



Australian Equity Model Portfolio Performance

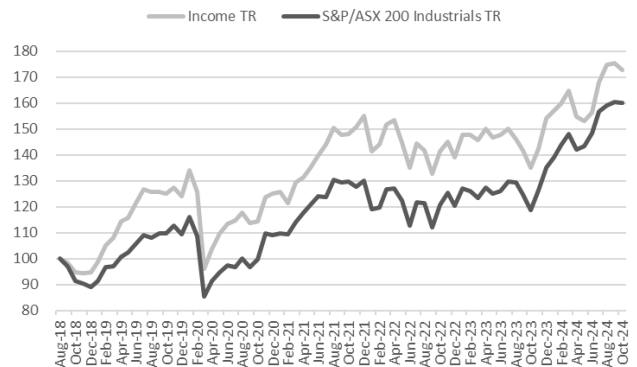
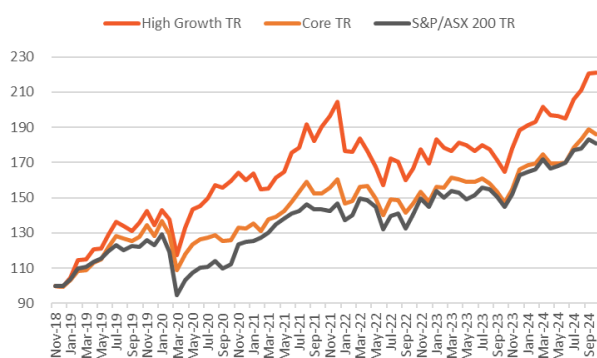
Rolling returns to 31 October 2024

Sunbird Portfolios	1M (%)	3M (%)	6M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Since Inception (% p.a.)	Yield	FY25F (%)
High Growth TR	0.2	7.3	12.2	34.3	5.2	10.2	14.3	Cash yield	2.1
S&P/ASX 200 TR	-1.3	2.1	8.4	24.9	8.0	8.2	10.5	Franking	50
Excess Return	1.5	5.2	3.8	9.4	-2.8	2.0	3.8	Gross yield	2.7
Growth TR	-1.1	6.5	11.9	30.8	6.6	8.7	10.5	Cash yield	2.6
S&P/ASX 200 TR	-1.3	2.1	8.4	24.9	8.0	8.2	8.3	Franking	47
Excess Return	0.2	4.4	3.5	5.9	-1.4	0.5	2.2	Gross Yield	3.3
Core TR	-1.7	4.2	9.7	26.4	6.8	7.7	11.0	Cash yield	3.3
S&P/ASX 200 TR	-1.3	2.1	8.4	24.9	8.0	8.2	10.5	Franking	60
Excess Return	-0.4	2.1	1.3	1.5	-1.2	-0.5	0.5	Gross Yield	4.3
Income TR	-1.6	2.7	11.5	27.7	5.3	6.7	9.3	Cash yield	4.1
S&P/ASX 200 Indus. TR	-0.2	2.0	12.7	34.7	7.2	7.9	7.9	Franking	63
Excess Return	-1.4	0.7	-1.2	-7.0	-1.9	-1.2	1.4	Gross Yield	5.1
ESG TR	-1.7	5.3	11.7	30.6	7.0		11.6	Cash yield	3.0
S&P/ASX 200 TR	-1.3	2.1	8.4	24.9	8.0		10.1	Franking	52
Excess Return	-0.4	3.2	3.3	5.7	-1.0	n/a	1.5	Gross Yield	3.8

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.

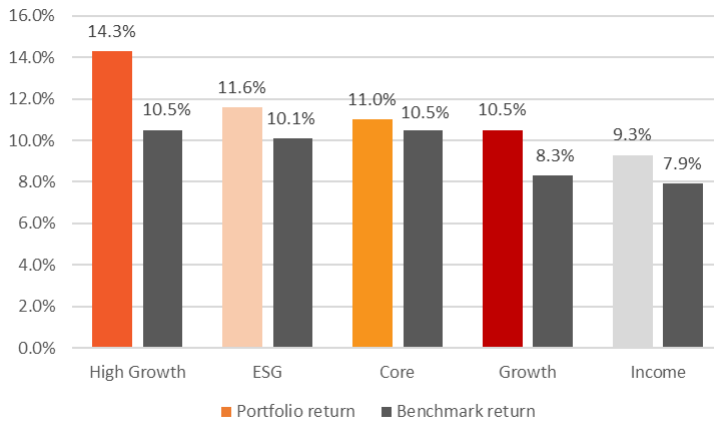
Portfolio performance

Key portfolios are outperforming, since inception



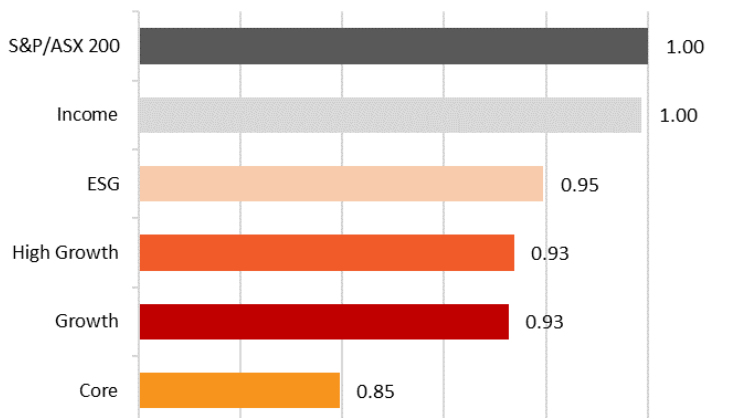
Portfolio performance

Returns range from +9.3% to 14.3% p.a. | Excess returns range from 0.5% to 3.8% p.a.



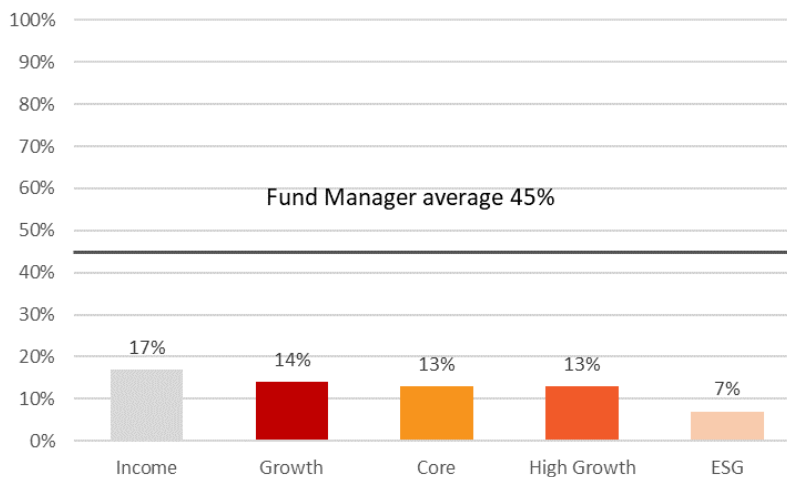
Portfolio risk, since inception

Portfolio risk has been lowered, as evidenced by portfolio beta's generally below 1.0



Portfolio turnover, since inception

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



Portfolio commentary

October was generally a down month, with the Growth portfolios outperforming due to strong stock-specific performance from NWL and NST. Other portfolios generally underperformed due to weakness in Staples (WOW, EDV, COL), Resources (BHP, RIO, LYC) and Industrials (CWY, BXB, TCL).

However, quarterly and yearly performance remains strong in absolute and relative terms. Only the Income portfolio lags its benchmark on the rolling year, but we note the S&P/ASX 200 Industrial Index benchmark currently has a large bias to Financials (43% of the index and +46.4% on the rolling year). The Income portfolio has a 30% sector limit in place in the interest of portfolio diversification and we would encourage investors to focus on the income and absolute returns of the portfolio (which are strong) rather than short-term relative performance.

Annualised portfolio returns, since inception nearly 6 years ago, range from 9.3% to 14.3% 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 good value in many sectors including Healthcare (CSL, RMD, SHL), Resources (BHP, RIO), Consumer staples (WOW, EDV, COL), Industrials (BXB, CWY, TCL), Financials (ASX, SDF) and Technology (SEK). No portfolio changes are currently planned.

Market commentary

In the short term, inflation is gradually retreating to target, and a soft-landing scenario looks probable. Interest rates are already easing in the G7 countries, with Australia likely to follow suit in 2025.

Concerns over what a Trump Presidency means for geopolitics, inflation and the US deficit are more medium-term issues which we will monitor closely. Our major concern is going to be around any persistent strength in inflation and bond yields, which is generally a negative for growth assets.

Overall, we remain positive on the outlook for global growth and inflation in 2025 and retain our bullish outlook.

Key known risks

1. The RBA continuing to delay rate cuts on inflation concerns
2. China continuing to disappoint on growth
3. Trump Presidency and its implications for global trade, inflation and the US budget deficit
4. Geopolitics and/or climate change events impacting global trade and financial markets

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

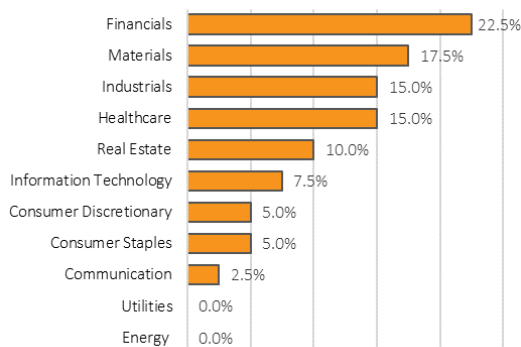
To add 1-2% p.a. in value over the S&P/ASX 200, with a similar or lower risk profile to the benchmark.

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	11.0% p.a.
Excess return	0.5% p.a.
Dividend yield	3.3% cash 4.3% 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%

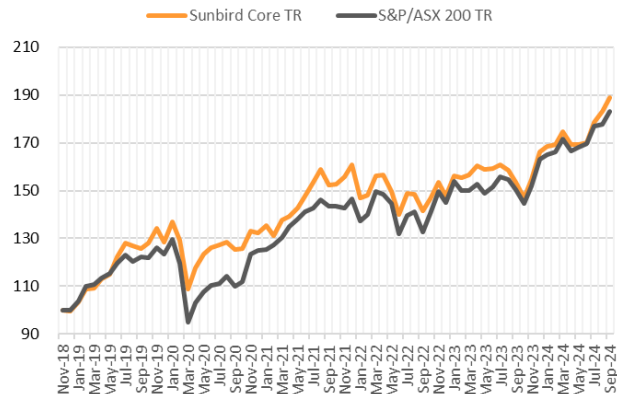
Sector Exposure



Portfolio Performance

Performance to 31/10/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
Core TR (%)	-1.7	4.2	26.4	6.8	7.7	11.0
S&P/ASX 200 TR (%)	-1.3	2.1	24.9	8.0	8.2	10.5
Excess Return (%)	-0.4	2.1	1.5	-1.2	-0.5	0.5

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.

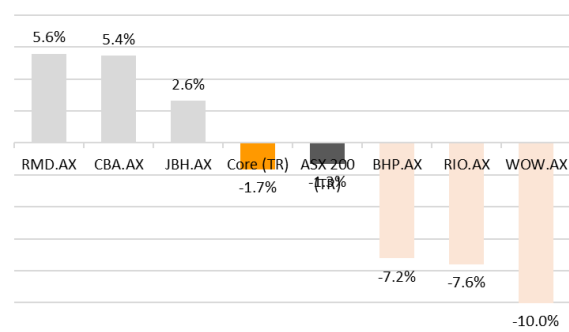


Portfolio Commentary

The Core portfolio retreated by -1.7% in October, slightly underperforming the benchmark. Despite this, the portfolio has performed very well over the past few quarters, having returned 26.4% over the past 12 months and outperforming the benchmark during this period.

Consumer Staples (WOW, EDV) and Resources (BHP, RIO, LYC) were the main detractors over the month, while Healthcare (RMD) and Financials (CBA, ANZ, ASX) were the main contributors.

Key contributors and detractors – October 2024



RMD reported a strong 1Q25 result in October, with earnings growth coming in much higher than expected (+34%). CBA was another top contributor as Financials rallied ahead of Bank reporting season.

Materials (BHP, RIO, LYC) struggled in October as the sector gave back some of its gains from September, as commodity prices fell ahead of the US election. WOW was the largest detractor for the month, with the stock selling off following a disappointing 1Q25 trading update where WOW guided for a 6% fall in EBIT, due to discounting and lower margins. We reduced our WOW and EDV weightings to 2.5% per stock back in February 2024, in anticipation of growth issues. Both stocks offer defensive yield and look to be oversold in the short term.

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

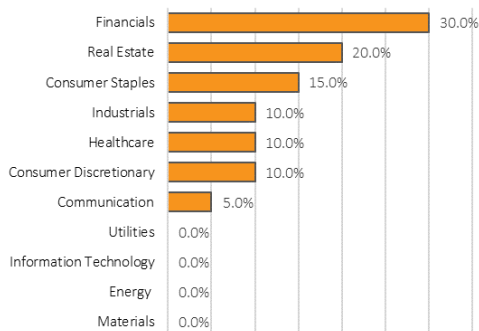
To provide an attractive income and to add +1-2% p.a. in value over the S&P/ASX 200 Industrials Index, with a similar or lower risk profile to the benchmark.

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	9.3% p.a.
Excess return	1.4% 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%

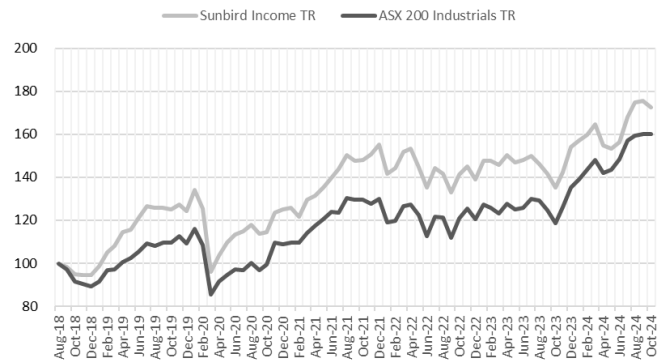
Sector Exposure



Portfolio Performance

Performance to 31/10/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
Income TR (%)	-1.6	2.7	27.7	5.3	6.7	9.3
S&P/ASX 200 Industrials TR (%)	-0.2	2.0	34.7	7.2	7.9	7.9
Excess Return (%)	-1.4	0.7	-7.0	-1.9	-1.2	1.4

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.

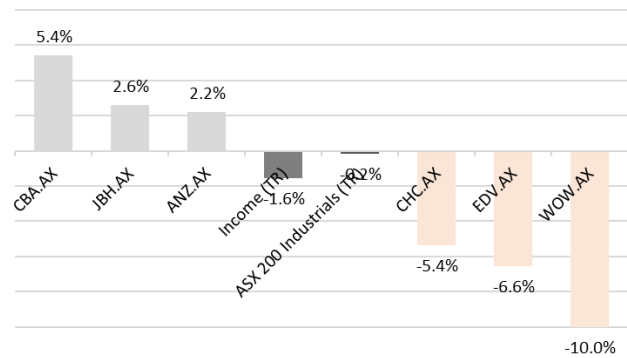


Portfolio Commentary

The Income portfolio underperformed in October, due mainly to an overweight position in Staples (15.0% vs 5.4%) and an underweight position in Financials (30.0% vs 42.6%). Staples have been dragging on performance in the short term, but we value these stocks for defensive yield. Annual performance is still strong in absolute terms, and it is best not to be too fixated on the benchmark, which has a very large weighting to Financials (a top-performing sector at the moment).

The portfolio generates an attractive income (**4.1% cash or 5.1% gross**) and has outperformed the benchmark since inception (+1.4%), due to our focus on risk-adjusted total return.

Key contributors and detractors – October 2024



CBA and ANZ were two of the top contributors during the month as the sector rallied ahead of Bank reporting season.

Consumer Staples (WOW, EDV, COL) were the primary detractors in October. WOW retreated following a disappointing 1Q25 trading update where it guided for a 6% fall in EBIT, due to discounting and lower margins. We reduced our WOW weighting to 5.0% (from 10%) back in February 2024, in anticipation of growth issues. From here Staples (WOW, EDV, COL) offer defensive yield and look to be oversold in the short term. We intend to hold our current positions.

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

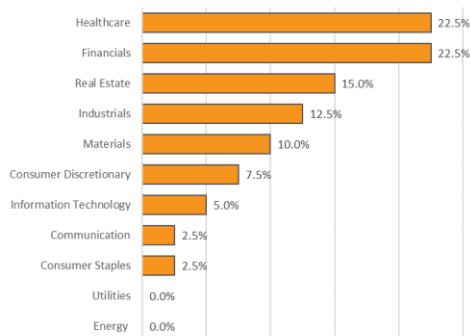
To add +1-2% p.a. in value over the S&P/ASX 200, with a similar or lower risk profile to the benchmark.

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	11.6% p.a.
Excess return	1.5% p.a.
Dividend yield	3.0% cash 3.8% gross
Portfolio volatility	13.5% p.a.
Portfolio beta	0.95
Sharpe ratio	0.56
Portfolio turnover	7% p.a.
ASX 100 exposure	95.0%
Defensive exposure	32.5%
Cash exposure	0.0%

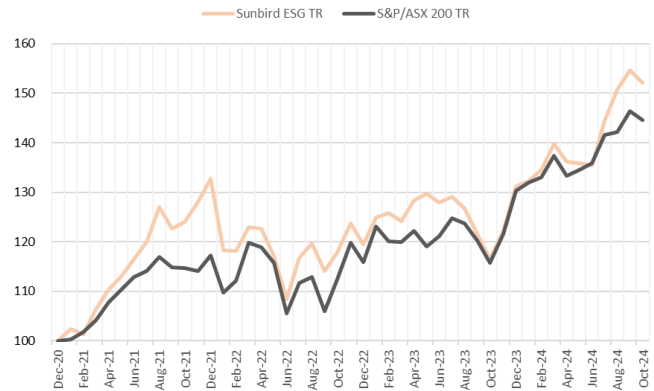
Sector Exposure



Portfolio Performance

Performance to 31/10/24	1M (%)	3M (%)	1Y (%)	2Y (% p.a.)	3Y (% p.a.)	Incept. (% p.a.)
ESG TR (%)	-1.7	5.3	30.6	13.6	7.0	11.6
S&P/ASX 200 TR (%)	-1.3	2.1	24.9	13.4	8.0	10.1
Excess Return (%)	-0.4	3.2	5.7	0.2	-1.0	1.5

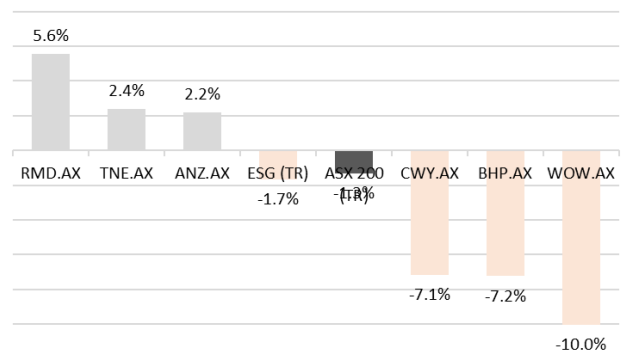
TR = Total Return (before fees and franking credits, assumes dividends are reinvested). ESG inception date 31/12/20. Past performance is not a reliable indicator of future performance.



Portfolio Commentary

The ESG portfolio retreated by -1.7% in October, slightly underperforming the benchmark. Despite this, the portfolio has performed very well over the past few quarters, having returned 30.6% over the past 12 months and outperforming the benchmark during this period.

Key contributors and detractors – October 2024



Healthcare (RMD, CSL), Technology (TNE) and Financials (ANZ, ASX) were positive contributors for the month, although the Financial weighting is underweight versus the index (22.5% vs 33.3%).

Staples (WOW), Resources (BHP, LYC), Industrials (CWY, BXB) and Property (CHC) were the key detractors over the month. WOW retreated following a disappointing 1Q25 trading update where it guided for a 6% fall in EBIT, due to discounting and lower margins. We reduced our WOW weighting to 2.5% (from 5.0%) back in February 2024, in anticipation of growth issues. From here we continue to remain comfortable with the portfolio. 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

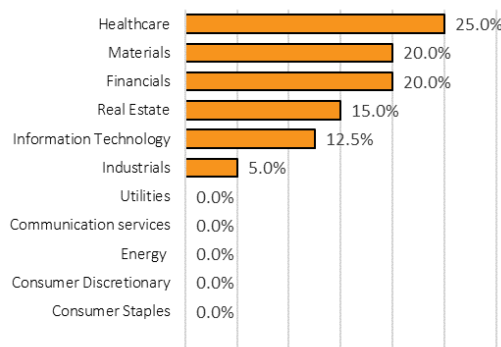
To add +2-4% p.a. in value over the S&P/ASX 200, with a similar risk profile to the benchmark.

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	14.3% p.a.
Excess return	3.8% p.a.
Dividend yield	2.1% cash 2.7% gross
Portfolio volatility	17.3% 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%

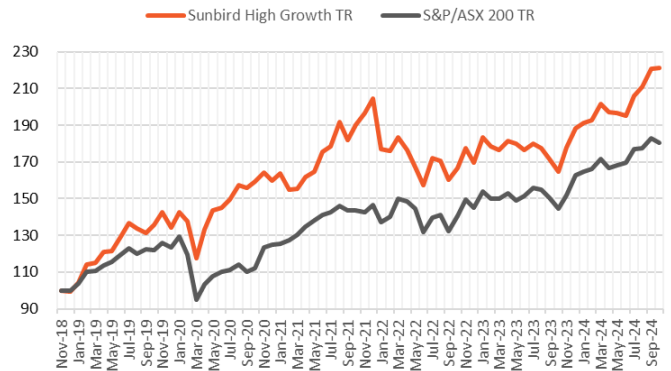
Sector Exposure



Portfolio Performance

Performance to 31/10/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
High Growth TR (%)	0.2	7.3	34.3	5.2	10.2	14.3
S&P/ASX 200 TR (%)	-1.3	2.1	24.9	8.0	8.2	10.5
Excess Return (%)	1.5	5.2	9.4	-2.8	2.0	3.8

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.

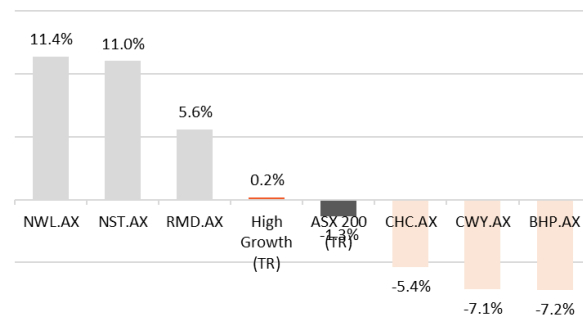


Portfolio Commentary

The High Growth portfolio returned +0.2% in October, outperforming the benchmark by +1.5%. The portfolio has now outperformed the benchmark by +9.4% over the past 12 months and has been generating 3.8% p.a. alpha since inception, nearly six years ago.

This month's outperformance was primarily driven by Financials (NWL, ASX), Gold (NST) and Healthcare (RMD) exposure. The portfolio continues to hold 2.5% cash as we await an opportunity to add another quality growth stock to the portfolio.

Key contributors and detractors – October 2024



Financials were the top performing sector in October, with NWL leading the way. NST was another top contributor as the gold price continued its strong rally. NST was up +11% during the month, which was against the flow, as the Materials sector itself was down -5.2%. RMD reported a strong 1Q25 result in October, with earnings growth coming in much higher than expected (+34%).

On the negative side, Material stocks (BHP, LYC) were generally down in October, as commodity prices retreated ahead of the US election. CWY was also down for no apparent reason, as it maintained guidance for 10-18% EBIT growth at its AGM.

Overall, we remain comfortable with the portfolio holdings.

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

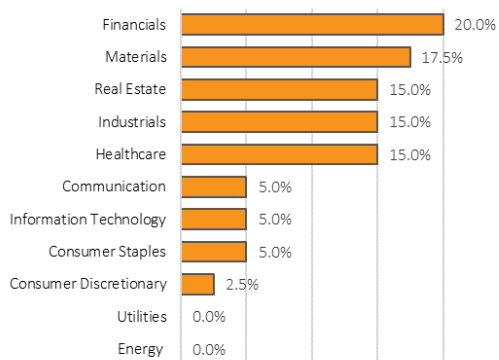
To add +2-3% p.a. in value over the S&P/ASX 200, with a similar risk profile to the benchmark.

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	10.5% p.a.
Excess return	2.2% p.a.
Dividend yield	2.6% cash 3.3% gross
Portfolio volatility	16.8% p.a.
Portfolio beta	0.93
Sharpe ratio	0.39
Portfolio turnover	14% p.a.
ASX 100 exposure	95.0%
Defensive exposure	20.0%
Cash exposure	0.0%

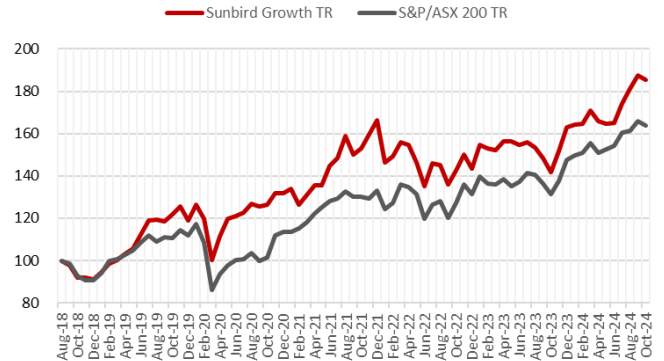
Sector Exposure



Portfolio Performance

Performance to 31/10/24	1M (%)	3M (%)	1Y (%)	3Y (% p.a.)	5Y (% p.a.)	Incept. (% p.a.)
Growth (%)	-1.1	6.5	30.8	6.6	8.7	10.5
S&P/ASX 200 TR (%)	-1.3	2.1	24.9	8.0	8.2	8.3
Excess Return (%)	0.2	4.4	5.9	-1.4	0.5	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.

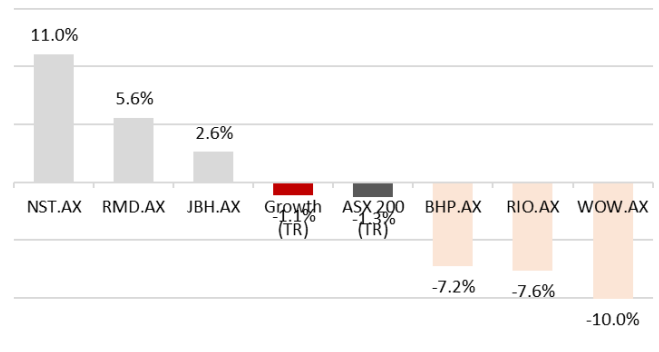


Portfolio Commentary

The Growth portfolio retreated by -1.1% in October but managed to outperform the benchmark by 0.2%. The portfolio is now ahead of the benchmark by 5.9% over the past 12 months and has been generating 2.2% p.a. in alpha since inception, over six years ago.

Gold (NST) and Healthcare (RMD) were key contributors this month.

Key contributors and detractors – October 2024



NST was a top contributor, as the gold price continued its strong rally. NST was up +11% during the month, which was against the flow, as the Materials sector itself was down -5.2%. RMD reported a strong 1Q25 result in October, with earnings growth coming in much higher than expected (+34%).

WOW retreated following a disappointing 1Q25 trading update where it guided for a 6% fall in EBIT, due to discounting and lower margins. We reduced our WOW weighting to 2.5% (from 5.0%) back in February 2024, in anticipation of growth issues. Material stocks (BHP, LYC) were generally down in October, as commodity prices retreated ahead of the US election.

Overall, we remain comfortable with the portfolio holdings.

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

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