

CFS AZ Sestante Wholesale Diversified Fund Monthly Investment Report

As of 31/07/2023

Latest performance*

	1-mth	3-mths	6-mths	1-yr	3-yrs	5-yrs	Inception
Investment	1.66%	1.63%	2.78%	4.67%	3.16%	2.88%	4.05%
Super	1.47%	1.51%	2.58%	4.30%	2.94%	2.74%	3.64%
Pension	1.67%	1.67%	2.88%	4.89%	3.31%	3.09%	4.07%
Benchmark	0.57%	1.68%	3.69%	9.18%	8.73%	6.93%	6.54%

*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to the that of the model portfolio. Investment performance is shown from 5/12/2016 and represents modelled performance only and assumes income received is reinvested.

Market Review

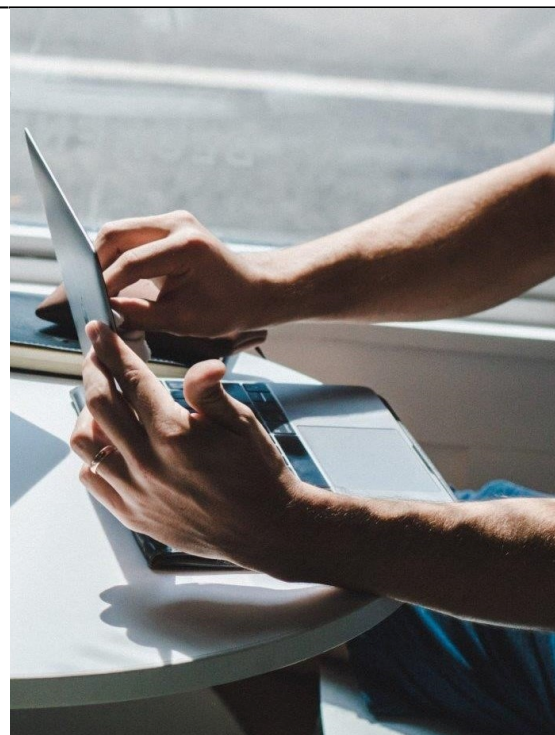
US equities continued to rise in July, with the S&P 500 (+3.11% in USD terms) and the Nasdaq 100 (+3.81%) rallying for the 5th consecutive month. All sectors ended July in the black. The MSCI AC World Daily TR was up +3.66% in USD terms and +2.80% in AUD terms as the Australian Dollar strengthened against the US Dollar, but softened vis-à-vis the other major and developed currencies. Emerging markets outperformed on the back of the resurgence in Chinese equities.

The CSI Overseas China Internet, which tracks the performance of the largest Chinese Big Tech firms, was up double digit, recording its 5th best month ever. Australian equities rallied smartly in July, supported by better than expected inflation data. The S&P/ASX 300 TR added +2.89% following the release of the Australian Bureau of Statistics' report, which saw the headline CPI rise +0.8% QoQ and +6.0% YoY.

Mid-caps and smaller companies strongly outperformed the Top 20, while value stocks outperformed growth stocks. The FED, ECB and Bank of Japan continued their rate tightening over the month with the Bloomberg Barclays Global Aggregate Index hedged back to AUD almost unchanged. The RBA held the cash rate at 4.10%, delivering its second pause since May. The Bloomberg AusBond Composite 0+ Yr rose +0.52% for the month.

In terms of portfolio exposures, we see a window of opportunity in August and September to make use of the spike in fixed income yields to buy longer dated bonds in our portfolios as we still believe the US economy will deteriorate in the last quarter of this year causes rates to fall. We do not see any particular reasons to reduce our exposure to growth assets too far ahead of the above scenario. We expect the rotation into sectors that tend to perform better at times of rising yields, such as energy and financials, to persist. Traditional defensives are starting to see inflows as well, signalling that investors may be concerned about what lies a quarter ahead. Our portfolios remain positioned accordingly.

For a detailed market review and outlook, please refer to the *Monthly Market Commentary* document for more.



\$10,000 invested over time



■ CFS AZ Sestante Diversified ■ RBA Cash Rate + 3.5% p.a.

Portfolio information

- Investment Objective: target CPI +3.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- Portfolio Inception Date: 5 December 2016 (for investments only)
- Management Costs:
Investment: 0.95% p.a.
Pers. Super: 0.99% p.a.
Pension: 0.99% p.a.
- Buy/Sell Spreads: +/-0.10%

Sustainability Score

There are no results for this selection.

Funds eligible for Sustainability Score must meet below criteria:

- At least 67% of a fund's qualified holdings must be eligible to receive an ESG risk score, which would either be an ESG Risk Rating (for corporate holdings) or Country Risk Rating (for sovereign holdings).
- If corporate holdings comprise 5% or more of the portfolio, we require at least 67% of the corporate portion to have ESG Risk Ratings.
- If sovereign holdings comprise 5% or more of the portfolio, we require at least 67% of the sovereign portion to have Country Risk Ratings.
- Portfolio holdings are available for the specified time period.
- Last portfolio date is less than 276 days (9 months), for ESG scores to be calculated.
- Fund's universe or legal type = Closed-end Fund, Private Fund, Open-End Fund, ETF, Insurance Fund, Separate Account, Unit Investment Trust.

ESG Pillar Score

Not Available

AZ Sestante

AZ Sestante is a specialist investment consultant focused on designing and managing a range of multi-manager model portfolios via SMAs, MDAs, and fund of funds. Our parent company Azimut is Italy's largest independent asset manager listed on the Italian stock exchange. The group manages over AU\$55 billion in assets globally including over AU\$6 billion in multi-manager solutions.

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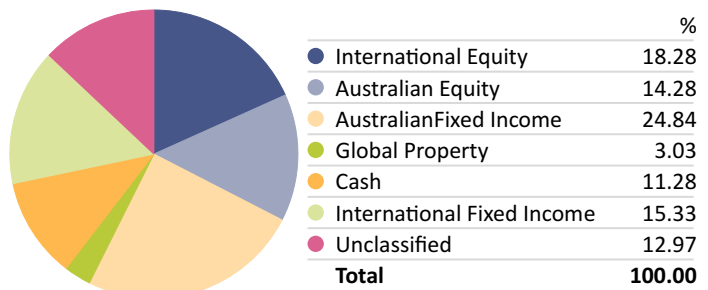
Important information

The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining the trailing 12 months of portfolio scores adds consistency while still reflecting portfolio managers' current decisions by weighting the most recent portfolio scores more heavily.

ESG pillar scores are displayed as a number between 0 and 100 with most scores range between 0 and 25. It is the asset-weighted average of the company environmental, social, governance risk scores for the covered corporate holdings in a portfolio. The scores measure the degree to which a company's economic value may be at risk driven by environmental, social, and governance factors. The risk represents the unmanaged risk exposure after taking into account a company's management of such risks.

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Current Asset Allocation



Where your funds are invested

Australian Fixed Income	24.84	
CFS Wholesale Indexed Australian Bond	16.96	🌐🌐🌐
CFS FC W Inv-Kapstream W Absolute Ret	7.88	—
International Equity	18.28	
CFS FC Inv-IronBk Royal Lon Con Gb Shr	6.01	—
CFS FC Inv-CFS Index Global Shr-Hgd	5.10	—
CFS FC-Fidelity W Asia	4.55	—
CFS FC Inv-CFS Index Global Share	2.61	🌐🌐
Global Fixed Income	15.33	
Colchester Global Government Bond I	5.43	🌐🌐
CFS FC-PIMCO Wholesale Global Bond	4.95	—
CFS FC W Inv-Macquarie Income Opps	4.94	—
Australian Equity	14.28	
CFS FC W Inv-Schroder Australian Equity	8.19	—
CFS FC W Inv-Fidelity Aus Equities	6.09	—
Cash	11.28	
CFS FC Inv-FSI Strategic Cash	11.28	—
Unclassified	10.93	
CFS W Index Glb List Infrastructure Sec	4.00	🌐🌐
CFS FC-GQG Partners W Global Equity	3.87	—
CFS Wholesale Index Australian Share	3.06	🌐🌐🌐
Australian Real Assets	3.03	
CFS FC W Inv-Legg Mason M Curr Real Inc	3.03	—
Australian Equities	2.04	
FSI Wholesale Australian Small Companies	2.04	🌐🌐
Total	100.00	

Morningstar's Globe Ratings are just one tool that can help investors work out a fund's ESG credentials. A 5 Globe Rating indicates a fund is at the top end of its peer group in terms of sustainability, while a 1 Globe Rating shows it is underperforming on sustainability issues.

Portfolio changes

The fund sold its holding in the Bennelong EX 20 fund, First Sentier Global Listed Infrastructure and the Janus Henderson Global Natural Resources fund and bought the First Sentier Small Companies fund, the CFS Australian Equity index fund, the CFS Global Infrastructure Index fund and the GQG Global Equity fund. The fund also used cash to buy the Martin Currie Real Income fund.

Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	2.88	2.04	1.22	11.67	11.99
MSCI World Ex Australia GR AUD	2.11	6.66	16.88	18.25	14.58
Bloomberg AusBond Composite 0+Y TR AUD	0.52	-2.63	-0.70	-1.54	-3.46
Bloomberg Global Aggregate TR Hdg AUD	-0.04	-0.75	-0.07	-3.60	-3.98
S&P Global Infrastructure NR AUD	0.73	-2.91	4.91	4.89	11.70