



Australian Equity Model Portfolio Performance

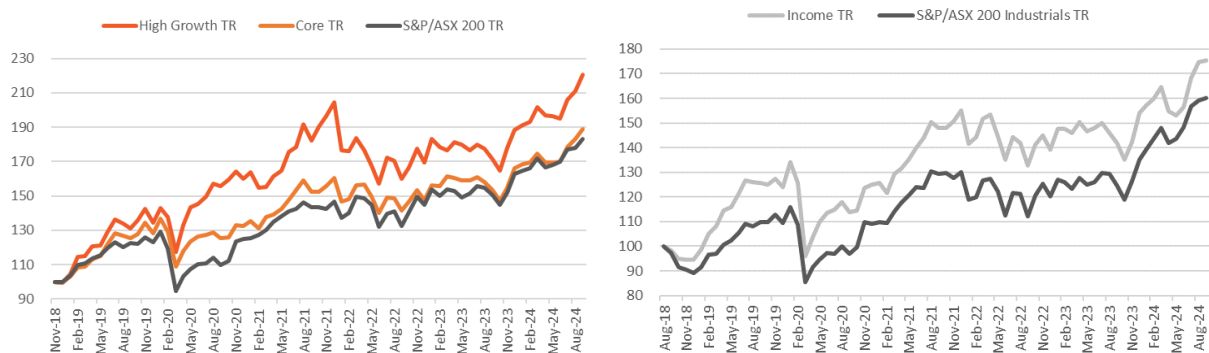
Rolling returns to 30 September 2024

Sunbird Portfolios	1M (%)	3M (%)	6M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Since Inception (% p.a.)	Yield	FY25F (%)
High Growth TR	4.6	13.1	9.5	28.7	6.6	11.0	14.5	Cash yield	2.1
S&P/ASX 200 TR	3.0	7.8	6.7	21.8	8.4	8.4	10.9	Franking	50
Excess Return	1.6	5.3	2.8	6.9	-1.8	2.6	3.6	Gross yield	2.7
Growth TR	3.5	13.7	9.7	26.3	7.7	9.6	10.9	Cash yield	2.6
S&P/ASX 200 TR	3.0	7.8	6.7	21.8	8.4	8.4	8.7	Franking	47
Excess Return	0.5	5.9	3.0	4.5	-0.7	1.2	2.2	Gross Yield	3.2
Core TR	3.2	11.2	8.1	23.3	7.5	8.5	11.5	Cash yield	3.3
S&P/ASX 200 TR	3.0	7.8	6.7	21.8	8.4	8.4	10.9	Franking	60
Excess Return	0.2	3.4	1.4	1.5	-0.9	0.1	0.6	Gross Yield	4.2
Income TR	0.4	12.2	6.5	23.8	5.9	6.9	9.7	Cash yield	4.1
S&P/ASX 200 Indus. TR	0.7	8.0	8.3	28.6	7.4	7.9	8.1	Franking	63
Excess Return	-0.3	4.2	-1.8	-4.8	-1.5	-1.0	1.6	Gross Yield	5.1
ESG TR	2.6	14.1	10.7	27.1	8.1		12.3	Cash yield	3.0
S&P/ASX 200 TR	3.0	7.8	6.7	21.8	8.4		10.7	Franking	52
Excess Return	-0.4	6.3	4.0	5.3	-0.3	n/a	1.6	Gross Yield	3.7

TR = Total Return (before fees and franking credits, assumes dividends are reinvested and the portfolios are rebalanced 3-4x per year). Sunbird's performance methodology is consistent with the benchmark. Platform performance figures may differ depending on slight differences in portfolio weightings and the treatment of fees (gross or net) and income (paid out or reinvested). Growth and Income inception 31/08/18, Core and High Growth inception 30/11/18, ESG inception 31/12/20. Past performance is not a reliable indicator of future performance.

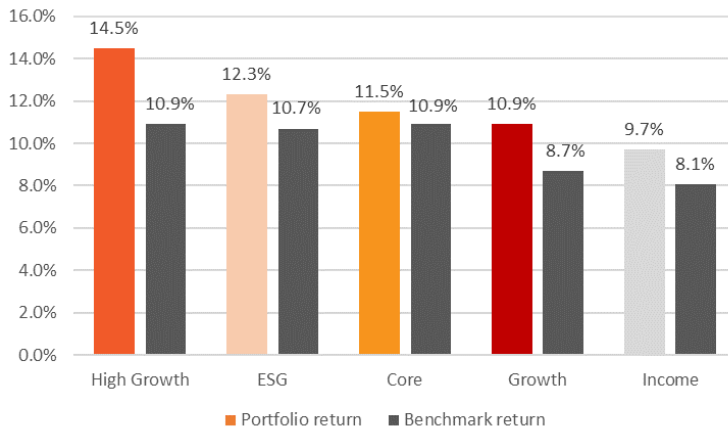
Portfolio performance

Key portfolios are outperforming, since inception



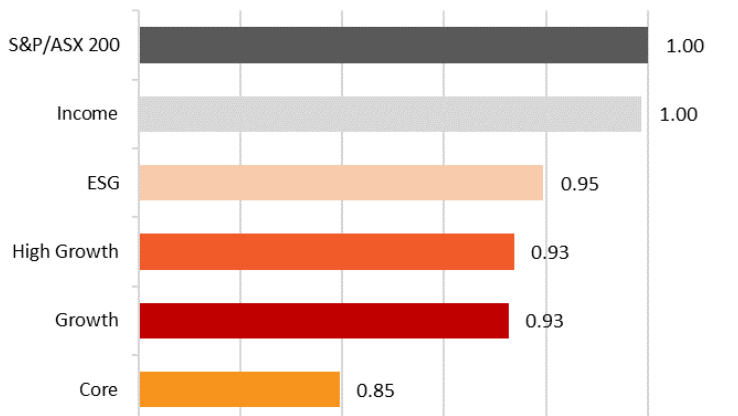
Portfolio performance

Returns range from +9.7% to 14.5% p.a. | Excess returns range from 0.6% to 3.6% p.a.



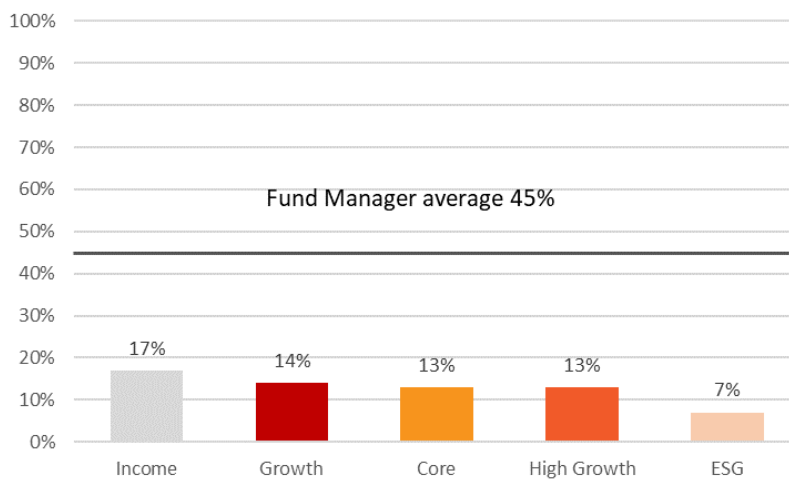
Portfolio risk, since inception

Portfolio risk has been lowered, as evidenced by portfolio beta's equal to or below 1.0



Portfolio turnover, since inception

Portfolio turnover is very low, which lowers transaction, administration and taxation expenses



Portfolio commentary

The portfolios had a very strong quarter in absolute and relative terms. A broadening in market performance led to our overweight positions in property (CHC +42.8%, SGP +25.7%, CLW +25.0%), technology (TNE +28.3%, SEK +17.2%, NWL +12.8%) and industrials (BXB +33.0%) adding considerable alpha. We also lifted our exposure to resources (LYC+35.2%, NST +24.9%, RIO +11.1%, BHP + 10.8%) last quarter, which added additional value, along with our lack of energy exposure (-6.2% over the quarter).

Annual returns range from 23.3% to 28.7%, while annualised returns, since inception nearly 6 years ago, range from 9.7% to 14.5% p.a. All portfolios remain ahead of benchmark, since inception, and with lower portfolio risk (beta) than the market. It is pleasing to see the portfolios delivering strong risk-adjusted returns.

As we get closer to interest rates easing in Australia, we expect market performance to continue to broaden. We see additional upside from healthcare stocks (CSL, RMD, SHL), consumer staples (WOW, EDV, COL), industrials (CWY, TCL) and stocks like the ASX and SEK. No changes are currently planned.

Market commentary

Inflation is gradually retreating to target, and a soft-landing scenario looks probable. Interest rates are already easing in Europe and the US, with Australia likely to follow suit in early 2025. We expect a recovery in global growth to emerge in 2025.

Geopolitics remains a key known risk but seems unlikely to upset global growth and financial markets (at this stage). The US election is another upcoming political event but again unlikely to upset financial markets (at least initially).

Overall, we expect a broad-based earnings recovery across most sectors during FY25 and into FY26. A broadening of the market rally should drive further gains and hence we retain our bullish view.

For further information on macro and portfolio stocks, please see our regular email notes and research on the portal.

Core Portfolio

Description

A diversified portfolio of around 22 quality stocks, selected from the S&P/ASX 200, with a focus on a balance of income and capital growth.

Portfolio Objective

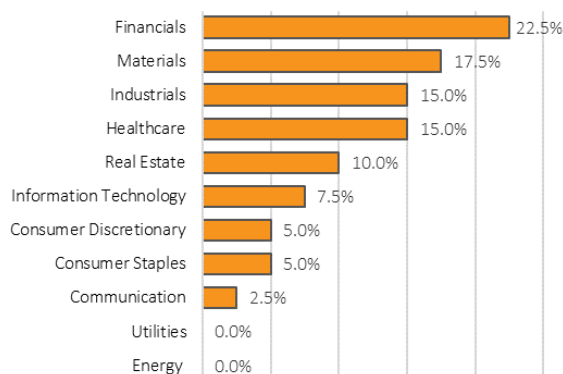
To add 1-2% p.a. in value over the S&P/ASX 200, with a similar or lower risk profile to the benchmark.

Investment Philosophy

- Quality and Value
- High Conviction
- Defensive

Universe	S&P/ASX 200
Benchmark	S&P/ASX 200 TR
Risk Limits	
Min/Max stock weight	2.5%/10.0%
Maximum sector weight	30.0%
Maximum cash weight	10.0%
Portfolio Data	
Inception date	30/11/2018
Total Return	11.5% p.a.
Excess return	0.6% p.a.
Dividend yield	3.3% cash 4.2% gross
Portfolio volatility	14.2% p.a.
Portfolio beta	0.85
Downside capture	0.88
Portfolio turnover	13% p.a.
ASX 100 exposure	95.0%
Defensive exposure	30.0%
Cash exposure	0.0%

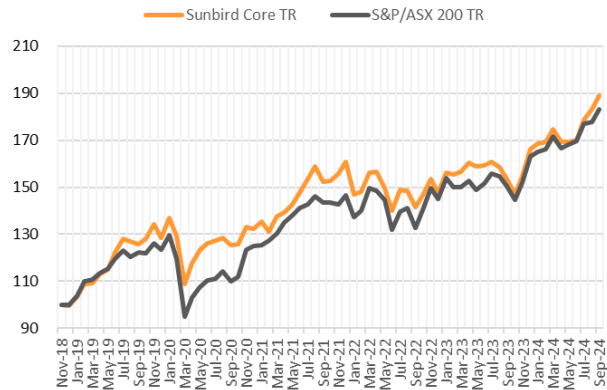
Sector Exposure



Portfolio Performance

Performance to 30/09/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
Core TR (%)	3.2	11.2	23.3	7.5	8.5	11.5
S&P/ASX 200 TR (%)	3.0	7.8	21.8	8.4	8.4	10.9
Excess Return (%)	0.2	3.4	1.5	-0.9	0.1	0.6

TR = Total Return (before fees and franking credits, assumes dividends are reinvested). Core inception date 30/11/18. Past performance is not a reliable indicator of future performance.

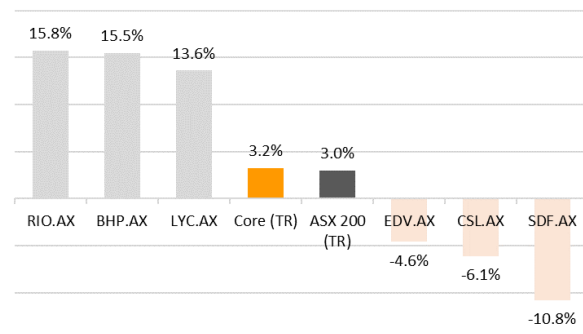


Portfolio Commentary

The Core portfolio had another positive month in absolute and relative terms, returning +3.2% and outperforming the benchmark. Quarterly performance has been strong (+11.2% vs +7.8%) led by sectors outside of the Banks, including Resources, Property and Industrials.

A strong month from overweight sectors in Real Estate and Technology drove outperformance. In addition, active positions within the Materials sector (which was up 13.1% in September) also contributed to alpha.

Key contributors and detractors – September 2024



As mentioned above, the Materials sector led the way in September, with RIO, BHP and LYC the top performers within the portfolio. The sector rebounded after being sold-off heavily in August, with the latest stimulus package by Chinese policy makers also supporting the sector, boosting copper and iron ore prices.

Consumer Staples (EDV, WOW) struggled during the month, as did Healthcare (CSL, RMD, SHL). Both sectors were due for a pullback after a stellar 12 months (+28.7% and +19.3%, respectively), with EDV also being held back by WOW selling down its remaining 5% stake. SDF was sold down as news broke regarding a government inquiry into the opaqueness of insurance rebates to strata companies. SDF is pro better disclosure, and we don't think SDF will be materially impacted.

Income Portfolio

Description

A diversified portfolio of around 17 quality industrial stocks, selected from the S&P/ASX 200 Industrials, with a focus on income first and capital growth second.

Portfolio Objective

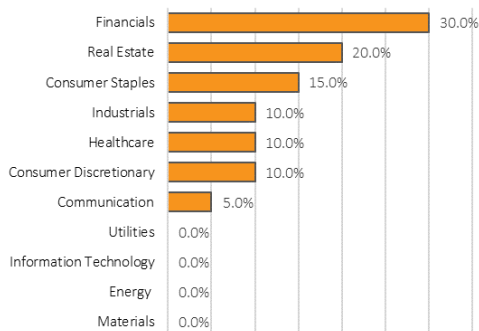
To provide an attractive income and to add +1-2% p.a. in value over the S&P/ASX 200 Industrials Index, with a similar or lower risk profile to the benchmark.

Investment Philosophy

- Quality and Value
- High Conviction
- Defensive

Universe	S&P/ASX 200 Industrials
Benchmark	S&P/ASX 200 Industrials TR
Risk Limits	
Min/Max stock weight	2.5%/10.0%
Maximum sector weight	30.0%
Maximum cash weight	10.0%
Portfolio Data	
Inception date	31/08/2018
Total Return	9.7% p.a.
Excess return	1.6% p.a.
Dividend yield	4.1% cash 5.1% gross
Portfolio volatility	16.9% p.a.
Portfolio beta	1.00
Sharpe ratio	0.34
Portfolio turnover	17% p.a.
ASX 100 exposure	90.0%
Defensive exposure	57.5%
Cash exposure	0.0%

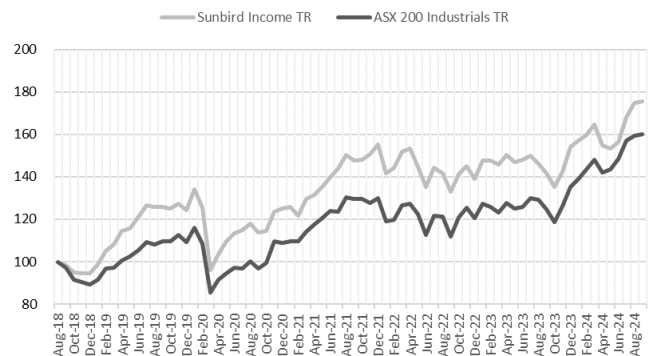
Sector Exposure



Portfolio Performance

Performance to 30/09/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
Income TR (%)	0.4	12.2	23.8	5.9	6.9	9.7
S&P/ASX 200 Industrials TR (%)	0.7	8.0	28.6	7.4	7.9	8.1
Excess Return (%)	-0.3	4.2	-4.8	-1.5	-1.0	1.6

TR = Total Return (before fees and franking credits, assumes dividends are reinvested). Income inception date 31/08/18. Past performance is not a reliable indicator of future performance.

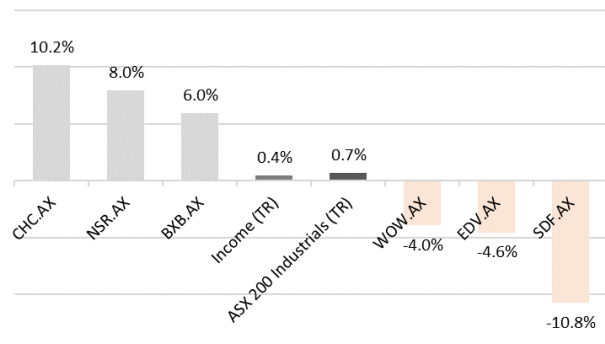


Portfolio Commentary

The Income portfolio returned 0.4% in September, slightly underperforming the benchmark. The portfolio is currently gaining momentum (3mth 12.2% vs 8.0%) as industrial and property stocks recover ahead of an easing cycle.

The portfolio generates an attractive income (**4.1% cash or 5.1% gross**) and has outperformed the benchmark (since inception), due to our focus on risk-adjusted total return (not just income).

Key contributors and detractors – September 2024



Real Estate stocks (CHC and NSR) led the way in September, while BXB was also a key contributor. Real Estate stocks benefitted from falling interest rates, while BXB continues to run following August's earnings beat, buyback announcement and dividend increase.

Consumer Staples stocks (WOW and EDV) were key detractors in September, along with SDF. EDV was held back by WOW selling down its remaining stake in EDV, while WOW (and COL) were taken to court by the ACCC over misleading price discounting. SDF was sold down as news broke regarding a government inquiry into the opaqueness of insurance rebates to strata companies. SDF is pro better disclosure, and we don't think SDF will be materially impacted. No portfolio changes are planned.

ESG Portfolio

Description

The ESG portfolio aims to offer a balance of income and growth from investing in quality companies that are also responsible investments. Each company must pass a number of Environmental, Social and Governance (ESG) filters.

Portfolio Objective

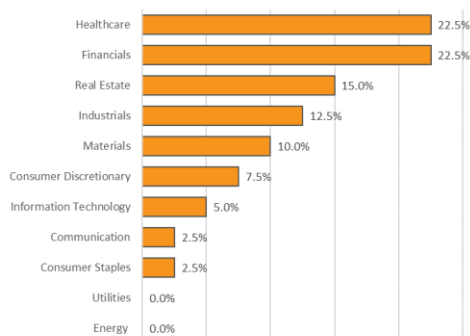
To add +1-2% p.a. in value over the S&P/ASX 200, with a similar or lower risk profile to the benchmark.

Investment Philosophy

- Quality and Value
- ESG filters

Universe	S&P/ASX 200
Benchmark	S&P/ASX 200 TR
Risk Limits	
Min/Max stock weight	2.5%/10.0%
Maximum sector weight	30.0%
Maximum cash weight	10.0%
Portfolio Data	
Inception date	31/12/2020
Total Return	12.3% p.a.
Excess return	1.6% p.a.
Dividend yield	3.0% cash 3.7% gross
Portfolio volatility	13.6% p.a.
Portfolio beta	0.95
Sharpe ratio	0.61
Portfolio turnover	7% p.a.
ASX 100 exposure	95.0%
Defensive exposure	32.5%
Cash exposure	0.0%

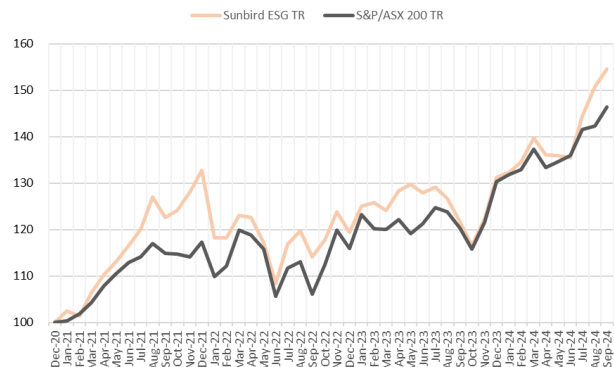
Sector Exposure



Portfolio Performance

Performance to 30/09/24	1M (%)	3M (%)	1Y (%)	2Y (% p.a.)	3Y (% p.a.)	Incept. (% p.a.)
ESG TR (%)	2.6	14.1	27.1	16.4	8.1	12.3
S&P/ASX 200 TR (%)	3.0	7.8	21.8	17.5	8.4	10.7
Excess Return (%)	-0.4	6.3	5.3	-1.1	-0.3	1.6

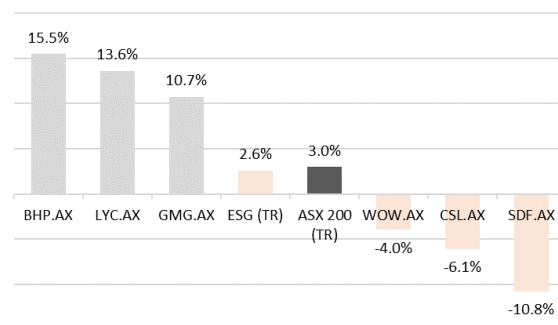
TR = Total Return (before fees and franking credits, assumes dividends are reinvested). ESG inception date 31/12/20. Past performance is not a reliable indicator of future performance.



Portfolio Commentary

The ESG portfolio had an exceptional quarter (+14.1% vs +7.8%) led by CHC (+42.8%), LYC (+35.2%), BXB (+33.0%) and TNE (+28.3%). The portfolio is now meeting its alpha target of +1-2%, since inception.

Key contributors and detractors – September 2024



Materials (BHP and LYC) were the top performers this month as the sector rebounded after having being sold-off heavily in August, with the latest stimulus package by Chinese policy makers also supporting the sector, boosting copper and iron ore prices. GMG was another strong performer as Real Estate stocks rallied on the back of lower interest rates.

Consumer Staples (WOW) struggled during the month, as did Healthcare (CSL). Both sectors were due for a pullback after a stellar 12 months for the sectors (+28.7% and +19.3% respectively). SDF was sold down as news broke regarding a government inquiry into the opaqueness of insurance rebates to strata companies. SDF is pro better disclosure, and we don't think SDF will be materially impacted.

All stocks continue to maintain a minimum 'B-' ESG rating under Refinitiv's comprehensive ESG rating system and they also pass Sunbird's 'common sense' ESG filters. See our ESG research folder on the research portal for further information.

High Growth Portfolio

Description

A diversified portfolio of around 15 quality stocks, selected from the S&P/ASX 200, with a focus on capital growth.

Portfolio Objective

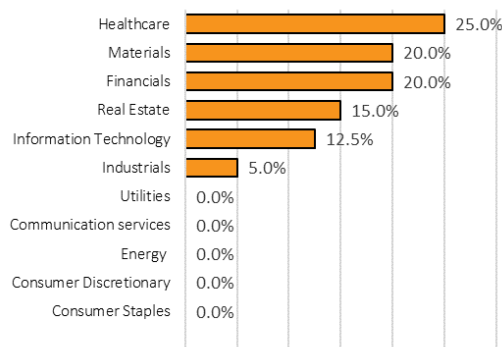
To add +2-4% p.a. in value over the S&P/ASX 200, with a similar risk profile to the benchmark.

Investment Philosophy

- Quality and Value
- High Conviction
- Defensive

Universe	S&P/ASX 200
Benchmark	S&P/ASX 200 TR
Risk Limits	
Min/Max stock weight	2.5%/10.0%
Maximum sector weight	30.0%
Maximum cash weight	15.0%
Portfolio Data	
Inception date	30/11/2018
Total Return	14.5% p.a.
Excess return	3.6% p.a.
Dividend yield	2.1% cash 2.7% gross
Portfolio volatility	17.4% p.a.
Portfolio beta	0.93
Sharpe ratio	0.60
Portfolio turnover	13% p.a.
ASX 100 exposure	97.5%
Defensive exposure	12.5%
Cash exposure	2.5%

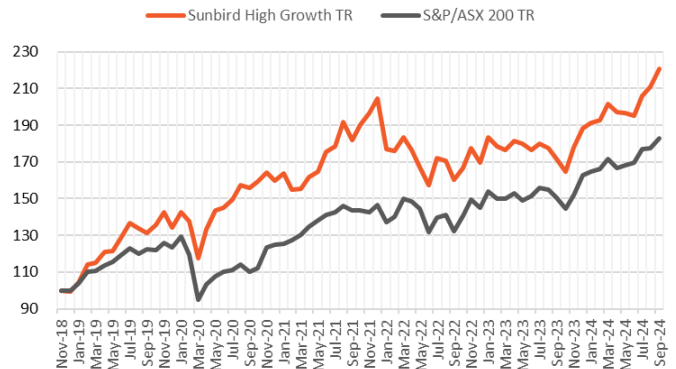
Sector Exposure



Portfolio Performance

Performance to 30/09/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
High Growth TR (%)	4.6	13.1	28.7	6.6	11.0	14.5
S&P/ASX 200 TR (%)	3.0	7.8	21.8	8.4	8.4	10.9
Excess Return (%)	1.6	5.3	6.9	-1.8	2.6	3.6

TR = Total Return (before fees and franking credits, assumes dividends are reinvested). High Growth inception date 30/11/18. Past performance is not a reliable indicator of future performance.

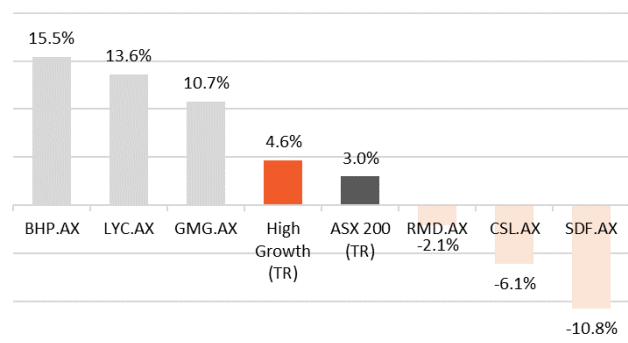


Portfolio Commentary

The High Growth portfolio returned 4.6% in September, outperforming the benchmark by 1.6%. The portfolio has now outperformed the benchmark by 6.9% over the past 12 months and has been generating 3.6% p.a. alpha, since inception.

This month's outperformance was primarily driven by Real Estate and Technology, and the portfolio still managed to outperform despite its overweight exposure to Healthcare, which was down for the month. The portfolio still holds 2.5% cash as we await an opportunity to add another quality growth stock to the portfolio.

Key contributors and detractors – September 2024



Materials (BHP and LYC) were the top performers this month as the sector rebounded after being sold-off heavily in August. The latest stimulus package by Chinese policy makers also supported the sector, boosting copper and iron ore prices. GMG was another strong performer as Real Estate stocks rallied on the back of lower interest rates.

Healthcare stocks (RMD, CSL) were the top detractors for the month, along with SDF. SDF was sold down as news broke regarding a government inquiry into the opaqueness of insurance rebates to strata companies. SDF is pro better disclosure, and we don't think SDF will be materially impacted.

Growth Portfolio

Description

A diversified portfolio of around 20 quality stocks, selected from the S&P/ASX 200, with a focus on capital growth first and income second.

Portfolio Objective

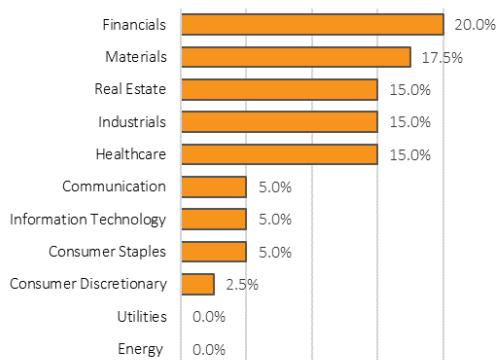
To add +2-3% p.a. in value over the S&P/ASX 200, with a similar risk profile to the benchmark.

Investment Philosophy

- Quality and Value
- High Conviction
- Defensive

Universe	S&P/ASX 200
Benchmark	S&P/ASX 200 TR
Risk Limits	
Min/Max stock weight	2.5%/10.0%
Maximum sector weight	30.0%
Maximum cash weight	10.0%
Portfolio Data	
Inception date	31/08/2018
Total Return	10.9% p.a.
Excess return	2.2% p.a.
Dividend yield	2.6% cash 3.2% gross
Portfolio volatility	16.8% p.a.
Portfolio beta	0.93
Sharpe ratio	0.41
Portfolio turnover	14% p.a.
ASX 100 exposure	95.0%
Defensive exposure	20.0%
Cash exposure	0.0%

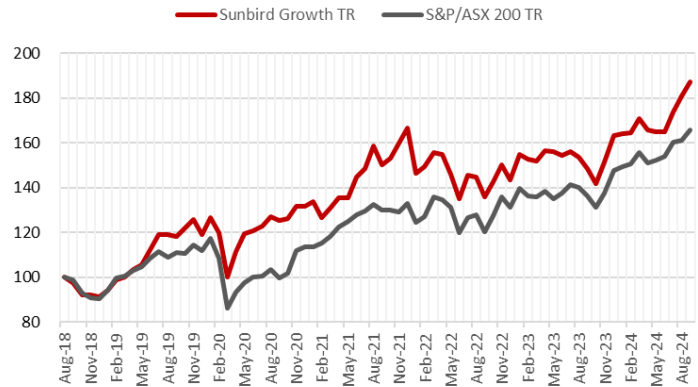
Sector Exposure



Portfolio Performance

Performance to 30/09/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
Growth (%)	3.5	13.7	26.3	7.7	9.6	10.9
S&P/ASX 200 TR (%)	3.0	7.8	21.8	8.4	8.4	8.7
Excess Return (%)	0.5	5.9	4.5	-0.7	1.2	2.2

TR = Total Return (before fees and franking credits, assumes dividends are reinvested). Growth inception date 31/08/18. Past performance is not a reliable indicator of future performance.

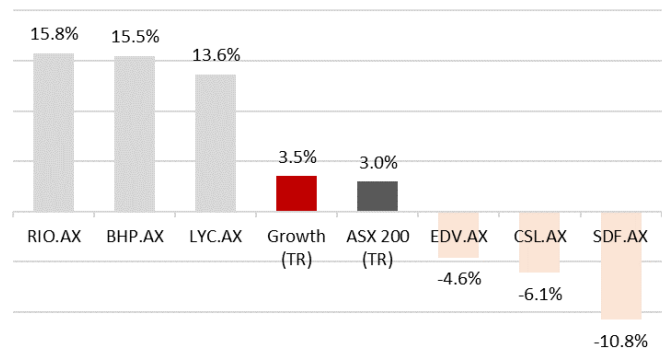


Portfolio Commentary

The Growth portfolio returned 3.5% in September, outperforming the benchmark by 0.5%. The portfolio is now ahead of the benchmark by 4.5% over the past 12 months and has been generating 2.2% p.a. in alpha, since inception.

Outperformance over the quarter was driven by sectors outside of the Banks, including Resources, Property, and Industrials.

Key contributors and detractors – September 2024



Materials (RIO, BHP and LYC) were the top performers this month as the sector rebounded after being sold-off heavily in August. The latest stimulus package by Chinese policy makers also supported the sector, boosting copper and iron ore prices.

Consumer Staples (EDV) struggled during the month, as did Healthcare (CSL). Both sectors were due for a pullback after a stellar 12 months (+28.7% and +19.3% respectively), with EDV also being held back by rising financing and leasing costs. SDF was sold down as news broke regarding a government inquiry into the opaqueness of insurance rebates to strata companies. SDF is pro better disclosure, and we don't think SDF will be materially impacted.

Portfolio Profiles

	High Growth	Growth	Core	Income	ESG
Description	A concentrated portfolio focused on capital growth	A concentrated portfolio focused on capital growth first and income second	A more diversified portfolio focused on a balance of income and capital growth	A concentrated portfolio focused on income first and capital growth second	A Core portfolio, with an ESG overlay. A higher growth profile than the Core.
Inception date	30/11/2018	31/08/2018	30/11/2018	31/08/2018	31/12/2020
Objective	Benchmark +2-4% p.a.	Benchmark +2-3% p.a.	Benchmark +1-2% p.a.	Benchmark +1-2% p.a.	Benchmark +1-2% p.a.
Risk target	Portfolio Beta <1.0	Portfolio Beta <1.0	Portfolio Beta <1.0	Portfolio Beta <1.0	Portfolio Beta <1.0
Typical no. of stocks	15	20	20	17	17
Universe	S&P/ASX 200	S&P/ASX 200	S&P/ASX 200	S&P/ASX 200 Industrials	S&P/ASX 200
Benchmark	S&P/ASX 200 Total Return	S&P/ASX 200 Total Return	S&P/ASX 200 Total Return	S&P/ASX 200 Industrials Total Return	S&P/ASX 200 Total Return
ASX 100 exposure	97.5%	95.0%	95.0%	90.0%	95.0%
Defensive exposure	12.5%	20.0%	30.0%	57.5%	32.5%
Minimum GICS sectors	5	6	6	6	6
Min/Max stock target weight	2.5%/10%	2.5%/10.0%	2.5%/10.0%	2.5%/10.0%	2.5%/10.0%
Maximum sector target weight	30.0%	30.0%	30.0%	30.0%	30.0%
Maximum cash limit	10%	10%	10%	10%	10%
Turnover history	13% p.a.	14% p.a.	13% p.a.	17% p.a.	7% p.a.
Stock weight inputs	Market cap/liquidity, Sector exposure, Growth vs Income characteristics, Defensive characteristics, Portfolio Yield, Quality and Risk score, Portfolio manager conviction, Portfolio expected return vs expected risk				
Capital protection measures	Quality and value investment process, Portfolio diversification, Defensive stock exposure, Cash weighting up to 10%				

Investment Philosophy and Process

Sunbird employs a *Quality and Value* investment philosophy and process. Sunbird has a proven track record of adding value and lowering risk by investing in quality companies, that offer value and have positive medium-to-long-term momentum. Sunbird avoids quality companies that are expensive and poor-quality companies that are 'cheap'.

About Sunbird Portfolio Services (Sunbird)

Sunbird is a listed portfolio specialist that provides high performing, quality portfolios at a low cost. Sunbird has a small but highly experienced team, with a proven track record of adding value and lowering risk. Sunbird's investment philosophy and process has been developed over the past 17 years (at Sunbird and Lonsec).

Warnings, Disclosures and Disclaimers

Date issued: Monday, October 14, 2024

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Warnings

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