

# Sestante Assertive Index Portfolio

## Monthly Investment Report

As of 31/05/2024

### Latest Performance\*

	1-mth	3-mths	1-yr	3-yr	5-yr	Inception
Sestante Assertive Index	1.31	1.81	12.73	5.16	6.98	7.35
RBA Cash Rate + 3% p.a.	0.63	1.87	7.54	5.47	4.67	4.67

### 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.

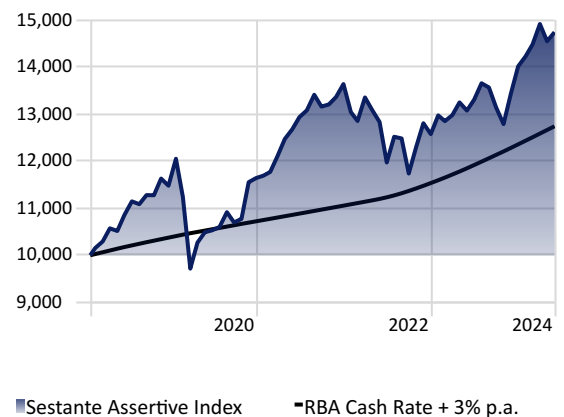
Australian fixed interest ended the month with a gain of 0.4%, while the Australian equity market grew by 0.5%. The information technology sector led the index, gaining 5.4%, buoyed by strong performances from Xero (10.6%), Life360 (11.1%), and Technology One (9.8%). Technology One delivered a strong 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](http://www.azsestante.com/investment-options)



### \$10,000 invested over time

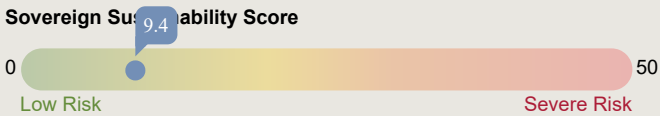
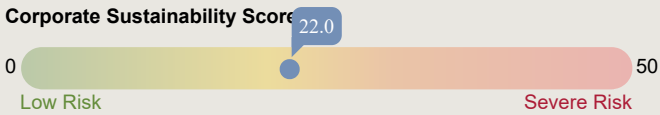


### Portfolio information

- 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: 7 February 2019

## Sustainability Score

● Sestante Assertive Index



## ESG Pillar Score



## 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 GR AUD	2.08	1.84	14.93	22.28	12.85
Bloomberg AusBond Composite 0+Y TR AUD	0.39	-0.50	2.08	0.87	-2.09
Bloomberg Global Aggregate TR Hdq AUD	0.77	-0.14	1.73	1.71	-2.83
S&P Global Infrastructure NR AUD	3.63	8.01	10.82	9.46	10.55
RBA Cash Rate + 3% p.a.	0.63	1.87	3.76	7.54	5.47

### 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.

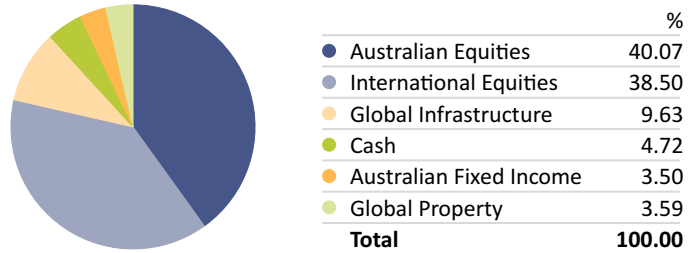
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining 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

Portfolio Date: 31/05/2024



## Where your funds are invested

<b>Australian Equities</b>	<b>40.07</b>	—
iShares Core S&P/ASX 200 ETF	31.15	🌐🌐🌐🌐
iShares Australian Equity Index	8.91	🌐🌐🌐🌐
<b>International Equities</b>	<b>38.50</b>	—
Vanguard All-World ex-US Shares ETF	18.16	🌐🌐🌐🌐
iShares S&P 500 AUD Hedged ETF	13.36	🌐🌐🌐🌐
iShares S&P 500 ETF	6.98	🌐🌐🌐🌐
<b>Global Infrastructure</b>	<b>9.63</b>	—
VanEck FTSE Gbl Infrs(Hdg)ETF	5.93	🌐🌐🌐🌐
Vanguard Global Infrastructure Index	3.71	🌐🌐🌐🌐
<b>Cash</b>	<b>4.72</b>	—
BetaShares Aus High Interest Cash ETF	2.63	—
iShares Core Cash ETF	2.09	—
<b>Global Property</b>	<b>3.59</b>	—
VanEck FTSE Intl Prop Hdq ETF	3.59	🌐🌐🌐🌐
<b>Australian Fixed Income</b>	<b>3.50</b>	—
iShares Australian Bond Index	3.50	🌐🌐🌐🌐
	<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 the month.

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

As of 31/05/2024

