

CFS Sestante Index Balanced Portfolio – Super & Pension Monthly Investment Report

As of 31/05/2024

Latest Performance*

	1-mth	3-mths	6-mths	1-yr	Inception
CFS MA Index Balanced Super	1.41	1.33	7.26	9.63	9.04
CFS MA Index Balanced Pension	1.58	1.48	8.16	10.78	10.12
RBA Cash Rate + 2.5% p.a.	0.59	1.75	3.51	7.02	6.90
Morningstar AUS Growth Tgt Alloc NR AUD	1.29	0.93	8.86	11.94	11.03

Market Review

The international equity market was buoyant in May with the MSCI All Country Index excluding Australia rising by 1.6%. Noticeable gains came from Europe (3%), Taiwan (4.8%), and the US (2.3%). A highlight in the US market was corporate earnings, which exceeded market forecasts by more than 8%, with year-over-year growth nearly reaching 8%. All 11 sectors surpassed market expectations, although healthcare, energy, and materials showed negative year-over-year growth.

The latest US macroeconomic data indicated signs of economic resilience. Initial jobless claims dropped, and PMI indices rose sharply, with the PMI composite at 54.4, up from 51.2 in April. The University of Michigan's sentiment index also exceeded expectations, reaching 69.1. US inflation for April cooled to 3.4% from 3.5%, with core inflation at 3.6%, down from 3.8% in March. The core PCE index remained stable at 2.8%, signalling positive progress for monetary policymakers.

International fixed interest returned to positive territory in May, gaining 0.8%. Despite some recovery, the treasury sector continues to underperform the broader sector. The credit sector was the prominent contributor in May, with spreads of major investment-grade indices in both Europe and the US trading within a handful of basis points at historically high valuation levels.

The AUD continued its recovery trend that started in April, gaining 2.8% in May and ending at 0.6654 USD. The recent AUD strength is attributable to a hawkish stance by the Reserve Bank of Australia (RBA) and hotter-than-expected monthly CPI data, which dampened hopes for a rate cut. The RBA met on 7 May and decided to leave the cash rate unchanged at 4.35%, as widely anticipated. Governor Bullock noted that the process of returning inflation to target is unlikely to be smooth. Although a rate hike was considered, the Board believes current rates are appropriate to bring inflation back to target.

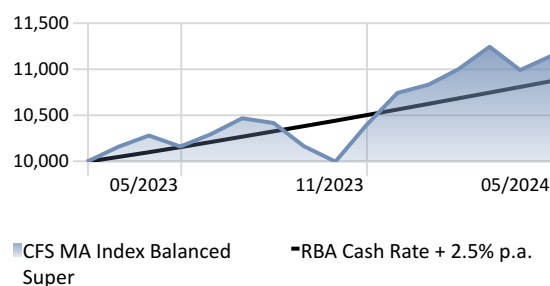
Australian fixed interest ended the month with a gain of 0.4%, while the Australian equity market grew by 0.5%. The information technology sector led the index, gaining 5.4%, buoyed by strong performances from Xero (10.6%), Life360 (11.1%), and Technology One (9.8%). Technology One delivered a strong first-half result for 2024, with double-digit revenue and profit growth driven by continued uptake of its cloud-based model, replacing the on-premises annual license fee model. Life360's market re-rating supported its share price, reflecting solid growth in monthly active users and improving user retention.

The global infrastructure market also generated a positive return in May of 5%, driven by the utilities sector, as the market anticipates higher global power demand due to AI. Meanwhile, the property market also posted a strong return of 3.7%, benefiting from lower US bond yields stemming from the more benign US inflation data for April.

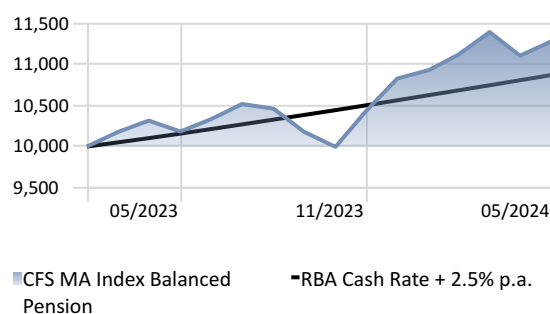
For a detailed market review and outlook, please refer to the Monthly Market Commentary document available on www.azsestante.com/investment-options



\$10,000 invested over time - Super



\$10,000 over time - Pension



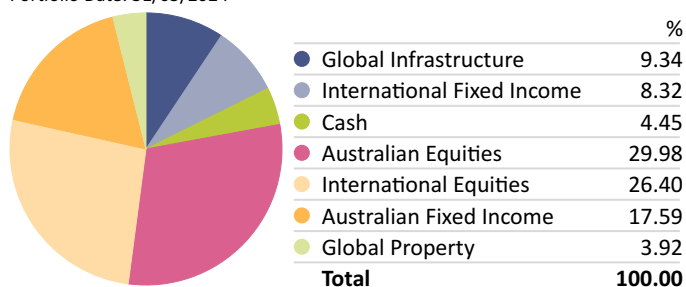
Portfolio information

- Investment Objective: target RBA cash rate +2.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- Standard Risk Measure: High
- 70% Growth / 30% Defensive
- Portfolio Inception Date: 1 March 2023
- Estimated Total Cost (before transaction costs and platform fees):

Super: 0.35%
Pension: 0.35%

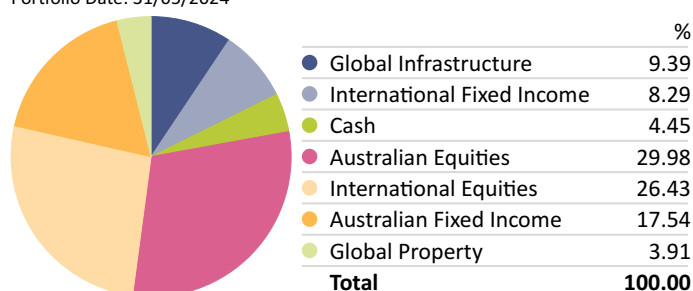
Current Asset Allocation - Super

Portfolio Date: 31/05/2024



Current Asset Allocation - Pension

Portfolio Date: 31/05/2024



Where your funds are invested

Australian Equities	29.98	—
CFS FC W PSup-CFS Index Australian Share	29.98	🌐🌐🌐
International Equities	26.40	—
CFS FC W PSup-CFS Index Global Share	16.14	🌐🌐
CFS FC W PSup-CFS Index Global Shr-Hgd	10.26	—
Australian Fixed Income	17.59	—
CFS FC W PSup-CFS Index Australian Bond	17.59	🌐🌐🌐
Global Infrastructure	9.34	—
CFS FC W PSup-CFS Ind Glb List Infr Sec	9.34	🌐🌐
International Fixed Income	8.32	—
CFS FC W PSup-CFS Index Global Bond	8.32	🌐🌐🌐
Cash	4.45	—
CFS FC W PSup-FSI Strategic Cash	4.45	—
Global Property	3.92	—
CFS FC W PSup-CFS Index Glb Property Sec	3.92	🌐🌐🌐
	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

No changes this month

Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	0.92	1.16	10.66	12.93	6.80
MSCI World Ex Australia NR AUD	2.02	1.67	14.62	21.70	12.30
S&P Global Infrastructure NR AUD	3.63	8.01	10.82	9.46	10.55
Bloomberg AusBond Composite 0+Y TR AUD	0.39	-0.50	2.08	0.87	-2.09
Bloomberg Global Aggregate TR Hdg AUD	0.77	-0.14	1.73	1.71	-2.83

Where your funds are invested

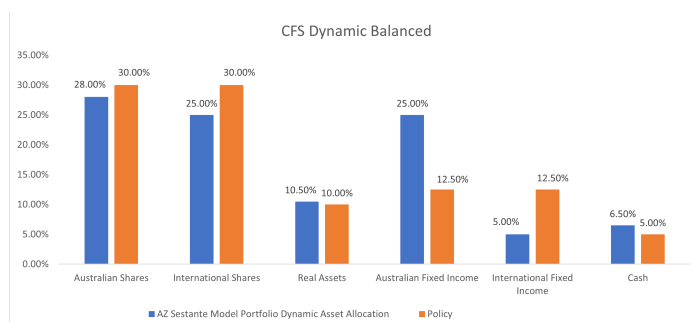
Australian Equities	29.98	—
CFS FC W Pen-CFS Index Australian Share	29.98	🌐🌐🌐
International Equities	26.43	—
CFS FC W Pen-CFS Index Global Share	16.14	🌐🌐
CFS FC W Pen-CFS Index Global Shr-Hgd	10.29	—
Australian Fixed Income	17.54	—
CFS FC W Pen-CFS Index Australian Bond	17.54	🌐🌐🌐
Global Infrastructure	9.39	—
CFS FC W Pen-CFS Ind Glb List Infr Sec	9.39	🌐🌐
International Fixed Income	8.29	—
CFS FC W Pen-CFS Index Global Bond	8.29	🌐🌐🌐
Cash	4.45	—
CFS FC W Pen-FSI Strategic Cash	4.45	—
Global Property	3.91	—
CFS FC W Pen-CFS Index Glb Property Sec	3.91	🌐🌐🌐
	100.00	

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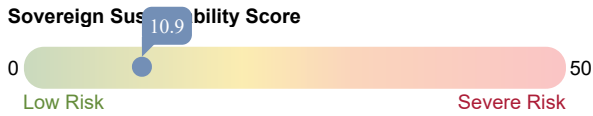
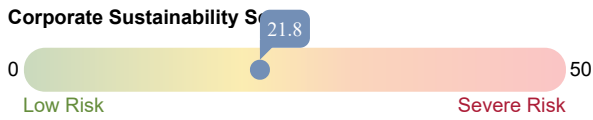
Portfolio changes

No changes this month

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

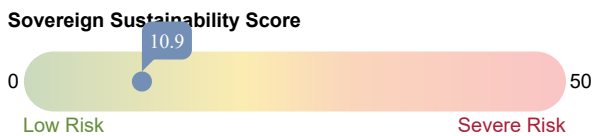
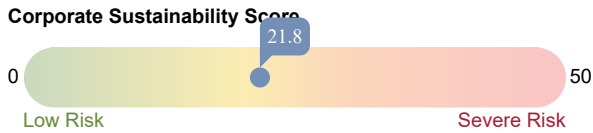


Sustainability Score - Super



● CFS MA Index Balanced Super

Sustainability Score - Pension



● CFS MA Index Balanced Pension

ESG Pillar Score - Super



ESG Pillar Score - Pension



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

*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 01/03/23 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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