Multi Asset Balanced & Growth Funds Quarterly Update – September 2024

Fund Objectives

The Fund's 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	Returns Since 30/09/2023
Distribution Return*	0.31%	3.29%
Total Return	3.85%	10.55%
CPI + Target**	1.25%	5.95%
Excess Return	2.60%	7.90%
Growth Fund	**Quarter Return**	**Returns Since 30/09/2023**
Distribution Return*	0.66%	4.45%
Total Return	3.96%	11.95%
CPI + Target**	1.50%	16.40%
Excess Return	2.45%	9.45%

* Represents distributions as a proportion of total net return. **CPI is measured by the Sydney City All Groups Index and provided by the Australian Bureau of Statistics. Calculation of CPI + Target is determined by CPI over the relevant period plus the excess target over the same timeframe.

Portfolios Quarter Review and Positioning

The Euree Asset Management Multi Asset Balanced and Growth Funds returned 3.85% and 3.96% over the quarter, with distributions of 0.3297 Cents Per Unit in the Balanced and 0.71 Cents Per Unit in the Growth Fund representing a 0.31% and 0.66% distribution return to unitholders respectively. The funds have outperformed their CPI + benchmarks since the 30/09/2023 by 7.9% in the Balanced Fund and 9.45% in the Growth Fund.

The Funds returns were driven by equity market and bond market performance as well as our allocation to gold and Infrastructure assets. The quarter was characterised by a drop in yields with interest rate sensitive assets like infrastructure, property and fixed income both internationally and domestically posting strong gains throughout the period.

Our equity positions contributed positively to the portfolios performance, with mixed results from an allocation and a selection perspective. The portfolio held a relative overweight to equities however within the sleeve held a higher allocation towards international equities over domestic equities and suffered due to our local equity market outperforming. We held an overweight to emerging markets which benefited from a fall in the USD, however, our preferred manager was unable to best the index. We added a tactical position in global small caps and continued to take advantage of the volatility throughout the quarter to add to this position.

The fixed income sleeve posted strong gains, however, held a slight duration underweight which hurt the portfolio on a relative basis. Our preferred Australian fixed income short duration manager was able to outperform their benchmark index which contributed positively to the fixed income's sleeve performance. We tactically sold floating rate notes throughout the quarter and took longer duration positions in bond index funds which contributed positively to the quarter performance.

Our alternatives sleeve has continued to perform well, with our preferred multi strategy manager enjoying the spike in realized volatility with a total return of 5.15%, along with gold which posted double digit returns.

Market Commentary:

In global markets US exceptionalism took a back seat, with the Hang Seng and Shanghai Composite index posting high double-digit returns. The ASX even topped the S&P500 with a 6.47% gain vs 5.53% gain for the S&P. The tech heavy NASDAQ couldn't keep up the pace, posting a 2.57% gain.

Japanese equities suffered a loss of around 4.2%. over the period with a big drawdown in Japanese equities triggered by the Bank of Japan's unexpected rate hike. This move led to a sharp unwinding of the yen carry trade, while high-leverage hedge funds were forced to liquidate positions quickly, amplifying the sell-off. This led to large drawdowns in all equity indices as it sucked liquidity out of global markets.

Chinese fiscal stimulus put a shot in the arm of the local Chinese equity market, however, after the initial dust had settled the extent of the stimulus came into question. We are of the belief that more needs to be done to support the Chinese economy, however for a government that has typically viewed economic stimulus and extensive fiscal policy measures as a product of the West, the initiation of stimulus is most likely a sign of more to come.

In terms of global factor performance, the strongest performing was Value, with the MSCI Value Index posting a notable 9.01% increase over the quarter. This outperformed Growth and Quality with modest gains in the mid 3% range. Small caps also showed some resurgence and outperformed the larger end of town. Emerging Markets were buoyed by falling US yields and the US dollar and posted a strong 8+% return.

In commodities news Gold had the strongest performance, rising by over 13% over the quarter in USD terms, supported by fresh retail ETF inflows. Silver and Bitcoin also saw notable gains as well. On the other hand, Brent Crude Oil and Iron Ore both faced double digit declines potentially reflecting concerns over global demand and economic slowdown.

Growth and employment scares set yields on a path lower over the quarter, with the US 10 year and 2-year yields dropping, with the 2-year moving faster and dis-inverting the yield curve to show a positive differential between the 2's and the 10's, the first in 794 days.
After the Federal Reserve's 0.5% reduction in the federal funds rate, futures markets were anticipating an additional two to three 0.25% rate cuts by the end of the year. This suggests the potential for another half-point cut by the FOMC at either the November or December meeting. The Fed's monetary policy decisions will continue to be guided by trends in both the labour market and inflation.

It was a similar story in Australia with the Aussie 10 year moving from 4.33% to sub 4% over the quarter, and the 2-year moving substantially more from 4.18% to 3.58%, steepening the curve. Since the end of the quarter, rates have moved higher off the back of resilient economic growth and jobs data. Although we believe that inflation volatility will reduce the effectiveness of bonds in the context of Multi Asset portfolios, the most recent rise in yields could provide an entry point for us to increase the duration within the fixed income sleeves of the portfolio.

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	

Favourable

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.

The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained therein cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries.

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.

The SQM rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not consider the circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the PDS and consult a licensed financial adviser before making an investment decision in relation to this product. SQM Research receives a fee from Euree AM for the research and rating of the Fund.