and households will lead to more positive earnings surprises on the upside in the near term. We are, however, cautious about the prospects of equity market complacency and long-term equity returns given current lofty valuations, too many interest rate cuts being priced in by the market and equity market premium sitting at or near all-time lows. Counter to this is the potential for higher fiscal spending, offsetting the liquidity draining measures by the Fed, creating a near term positive environment for risk assets. Due to this, we remain neutral on International Equities, with a focus on active management.

We look to overweight Emerging market equities as valuations rebound from oversold conditions and years of under allocation. Any weakness in the USD would also provide a further tailwind for Emerging markets.

In Australian equities, relative valuations between small to mid-caps and the larger end of town have been stretched to their limit. With easing financial conditions in the later half of 2024, we expected those smaller names to benefit, bringing valuations back in line with long term trends. We look to head into the new year marginally underweight Aus equites as higher wage inflation and rising costs could see a retreat in earnings.

In our Real Asset sleeve, we maintain an overweight holding in Gold, one that we will look to maintain with the potential for geopolitical tension and periods of inflation spikes squeezing real yields. The asset maintained a price above $2,000 USD per ounce all whilst real yields spiked to 2%, supporting our thesis that investors are becoming more cautious of the sustainability of global debt, particularly in the U.S and the potential for weakness in the USD moving forward. We have extended our positions in Infrastructure, with a preference towards conservatively geared, core services companies able to pass through inflation linked revenue streams as a more accommodative interest rate environment evolves in 2024.

We will look to continue being active in our fixed income sleeve and believe there will be bouts of buying opportunities at the longer end of the curve throughout 2024 both internationally and domestically. Recent comments from the Fed Chairman and higher than expected jobs data has pushed rate cut expectations further down the road and increased volatility in fixed income markets. From a relative value perspective, bonds look cheaper than equities and therefore we are remaining neutral in allocation and slightly underweight duration, whilst taking advantage of short-term fluctuations. Our preference is skewed towards higher quality exposures, with credit spreads not offering adequate compensation for the additional risk.

Key risks to the Fixed Income portfolio include the potential reignition of inflation due to supply chain bottlenecks re-surfacing and the continued fiscal spending on green energy, defence and onshoring of previously outsourced industries. We may look to strategically increase our TIPS positioning to accommodate for this risk.

Fees & Expenses	
Management fees & Costs:	1.25%
Buy/Sell Spread	0.25%/0.25%
Purchase Details	
Minimum initial subscription	AUD $10,000
Codes Balanced	
ARSN	669 663 665
APIR	OMG2231AU
Codes Growth	
ARSN	669 661 652
APIR	OMF6843AU
Ratings	

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Disclaimer:

The offer of units in the Funds are made in accordance with the Product Disclosure Statement (PDS) dated 11 August 2023 and Target Market determination (TMD) dated 11 August 2023 each issued by One Managed Investment Funds Limited. One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) is the responsible entity of the Euree Multi-Asset Balanced Fund ARSN 669 663 665 and the Euree Multi-Asset Growth Fund ARSN 669 661 652 (the Funds). Investors should consider the PDS and TMD before deciding whether to invest in the Funds or continue to hold units in the Funds.

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Investors should consider the Product Disclosure Statement dated 11 August 2023 (PDS), together with the Additional Information Booklet dated 11 August 2023) (AIB) and the Target Market Determination (TMD) dated 11 August 2023 issued by OMIFL before making any decision regarding the Funds. The PDS contains important information about investing in the Funds and it is important investors obtain and read a copy of the PDS before deciding about whether to acquire, continue to hold or dispose of units in the Funds. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund.

A copy of the Euree Multi-Asset Balanced Fund PDS and TMD may be obtained from https://www.oneinvestment.com.au/eureemulti-assetbalancedfund/ or https://www.eureeassetmanagement.com/our-funds/euree-multi-asset-balanced-fund/. A copy of the Euree Multi-Asset Growth Fund PDS and TMD may be obtained from https://www.oneinvestment.com.au/eureemulti-assetgrowthfund/ or https://www.eureeassetmanagement.com/our-funds/euree-multi-asset-growth-fund/ Euree Asset Management Pty Ltd (ABN 40 665 390 241) (AFSL 546248) (Euree AM) is the investment manager of the Funds. Neither OMIFL nor Euree AM guarantees the repayment of capital or the performance of any product or any rate of return referred to in this document. Past performance is not a reliable indicator of future performance. Whilst every care has been taken in the preparation of this document, Euree AM makes no representation or warranty as to the accuracy or completeness of any statement in it including, without limitation, any forecasts. This fact sheet has been prepared for the purpose of providing general information only, without taking account of any investor's objectives, financial situation or needs. Investors should, before making any investment decisions, consider the appropriateness of the information in this fact sheet, and seek professional advice, having regard to their objectives, financial situation and needs. Information in this fact sheet is current as of 01 January 2024.

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