

# Sestante ESG Focus Dynamic Aggressive Portfolio Monthly Investment Report



As of 31/08/2023

## Latest Performance\*

	1-mth	3-mths	1-yr	3-yr	Inception
ESG Focus Aggressive	-0.40	4.20	12.25	—	—
RBA Cash Rate +5% p.a	0.77	2.30	8.64	6.39	10.34

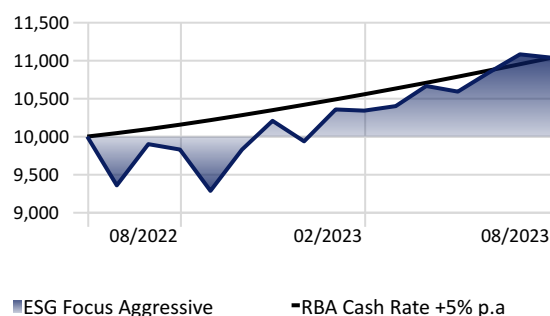
## Market Review

In August the market took the view that it no unlikely that the US will go into recession but that we will have interest rates higher for longer. As a consequence, we saw global equity markets sell off in the month with the MSCI World index down -2.40% in local currency terms but up 1.60% in AUD terms as the Aussie dollar sold off by 4.0% against the Greenback. US equities declined in August. Investors' confidence that the Federal Reserve's (Fed) tightening cycle ended with the rate rise in July took a knock due to indications that policy makers are divided on next steps. Economic data for the US remained robust. Eurozone shares also fell in August. Energy and real estate were the only sectors to register a positive return, with all others declining. Global bonds in AUD terms were also slightly negative for the month down -0.27%. August saw Fitch Ratings, one of the "Big Three" credit rating agencies, downgrade the US's top-tier triple-A rating to double-A plus, citing the growing debt burden and an "erosion of governance" as reasons for its decision. The US Treasury's subsequent announcement of its higher-than-expected borrowing intentions over the coming months, led to the 10-year Treasury yield briefly rising to a nine-month high before retreating. The yield on the US 10-year rose from 3.95% to 4.10%, while the 2-year yield fell slightly from 4.86% to 4.85%. Real Assets also took a beating with both Global Property and Global Infrastructure down -2.91% and -3.74% respectively in AUD for the month. The Australian bond market returned 0.74% in August reflecting a more negative sentiment on the Australian economy on the back of China woes and an increased concern about recession. The bond market is telling us that the RBA might need to be cutting rates sooner than expected. This more negative sentiment continued into the Australian share market with the ASX200 down -0.73%.

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



## \$10,000 invested over time



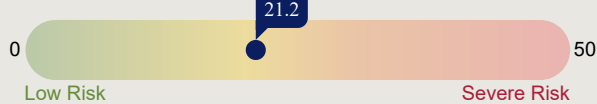
## Portfolio information

- **Investment objective:**  
To deliver outperformance of RBA cash +5.0% per annum after fees over a rolling 7-year period.
- **Suggested minimum timeframe:**  
7 years
- 98% Growth / 2% Defensive
- **Portfolio inception date:**  
1 June 2022

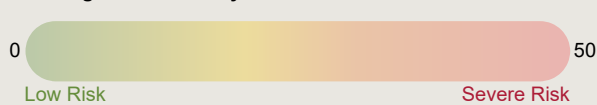
## Sustainability Score

● ESG Focus Aggressive

### Corporate Sustainability Score



### Sovereign Sustainability Score



## ESG Pillar Score



5.3

Environmental



8.6

Social



6.4

Governance



0.6

Unallocated

## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	-0.73	3.92	3.00	9.56	10.68
MSCI World Ex Australia GR AUD	1.65	7.07	16.33	23.27	13.89
Bloomberg AusBond Composite 0+Y TR AUD	0.74	-0.72	1.38	1.78	-3.09
Bloomberg Global Aggregate TR Hdg AUD	-0.27	-0.47	1.49	-1.17	-3.84
S&P Global Infrastructure NR AUD	-0.90	-0.11	3.02	3.76	11.92
RBA Cash Rate Target	0.35	1.05	2.00	3.47	1.33
MSCI ACWI Ex USA NR USD	-4.52	3.82	4.28	11.89	3.99

### Important information

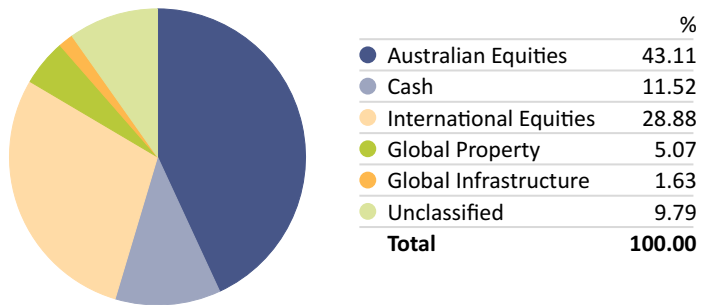
\*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to the that of the model portfolio. Investment performance is shown from 1/6/2022 and represents modelled performance only and assumes income received is reinvested.

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.

The Portfolio Unallocated ESG Risk Score represents the unmanaged ESG risk exposure to companies assigned an ESG Risk Rating, but whose risk is not decomposed into environmental, social and governance components. Calculated as the asset-weighted average of the company ESG Risk scores for the covered holdings in a portfolio that do not have E/S/G risk scores, unallocated ESG risk is displayed as a number between 0 and 100, where lower is better. Together, the four portfolio pillar score data points- Environmental Risk Score, Social Risk Score, Governance Risk Score, and Unallocated ESG Risk Score- will add up to a portfolio's Sustainability Score.

## Current Asset Allocation



## Where your funds are invested

<b>Australian Equities</b>	<b>43.11</b>	
VanEck MSCI AUS Sust Eq ETF	12.99	●●●●●
Schroder Australian Equity Fund - PC	12.53	●●●●
Alphinity Sustainable Share	9.57	●●●●●
Australian Ethical Australian Shr WS	7.27	●●●●●
FSI Wholesale Australian Small Companies	0.74	●●●
<b>International Equities</b>	<b>28.88</b>	
Stewart Investors Worldwide Leaders Sust	9.45	●●●●●
VanEck MSCI Intl Sust Eq ETF	8.70	●●●●●
BetaShares Global Sstnbty Ldrs ETF Ccy H	7.42	●●●●●
Janus Henderson Global Natural Resources	3.31	●●●●
<b>Cash</b>	<b>11.52</b>	
RBA Cash Rate Target	5.79	—
BetaShares Aus High Interest Cash ETF	5.73	—
<b>Unclassified</b>	<b>9.79</b>	
AXA IM Sustainable Equity	9.79	●●●●●
<b>Global Property</b>	<b>5.07</b>	
Martin Currie Real Income A	5.07	●●●●●
<b>Global Infrastructure</b>	<b>1.63</b>	
4D Global Infrastructure Fund (Unhedged)	1.63	●●●●●
<b>Total</b>	<b>100.00</b>	

**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

There are no portfolio changes this month.

## Active Asset Allocation: AZ Sestante Model Portfolio vs Investment Policy Target As of 31/08/2023

