

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

As of 31/07/2024

Latest Performance*

| | 1-mth | 3-mths | 6-mths | 1-yr | Inception |
|---|-------|--------|--------|-------|-----------|
| CFS MA Index Balanced Super | 2.96 | 5.19 | 6.71 | 10.41 | 10.76 |
| CFS MA Index Balanced Pension | 3.24 | 5.75 | 7.45 | 11.66 | 12.02 |
| RBA Cash Rate + 2.5% p.a. | 0.59 | 1.75 | 3.49 | 7.07 | 6.93 |
| Morningstar AUS Growth Tgt Alloc NR AUD | 3.24 | 5.71 | 7.51 | 12.60 | 13.02 |

Market Review

The MSCI World Small Cap (AUD) returned 9.3% in July, outperforming the MSCI World (AUD) by 5.2%. This performance difference was driven by investors rotating out of the Magnificent 7 and into interest-rate-sensitive sectors in the US, which represents around 70% of the MSCI World Index. Several factors contributed to this rotation, but one key driver is the expectation that the Federal Reserve (FED) will likely begin the anticipated rate-cutting cycle as early as September 2024. This expectation is based on a combination of FED Chair Jerome Powell's dovish comments in July, the elevated valuation of the Mag 7 stocks, and a cooler-than-expected June CPI. The June CPI report indicated softer-than-expected US inflation, with year-over-year CPI at 3%, which is 0.1% lower than the consensus, and core CPI at 3.3%, also slightly below the consensus of 3.4%.

The international fixed income market gained support as the US yield curve shifted lower, with the US 2-year Government Bond Yield and 10-year Government Bond Yield declining by 50 and 35 basis points, respectively. Over July, the Global Fixed Income Index returned 1.9% to investors. Australian fixed income delivered a positive return of 1.5% for investors in July. The positive performance of Australian fixed income was also bolstered by a lower Australian yield curve, with the 2-year and 5-year yields both shifting lower by around 15 basis points due to a benign Australian Q2 CPI result. The trimmed mean CPI, which is the preferred inflation gauge for the Reserve Bank of Australia (RBA), was encouraging for the market. The trimmed mean CPI rose 0.8% quarter-over-quarter, below the market's expectation of 1%. The lower-than-anticipated inflation data provided evidence to the RBA that inflation is not on the verge of reaccelerating. As a result, the market unwound the 20% probability of a rate hike in August and began pricing in zero odds of any rate hike going forward in the futures market.

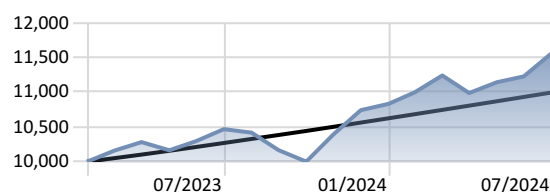
The Australian equity market S&P/ASX 200 surpassed 8,000 points for the first time in history on 12th July, closing at a record high of 8,011. The ASX 200 Index reached multiple new records and peaked on 31st July, closing at 8,092, benefiting from the encouraging Q2 CPI result. Overall, the ASX 200 returned 4.2% in July, marking the best monthly return year-to-date. From a sector performance perspective, interest-rate-sensitive sectors performed strongly, including consumer discretionary (+9%), REITs (+6.9%), and financials (+6.3%). In contrast, energy (-0.4%) and utilities (-2.9%) were sold off, while materials (-0.1%) remained flat.

Real assets were the best performers during July, with the Global REIT Index returning 5.8% and the Infrastructure Index delivering 6.3%. This strong performance was driven by the US market, where the utilities and energy sectors delivered robust results amid the Q2 earnings season.

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

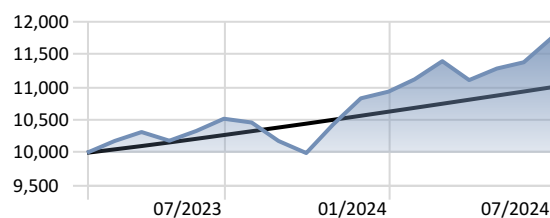


\$10,000 invested over time - Super



■ CFS MA Index Balanced Super
■ RBA Cash Rate + 2.5% p.a.

\$10,000 over time - Pension



■ CFS MA Index Balanced Pension
■ RBA Cash Rate + 2.5% p.a.

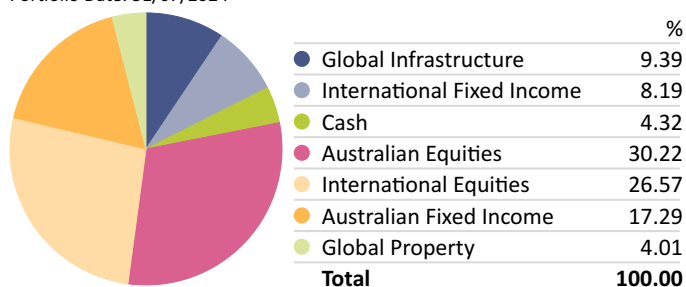
Portfolio information

- Investment Objective: target RBA cash rate +2.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 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: 31/07/2024



Where your funds are invested

| | | |
|--|---------------|-----|
| Australian Equities | 30.22 | — |
| CFS FC W PSup-CFS Index Australian Share | 30.22 | 🌐🌐🌐 |
| International Equities | 26.57 | — |
| CFS FC W PSup-CFS Index Global Share | 16.36 | 🌐🌐 |
| CFS FC W PSup-CFS Index Global Shr-Hgd | 10.21 | — |
| Australian Fixed Income | 17.29 | — |
| CFS FC W PSup-CFS Index Australian Bond | 17.29 | 🌐🌐🌐 |
| Global Infrastructure | 9.39 | — |
| CFS FC W PSup-CFS Ind Glb List Infr Sec | 9.39 | 🌐🌐 |
| International Fixed Income | 8.19 | — |
| CFS FC W PSup-CFS Index Global Bond | 8.19 | 🌐🌐🌐 |
| Cash | 4.32 | — |
| CFS FC W PSup-FSI Strategic Cash | 4.32 | — |
| Global Property | 4.01 | — |
| CFS FC W PSup-CFS Index Glb Property Sec | 4.01 | 🌐🌐🌐 |
| | 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

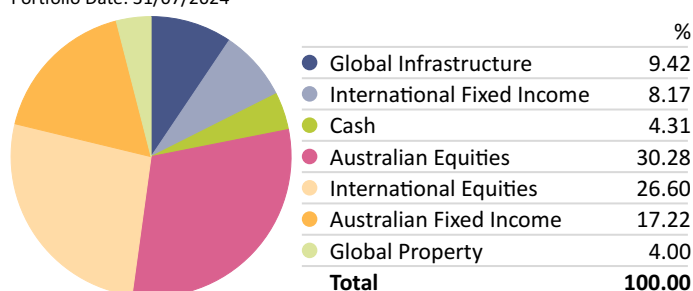
No changes this month

Major Index Returns

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years |
|--|---------|----------|----------|--------|---------|
| S&P/ASX 200 TR AUD | 4.19 | 6.21 | 7.31 | 13.53 | 7.44 |
| MSCI World Ex Australia NR AUD | 4.08 | 7.88 | 13.89 | 22.26 | 11.20 |
| S&P Global Infrastructure NR AUD | 6.72 | 6.79 | 12.92 | 11.91 | 10.09 |
| Bloomberg AusBond Composite 0+Y TR AUD | 1.48 | 2.67 | 1.45 | 4.67 | -2.15 |
| Bloomberg Global Aggregate TR Hdg AUD | 1.88 | 3.48 | 1.71 | 4.65 | -2.54 |

Current Asset Allocation - Pension

Portfolio Date: 31/07/2024



Where your funds are invested

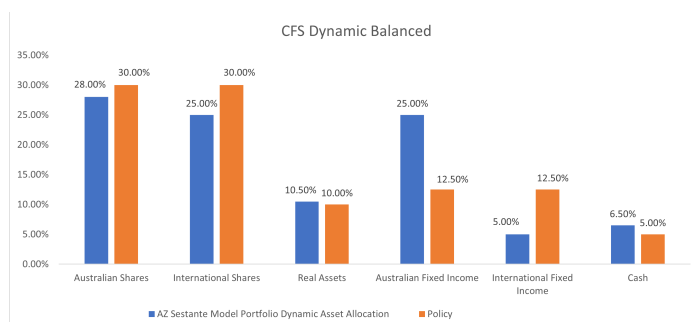
| | | |
|---|---------------|-----|
| Australian Equities | 30.28 | — |
| CFS FC W Pen-CFS Index Australian Share | 30.28 | 🌐🌐🌐 |
| International Equities | 26.60 | — |
| CFS FC W Pen-CFS Index Global Share | 16.37 | 🌐🌐 |
| CFS FC W Pen-CFS Index Global Shr-Hgd | 10.23 | — |
| Australian Fixed Income | 17.22 | — |
| CFS FC W Pen-CFS Index Australian Bond | 17.22 | 🌐🌐🌐 |
| Global Infrastructure | 9.42 | — |
| CFS FC W Pen-CFS Ind Glb List Infr Sec | 9.42 | 🌐🌐 |
| International Fixed Income | 8.17 | — |
| CFS FC W Pen-CFS Index Global Bond | 8.17 | 🌐🌐🌐 |
| Cash | 4.31 | — |
| CFS FC W Pen-FSI Strategic Cash | 4.31 | — |
| Global Property | 4.00 | — |
| CFS FC W Pen-CFS Index Glb Property Sec | 4.00 | 🌐🌐🌐 |
| | 100.00 | |

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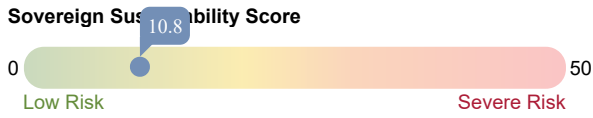
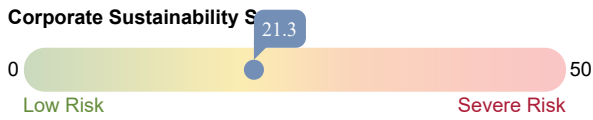
Portfolio changes

No changes this month

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

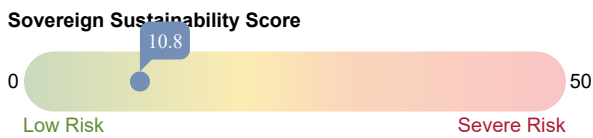
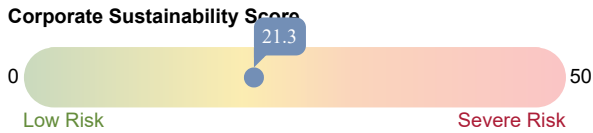


Sustainability Score - Super



● 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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