

Sestante Assertive Index Portfolio

Monthly Investment Report

As of 31/10/2023

Latest Performance*

	1-mth	3-mths	1-yr	3-yr	Inception
Sestante Assertive Index	-2.69	-6.35	3.93	5.87	5.06
RBA Cash Rate + 3% p.a.	0.61	1.81	6.88	4.59	4.30

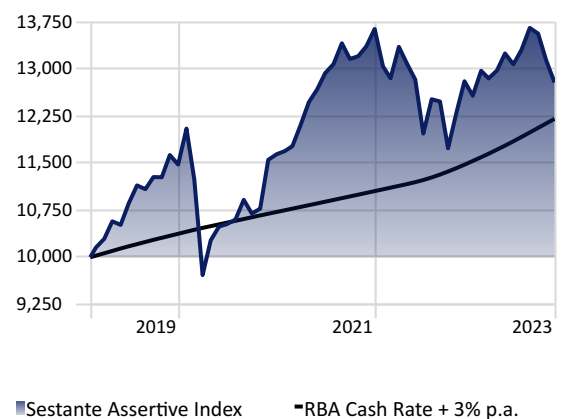
Market Review

As of the end of October, the Australian equity market was down 3.8% due to growing concerns about interest rate hikes from the Reserve Bank of Australia (RBA). Despite the RBA's decision to keep interest rates on hold at its October meeting, fears of further rate hikes were fuelled by stronger-than-expected inflation, employment, and retail sales data. In the same vein, Australian treasury bond yields trended higher in October due to fears of higher inflation, resulting in a negative 1.9% return for Australian fixed interest. Global equity suffered a downturn (-1.09%), with stock markets experiencing a modest correction until the last few days of the month. This correction was primarily due to rising rates on the long end of the yield curve, as bonds became an increasingly attractive alternative to equities. International fixed interest experienced a decline of 0.83%, with interest rates on the long end of the US yield curve continuing to rise, albeit at a more moderate pace than in the previous three months. The outbreak of the conflict in Palestine led to a moderate retracement of rates due to fears of an escalation involving other Middle Eastern countries. When this risk appeared to subside, rates rose to new highs on the back of solid US macroeconomic data, particularly on the labour market, consumption, GDP, and inflation. The US yield curve flattened and even briefly inverted in the 2-30 year range. Global infrastructure delivered negative 1.17% amid higher long-term bond yields, the uncertain macroeconomic landscape with recent geopolitical developments introducing potential external risks to economic prospects and market sentiment. In terms of currency, the AUD was down against the USD in October due to a divergence of monetary policies between Australia and the US, as well as a weaker Chinese economy.

For a detailed market review and outlook, please refer to the Monthly Market Commentary document available on www.azsestante.com/investment-options



\$10,000 invested over time



Portfolio information

- Investment Objective: target RBA cash rate +3.0% per annum over rolling 7-year periods after fees.
- Asset Class: Diversified
- 85% Growth / 15% Defensive
- Portfolio Inception Date: 8 August 2020

Sustainability Score

● Sestante Assertive Index

Corporate Sustainability Score

22.6



Sovereign Sustainability Score

10.2



ESG Pillar Score



6.1

Environmental



9.2

Social



6.8

Governance



0.5

Unallocated

Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	-3.78	-7.19	-5.30	2.95	8.88
MSCI World Ex Australia GR AUD	-0.95	-3.32	3.12	12.31	12.52
Bloomberg AusBond Composite 0+Y TR AUD	-1.85	-2.63	-5.20	-1.18	-4.61
Bloomberg Global Aggregate TR Hdg AUD	-0.83	-2.92	-3.65	0.07	-4.82
S&P Global Infrastructure NR AUD	-1.17	-6.39	-9.11	-1.26	9.47
RBA Cash Rate + 3% p.a.	0.61	1.81	3.62	6.88	4.59

Important information

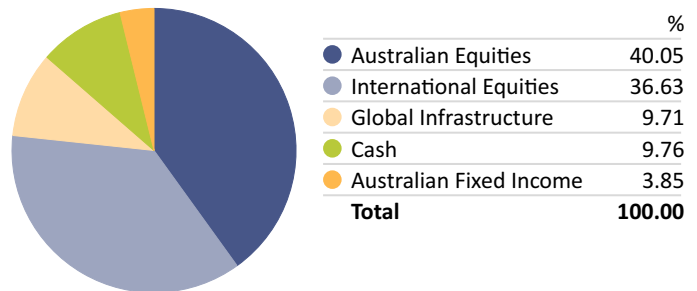
*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to the that of the model portfolio. Investment performance is shown from 7/2/2019 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

Australian Equities	40.05	—
iShares Core S&P/ASX 200 ETF	31.02	★★★★
iShares Australian Equity Index	9.04	★★★★
International Equities	36.63	—
Vanguard All-World ex-US Shares ETF	18.03	★★★★
iShares S&P 500 AUD Hedged ETF	12.05	★★★★
iShares S&P 500 ETF	6.55	★★★★
Cash	9.76	—
BetaShares Aus High Interest Cash ETF	6.82	—
RBA Cash Rate Target	2.94	—
Global Infrastructure	9.71	—
VanEck FTSE Gbl Infrs(Hdg)ETF	5.91	★★★★
Vanguard Global Infrastructure Index	3.81	★★
Australian Fixed Income	3.85	—
iShares Australian Bond Index	3.85	★★★★
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

There are no portfolio changes this month.

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

As of 31/10/2023

