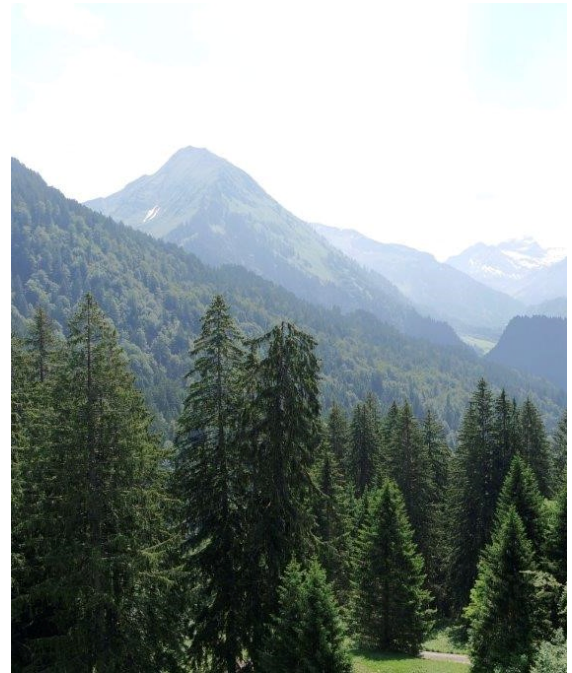


# Sestante ESG Focus Dynamic Balanced Portfolio Monthly Investment Report



As of 3/31/2024



## Latest Performance\*

	1-mth	3-mths	1-yr	3-yr	Inception
ESG Focus Balanced	2.36	5.39	13.32	—	12.24
RBA Cash Rate + 3.5% p.a.	0.67	1.98	7.95	5.73	7.24

## Market Review

In Australia, the equity market showcased robust performance, with defensive sectors taking the lead. Notably the utilities and energy sectors outperformed the broader market, recording gains of 4.8% and 5.3%, respectively. Also driving this growth was the material sector, particularly propelled by gold producers like Newmont, Northern Star, and Evolution Mining, which saw significant gains of 3.7%. These positive outcomes were largely attributed to higher gold prices, supported by market expectations of a dovish stance from the Federal Reserve, despite concerns regarding persistent inflation. However, the consumer staples sector, while returning 2.5%, lagged the index due to weakness in major players such as Woolworths and Coles.

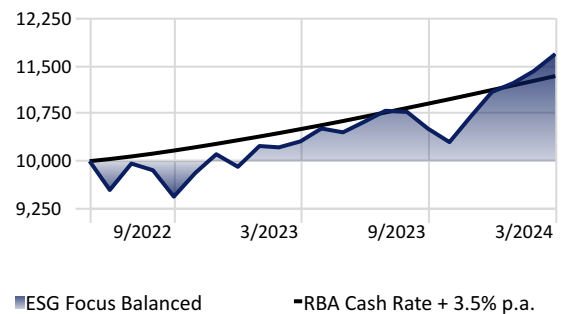
Internationally, equity markets also witnessed positive movements, with a 3.3% increase overall. In the United States, the market returned a solid 3%, driven by the energy sector, partially influenced by oil prices. However, the tech sector experienced relatively flat performance, with some companies like Microsoft seeing slight gains while others such as Tesla, Apple and Adobe continued their weakness. Tesla continued its dip post its Q4 23 result with market concerns about slowing EV demand and competition from China. Adobe faced setbacks and saw its stock price drop by 14% following the release of weaker guidance and rising competition concerns in the first quarter of 2024. Meanwhile, the UK market returned 4.5%, benefiting from its relatively attractive valuation. The Nikkei 225 index exceeded 40,000 points in March, experiencing outstanding performance due to the Bank of Japan's accommodative stance, yen weakness, and corporate reforms aimed at enhancing shareholder value.

Despite volatile US yields intra-month, the yield curve ended the month relatively flat while global fixed income investments gained momentum, returning 0.81%. The positive return was driven by the strong performance from credit markets as credit spreads continued to tighten. Meanwhile, Australian bonds outperformed the global fixed income index and delivered 1.1% to investors thanks to a shift lower in the yield curve, particularly benefiting the longer end. This shift was largely attributed to the Reserve Bank of Australia's removal of its hawkish tone from its forward guidance which is considered to be the first step of the easing cycle by the market.

Furthermore, global property investments demonstrated resilience, delivering a solid performance of 2.9% in March 2024. While US office markets showed signs of stability, broader US REITs lagged the benchmark. Conversely, Japan and parts of Europe outperformed. Australian REITs continued to perform well following the softening of the Reserve Bank of Australia's hawkish tone. Notably, Goodman Group led the way, returning over 30% in the past three months, with analysts foreseeing developments in data centres to meet future generative AI needs. Additionally, global infrastructure investments also witnessed positive growth, with a 3.7% increase, with strong returns in US utilities and energy related infrastructure.

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

## \$10,000 invested over time



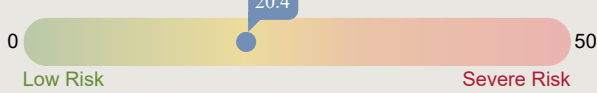
## Portfolio information

- Investment objective:**  
 To deliver outperformance of RBA cash +3.5% per annum after fees over a rolling 5-year period.
- Suggested minimum timeframe:**  
 6 years
- 70% Growth / 30% Defensive
- Portfolio inception date:**  
 1 June 2022

## Sustainability Score

● ESG Focus Balanced

### Corporate Sustainability Score



### Sovereign Sustainability Score



## ESG Pillar Score



4.2  
Environmental



8.0  
Social



6.3  
Governance



1.4  
Unallocated

## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	3.27	5.33	14.17	14.45	9.62
MSCI World Ex Australia GR AUD	3.08	14.19	20.38	29.35	14.99
Bloomberg AusBond Composite 0+Y TR AUD	1.12	1.03	4.85	1.47	-1.29
Bloomberg Global Aggregate TR Hdg AUD	0.81	-0.31	5.10	2.53	-2.38
ESG Focus Balanced	2.36	5.39	11.16	13.32	—
RBA Cash Rate Target	0.38	1.11	2.21	4.29	2.16
MSCI ACWI Ex USA NR USD	3.13	4.69	14.90	13.26	1.94

### Important information

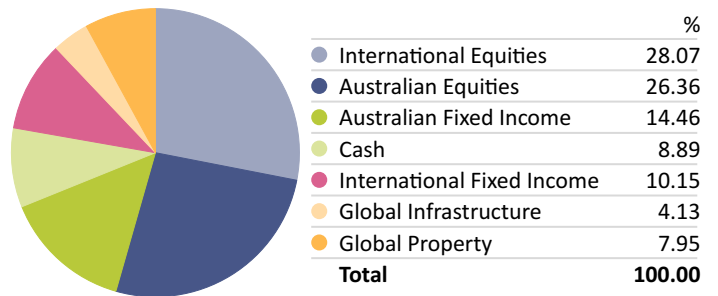
\*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to 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 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>International Equities</b>	<b>28.07</b>	—
AXA IM Sustainable Equity	7.80	🌐🌐🌐🌐
VanEck MSCI Intl Sust Eq ETF	6.75	🌐🌐🌐🌐🌐
Stewart Investors Worldwide Leaders Sust	6.31	🌐🌐🌐
BetaShares Global Sstnbty Ldrs ETF Ccy H	5.05	🌐🌐🌐🌐🌐
Robeco Emerging Conservative Equity AUD	2.16	🌐🌐🌐
<b>Australian Equities</b>	<b>26.36</b>	—
VanEck MSCI AUS Sust Eq ETF	8.47	🌐🌐🌐🌐🌐
Schroder Australian Equity Fund - PC	7.91	🌐🌐🌐
Alphinity Sustainable Share	5.97	🌐🌐🌐🌐🌐
Australian Ethical Australian Shr WS	4.01	🌐🌐🌐🌐
<b>Australian Fixed Income</b>	<b>14.46</b>	—
Pendal Sustainable Aust Fixed Interest	7.45	🌐🌐🌐
Janus Henderson Tactical Income	7.00	🌐🌐🌐
<b>International Fixed Income</b>	<b>10.15</b>	—
PIMCO ESG Global Bond Fund - Wholesale	6.59	🌐🌐🌐🌐
First Sentier Global Credit Income	3.56	🌐🌐🌐
<b>Cash</b>	<b>8.89</b>	—
BetaShares Aus High Interest Cash ETF	5.98	—
iShares Core Cash ETF	2.90	—
<b>Global Property</b>	<b>7.95</b>	—
Martin Currie Real Income A	4.16	🌐🌐🌐🌐🌐
First Sentier Global Property Securities	3.79	🌐🌐🌐🌐
<b>Global Infrastructure</b>	<b>4.13</b>	—
4D Global Infrastructure Fund (Unhedged)	4.13	🌐🌐🌐
<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 3/31/2024

