WealthFocus Allocated Pension

WEALTHFOCUS PERPETUAL DIVERSIFIED GROWTH

March 2024

FUND FACTS

Investment objective: Aims to provide long-term capital growth and income through investment in a diversified portfolio of growth and income assets; and outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.

FUND BENEFITS

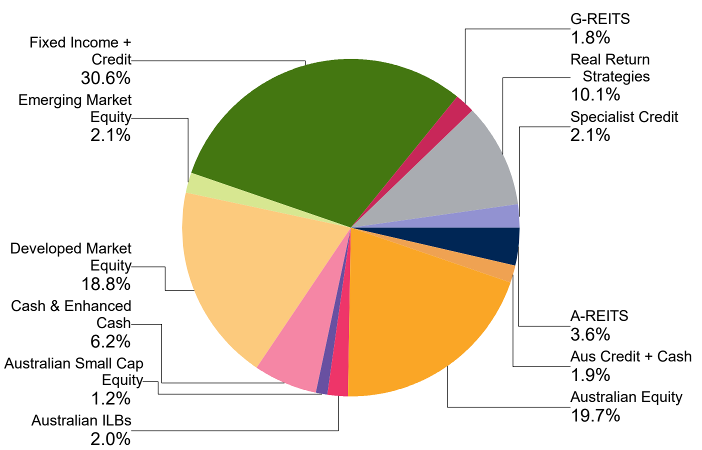
Provides investors with an equal mix of growth and income assets, for long-term capital growth, but with a significant exposure to defensive assets to reduce volatility. Strategic and tactical asset allocation techniques are employed in order to further enhance the fund's returns and manage risk.

FUND RISKS

All investments carry risk and different strategies may carry different levels of risk. The relevant product disclosure statement or offer document for a fund should be consideredbefore deciding whether to acquire or hold units in that fund. Your financial adviser can assist you in determining whether a fund is suited to your financial needs.

Benchmark:	Moderate Growth Index (Internally generated composite)
Inception Date:	May 2002
APIR:	PER0129AU
Management Fee:	0.71% p.a.
Investment style:	Active, fundamental, disciplined, value
Suggested minimum investment period:	Three years or longer

PORTFOLIO SECTORS



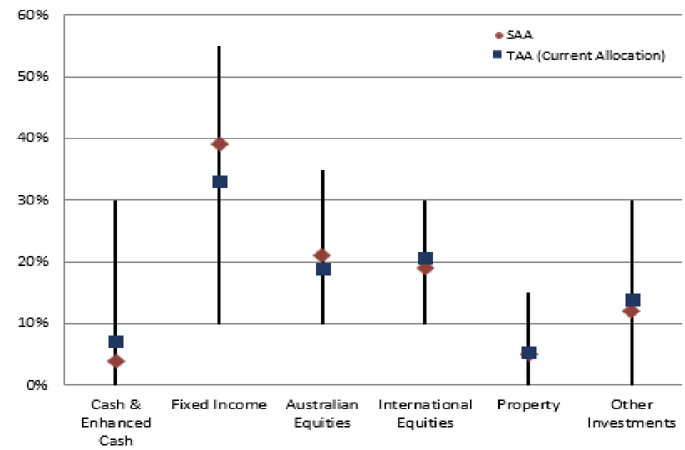
NET PERFORMANCE- periods ending 31 March 2024

	Fund	Benchmark	Excess
1 month	2.3	2.2	0.0
3 months	4.8	4.8	0.0
FYTD	7.8	10.0	-2.2
1 year	7.7	10.8	-3.1
2 year p.a.	5.2	5.0	0.1
3 year p.a.	5.4	4.7	0.7
5 year p.a.	5.8	5.5	0.3
10 year p.a.	5.3	6.3	-0.9

Past performance is not indicative of future performance. Returns may differ due to different tax treatments.

ASSET ALLOCATIONS AND INVESTIBLE RANGES

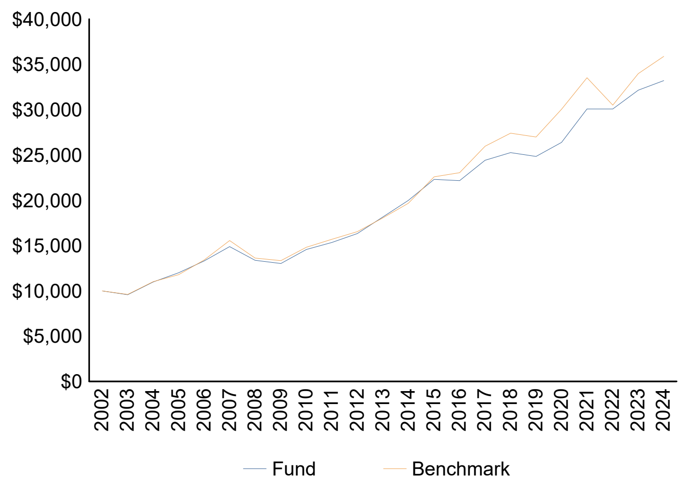
FUND TACTICAL AND STRATEGIC ALLOCATIONS INCLUDING ALLOWABLE MAXIMUM AND MINIMUM RANGES



STRATEGIC AND TACTICAL ASSET ALLOCATIONS

The Strategic Asset Allocation (SAA) is the neutral allocation acting as an anchor for active positioning, while the Tactical Asset Allocation (TAA) process adjusts the asset allocation according to market opportunities and risks.

GROWTH OF $10,000 SINCE INCEPTION



MARKET COMMENTARY

Global equities rallied strongly over the first quarter of 2024, supported by resilient economic indicators, robust corporate earnings results and anticipation of easing monetary policy.

- US Equities (+10.6%) rallied strongly, led by long duration growth stocks, while value stocks continued to trail.
- Australian equities (+5.4%) rallied but lagged behind the broader global market. Similar to the US, growth sectors such as Technology outperformed but, of course, the weight to such growth stocks is much lower in Australia.
- European equities (12.9%) performed very well supported by economic data confirming that a recession was narrowly avoided in the fourth quarter of 2023. Meanwhile, UK equities (+4.0%) trailed, weighed down by their recession confirmation.
- Japanese equities (+21.5%) were the standout over the quarter supported by a resilient corporate sector. Chinese equities (-1.8%) fell on economic concerns despite a number of policy announcements intended to prop up the equity market.
- US 10-year government bond yields (+32bps) rose over the March quarter, rising back above 4% as underlying inflation reaccelerated. The Australian yield curve ended the quarter in line with December 2023 despite ongoing volatility as investors attempt to anticipate the path of central bank policy.
- The Australian dollar depreciated -4.4% against the Greenback, reflecting the ongoing resilience of the US economy and rising US long term yields.

The 2024 global growth outlook appears increasingly resilient as stronger balance sheets and rising real incomes cushion the impact of higher-for-longer interest rates. Consensus has 2024 global growth close to trend, but regional expectations are mixed. Slowdowns are expected in the US and Australia, whereas estimates for Europe, Japan and the UK have not materially improved from their 2023 lows. The current state of balance sheets, income growth combined with the prospect of easing financial conditions have seen near term recession concerns ease substantially. The US and broader developed market economy is likely to remain resilient in spite of a possible higher-for-longer rates regime. This is further supported by supply-side dynamics such as rising immigration in the US, Australia and Canada over recent years. Note that while economic growth can sustain at these levels, acceleration is unlikely for a number of reasons including restrictive monetary and fiscal policy settings, a very weak credit impulse (post GFC low), some weakening in labour markets limiting household income growth and long-term structural issues in China.

The impact of economic resilience on inflation is uncertain and a key question for the remainder of 2024 is whether the US Fed can deliver on their dovish guidance. The final mile of inflation will be the most challenging for central banks and futures markets are now adjusting their pricing for short term rates in the US to reflect the likelihood of less rate cuts than was previously expected. Most of the key developed market central banks have provided either implicit or explicit guidance about easing monetary conditions ahead, but all potentially risk repeating their mistake of 2021 by under-estimating the resilience of core inflation. Recent data have confirmed that core inflation pressures continue to linger as services inflation remains sticky at elevated levels, and surveys suggest that firms are wanting to raise goods prices once again. Persistence of these trends has the potential to delay and limit the room for developed market central banks to initiate their easing cycle.

The strong start of the year for global equities was in spite of rising long term bond yields and considerable uncertainty. However, the vast amount of good news already priced in for inflation, earnings growth, policy easing, and default rates means markets are less likely to be tolerant of disappointments. The strong rally in the March quarter has lifted the US market's valuation to very high levels relative to the past 20 years. This level has only been exceeded in recent history during the dotcom boom and more recently the post-pandemic boom. While elevated valuations in the US are led by the Magnificent 7 tech stocks, the remainder of the market is also at historically high multiples despite a far less robust growth outlook. Australian equities are also priced at high multiples relative to history. In contrast, however, Japan, Europe, UK and emerging markets remain close to historic medians.

The Fund's allocation to global and Australian equities contributed strongly to absolute return as equities extended their rally through the first quarter of 2024. Australian equity stock selection was constructive while global equity stock selection detracted as growth stocks and sectors outperformed substantially. The Fund's explicit downside protection also detracted as equities rose. The Fund has a small underweight in Australian equities and – after adding exposure during February via a risk controlled Nasdaq call option – is close to benchmark weight in global equities. All equity exposures retain their long-standing quality and value bias which we expect to outperform the broad index given their more conservative valuation and higher earnings resilience.

The Fund's underweight allocation to fixed income performed well throughout the quarter. During February, the Fund closed its short position in Japanese government bonds and reduced its two-year US treasury exposure. Exposure to 10-year Australian government bonds was increased as the growth profile of the local economy looks strained in the wake of sustained high interest rates and Australia's high household debt.

The Fund maintains a significant foreign exchange exposure, diversified across a number of developed and emerging market currencies. While the elevated cash allocation detracted as risk assets performed, the sharp rise in central bank overnight rates since March 2022 has increased the yield on cash-type investments and their remains significant optionality in holding cash.

The Fund maintains its position in the Diversified Real Return Fund which continues to deliver low volatility absolute returns while retaining a relatively low correlation to equity markets.

OUTLOOK

The consensus view today is for the US to experience a soft landing in 2024 but markets pulled a lot of the good news from 2024 into last year's return. This leaves the market with elevated valuations, expected 12-month earnings growth close to double the historic average supported by dovish interest rate expectations. With so much good news already priced in, we remain cautious on the outlook.

MORE INFORMATION

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