



# MARKET MATTERS

## INVEST

### MONTHLY REPORT | JAN 2025 | ACTIVE GROWTH

#### PORTFOLIO DETAILS

Model Name	Active Growth
Benchmark	S&P/ASX 200 Accumulation
Included Assets	Equities, ETFs
Portfolio Manager	James Gerrish
Annual Performance	8.44%*

#### OBJECTIVE

To provide an active exposure to Australian large-cap shares, with reduced volatility. Returns will be achieved through a combination of capital appreciation and income with an overall objective of outperformance of the S&P/ASX 200 Accumulation Index over the medium term, (3 years).

\*Inception Date 10.05.2016

#### PORTFOLIO PERFORMANCE & ACTIVITY

The Market Matters Active Growth Portfolio advanced 3.01% in December, underperforming the S&P/ASX 200 Accumulation Index which increased 4.57%. The portfolio has returned 4.61% for the rolling 12 months and 9.96% per annum for 3 years, 1.48% below its benchmark.

PERIOD	1 MONTH	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	5 YEAR PA
PORTFOLIO %	3.01	-3.08	-1.43	4.61	8.22	9.96	7.37
BENCHMARK %	4.57	5.11	7.32	15.17	11.93	11.44	7.97
RELATIVE %	-1.56	-8.19	-8.75	-10.56	-3.71	-1.48	-0.60

Benchmark: S&P/ASX 200 Accumulation

The portfolio held 20 positions at the end of January with cash sitting around 6%.

A good month for Australian and International Equities with the ASX 200 closing at all-time highs, driven by optimism post-Trump's inauguration and tariff headlines. The Market Matters Growth Strategy had a positive month, though trailed the market once again, building on a period of underperformance which now spans 12-months. This has weighed on our longer-term numbers which are now back around BM returns over 5-years, having been materially above 12-months ago.

There were no changes to the portfolio during January, having been active in December, where we took profits on **Magellan Financial Group (MFG)**, **CAR Group (CAR)**, **South32 (S32)** and **AGL Energy (AGL)**, and established new positions in **Super Retail Group (SUL)**, **James Hardie (JHX)** & **APA Group (APA)**.



Magellan subsequently declined sharply post exit following the announced departure of well-regarded head of infrastructure, Gerald Stack.

Gold prices drove gold equities higher in January, with **Evolution Mining (EVN)** the top performing portfolio position, adding 71bps to returns. Banks remained firm, enjoying tailwinds from overseas peers, and while **ANZ Group (ANZ)** & **Macquarie Group (MQG)** were positive contributors, our underweight sector tilt detracted from performance.

We remain positioned with a higher beta portfolio, skewed towards an improvement in China. For portfolio returns to improve, resource stocks need to start firing.

## MARKETS IN JANUARY

Energy, Financials, and Consumer Discretionary sectors led gains, while Real Estate rebounded as bond yields eased ahead of expected RBA rate cuts. Defensive sectors like Utilities and Consumer Staples lagged. The RBA did not meet in January, with the next meeting scheduled for February 18. Q4 headline inflation eased to 2.4% YoY from 2.8%, marking its lowest level since early 2021. The RBA's trimmed mean inflation measure dropped to 3.2%, underperforming forecasts, with market odds for a February rate cut surging to 90%.

US equities rebounded in January, reversing the previous month's losses as the S&P 500 reached record highs. Market breadth improved, with the equal-weighted S&P 500 outperforming the official index by over 70 basis points. Small caps also staged a comeback, with the Russell 2000 recouping some of its ~8% December decline.

### PORTFOLIO STOCKS

NO. OF HOLDINGS	20
ESTIMATED YIELD (%)	3.69
TOP 5 POSITIONS (% OF AUM)	31.83
TOP 10 POSITIONS (% OF AUM)	54.49

### STOCK CONTRIBUTION (%)

EVOLUTION MINING (EVN)	0.71
PALADIN ENERGY (PDN)	0.64
ANZ GROUP (ANZ)	0.49
XERO (XRO)	0.46
MACQUARIE GROUP (MQG)	0.38

### STOCK DETRACTION (%)

ILUKA RESOURCES (ILU)	-0.46
TREASURY WINES (TWE)	-0.23
NATIONAL STORAGE (NSR)	-0.20
APA GROUP (APA)	-0.09
WHITEHAVEN COAL (WHC)	-0.08

%	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
<b>FY25</b>	2.03	-1.33	7.5	-4.12	-1.76	-4.23	3.01						<b>-3.13</b>
<b>FY24</b>	4.82	-1.54	-1.48	-4.76	4.70	7.58	-0.08	1.70	5.69	-1.88	0.34	-1.71	<b>13.38</b>
<b>FY23</b>	8.16	2.80	-5.71	3.68	7.75	-3.20	8.18	-1.93	2.08	2.63	-1.72	1.71	<b>24.43</b>
<b>FY22</b>	0.25	2.53	0.78	1.75	-3.49	2.72	-4.00	2.06	5.51	-2.30	-4.69	-7.70	<b>-6.58</b>
<b>FY21</b>	0.27	4.94	-4.10	-1.07	14.87	1.34	-0.50	3.08	0.66	4.10	1.17	2.70	<b>27.46</b>
<b>FY20</b>	1.21	-2.16	3.75	-1.55	0.80	0.34	2.06	-10.25	-24.12	12.66	5.30	2.02	<b>-9.94</b>
<b>FY19</b>	1.11	1.64	-0.77	-2.16	-1.22	-1.94	3.39	4.98	-1.00	2.39	1.72	4.41	<b>12.55</b>
<b>CUMULATIVE</b>													<b>58.17</b>

Treasuries firmed, accompanied by a steepening yield curve. The Dollar Index edged 0.2% lower, with notable strength from the yen. Commodities saw gains, as gold surged 7.1% to new record highs.

Despite challenges, the broader economic picture remained resilient. Consumer and labour market strength supported optimism. In earnings, 77% of S&P 500 companies reported positive EPS surprises, and 63% exceeded revenue estimates.

The Fed left rates unchanged at 4.25–4.50% at its January FOMC meeting. The statement was hawkish, but Powell's remarks were dovish, reinforcing expectations that rate cuts are unlikely before June.

Locally, reporting season is underway, and while only early days, so far, so good from a collective sense.

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