oracle advisory group

QUARTERLY UPDATE

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Market Update Quarter 4 2024

By Peter Durbin
Chief Investment Officer

The December 2024 quarter was about as mixed as they come. US stocks were about the only bright spot, especially tech stocks that finished the year with a bang. The Nasdaq ended the quarter with an astonishing 6.2% return. The broader S&P 500 returned a respectable 2.1% and the more mature Dow Jones Industrial Average just 0.5%. Japan's Nikkei was also up 5.2%, but this was more of a rebound from the fall that occurred in the previous quarter. Hong Kong and Europe both fell, as did Australia's ASX All Ordinaries.

Things were just as mixed when looking at sectors. In the US, consumer discretionary (up 14.1%), Communications (up 8.6%), and Information Technology (up 4.7%) were all the biggest risers for the quarter. Not surprising, given these are the largest constituents of the Nasdaq. The declines were of a similar magnitude. Materials fell 12.8%, Healthcare fell 10.7% and Utilities fell 6.2%. Markets are comprised of different stocks in different sectors with different economics, but it is unusual to see such large moves in opposite directions in such a short period.

The Trump Effect

There could be many reasons for this, but one likely reason is the Trump effect. November's big news was obviously the re-election of Donald Trump as President of the United States. One of Trump's key election promises will be the imposition of tariffs: 20% across the board, 60% on China, and 200% on vehicles from Mexico. He may argue this will reduce the burden of the tax cuts he wants to impose. Some have also suggested he may simply use these as a negotiating tactic with other countries and the actual tariffs may land at a much lower rate. Either way, Trump wants to onshore a lot more manufacturing and this will have significant impacts on global trade and inflation.

The world has been embarking on a period of globalisation for the last century. Globalisation is based on the economic theory of comparative advantage, where each country in a trade system will produce the goods (or services) that have the lowest opportunity cost compared to other economies. The theory suggests that countries specialise in these goods/services and import the rest, even if they have an absolute advantage (i.e. can produce the goods more efficiently or better) in all goods.

Comparative advantage lowers the price of goods for participants in the trading system. Donald Trump is effectively putting a stop to this, arguing that America should be producing more, regardless of what it will cost consumers. A good example is car manufacturing. Most cars sold in America by American companies are manufactured elsewhere, notably in Mexico, thanks to its cheaper labour. By dramatically increasing the cost of imports via tariffs, the price of cars will increase because of this increased cost to import. The alternative is for the car companies to manufacture them in the USA, which will also cost more because the labour is more expensive. Either way, the consumer loses.

This is why US stocks leapt while the stock in countries possibly about to be hit by tariffs fell.

Gold

Gold had a strong year, up 27.5%, almost matching that of the Nasdaq and ahead of the S&P500. As a "safe haven asset", gold has been benefitting from increasing global uncertainty with regard to slower global growth and deflationary pressures in China, an economy that is now a significant contributor to global output. October also followed the first Federal Reserve rate cut in September since its late rate hike in July 2023, signalling a clear intention to lower them further. If cash and fixed interest investments are likely to yield lower rates of return, the appeal of gold increases as the opportunity cost of holding it reduces. The market may also be taking a view on government debt, which continues to rise from fiscal spending. This could have an inflationary effect and weaken the US dollar, and gold will help shield investors from either of these impacts if they eventuate. As discussed at the last quarterly update, we have taken a similar view, and have continued to add precious metals exposure to the diversified models with gold and now silver making up around 10% of each portfolio.

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Oracle Q4 2024 Market Update

Domestic Macro Update

On Melbourne Cup Day, the Reserve Bank of Australia voted to keep the cash rate on hold at 4.35%. Speaking later in the month, Governor Michelle Bullock commented that inflation still remains too high to consider a rate cut in the near term. Readers may question what inflation indicator she may be referring to, as the monthly CPI indicator increased by only 2.1% in the 12 months to the month of October 2024. The monthly indicator is released as an interim data point with the quarter figure as the only metric the RBA uses for their policy settings. Further, the RBA prefers the trimmed mean CPI, which excludes more volatile price movers at the high and low end. For the September quarter, Trimmed mean CPI increased by 3.5%, which is above the RBA's target band of 2-3%, and it is in this context that Bullock's comments make more sense.

Importantly, parliament also passed a bill to introduce a dual board structure to the RBA. This was a key recommendation from last year's review of the RBA and will come into effect after the Bank's February board meeting. This new structure will create two separate RBA boards: one for policy rate setting and one for governance. This will mean those setting the cash rate can focus on the economics that go into that decision, while those on the governance board will focus on the RBA's other responsibilities such as the payments network, as well as emerging payments technologies such as digital currencies, and the impact artificial intelligence may have on payments. This seems like a good outcome as it will lead to more specialisation at the top of the RBA. Most importantly, the passage of this legislation did not include the ability of the government to force the central bank to change interest rates, which was previously a condition of support from the Greens that was later dropped. This will ensure that the RBA maintains its independence from government meddling.

The disconnect between the market and the economy remains, as the market has continued to soar, but Australia has now recorded the longest per capita recession since the 1970s. A per capita recession calculates GDP growth per person in an economy, as opposed to just looking at the aggregate GDP level, which may increase as a result of inflation or immigration. Australia's GDP per capita has now declined for 6 quarters in a row, falling 1.6%.

The ABS also reported that inflation has caused living standards to fall, with real household disposable income falling by 9% since March 2022. This explains the pinch that many may have felt when opening their wallets recently. This has been reflected in some sectors of the market, but only in very specific cases, and it is far from ubiquitous even within a sector such as discretionary retail. It remains very difficult to identify what companies will falter as a result of this dynamic, and which ones will maintain good performance.

As the new year provides a good opportunity to stop and reflect, I thought it would be worth looking back on the year managing the Oracle portfolios for some takeaways. Firstly, forecasting is a tough business, just ask those who are paid to do it. According to an analysis done by Jason Zweig of the Wall Street Journal, at the start of the year Wall Street analysts were forecasting a 7.4% return for the S&P 500 in 2024. Including dividends, the index finished the year up 25%. This is not an anomaly. In fact, it is the rule. There is very little correlation between Wall Street index forecasts and actual returns (on a one year basis) over the last 20 years. Putting aside the fact that these are sales tools, one could argue the analyst (and the investment bank) would ideally prefer their forecasts to land somewhat correctly, not least because this would enhance it as a sales tool. So for the so called experts to be so wrong consistently is a reminder of just how difficult it is to predict short term market moves.

My second takeaway is the importance of staying invested through the cycle. This insight piggybacks on the first one a little bit because the difficulty in forecasting short term returns makes it difficult to also time the market, even when certain events seem likely. We have been discussing – both internally and in investor updates – the weakening macroeconomic data both domestically and abroad and how it could negatively impact markets.

With the recent strength in markets – propelled further forward by a second Trump term – taking markets to new all-time highs, we are remaining vigilant. We don't believe markets to be in bubble territory but valuations as a whole do seem stretched. Our strategy is to remain focused on individual company valuations and while we acknowledge individual companies can move with the market, we believe we give ourselves the best opportunity to outperform using this strategy.

Oracle Global Equities Portfolio Update

Johan Snyman

Portfolio Manager

The Global Equities Portfolio finished the fourth quarter of 2024 with a loss of 0.03% relative to our benchmark, the MSCI ACWI ex Australia (in A$). On a 12-month basis, the relative outperformance is 2.83%. It is also worth highlighting the two-year performance, with a 26.42% p.a. return, against the benchmark's 24.01% p.a. return.

Different to the September 2024 Quarter, the December 2024 Quarter had two of the magnificent-7 in the top five ranking table – Amazon and Alphabet. In the June 2024 Quarter, we had Nvidia and Alphabet in the top five ranking table. The weightings at the end of the Quarter under review for the magnificent-7 and the Global portfolio reflect on the Global portfolio being underweight by ~150bps and going into a New Year we strongly believe we have captured the bull market alpha, and perhaps it is time for alpha from some defensive plays.

Company	Magnificent 7	Global Portfolio
Apple	4.92%	
Nvidia	4.24%	4.26%
Microsoft	3.83%	4.02%
Amazon	2.68%	5.99%
Alphabet	2.66%	5.70%
Meta Platforms	1.65%	
Tesla	1.49%	
Total	21.47%	19.96%

It was the second year in a row in which the S&P500 advanced by more than 20% - it was 23% in 2024, marginally lower than the 24% increase recorded in 2023.

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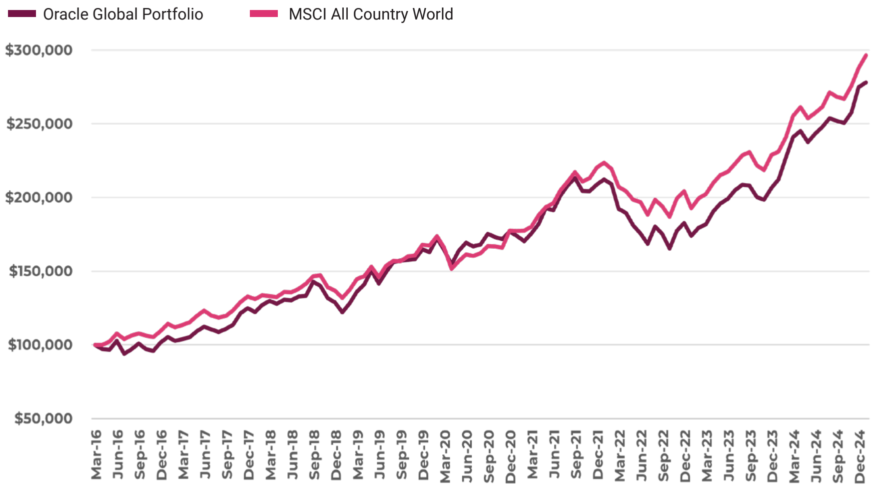
Portfolio Performance

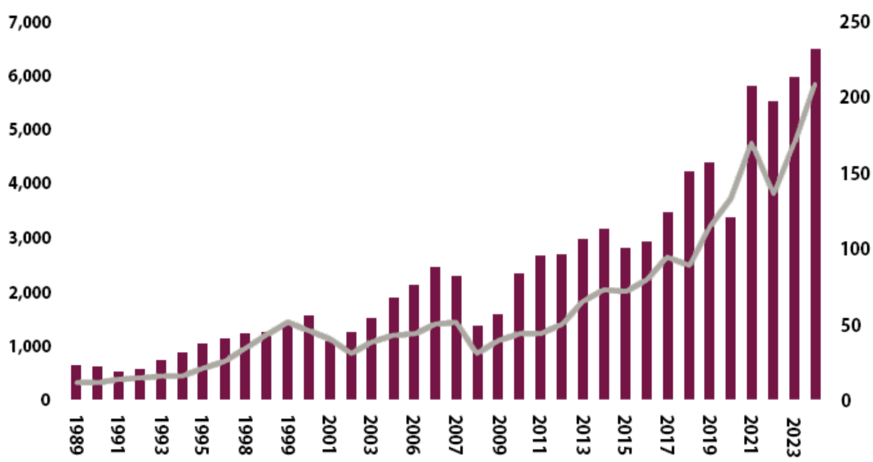
Rolling	Global Equities Portfolio	Benchmark (MSCI All Country World Index)	Outperformance
3 month	11.00%	11.03%	-0.03%
6 month	12.10%	13.34%	-1.24%
1 year	30.97%	28.14%	2.83%
2 year p.a.	26.42%	24.01%	2.41%
3 year p.a.	9.42%	9.86%	-0.44%
5 year p.a.	11.27%	12.11%	-0.84%
Since Inception p.a (1 March 2016)	**12.28%**	**13.09%**	**-0.81%**

Comparative Performance

Global Equities vs MSCI All Country World (since inception)



S&P 500 - index & EPS



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Oracle Global Equities Portfolio Update

Over a 35-year period, the compounded annual growth rate (CAGR) of the S&P500 index and earnings are 7% and 8% respectively. The last five years since the end of 2019 have been spectacular – firstly the earnings decline in 2020 due to the Covid-19 pandemic, and the S&P500 index only bucking the trend two years later in 2022, when the index fell by 19% with only a moderate (5%) decline in earnings in the same year.

Notable contributors to the performance in the Q under review, from an attribution perspective, were **Amazon, Alphabet, Visa, Flutter Entertainment** and **Corpay**. The relative underperformance of 110bps in the third quarter of 2024, due mainly to an abnormally high cash position in August 2024, had a negative impact on the second-half performance of the Global portfolio in 2024, very different to the first-half relative outperformance of ~400bps.

In the Quarter under review, **Block** was the top performer, followed by **Amazon** and **Visa.**

The investment thesis for Block continues to play out. Initially Mr Market was upset 3Q24 gross profit growth slowed to 19% YoY compared to 21% YoY for the same period in 2023. Moreover, the guidance for 4Q24 growth in gross profit of 14% YoY was weak. Block is not immune to macro-economic slowdown. An important growth driver for Block is the cross-selling of its existing products. We witnessed gross profit per active user steadily trending upwards from U$65 to U$75 the last year. With the incoming Trump Administration favouring cryptocurrencies, Block is also well placed with Bitcoins on its balance, which would be eventually used to facilitate transactions among its 57m monthly transacting activities.

The leadership of **Amazon** in eCommerce and Cloud Computing continues to offer upside potential, as the company generates robust cash flows, innovates in technology and remains committed to re-investment of excess cash in the enterprise at large. These actions continue to drive future profitability. Amazon Web Services (AWS) is the crown jewel of the Amazon business, with improving eCommerce profitability turning Amazon into a cash flow beast. And the stock remains a high conviction call for us. The ten-year CAGR in Amazon's free cash flow (FCF) is 32% and we have modelled for a similar if not higher percentage growth rate in the next five years or so.

Visa needs no introduction. It is one of the most recognizable brands in the world, with a corporate history dating back to the 1950s and the largest payment processing company outside China. Visa has three robust growth engines: 1) consumer payments; 2) new flows; and 3) value-added services (such as risk management & fraud detection tools).

The switch from cash to non-cash provides Visa with a long-term growth tailwind. This industry tailwind is driven by consumer preference and ease as well as governments, particularly in emerging countries that want to reduce their reliance on cash. Although regulatory scrutiny is unlikely to go away, we believe Visa is a low-risk investment that has the potential to provide steady shareholder returns for many years across economic cycles.

During the Quarter, we initiated one new position in **ASML,** headquartered in the Netherlands. Inclusive of the exits of CSX and Exor, the tally of stocks in the Global portfolio dropped to twenty-nine.

ASML, originally standing for Advanced Semiconductor Materials Lithography, designs, manufactures and sells photolithography machines used in the production of semiconductors. ASML identifies itself to investors as the **"most important tech company you've never heard of."** Indeed, the company does not have the rock star status of Nvidia, or other big names in the world of semiconductors such as TSMC, Intel, AMD, Broadcom, and Qualcomm, but is a critical element in the value chain of the semiconductor industry. The near monopolistic position in advanced lithography systems translates into industry leading margins and returns. Despite the current unsettled macroeconomic conditions and a gradual recovery rate, ASML has managed to maintain its margins without any significant decline. This is a testament to the robustness of the company's economic moat and speaks volumes about the company's ability to weather tough times. We believe the recent weakness in the ASML stock price provided an opportunity to buy "growth at a reasonable price" – as always, time will tell. For now, we enjoy the positive attribution from the two per cent weight of ASML in the Global portfolio.

Besides the new position in **ASML** in the Quarter under review, we added to the Global portfolio's weighting **Nvidia, GE Aerospace** and **Adobe**.

During the Quarter under review, we trimmed the weighting of **Berkshire Hathaway,** such a trim based on valuation concerns.

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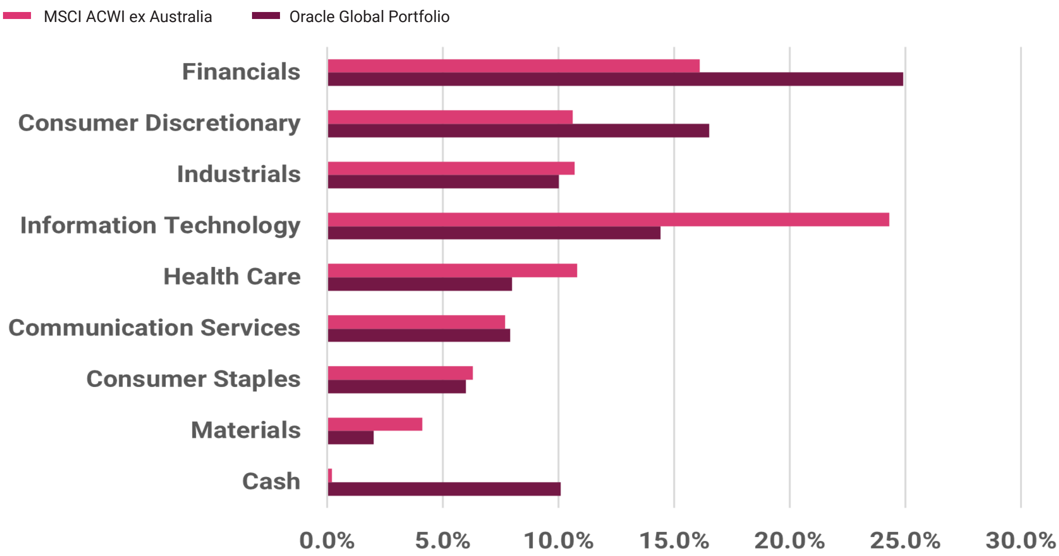
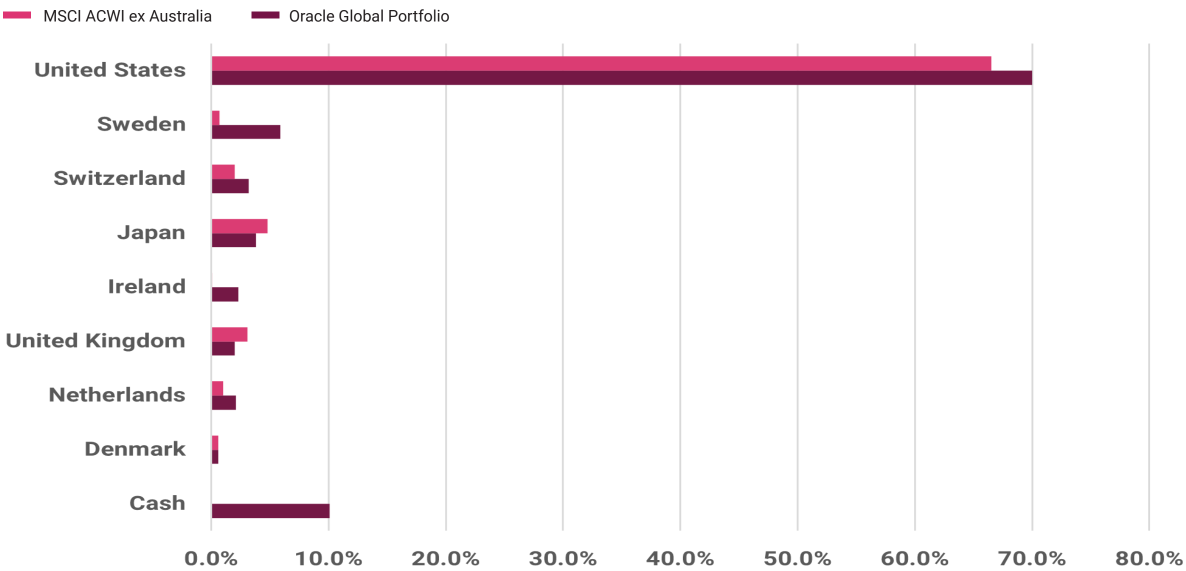
Oracle Global Equities Portfolio Update

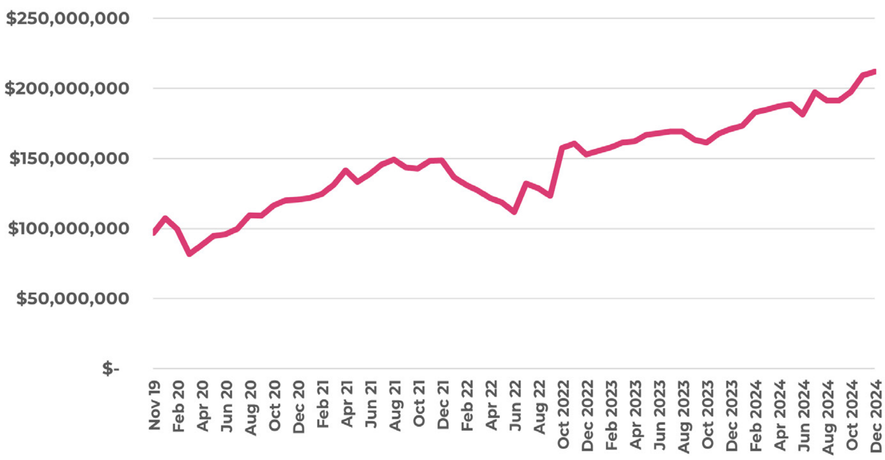
Market Segments



Geographic Exposure



Funds Under Management (since inception)



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Oracle Global Equities Portfolio Update

Top 10 Performers	Portfolio Position	3 month Performance
Block	2.29%	41.6%
Amazon	5.99%	31.4%
Visa	5.29%	28.6%
Alphabet	5.70%	27.2%
Nintendo	2.14%	24.2%
Sony	1.67%	24.1%
Flutter	5.98%	23.2%
Corpay	5.05%	20.9%
Nvidia	4.26%	19.9%
Mastercard	4.40%	19.2%

Portfolio Characteristics	Portfolio	Index
Forward EPS Growth - 3 years	13.6%	13.2%
Price/Earnings Forward - 1 year	24.7	15.5
PEG Ratio	1.82	1.17
Dividend Yield	1.0%	2.4%
Return on Equity (RoE)	27.2%	12.8%
Return on Invested Capital (ROIC)	17.6%	8.9%
Operating Margin	29.5%	23.2%
Gearing (Debt/EBITDA)	2.03	2.95
Beta	1.00	
Number of Holdings	29	2,292

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The portfolio aims to outperform its benchmark over a rolling 7-year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	MSCI ACWI ex Australia in A$ (unhedged)
Investment Universe	Primarily large cap international securities listed on major international exchanges. Portfolio may invest in listed ETFs.
Recommended Investment Period	3 - 5 years
Minimum Initial Investment	$50,000
Inception Date	1 March 2016

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Oracle Australian Equities Portfolio Update

George Kurian
Portfolio Manager

It is what it is till it ain't – Mac Miller, 'What's the Use?'

2024 was an extraordinary year. Paraphrasing John Maynard Keynes, this was a year in which Mr Market walked the talk that it could remain irrational longer than any rational man. At first sight, it may look like 2024 was a decent year with S&P/ASX200 producing a total return of 11.66%. However, let us ask some questions and see if there is any devil hiding in these return details.

1. How exactly did the index get the 11.66% return? In two words: Big Banks. The big four banks accounted for 60.2% of the ASX200's total returns.
2. Who were the top three ASX performance contributors? Commonwealth Bank, Westpac and National Australia Bank each of which provided total returns of 42.21%, 49.48% and 26.53% respectively.
3. Is there a profit run happening at our Federation-old or even older banks? No, even the best of the banks CBA is expected to grow its earnings per share at a measly compound rate of 4.2% over FY24-26.
4. So why are the bank stocks up so much? The crowd is clamouring for the banks and is bidding with abandon. CBA's Price to Earnings ratio (the crowd's willingness to pay) increased by an incredible 33% in 2024 and is now the highest in this century.
5. Are we in a banking bubble? Bank prices are now divorced from their earnings and are living on their own at 'Market-high-ville'. How long could they live at lofty heights without good earnings meals is anyone's guess.

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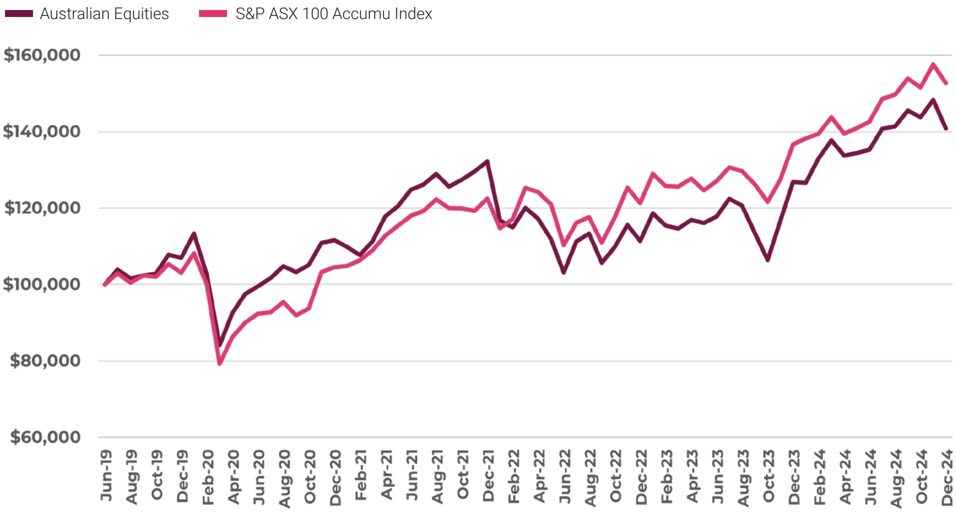
Portfolio Performance

Rolling	Australian Equities Portfolio	Benchmark (S&P ASX 100 Accumu Index)	Outperformance
3 month	-3.26%	-0.78%	-2.48%
6 month	4.08%	7.10%	-3.02%
1 year	11.01%	11.74%	-0.73%
2 year p.a.	12.46%	12.19%	0.27%
3 year p.a.	2.13%	7.62%	-5.49%
5 year p.a.	5.65%	8.18%	-2.53%
Since Inception p.a (1 July 2019)	**6.42%**	**8.00%**	**-1.58%**

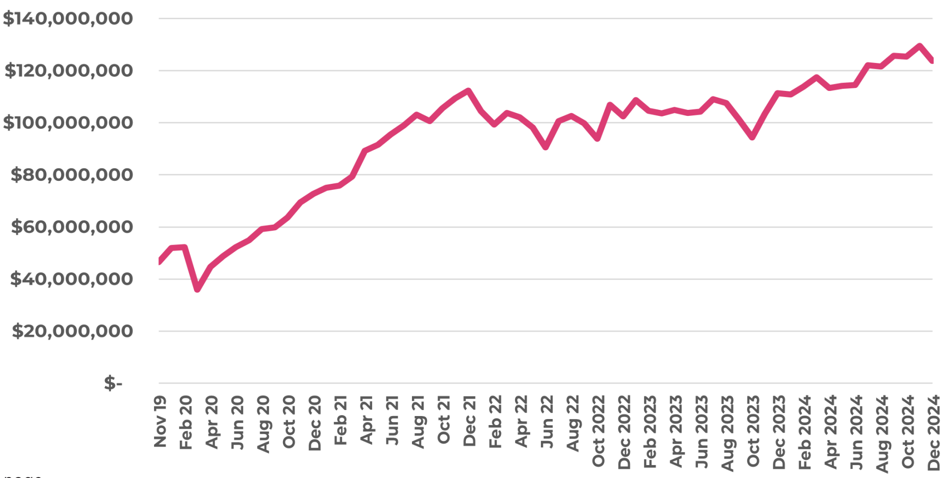
Benchmark data is S&P/ASX200 Accumulation Index prior to 1/7/2022.

Comparative Performance

Australian Equities vs S&P ASX 100 Accumu Index (since inception)



Funds Under Management (since inception)



Oracle Australian Equities Portfolio Update

How would you invest in such a market? We are fans of the maxim that 'if one is not early, one would be late'. We do not want to be late, so we have no banks in the portfolio. So, how could one beat the index without the galloping big banks? We have been re-directing banking exposure to REITs and the broader growth stocks. While this strategy beat the benchmark till December this year, rising rates and the missing 'Santa Claus rally' pushed us modestly below the benchmark this year. However, on a two-year basis, the time since your new portfolio manager commenced at Oracle, we are still ahead of the benchmark. Moreover, we consider the portfolio to be strongly undervalued at recent prices and so remain confident about future returns.

In the 4th quarter, Financials, Industrials and Health care were the benchmark's best contributors with contributions of 1.91%, 0.24% and 0.18% respectively. As discussed above, the banks continue to provide the best contribution with CBA and Westpac providing 1.91% and 1.22% respectively. Apart from banks, the insurance names QBE Insurance and Insurance Australia Group also provided good contributions of 0.16% and 0.11%, respectively. We do not have any exposure to the insurance names as we think they are commodity providers who are now in a late cycle of earnings. Industrial's contribution for the benchmark came from Computershare (0.20%), Qantas (0.11%) and Transurban (0.07%). We do not own any of them as we think Computershare is too late in the cycle, Qantas is an exceedingly difficult business and there are limited growth opportunities for Transurban in an inflationary cost of living environment.

From the portfolio perspective, the outperformance came from underweighting materials, overweighting Healthcare and having no weight in the Energy sector. We have zero weight in BHP vis-à-vis benchmark's 8.6%, and so the fall in BHP to the tune of 13.95% in the quarter was the main alpha provider in the sector. Our overweights on Pro Medicus and ResMed were the main alpha generators in healthcare. As we have zero weight in Energy, that sector's fall of 5.4% in the quarter also helped us.

Financials, Industrials and Technology were the main alpha detractors during the quarter. In the Financials sector, GQG, the banks, and the insurers were the main alpha detractors. In industrials, the main detractors were Reliance Worldwide, Computershare and Aurizon. In Tech, the main alpha detractors were NextDC, not owning Xero and Technology one.

In 2025, with the indications of rising rates and with US President Donald Trump talking about trade wars and even US geographical expansions, we expect the markets to be volatile. Hence, we have been progressively taking profits and de-risking the portfolio. As of this writing, we have cash or cash equivalents of about 9.6%. While we have a large cash cushion, we would be happy to deploy it into attractive opportunities, especially if the above-mentioned uncertainties translate into material market sell-offs. As always, we try to follow one Warren Buffett maxim to the best of our mental ability and stability - 'Be fearful when others are greedy and vice-versa'.

The top 5 winners for the quarter were **Arcadium Lithium, Block Inc, Pro Medicus, Aristocrat Leisure** and **REA Group.**

Arcadium Lithium (LTM)

Light at the end of the tunnel or an oncoming train light? That was the question ringing in our ears as we grappled with the incessant volatility of the lithium names. For LTM it was light at the end of the tunnel indeed, as Rio Tinto made an all-cash transaction for US$5.86 per share, which was about 90% premium to LTM's closing price about 5 days before the offer was publicly disclosed. However, unlike the takeover deal for Altium early in 2024 where we won big with that big fat Japanese wedding offer, this M&A deal was only a mere consolation prize for us. Why? We failed to anticipate the gut-wrenching depths lithium prices would plumb once let loose. After all, if a commodity plunges 90% in price, does it matter which price one buys the stock? If you were on the sinking titanic orchestra playing 'Nearer, My God, to Thee', even a last-minute escape was unlikely to make you stand up and sing 'Amazing Grace' jubilantly. Lesson learned: Beware of taking contrarian positions when it comes to commodities. One could lose shirt when the prices fall, then modesty when the volumes fall in sympathy, and then finally the thick skin when the company closes factories making the once modest leverage ratios suddenly look extravagant and the equity ripe for dilution at fire sale prices. Thanks to Rio we were spared the worst, but the trauma lesson is now well-chiselled in our hearts.

Block (SQ2)

Is stock price a free-swinging pendulum or an accounting bean counter? If you said the latter, then you would have to explain the price variations of Block over the past 18 months when it dropped as low as A$60 in the panic season (where we add closer to the bottom than the top) before rebounding to the recent optimism driven A$150. The quarterly results were good, but not that good. Hence, we are happy to believe that stock price often behaves like a free-swinging pendulum which likes to probe both investor pleasure and pain points. The 3Q 2024 revenue (excluding Bitcoin) was up 11.1% to $3,547m and Gross profit was up 19% y/y to $2.25bn. Cash App gross profit was up 21% y/y to $1.31bn and Square gross profit was up 16% y/y to $932m. Adjusted EBITDA grew 69% and the margin came in at 36%. Block is also looking to put Afterpay on Cash App card 'retroactively' so that customers could choose to pay the merchandise cost in instalments well after the purchase. This would make the Cash App card a de facto credit card. As cash app card is used by 24 million actives in the US, adding Afterpay as a default option should scale up the usage of Afterpay significantly. With the Trump era favouring deregulation, Block is also well placed with 8,300 Bitcoin on its balance sheet as Bitcoin price surges past USD$100,00.

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Oracle Australian Equities Portfolio Update

Pro Medicus (PME)

"Nature and nature's laws lay hid in night; God said 'Let Newton be' and all was light." So said the famous Alexander Pope's epitaph for Newton.

Double and double's laws lay hid in stock; God said 'Let Pro Medicus be' and all was light."

The quote above is unlikely to be too far from the investor experience with Pro Medicus so far. In 2024, Pro Medicus returned 162.2% and over the last 5 years 1052.1% (no, there is no decimal point mistake here). Moreover, Pro Medicus traded at over one hundred times earnings most of this 5-year value creation time, making it the 'Enemy No:1' of bargain seeking Australian Value Investing multitudes. The key reason for the surge this quarter was the winning of new contracts for its Visage Imaging system to replace the legacy Picture Archiving and Communication System (PACS). The latest contract win was an A$330m deal from US based Trinity Health. While PME has won US contracts before, the key difference was that this was the largest contract PME has ever won and also the first ever from a healthcare organization with a pan-US footprint.

Aristocrat Leisure

What happens when a cash-rich Aussie goes to America for corporate conquest? The Aussie becomes a Prodigal Son! However, Aristocrat is that rare Aussie who went, who saw, and who conquered America. Aristocrat is the market leader in America when it comes to gaming machines which are usually deployed in casinos, clubs and ships. It is truly astounding (and chest swelling) to think that an Aussie is beating the Americans in Las Vegas! Moreover, Aristocrat is in a prime position to extend the lead further in the adjacent online real money gaming as more American states open up for online gaming and sports betting. Aristocrat also reported strong FY24 results with revenue up 5% to $6.6bn, Segment profit up 12% to $3.1bn and NAPATA (Net Profit After Tax but before Amortisation) up 17% to $1.6bn. Aristocrat continues to gain market share in gaming with 7,100 units installed in North America, which was well ahead of the guidance of 6,000. Aristocrat also reached an agreement to sell mobile games company Plarium for US$820m. Pixel United continues to be a drag on Aristocrat and more operations are on the anvil to be divested. Overall, a strong result and this drove the share price in the quarter.

REA Group (REA)

REA group bounced back after its failed buyout of Rightmove (LSE: RMV) in the UK. REA was down about 8.2% in September, and the stock has rebounded this quarter along with the expectations for interest rate normalization in Australia. We still think that REA should have offered more and bagged the Briton. The key reason is that REA could have implemented its per-customer and tiered pricing in the UK compared to the agent driven blanket pricing model of Rightmove. Given that the UK's population is about 2.5x Australia's, and the fact that Rightmove has almost all of the UK market mean there would have been strong value creation for REA. Hence, we consider this failure to pay up and secure Rightmove, a wrong move and a rare strategic failure for the Murdoch family-controlled News Corp (News Corp owns about 61.4% of REA).

The top 5 detractors for the quarter were **Mineral Resources (MIN), GQG Partners (GQG), Newmont (NEM), IDP Education (IEL)** and **Domino's Pizza (DMP).**

Mineral Resources (MIN)

Paraphrasing a famous Warren Buffett saying, 'When you realize that you are dealing with an unethical man, you want him to be as dumb as a doornail'. Unfortunately, the founder and soon-to-be ex-CEO of Mineral Resources was never going to be doornail dumb. And so, the shareholders paid a heavy price. As the unsavoury details of CEOs' tax evasion and improper company resource usage (we will spare you the details) splashed over the newspapers, the stock sunk nearly 51% in 2024. However, the good news is that the tainted CEO is stepping down and the stock is undervalued at the current price, especially as the leverage concerns have been largely alleviated thanks to the two asset sales: $1.3bn sale of Onslow haulage road and an energy deal with Gina Reinhardt for $1.1bn. Hence, we estimate that most of the downside is already in the current price.

GQG Partners (GQG)

Talk about scoring your own goal! In 2024, GQG was the third fastest growing asset manager in America, had net inflows of US$20.3bn, and ended the year with US$153bn in Funds under management (FUM). This is astounding when you consider that the business was established only in 2016. But the stock was down nearly 25% in the quarter. Why? GQG had invested about 8% of its total FUM into India's Adani Group companies. Unfortunately for GQG, after its investment Adani group was accused by the US authorities of multi-billion-dollar fraud and bribery scheme in India. We had disagreed with GQG's decision to invest in Adani especially as Adani was earlier accused of fraud by a US short seller. While we still disagree with GQG's decision to invest in Adani, we think the current stock price fall is an overreaction. This is because the Adani investment losses are not material to GQG, and the fund flows remain robust as GQG continue to post robust performance numbers. Given that GQG is a large holding for us, the current fall is painful for the portfolio, but given the undervaluation and our conviction in GQG, even in pain we did not hesitate to increase our weights during the quarter.

Continued over the page

Please see the Important Information disclaimer on the back page.

Oracle Australian Equities Portfolio Update

Newmont (NEM)

When Gold runs, gold stocks usually leap. However, since we bought into this world's largest gold company at about A$50, it first leapt into A$87 but then couldn't resist diving into the low A$60s. The fall happened after its Q3 results which showed cost inflation in labour costs and the continued investment in building tailing facilities. It also guided down the medium-term gold production guidance to about 6m ounces from the consensus expectation of about 6.7m ounces. However, we do not think there is more downside to the production from the current 6m ounce levels as Western Australia's Bodington mine would come off after two years of stripping and with new block caves coming up in the Cadia gold mine of New South Wales and as there is production upside from Lihir mine in Papua New Guinea.

IDP Education (IEL)

Would last year's losers be next year's winners? If that is true, then with IDP gracing the loser's list twice (in both 2023 and 2024), the winner tag should not be long in the making. As of now we only have a miniscule 0.2% portfolio weight in IDP. IDP continued its downward drift since the announcement in October that student placement volumes would decline 20-25% in FY25. This was the crux of our bear thesis on IDP, and as it has played out, we are now more positive about the name.

Domino's Pizza (DMP)

Given that Domino's pizza has been turning cold for the better part of two years, it required no special negative news for the stock to go down for one more quarter. Given that we admire entrepreneurial bosses, it was tough to see Don Meij, a Pizza delivery boy who became the CEO, retiring. However, we take comfort from the fact Domino's is still 25% owned by the legendary fast food entrepreneur Jack Cowin – Hungry Jack's owner and the man who brought KFC to Australia. Domino's now has a new CEO, Mark van Dyck, in charge from 6th November 2024. Mark has held executive level positions at the Compass Group and The Coca-Cola Company. Hence, we will wait around for a turnaround.

BOUGHT

WiseTech (WTC)

WiseTech's billionaire CEO, unfortunately, fell into the world's oldest trap for the rich and famous, as he got himself entangled in multiple sex scandals. This made him grace the newspapers front pages with salacious headlines. Hence the stock plunged nearly 27% from the peak before recovering. As we know the business very well and as the honey-trapped CEO is stepping down, we took this opportunity to add to our holdings. In our opinion, WiseTech is the best technology company on ASX, and as it has no competition it is well set to capture most of the industry's profits.

James Hardie (JHX)

When the Fed is reducing rates, long rates usually follow the cue. However, the US economy is still going strong, and the Trump threat to collapse global trade with tariffs means that investors have started to price in higher for longer interest rates in the US. James Hardie, which is highly geared to the US housing market, pulled back along with the expectations for a shallower interest rate cut cycle than expected before. However, the US housing starts are still at 2018-19 levels, so we expect a recovery going forward, especially as mortgage rates moderate. Given the attractive valuation and the fact that James Hardie is one of the best companies in the housing space, we increased our weight.

Newmont (NEM) and GQG Partners (GQG)

As discussed above we increased our weights in both stocks during their pullbacks due to attractive valuations.

SOLD

CSL Limited (CSL)

As discussed in the last quarter, with some margin expansion already achieved at the key Behring division, we continued to trim CSL due to the lacklustre growth in its Vifor and Sequirus divisions, and the recent pipeline failures.

Top 10 Performers	Portfolio Position	3 month Performance
Arcadium Lithium	1.1%	93.4%
Block	6.7%	46.3%
Pro Medicus	1.7%	40.3%
Aristocrat Leisure	5.7%	17.4%
REA Group	1.2%	16.1%
Fisher & Paykel Healthcare	1.1%	9.5%
Perpetual	2.5%	6.8%
ResMed	6.4%	5.4%
Steadfast	0.5%	2.3%
CSL	4.2%	-1.6%

Please see the Important Information disclaimer on the back page.

Oracle Australian Equities Portfolio Update

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with tax effective income, dividends and capital growth. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
Investment Strategy	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of a high return on equity, growth potential and their ability to consistently deliver dividends to investors.
Benchmark	S&P/ASX 100 Accumulation Index
Investment Universe	Companies listed on the ASX that have a market capitalsation similar to those in the S&P/ASX 100 Accumulation Index.
Recommended Investment Period	3 - 5 years
Minimum Initial Investment	$25,000
Inception Date	1 July 2019

Portfolio Characteristics	Portfolio	Index
Historical EPS growth - 3 years	-1.0%	3.9%
Forward EPS Growth - 3 years	16.2%	6.7%
Price/Earnings Forward - 1 year	18.1	17.5
PEG Ratio (Median)	1.9	1.7
Dividend Yield	3.1%	3.6%
Return on Equity (Median)	9.0%	7.9%
Return on Invested Capital (Median)	7.4%	7.2%
Operating Margin (Median)	17.7%	14.2%
Gearing (Debt/EBITDA)	2.2	1.6
Beta	1.08	
Number of Holdings	28	203

Please see the Important Information disclaimer on the back page.

Oracle Emerging Companies Portfolio Update

Jack Magann
Portfolio Manager

The Emerging Companies Portfolio returned 8.78% for the 2024 calendar year. This compares to our benchmark, the S&P ASX Small Ordinaries Accumulation Index, which has returned 8.36% over the same period.

For the quarter the portfolio returned -0.13%, after a tough quarter for small caps. With the index being down -1.01% for the quarter, we outperformed by 0.88%. With bond yields rising during the quarter, the Australian 10-year yield was up 39bps, small caps again came under pressure.

While we will discuss the events of the December 2024 quarter, there are some notable performances of certain individual positions to highlight for the 12 months. Two that stand out are **Pinnacle Investment Management** and **Netwealth** as their share prices doubled over the year. While both companies operate in the same industry of wealth & funds management, they do have different business models.

Pinnacle acquires stakes in other investment management firms as affiliates and offers administrative support and distribution services. At the start of the year, Pinnacle reached $100bn in assets under management (AUM), and with two further acquisitions later in the year, AUM should reach $150bn at the 1H25 result release. This is a key milestone as Pinnacle has reached an important point of scale, and we are now witnessing the flywheel of the company in operation. With growing AUM comes increasing revenues which can be reinvested by Pinnacle into further affiliates and/or distribution resources. This increases the company's presence in the industry, and in turn, will keep AUM growing.

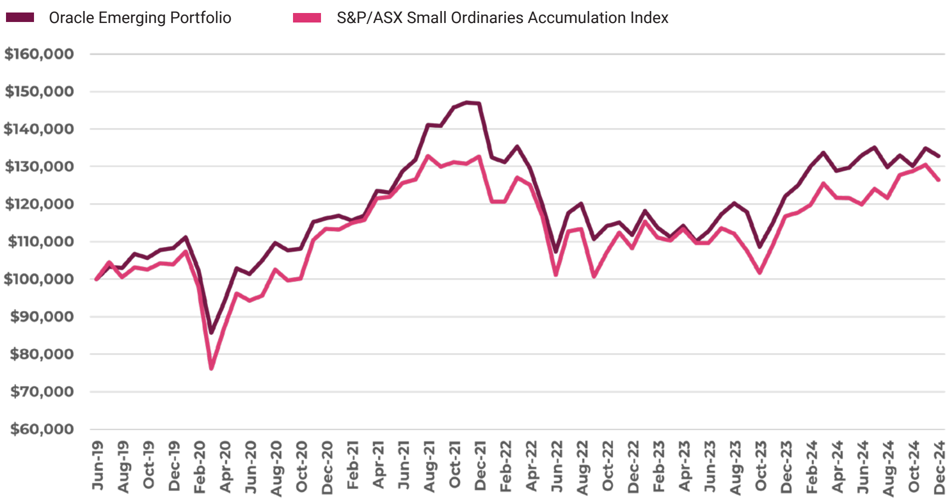
Continued over the page

Portfolio Performance

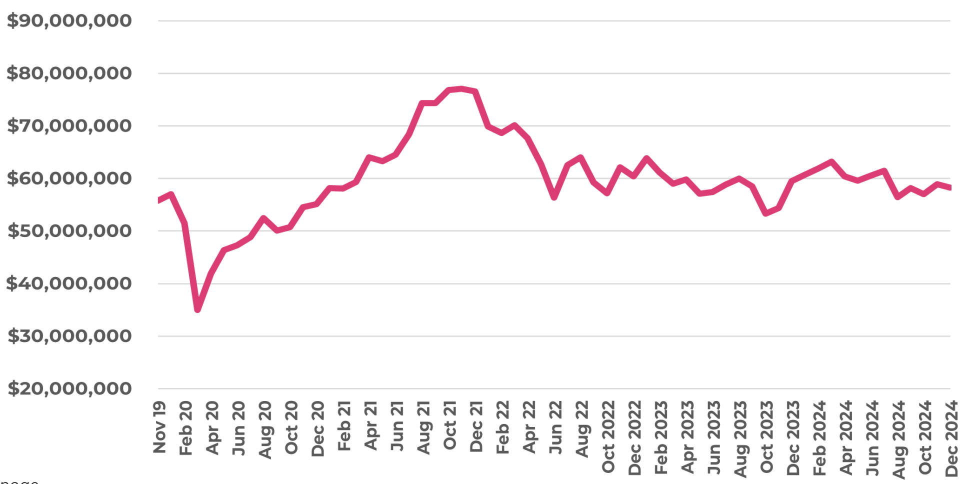
Rolling	Emerging Companies Portfolio	Benchmark (S&P/ASX Small Ordinaries Accumulation Index)	Outperformance
3 month	-0.13%	-1.01%	0.88%
6 month	-0.14%	5.46%	-5.60%
1 year	8.78%	8.36%	0.42%
2 year p.a.	9.00%	8.09%	0.91%
3 year p.a.	-3.28%	-1.57%	-1.71%
5 year p.a.	4.18%	4.01%	0.17%
Since Inception p.a (1 July 2019)	5.30%	4.36%	0.94%

Comparative Performance

Emerging Companies vs S&P/ASX Small Accum Index (since inception)



Funds Under Management (since inception)



Please see the Important Information disclaimer on the back page.

Oracle Emerging Companies Portfolio Update

Netwealth has also witnessed the operational advantage of scale this year, reaching the milestone of $100bn in funds under administration (FUA). Netwealth is a technology company providing an online platform to manage and control wealth, investments & superannuation. Netwealth continues to take market share from the legacy incumbents who continue to report outflows of FUA. Despite reaching the $100bn mark, the company still only has an estimated 9% market share of the industry. We believe a market share greater than 20% isn't unreasonable to assume.

Both companies hit key milestones in 2024, but we believe there is still strong growth ahead, and they remain in key positions in the Oracle Emerging Companies Portfolio.

During the quarter we had a positive result released by one of our more recent investments, **Catapult Group**.

Catapult, the sports wearables company, reported its first half results for FY25 and the company beat both the market and Oracle's expectations. From all metrics, the company is tracking according to our original thesis.

Annual recurring revenue (ARR) was up 20% on the prior year and the company is close to reaching US$100m in ARR. Our adjusted FCF was positive at US$2.9m and the company has passed the inflection point for free cash flow. We expect this metric to grow strongly over the next three years.

New teams using Catapult's products increased by 8%, but it was the cross-selling of their products that was the standout of the result. Teams using both the wearables and video products increased by 80% to 663 teams, out of the total 3,740 teams the company counts as customers. We believe this is a good opportunity for the company to grow revenues at a high margin.

Management commented on the call that they are still seeing big opportunities in women's sports, and being able to sign up both the men's and women's teams at the same professional club is a big boost for the company. Cross-selling and moving down into lower league competitions/teams are also two areas of focus.

New use of their products will also increase the addressable market for the company. For example, the announcement of a contract with the Southeastern Conference (SEC) for American College Football to use Catapult's live video analysis solution on the sideline of games opens a large opportunity in all American football leagues. This is the first time live video analysis has been cleared for use in any league, and we believe that this will set the path for other leagues to allow its use.

We don't like to just discuss our winners, without acknowledging what went wrong. Webjet has been a long-term investment for this portfolio, and we discussed the planned demerger of the Webjet online travel agent (OTA) from the hotel room distribution business, WebBeds. The demerger occurred during the quarter and has not gone as we anticipated.

We have discussed WEB previously and added to our position before the demerger. **WEB Travel** (ASX code: WEB) is the WebBeds business, a leading aggregator of hotel beds globally. WEB has been taking market share in Europe, the Americas and Asia, growing rapidly over the past five years. Management of the Webjet Group was very happy to talk up the growth prospects of WebBeds, deciding to demerge it from the slower growing Webjet OTA (now listed under ASX code: WJL) in an attempt to get a higher valuation multiple for WebBeds. This is why the negative announcement came as a shock to the market.

The company has been guiding for total transaction value (TTV) to reach $10bn by FY30 and EBITDA margins at 50%. It then came as a surprise that the company downgraded EBITDA margins significantly during the quarter, with the 1H25 EBITDA margin expected to be 44%. This compares to a 49% margin achieved in FY24.

It was Europe that was called out as the issue with WebBeds, as margins remain subdued in the region. Although, management did state they expect EBTIDA margins to be in line with their 50% target in FY26.

Of course, the market wasn't happy with the above, but we believe there was one line in the update that spooked the market the most, causing a significant drop in share price. "Changing geographic and business mix means TTV/Revenue margins are expected to stabilise at circa 6.5%." The CEO has stated that we can expect his margin until the end of FY26.

We believe WebBeds is still a quality business, with high expected growth over the next five years. While the update was disappointing, considering it was so soon after the demerger, at the current price the investment looks attractive and we continue to hold our position.

BOUGHT

PWR Holdings Ltd. (PWH) - Buy 1%

PWR Holdings is one of the highest quality companies in the Small Ords index. The company has always demanded a premium valuation. The valuation has pulled back as the company is currently undergoing an investment cycle, upgrading its facilities to expand capacity for growth. Due to this, profits have compressed in FY24 and are expected to remain subdued in FY25. Once the high investment period passes, we believe the company will be well set up for strong growth thereafter and the premium valuation will return.

Continued over the page

Oracle Emerging Companies Portfolio Update

Light & Wonder (LNW) - Buy 1.5%

Light and Wonder is a US company, dual listed on the ASX. They have recently de-levered by selling their lottery and sports betting businesses and now have a sole focus on slot machines, both physical and online. Under new management, which is primarily ex-Aristocrat executives, the focus has shifted from being sales-focused to being R&D-focused, which is what led Aristocrat to become the number one slot machine provider globally. We believe Light & Wonder can continue to take market share from the smaller players and shore up their number 2 position behind Aristocrat. Asia can be a big growth driver for the company, providing further upside to our valuation.

Life 360 Inc (360) - Buy 2%

Life 360 is the global leader in family tracking and safety, with their app ranking at number 4 in the US for social networking apps (behind only the Meta apps). Life360 counts 10% of the US population as users. With only 11% of their users counted as paying customers, we believe the increase in penetration for users moving from their "freemium" model to subscribers can provide substantial revenue growth. Another avenue for revenue growth is the recent launch of targeted advertising on the app. This was only launched in 2024 but if we look at comparable companies and the monetisation of advertising on their apps, this business segment could become a hugely profitable one for Life360.

AI-Media (AIM) - Add 1%

The company provided a positive update at their AGM and we came away impressed from the investor day that we attended in Sydney. AI-Media is expanding its reach with big deals signed with broadcasters in the UK and Eastern Europe for their captioning services. Europe is a strong tailwind for the company as new regulations require closed captioning to be provided by broadcasters within the EU, allowing accessibility to the hearing-impaired community.

SOLD

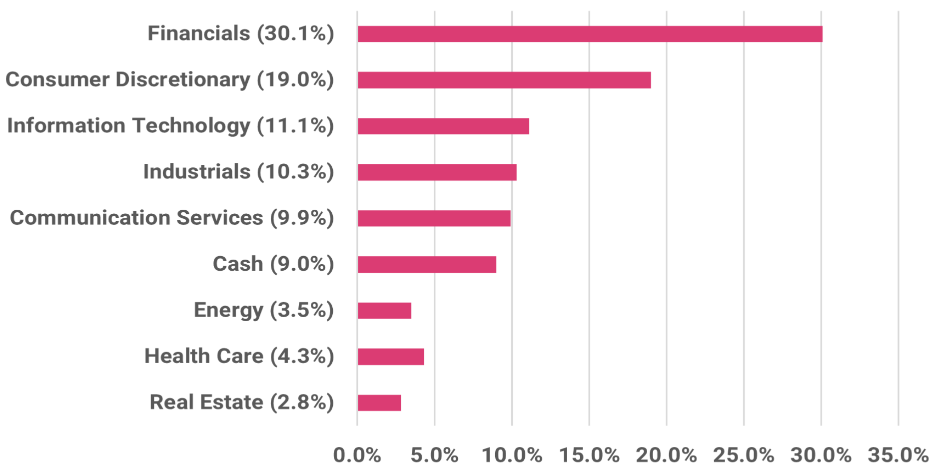
Australian Unity Office Fund (AOF) - Full Sell

AOF has now sold its last asset and is in the process of winding down. It sold this last asset at a 35% discount, which was much lower than expected. We sold out of the position as we believe the upside is minimal from here. Unfortunately, our thesis didn't play out, but we exited the position at breakeven.

SGH Ltd (SGH) - Trim -2%

SGH Ltd is the new name for Seven Group Holdings, one of our long-term investments. The share price has had a very strong run over the past two years, and we believe the valuation of the company has moved ahead of itself. As this was our largest position and is a cyclical company, we decided to trim based on a risk management perspective. We remain positive about the outlook for the company.

Sector Breakdown



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Oracle Emerging Companies Portfolio Update

Portfolio Overview

Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
Investment Strategy	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of high return on equity and earnings growth and as likely to provide attractive returns to investors.
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment Universe	All companies listed on the ASX plus managed funds. The Portfolio will include a range of mid-sized capitalization companies.
Recommended Investment Period	3 - 5 years
Minimum Initial Investment	$10,000
Inception Date	1 July 2019

Top 10 Performers	Portfolio Position	3 month Performance
Catapult Group International	1.4%	52.7%
Pinnacle Investment Management	3.3%	26.6%
News Corp	4.3%	22.7%
Energy One Ltd.	SOLD	19.6%
AI-Media Technologies	1.7%	16.6%
MA Financial Group	3.0%	15.7%
Netwealth Group	2.7%	15.7%
Auckland International Airport	2.0%	14.1%
Pacific Current Group	4.5%	11.6%
Centrepoint Alliance Ltd.	1.0%	9.8%

Portfolio Characteristics	Portfolio	Index
Historical EPS growth - 3 years	12.7%	7.1%
Forward EPS Growth - 3 years	16.2%	15.3%
Price/Earnings Forward - 1 year	17.8x	18.4x
PEG Ratio	1.90	2.0
Dividend Yield	3.0%	3.4%
Return on Equity (RoE)	11.3%	6.6%
Return on Invested Capital (ROIC)	7.6%	4.2%
Operating Margin	13.2%	5.5%
Gearing (Debt/EBITDA)	1.01x	1.18x
Beta	0.86	
Number of Holdings	41	200

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Oracle Fixed Interest Fund Update

Ashley Cox
Portfolio Manager

The Oracle Fixed Interest Fund returned 0.80% for the month of December, outpacing the benchmark's 0.71% return. This was a 2.64% return for the 3 months ending 31 December 2024, and 10.47% for calendar 2024 (versus benchmark return of 5.07%).

The fourth quarter of 2024 was characterized by heightened volatility across global financial markets as bond yields surged, and rate expectations shifted significantly. Market movements were driven by geopolitical developments, inflation concerns, and central bank rate cuts that fell short of earlier expectations.

October began with a sharp rise in interest rates. US 10-year Treasury yields increased by 0.50% to 4.28%, reversing much of the previous quarter's rally. This rise was fueled by stronger-than-expected economic data, including robust Non-Farm Payrolls and slightly higher than forecast September inflation figures. Market sentiment also reflected growing expectations of inflationary policies tied to the potential election of Donald Trump, whose trade and immigration stances were seen as likely to increase price pressures. By early November, following confirmation of Trump's presidential victory, US 10-year yields reached 4.43%. In Australia, a similarly hawkish tone from the Reserve Bank of Australia (RBA) drove domestic 10-year yields up 0.53% to 4.50% by the end of October. Rate cut expectations shifted dramatically; at the beginning of the quarter, markets had anticipated four 0.25% cuts from the US Federal Reserve by January 2025, but this forecast had dropped to two cuts by the end of October.

November brought some moderation in yields as bond markets rallied. Australian 10-year yields declined by 0.16% to 4.34%, and US yields fell by 0.115% to just below 4.17%.

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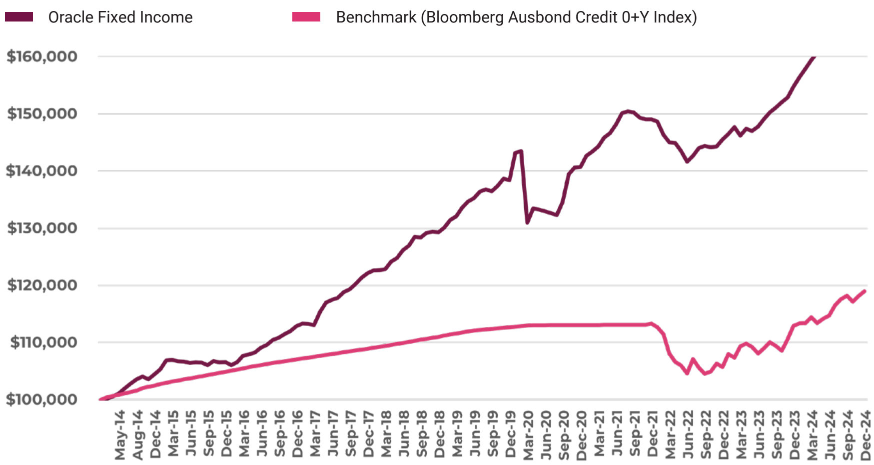
Portfolio Performance

Rolling	Fixed Interest Fund	Benchmark (Bloomberg Ausbond Credit 0+Y Index)	Outperformance
3 month	2.64%	0.67%	1.97%
6 month	4.67%	3.75%	0.92%
1 year	10.47%	5.40%	5.07%
2 year p.a.	8.40%	6.11%	2.29%
3 year p.a.	4.67%	1.64%	3.03%
*Since Inception (1 Dec 2021)	4.56%	1.66%	2.90%

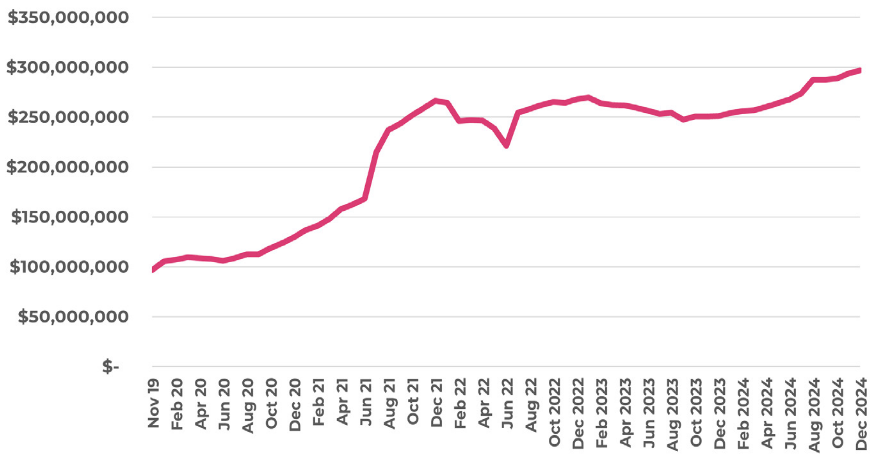
**The Fixed Interest Fund performance data is from 1 December 2021*

Comparative Performance

Fixed Income vs Bloomberg Ausbond Credit 0+Y Index (since inception)



Funds Under Management



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Oracle Fixed Interest Fund Update

However, market volatility remained high. In the United States, weak October payroll data had minimal market impact due to weather disruptions, but bond markets reacted strongly to the Fed's 0.25% rate cut. Despite the cut, the Fed's cautious guidance shifted the market's terminal rate expectations lower, from 3.70% mid-month to below 3.50% by the end of November. Globally, central banks including the Reserve Bank of New Zealand and the Bank of England also delivered rate cuts. In Australia, the RBA left rates unchanged and signaled a reluctance to respond to lower inflation driven by temporary subsidy effects.

Credit markets experienced mixed performance. October saw an aggressive tightening of credit spreads, especially in Tier 2 subordinated bank bonds, where a lack of major bank supply created excess demand. In November, primary market activity surged, with a record A$3.75 billion in Tier 2 supply across four deals. While investor demand was strong, French political concerns temporarily widened BNP Paribas spreads before sentiment improved by month-end.

December marked a reversal in bond market strength as US Treasury yields rose 0.40%, ending the quarter at 4.59%. Softer GDP data and a dovish RBA stance briefly supported Australian bonds, but global yield pressures ultimately prevailed. The Fed's smaller-than-expected rate cut and hawkish commentary led markets to push rate cut expectations further into the future. By year-end, the market anticipated fewer than two cuts by January 2026, compared to eight expected at the start of the quarter. This shift weighed on equities, with the S&P 500 falling 2.5% in December but closing the quarter up 2.0%.

Despite equity market weakness, Australian bank credit performed well, supported by year-end buying and limited supply. Tier 2 and senior bank bonds rallied, contributing to the Oracle Fixed Interest Fund's strong performance. We continue to hold the majority in floating rate assets, meaning the fund benefits as yields remain high, which remains our base case.

BOUGHT

- We bought Judo Bank 23 Oct 34 Floating Rate Subordinated note, callable 23 Oct 2029. This pays a coupon of 3 months BBSW + 3.35% (first coupon 7.75 % p.a.)
- We added to our existing position in Nufarm Finance (NZ) Limited, a junior subordinated perpetual note, offering a coupon of 3.9% above BBSW. At the current price, this is a running yield of just over 9.00%.
- Gryphon Capital Income Trust (GCI) launched a rights issue to raise additional funds at Net Asset Value ($2.00). We took up our rights and bought additional stock in the shortfall book, taking our exposure to the name to a desirable 5.00%. GCI is a Listed Investment Trust specialising in RMBS and ABS securities, targeting a return of 3.50% over the RBA cash rate.
- We bought the new QBE Insurance 21 Nov 36 Floating Rate Note (Callable 21 Nov 31), paying a coupon of 3 month BBSW +1.80%. This equates to an initial coupon of 6.2227%.
- We bought the new Barclays PLC 28 May 35 (Callable 28 May 30) Subordinated Floating Rate Note paying a coupon of 3 month BBSW +2.00%. This equates to an initial coupon of 6.4216%.
- We bought the new BNP Paribas 03 Dec 36 (Callable 03 Dec 31) Subordinated Floating Rate Note paying a coupon of 3 month BBSW +2.00%. This equates to an initial coupon of 6.4273%.
- We bought the new Pacific National Hybrid (callable Dec 2029), paying 3 months BBSW + 3.85%. The first coupon was 8.29%.
- We bought the new Avanti Finance Sep 2028 Floating Rate note issue at 3 month BBSW +4.85%. The first coupon was set at 9.31%

SOLD

- We sold our NAB Capital Notes 5 position for a 4.35% capital gain, plus we received a long first coupon rate of 6.94% (including franking), generating a total return of 6.25% over a roughly 100-day holding period.
- We sold our Westpac Subordinated Notes on 23 Jun 2033 at a Yield to Call date of 5.40%
- We sold our USD NCIG at a Yield to Call of 7.70%. This marks an impressive profit on a position that has provided strong coupon income. Additionally, we are happy with our exposure to NCIG in our loan positions and are always assessing and managing our US Dollar positions.
- We took profit on a portion of our Gryphon Capital Income Trust (GCI) position @ 2.07, or a 3.5% premium to Net Asset Value.
- We have been reducing our holding in Latitude Capital Notes for 97.00
- We switched some of our AMPOL 2081 Hybrid into the new issue, increasing our duration (extending call date), and increasing our running yield by roughly 0.60%p.a.
- We sold ING Bank Senior 20 Aug 2029 Floating rate notes at 100.27
- We reduced our exposure to Liberty Financial, selling Mar 2028 maturity Floating Rate Notes at 105.38

We distributed 1.04 Cents Per Unit for the month. Accordingly, the unit price will decrease by the same amount. This will be offset by a 1.04 cents per unit credit to holders' cash accounts.

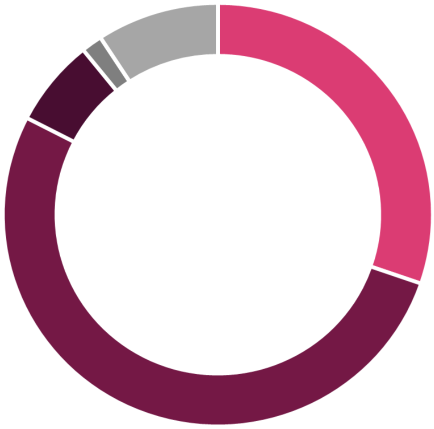
Please see the Important Information disclaimer on the back page.

Oracle Fixed Interest Fund Update

Portfolio Overview

Investment Manager	Oracle Investment Management Pty Ltd
Issuer	One Managed Investment Funds Limited
ARSN	650 401 004
Investment Objective	To provide a return comprised of a secure and predictable income stream with moderate capital growth. The Portfolio aims to outperform the Bloomberg AusBond Bank Bill Index on an annual basis.
Investment Strategy	To invest in credit securities from companies with strong management, and balance sheets that display characteristics such as sufficient liquidity and low levels of gearing. Diversification is achieved mainly through investment in securities across a range of industries.
Investment Universe	The Portfolio will primarily comprise of Australian Fixed Income including corporate bonds, listed sub-debt, listed hybrids, term deposits and cash. Dependent on market conditions the Portfolio may also invest in international corporate bonds and government bonds.
Recommended Investment Period	3 years
Minimum Initial Investment	$25,000
Inception Date	1 December 2021

Bond Type by Weight



Top 10 Holdings	Weight
Macquarie Bank Ltd 20 Feb 35 FRN (Call 20 Feb 30) Sub	3.91%
Heartland Australia Group Pty Ltd 13 May 25 FRN Senior	3.75%
Avanti 22 Feb 26 FRN (Call 22 Feb 24) Senior Sec	3.65%
Latitude Group	3.52%
AMP Bank Ltd 07 Oct 32 FRN (Call 07 Oct 27) Sub	3.49%
HSBC 21 Mar 34 FRN (Call 21 Mar 29) Sub	3.44%
BNP Paribas 23 Aug 34 FRN (Call 23 Aug 29) Sub	3.26%
ANZ Perpetual FRN (Call 18 Oct 30) Sub	3.23%
Newcastle Coal Infrastructure Group (NCIG	3.05%
Centuria Capital 2 Fund 20 Apr 2026	2.96%

Please see the Important Information disclaimer on the back page.

Oracle Property Securities Portfolio Update

Jack Magann
Portfolio Manager

In 2024 the Oracle Property Securities Portfolio returned 15.2%, with the ASX 300 Property Trust Accumulation Index returning 17.6%.

The Oracle Property Securities Portfolio returned -5.27% for the quarter. This compares to the index which returned -6.09%. We discuss the reason for the performance during the quarter below.

As we reflect on the December 2024 quarter, one of the key drivers of market movements has been the continued volatility in Australian bond yields, which have exerted a significant influence on the performance of listed Real Estate Investment Trusts (REITs) on the ASX.

REITs, by their nature, are highly sensitive to interest rate movements due to their reliance on debt financing and the income yield they generate for investors. When bond yields rise, the cost of capital for REITs increases, and their distribution yields become less attractive relative to risk-free government bonds. This creates a negative correlation between bond yields and REIT performance. Over the quarter, the AU10Y bond yield increased by 50 basis points.

Amidst the market volatility, the quarter was also a period of extensive research and portfolio rebalancing. We took the opportunity to review and update our analysis of the ASX REIT constituents, focusing on historical earnings growth and future projections. The research revealed several key winners—companies with strong earnings growth that are expected to continue leading the market in the years ahead.

Continued over the page

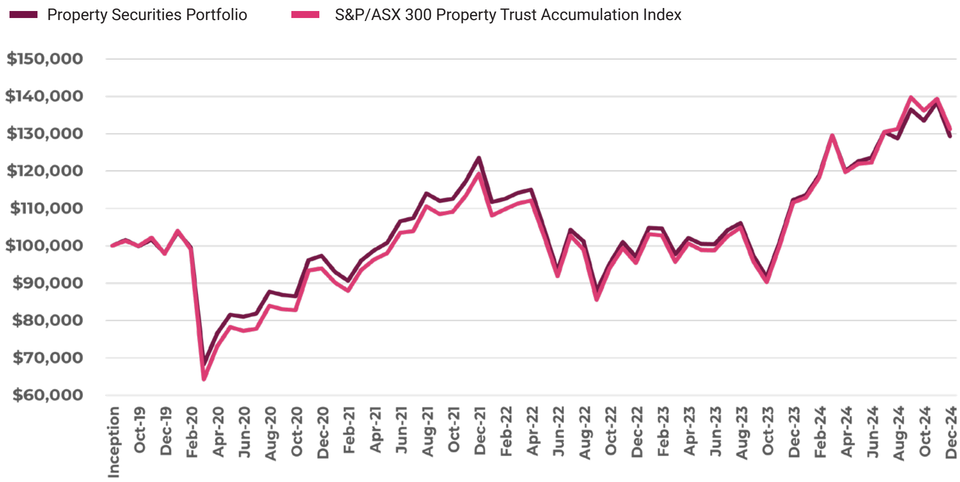
Portfolio Performance

Rolling	Property Securities Portfolio	Benchmark (S&P/ASX 300 Property Trust Accum Index)	Outperformance
3 month	-5.27%	-6.09%	0.82%
6 month	4.62%	7.34%	-2.72%
1 year	15.20%	17.63%	-2.43%
2 year p.a.	15.39%	17.26%	-1.87%
3 year p.a.	1.53%	3.21%	-1.68%
5 year p.a.	5.70%	6.05%	-0.35%
Since Inception p.a (1 August 2019)	**4.86%**	**5.14%**	**-0.28%**

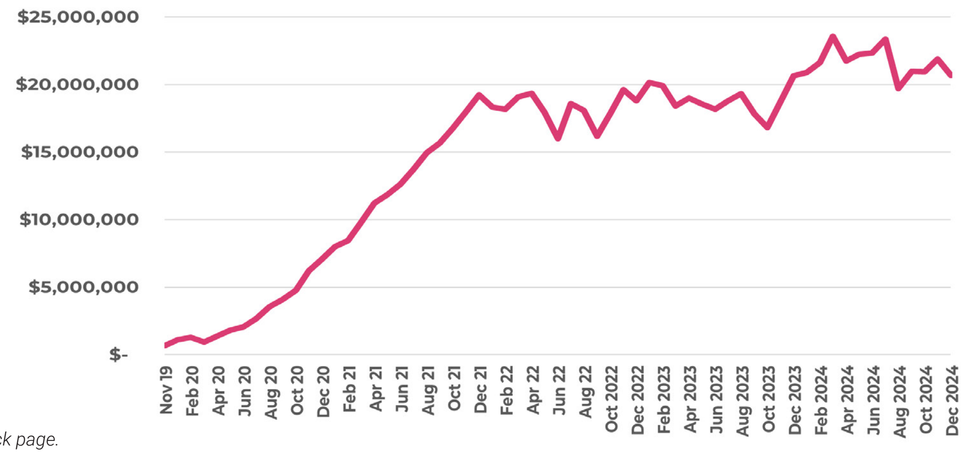
Comparative Performance

Property Securities vs S&P/ASX 300 Property Trust Accum Index

(since inception)



Funds Under Management (since inception)



Oracle Property Securities Portfolio Update

This led to strategic adjustments in the portfolio, including the addition of Aspen Group (APZ), a property company outside of the ASX REIT index. Aspen's strong historical growth and promising outlook, coupled with its focus on Return on Invested Capital (ROIC), made it an appealing addition. The company's founder-led management team, along with its focus on affordable housing, was seen as a differentiator, and the belief is that Aspen could continue to generate high returns well above its cost of capital, creating significant shareholder value. Aspen has performed well since we first took a position in the company.

An investment added late in the quarter was DigiCo Infrastructure REIT (DGT) after participated in the IPO, one of the largest IPO's of the year. DigiCo is the only pure play data centre REIT listed on the ASX and was formed through the acquisition of assets in both Australia and the US. While on an absolute basis, the valuation of the IPO looked reasonably valued, when we made comparisons with other Data Centre businesses trading on the ASX, there was a case to be made that DigiCo was undervalued. Given the tailwinds behind data centres, which we expect to continue for the next decade, we decided to take a stake in the IPO

Excluding DigiCo and Australian Unity Office in the buys and sells list below, the decisions made were all based on our research which focused on historical and future funds from operations growth. We believe we now hold the highest quality names within our investable universe.

In terms of looking into 2025 with a crystal ball, the big question on markets is, if and when the RBA will cut interest rates. As of writing, inflation data for November has been released and the RBA's preferred measure of inflation, trimmed mean inflation, came in at 3.2%. This is lower than the trimmed mean inflation of 3.5% recorded for October. The bond market is now pricing in a 61% chance of a rate cut in February and a 100% chance that it will happen by April. However, we must remember that financial markets got this call wrong in 2024 with rate cuts expected to be well underway towards the back end of the year.

If we do see any rate cuts this year, it will be positive for the listed property sector.

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BOUGHT

Aspen Group – Buy 2%.

Lendlease Group – Add 1%.

Charter Hall Group – Add 2%.

Goodman Group – Add 2%.

HMC Capital Ltd. – Add 2%.

Ingenia Communities Group – Add 3%.

DigiCo Infrastructure REIT – 3%

SOLD

Charter Hall Social Infrastructure REIT – Full Sell

Dexus Industria REIT – Full Sell

Hotel Property Investments Ltd. – Full Sell

Waypoint REIT – Full Sell

Australian Unity Office Fund – Full Sell

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Oracle Property Securities Portfolio Update

Top 2 Performers	Portfolio Position	3 month Performance
HMC Capital	3.8%	20.2%
Aspen Group	2.2%	15.7%

Portfolio Characteristics	Portfolio	Index
Historical FFO growth - 3 years	9.2%	1.3%
Forward FFO Growth - 3 years	4.7%	2.1%
Price/FFO Forward - 1 year	18.3	15.2
Dividend Yield	4.6%	5.9%
Return on Equity (RoE) - 3 year average	10.4%	6.9%
Gearing	25.9%	29.5%
Number of Holdings	15	31

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and income. The portfolio aims to outperform its benchmark over a rolling 3 year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	S&P/ASX 300 Property Trust Accumulation Index
Investment Universe	Listed ASX Securities that invest in and or Manage Property Investments. Portfolio may invest in listed ETFs.
Recommended Investment Period	3-5 years
Minimum Initial Investment	$25,000
Inception Date	1 August 2019

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Oracle Ethical Balanced Portfolio Update

Luke Durbin
Portfolio Manager

The Ethical Portfolio finished the year strong, returning 6.13% for the final quarter 2024. This is compared to the Morningstar benchmark return of 1.04%, outperforming by 5.09%. The portfolio ended the year with a performance of 14.65%, which was 4.53% above the benchmark.

The biggest contributors to the performers came from a handful of high-conviction positions, including the newest position for the portfolio, which we discussed in the September newsletter: London-listed Wise Plc (LSE: WISE).

More from good luck than good planning, our purchase of global payments transfer company Wise turned out to be perfectly timed: through the quarter the company increased by 66%, not long after our purchase. This translated into a contribution of 95 basis points (0.95%) to the portfolio's performance number. Our only error turned out to be not buying enough. We identified Wise as a high quality business that was trading well below our estimate of fair value, which is exactly what we target. Wise has now risen to levels that are above our estimate of fair value and while we do not intend to sell our position, the proposition is not nearly as attractive now as it was when we purchased.

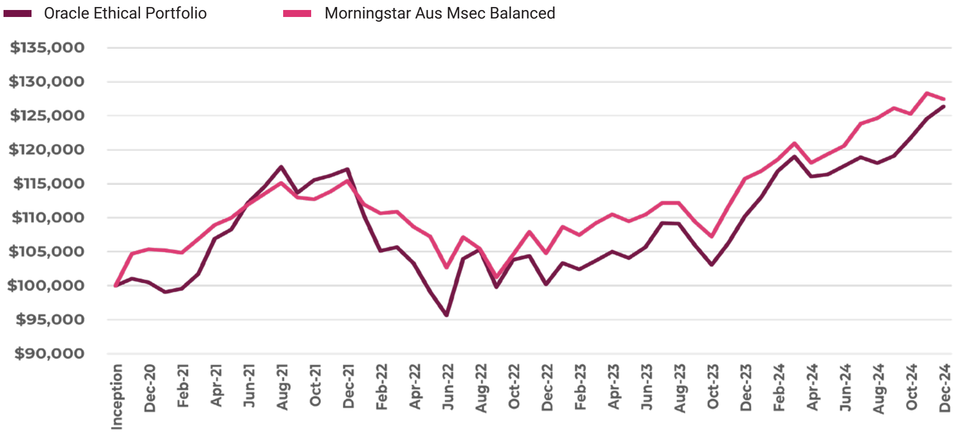
Wise was a beneficiary of bullish sentiment on fintech and payments, most of which companies rallied strongly. Fellow portfolio holdings Visa (NYSE: V) and CorPay (NYSE: CPAY) both benefitted, rising 29.1% and 21.3% respectively. Adyen has also been strong in the second half, however, it gained more in the September quarter than in the December quarter.

Portfolio Performance

Rolling	Ethical Balanced Portfolio	Benchmark (Morningstar Balanced)	Comparative Performance
3 month	6.13%	1.04%	5.09%
6 month	7.43%	5.71%	1.72%
1 year	14.65%	10.12%	4.53%
2 year p.a.	12.31%	10.29%	2.02%
3 year p.a.	2.56%	3.36%	-0.80%
Since Inception p.a (1 November 2020)	5.78%	5.99%	-0.21%

Comparative Performance

Ethical Balanced vs Morningstar Balanced (since inception)



Another company worth discussing is Lululemon (NAS: LULU), the largest contributor to performance for the quarter with a 1.28% contribution after rising 57.9%. Lululemon has been a lesson in both patience and conviction. The portfolio first invested in the portfolio in April 2024 at around US$360. The stock had fallen from a December 2023 high of $509 and our valuation suggested it was worth around $430 and looking good value. Unfortunately, the stock kept falling owing to some competition from some independent yoga and activewear labels. We accepted this as a key risk, but continued to believe that Lululemon's continued global rollout story would overshadow this – not to mention the valuation continued to get more attractive.

The stock eventually bottomed in June 2024 and has been recovering since, with results beating the market's suppressed expectations being the key catalyst to the re-rating. While we are certainly happy for the stock to have returned 57.9% for the quarter, we won't award full marks as the total return for our holding period is just (a still respectable) 14.9%, given that we held it through the dip.

There is not as much to talk about at the other end. The moves were of a smaller magnitude on not as much news. IDP Education (ASX: IEL) fell the most, but the smaller weighting kept it somewhat contained. We have increasing concerns around the business model of IDP with immigration numbers likely to decline, and with it, international students whom IDP places into universities.

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Continued over the page

Oracle Ethical Balanced Portfolio Update

We still hold a small position but the position is under review. NEXTDC (ASX: NXT) fell 13.9%, and as a higher weight, was the biggest negative impact on the portfolio for the quarter, contributing -0.38% to portfolio performance. NEXTDC, along with many other ASX companies held their annual general meeting through the quarter. NEXTDC is seeing immense growth in the data centre industry from the explosion in demand for artificial intelligence (AI) applications. The company raised an additional $550 million in equity capital in September, after which the share price began to slide. The funding will go towards acquiring new data centre sites in Asia. Short term, this will be dilutive to earnings but long term, this is exactly in line with NEXTDC's business model: equity-fund capital intensive data centres that, once built will require minimal maintenance capital and will generate high margin cash flows. The slide in share price is not concerning to us and if it continues may present a buying opportunity.

We are very pleased with the past year. As we have mentioned in previous updates, we believe that the improvement in the quality of our portfolio during the second half of the year will benefit us in the years to come.

Top 10 Performers	Portfolio Position	3 month Performance
Wise PLC	2.3%	66.2%
Lululemon	3.3%	57.9%
Pro Medicus	1.8%	40.3%
Visa	2.1%	29.1%
Alphabet	4.0%	27.8%
CorPay	2.2%	21.3%
Airbnb	2.4%	16.1%
Rea Group	1.5%	16.1%
Costco	3.6%	16.0%
Euronext	1.8%	15.5%

Selected Investment Holdings	Ethical Theme	Weighting
Lululemon	Responsibly sourced athletic apparel	3.3%
Euronext	European market infrastructure	1.8%
Wise plc	Global currency transfer provider	2.3%
Vertex Pharmaceuticals	Cystic Fibrosis Treatment	2.6%
Laserbond	Industrial Machinery Refurbishment	1.1%
Airbnb	Alternative Accommodation Platform	2.4%
Adyen	Global Payments Platform	1.8%
Rightmove	UK Real Estate Portal	1.1%

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Oracle Ethical Balanced Portfolio Update

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term growth and to outperform the Consumer Price Index + 3% over the medium term (5 years).
Investment Strategy	To invest across a broad range of investment sectors and to provide a balance between capital growth and capital preservation. Oracle use an active bottom up stock selection process, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting both our investment criteria of strong earnings growth and ethical criteria of positive social, environmental and governance factors.
Investment Universe	Listed ASX Securities, cash, ETF's, corporate bonds, short term money market securities, international securities, listed sub-debt, listed hybrids and listed property investments.
Recommended Investment Period	5 years
Minimum Initial Investment	$50,000
Inception Date	1 November 2020

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Diversified Managed: Capital Stable Portfolio

The Capital Stable Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are forgoing the potential for higher returns over the long term for relative security.

Asset Class	Neutral
Cash	10%
Fixed Income	60%
Property Securities	5%
Aus Emerging Companies	0%
Aus Equities	15%
Global Equities	10%

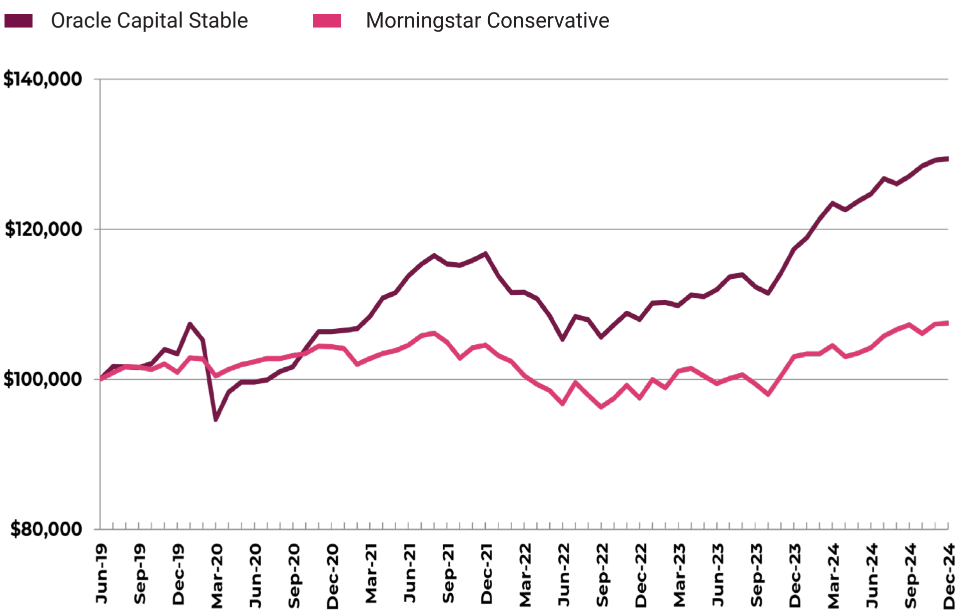
Investment Fee (% per annum)	
Capital Stable Portfolio	0.6%

Portfolio Performance

Rolling	Oracle Capital Stable	Benchmark (Morningstar Aus Msec Conservative)	Comparative Performance
3 month	1.83%	0.16%	1.67%
6 month	3.76%	3.12%	0.64%
1 year	10.24%	4.33%	5.91%
2 year p.a.	9.47%	4.97%	4.50%
3 year p.a.	3.49%	0.92%	2.57%
5 year p.a.	4.58%	1.26%	3.32%
Inception p.a. (1 July 2019)	**4.79%**	**1.31%**	**3.48%**

Comparative Performance

Oracle Capital Stable vs Morningstar Capital Stable (since inception)



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Diversified Managed: Conservative Portfolio

The Conservative Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are foregoing the potential for higher returns over the long term.

Asset Class	Neutral
Cash	5%
Fixed Income	50%
Property Securities	5%
Aus Emerging Companies	0%
Aus Equities	25%
Global Equities	15%

Investment Fee (% per annum)	
Conservative Portfolio	0.65%

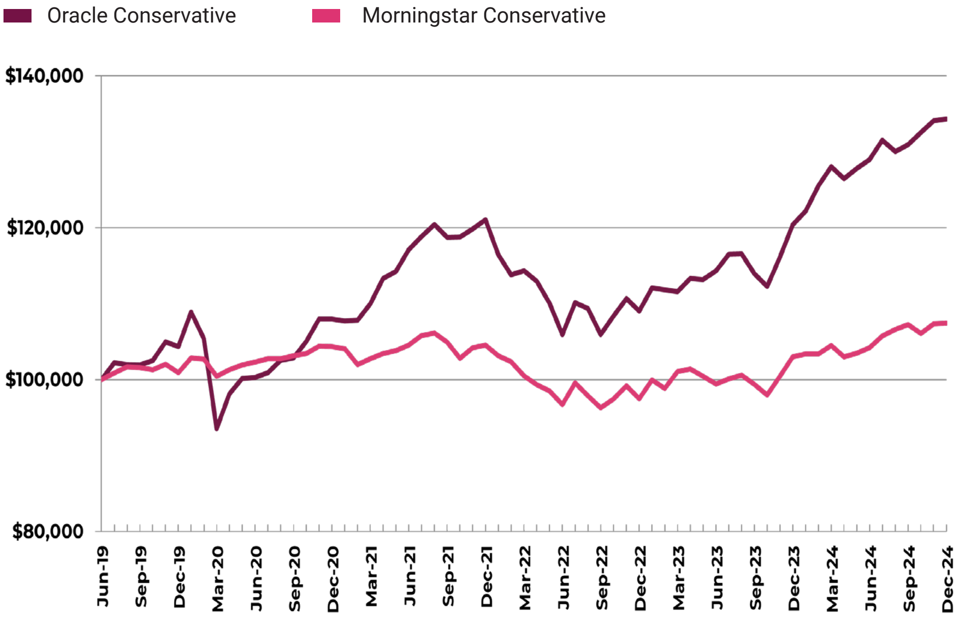
Portfolio Performance

Rolling	Oracle Conservative	Benchmark (Morningstar Aus Msec Conservative)	Comparative Performance
3 month	2.61%	0.16%	2.45%
6 month	4.18%	3.12%	1.06%
1 year	11.60%	4.33%	7.27%
2 year p.a.	11.01%	4.97%	6.04%
3 year p.a.	3.53%	0.92%	2.61%
5 year p.a.	5.19%	0.55%	4.64%
Inception p.a. (1 July 2019)	**5.52%**	**1.31%**	**4.21%**

Comparative Performance

Oacle Conservative vs Morningstar Aus Msec Conservative

(since inception)



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Diversified Managed: Balanced Portfolio

The Balanced Portfolio suits investors who require a balanced portfolio, diversified across all major asset classes, seek capital growth over the medium to long term with a moderate level of income, accept a moderate degree of volatility associated with a relatively higher exposure to growth assets and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	4%
Fixed Income	36%
Property Securities	6%
Aus Emerging Companies	9%
Aus Equities	20%
Global Equities	25%

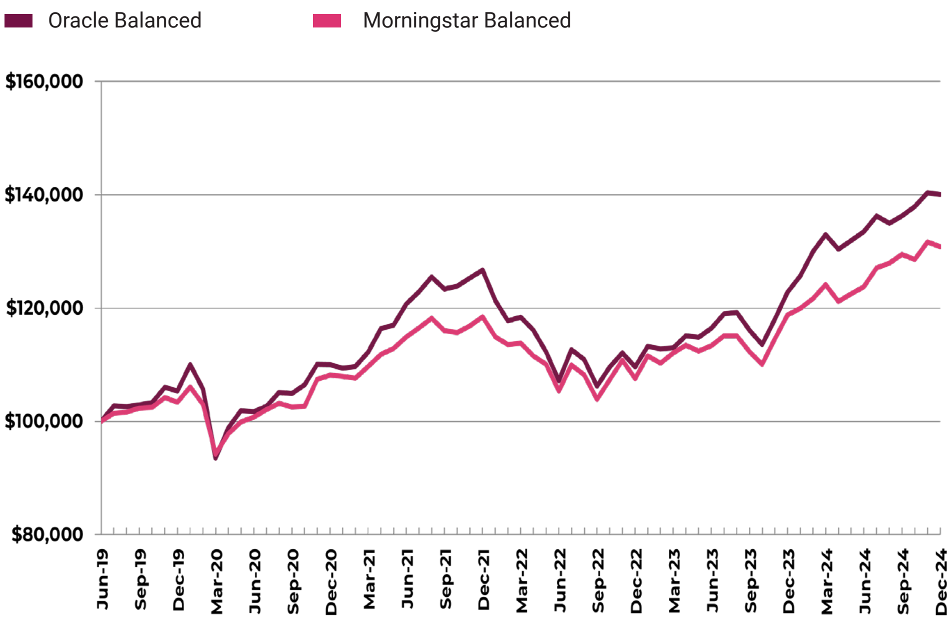
Investment Fee (% per annum)	
Balanced Portfolio	0.7%

Portfolio Performance

Rolling	Oracle Balanced	Benchmark (Morningstar Aus Msec Balanced)	Comparative Performance
3 month	2.81%	1.04%	1.77%
6 month	4.97%	5.71%	-0.74%
1 year	14.08%	10.12%	3.96%
2 year p.a.	13.04%	10.29%	2.75%
3 year p.a.	3.41%	3.36%	0.05%
5 year p.a.	5.87%	2.00%	3.87%
Inception p.a. (1 July 2019)	**6.32%**	**5.00%**	**1.32%**

Comparative Performance

Oracle Balanced vs Morningstar Balanced (since inception)



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Diversified Managed: Growth Portfolio

The Growth Portfolio suits investors who seek the potential for a relatively high level of growth and a modest level of income, accept a higher level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	2%
Fixed Income	24%
Property Securities	10%
Aus Emerging Companies	11%
Aus Equities	19%
Global Equities	34%

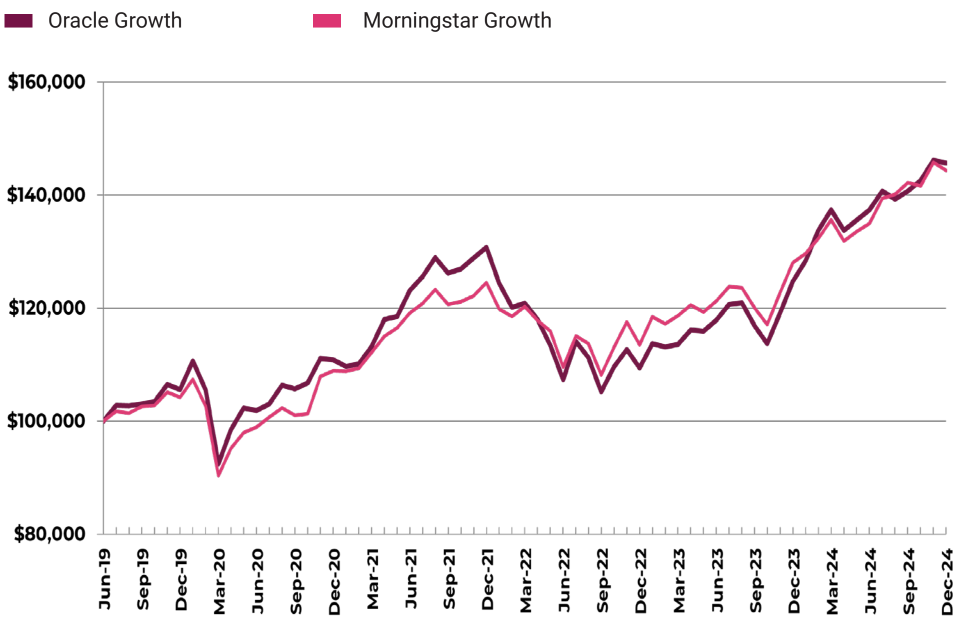
Investment Fee (% per annum)	
Growth Portfolio	0.75%

Portfolio Performance

Rolling	Oracle Growth	Benchmark (Morningstar Aus Msec Growth)	Comparative Performance
3 month	3.54%	1.53%	2.01%
6 month	6.05%	6.94%	-0.89%
1 year	16.83%	12.80%	4.03%
2 year p.a.	15.39%	12.78%	2.61%
3 year p.a.	3.68%	5.06%	-1.38%
5 year p.a.	6.65%	6.73%	-0.08%
Inception p.a. (1 July 2019)	**7.08%**	**6.90%**	**0.18%**

Comparative Performance

Oracle Growth vs Morningstar Growth (since inception)



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Diversified Managed: High Growth Portfolio

The High Growth Portfolio suits investors who seek a relatively high level of growth on investment capital, accept a high level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	2%
Fixed Income	0%
Property Securities	10%
Aus Emerging Companies	20%
Aus Equities	24%
Global Equities	44%

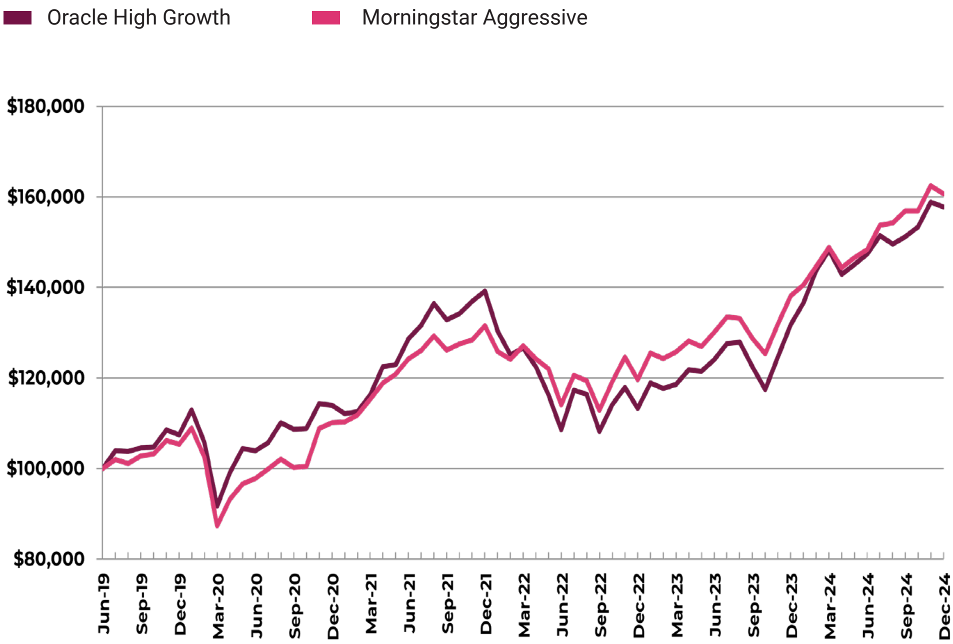
Investment Fee (% per annum)	
High Growth Portfolio	0.85%

Portfolio Performance

Rolling	Oracle High Growth	Benchmark (Morningstar Aus Msec Aggressive)	Comparative Performance
3 month	4.33%	2.40%	1.93%
6 month	7.00%	8.26%	-1.26%
1 year	19.72%	16.31%	3.41%
2 year p.a.	18.02%	15.88%	2.14%
3 year p.a.	4.26%	6.90%	-2.64%
5 year p.a.	7.98%	8.79%	-0.81%
Inception p.a. (1 July 2019)	8.64%	9.00%	-0.36%

Comparative Performance

Oracle High Growth vs Morningstar Aggressive (since inception)



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Investment Manager

Oracle Investment Management Pty Ltd
PO Box 33, Charlestown, NSW 2290
02 4088 6444 | info@oracleim.com.au | oracleim.com.au
ABN 15 149 971 808 | AFS Licence 430574

Responsible Entity – Oracle Fixed Interest Fund

One Managed Investment Funds Limited
ACN 117 400 987 | AFSL 297042

Responsible Entity & Issuer - Oracle Managed Accounts

The Trust Company (RE Services) Limited
ABN 45 003 278 831 | AFS Licence 235150

Promoter

Margaret Street Promoter Services Pty Ltd
ABN 23 153 446 210 | AFS Licence 420274

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