

# Sestante Dynamic Moderately Conservative Portfolio

## Monthly Investment Report

As of 30/09/2023

### Latest performance\*

|                           | 1-mth | 3-mths | 1-yr | 3-yr | Inception |
|---------------------------|-------|--------|------|------|-----------|
| Sestante Dynamic Mod Con  | -1.65 | 0.11   | 8.59 | 3.18 | 3.31      |
| RBA Cash Rate + 2.5% p.a. | 0.55  | 1.68   | 6.22 | 3.97 | 3.74      |

### Market Review

All eyes were once again on Central Banks whose “higher for longer” narrative fuelled a climate of general risk aversion which also contributed to the rally in commodities prices, particularly gas and oil, a real threat to price stability. Equity markets that had so far shown resilience began to show the first signs of fatigue, ahead of the quarterly earnings season that will start around mid-October. September was a poor month for investors with all asset classes apart from cash generating negative returns. International shares were down nearly 4% for the month in AUD terms with Australian shares losing nearly 3%. This was despite a backdrop of inflation still declining and jobs numbers holding up well. In fixed income, 10-year Government bond yields continued to hit fresh cycle highs, including the US (4.61%) and Germany (2.93%). Increased oil prices were also an issue following the extension of production cuts by Saudi Arabia. The Aussie dollar lost further ground against the US dollar, depreciating to 0.645. A soft landing in the U.S. economy may be becoming the market consensus, but is not without risks, and a soft landing in the economy may not be a safe landing for the markets. However, there is also more divergence in global growth and variation in asset valuations, which creates opportunities for active investors. The reset in bond yields suggests that fixed income will once again be a diversifier if weaker growth helps to break the back of the inflation outlook.

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



### \$10,000 invested over time



■ Sestante Dynamic Moderately Conservative ■ RBA Cash Rate + 2.5% p.a.

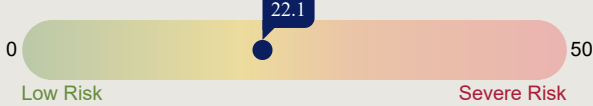
### Portfolio information

- Investment Objective: target RBA cash rate +2.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 45% Growth / 55% Defensive Split
- Portfolio Inception Date: 7 February 2019

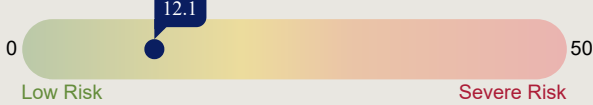
## Sustainability Score

● Sestante Dynamic Moderately Conservative

### Corporate Sustainability Score



### Sovereign Sustainability Score



## ESG Pillar Score



4.8

Environmental



8.8

Social



6.7

Governance



1.6

Unallocated

## Major Index Returns

|  | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years |
|--|---------|----------|----------|--------|---------|
| S&P/ASX 200 TR AUD                     | -2.84   | -0.77    | 0.24     | 13.46  | 11.00   |
| MSCI World Ex Australia GR AUD         | -3.97   | -0.33    | 7.45     | 22.27  | 12.46   |
| Bloomberg AusBond Composite 0+Y TR AUD | -1.53   | -0.28    | -3.22    | 1.61   | -3.92   |
| Bloomberg Global Aggregate TR Hdg AUD  | -1.84   | -2.14    | -2.44    | 0.53   | -4.55   |
| S&P Global Infrastructure NR AUD       | -4.42   | -4.60    | -4.41    | 5.49   | 10.24   |

### Important information

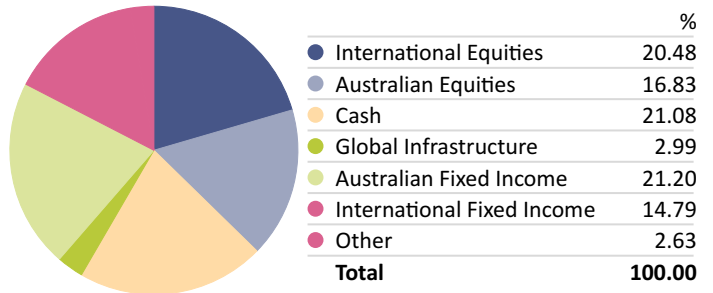
\*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to the that of the model portfolio. Investment performance is shown from 8/8/2020 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.

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## Current Asset Allocation



## Where your funds are invested

|  |               |     |
|--|---------------|-----|
| <b>Australian Fixed Income</b>           | <b>21.20</b>  |     |
| Janus Henderson Tactical Income          | 9.99          | 🌐🌐🌐 |
| Macquarie Income Opportunities           | 6.42          | —   |
| Franklin Australian Core Plus Bond I     | 4.79          | —   |
| <b>Cash</b>                              | <b>21.08</b>  |     |
| Pendal Short Term Income Securities Fd   | 10.39         | 🌐🌐🌐 |
| BetaShares Aus High Interest Cash ETF    | 7.87          | —   |
| iShares Core Cash ETF                    | 2.81          | —   |
| <b>International Equities</b>            | <b>20.48</b>  |     |
| Ironbark Roval London ConcentratedGlbShr | 6.02          | 🌐🌐  |
| GQG Partners Global Equity AUD Hedged    | 5.48          | 🌐   |
| BetaShares S&P 500 Equal Weight ETF      | 4.23          | 🌐🌐🌐 |
| iShares S&P 500 AUD Hedged ETF           | 3.30          | 🌐🌐  |
| Fidelity Asia                            | 1.45          | 🌐🌐🌐 |
| <b>Australian Equities</b>               | <b>16.83</b>  |     |
| iShares Core S&P/ASX 200 ETF             | 9.70          | 🌐🌐🌐 |
| Schroder Australian Equity Fund - PC     | 3.22          | 🌐🌐🌐 |
| Paradise Australian Equities Fund        | 2.77          | 🌐🌐🌐 |
| FSI Wholesale Australian Small Companies | 1.14          | 🌐   |
| <b>International Fixed Income</b>        | <b>14.79</b>  |     |
| FSI Wholesale Global Credit Income       | 8.76          | 🌐🌐🌐 |
| PIMCO Diversified Fixed Interest W       | 6.03          | 🌐🌐🌐 |
| <b>Global Infrastructure</b>             | <b>2.99</b>   |     |
| VanEck FTSE Gbl Infrs(Hdg)ETF            | 2.99          | 🌐🌐🌐 |
| <b>Global Property</b>                   | <b>2.63</b>   |     |
| Martin Currie Real Income A              | 2.63          | 🌐🌐🌐 |
| <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 were no portfolio changes this month.

## Active Asset Allocation: AZ Sestante Model Portfolio vs Investment Policy Target

As of 30/09/2023

