

# CFS Sestante Dynamic Balanced Portfolio – Super & Pension

## Monthly Investment Report

As of 30/09/2024

### Latest Performance\*

	1-mth	3-mths	6-mths	1-yr	Inception
CFS MA Dynamic Balanced Pension	1.44	4.94	4.20	15.38	4.39
CFS MA Dynamic Balanced Super	1.29	4.47	3.80	13.63	3.94
RBA Cash Rate + 2.5% p.a.	0.57	1.75	3.51	7.11	5.83
Morningstar AUS Growth Tgt Alloc NR AUD	1.49	5.33	4.83	18.51	6.63

### Market Review

September was one of the busiest months of the year, marked by significant monetary policy shifts. On September 18, the US Federal Reserve (Fed) initiated an interest rate easing cycle with a larger-than-expected 50 basis point (bps) cut, bringing the interest rate range down to 4.75%-5%. This "insurance cut" signalled a shift in the Fed's priorities from inflation control to supporting economic growth. The move, seen as pre-emptive, aims to protect the US economy from potential downturns.

In China, the government introduced a series of monetary easing measures toward the end of the month to support market liquidity, stabilise the housing market, and restore household confidence. These measures target deflationary pressures and aim to encourage spending, with Chinese households sitting on a vast RMB 130 trillion (US\$18 trillion) in bank savings.

Despite the Fed's rate cut, the US equity benchmark MSCI USA ended September down 0.13%, as concerns over a weakening US economy, particularly mixed labour market signals, offset the positive impact of the rate cut. In contrast, Chinese equities performed strongly. The China Securities Index 300 (CSI 300), which tracks the top 300 stocks on the Shanghai and Shenzhen stock exchanges, surged 19.65% in local currency, driven largely by a remarkable 15% gain in the final week of September—the index's best weekly performance in 15 years.

Global equities remained flat, with the unhedged global equity index returning just 0.03%. The hedged version, however, gained 1.83%, aided by the Australian dollar's 2.14% appreciation against the US dollar.

The Australian dollar's strength was supported by the Fed's rate cut and a sharp rise in commodity prices, particularly iron ore. The rate cut widened the spread between US and Australian 10-year treasury yields, while Chinese policy measures boosted iron ore prices, which jumped from \$89 to \$109 per ton in the final week of September. The Fed's rate cut also contributed to a 1.07% rise in global fixed income, while Australian fixed income saw a modest 0.31% gain.

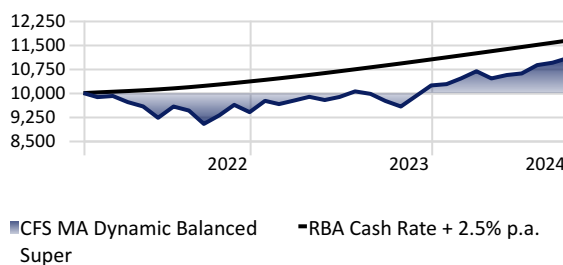
The Australian equity market delivered a 3.07% return in September, driven by a 13.07% surge in the materials sector, which benefited from China's policy support for industrial metals. Health care was the weakest sector, with CSL falling 6.09% due to senior management changes. Supermarkets Coles (-2.1%) and Woolworths (-3.95%) also faced pressure amid growing concerns about price gouging.

Real assets continued their rally, with global property and infrastructure posting double-digit year-to-date gains. Global property rose 2.72% in September, outperforming global infrastructure (+2.1%), buoyed by the Fed's larger rate cut. A standout deal in the real assets sector was Blackstone and Canada Pension Plan Investment Board's (CPPIB) acquisition of Australian data centre operator AirTrunk for over AUD 24 billion, underscoring strong market demand for data centres amid AI advancements.

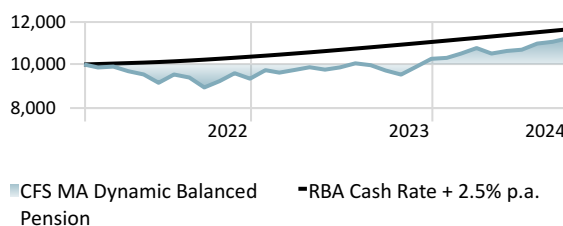
For a detailed market review and outlook, please refer to the Monthly Market Commentary document available on [www.azsestante.com/investment-options](http://www.azsestante.com/investment-options)



### \$10,000 invested over time - Super



### \$10,000 invested over time - Pension



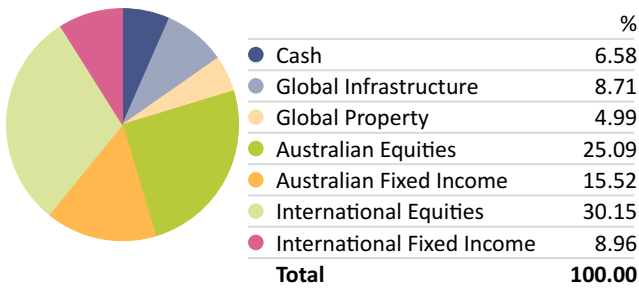
#### Portfolio information

- Investment Objective: target RBA cash rate +2.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 70% Growth / 30% Defensive
- Portfolio Inception Date: 21 February 2022
- Estimated Total Cost: (Including administration, investment, transaction costs and performance fees)

Super: 0.99%  
Pension: 0.98%

## Current Asset Allocation - Super

Portfolio Date: 30/09/2024



## Where your funds are invested

Category	Value	ESG Rating
<b>International Equities</b>	<b>30.15</b>	—
CFS FC W PSup-CFS Index Global Shr-Hgd	9.66	—
CFS FC W PSup- GQG Partners Glb Eqd Hdg	4.94	—
CFS FC W PSup-Realindex Global Share Val	4.89	⊕⊕⊕
CFS FC W PSup-T. Rowe Price Glb Equity	3.25	⊕⊕⊕⊕
CFS FC W PSup-Ironbark RL Con Glb Share	3.24	⊕⊕⊕
CFS FC W PSup-Fidelity Asia	2.13	—
CFS FC W PSup-GQG Partners Glb Equity	2.04	—
<b>Australian Equities</b>	<b>25.09</b>	—
CFS FC W PSup-Schroder Australian Equity	11.10	⊕⊕⊕⊕
CFS FC W PSup-Fidelity Aust Equities	9.06	⊕⊕⊕⊕
CFS FC W PSup-CFS Index Australian Share	4.93	⊕⊕⊕⊕
<b>Australian Fixed Income</b>	<b>15.52</b>	—
CFS FC W PSup-Franklin Aust Abs Rtn Bonc	6.96	—
CFS FC W PSup-Western Asset Aust Bond	4.28	⊕⊕⊕⊕⊕
CFS FC W PSup-Pendal Sust Aust Fix Int	4.28	—
CFS FC W PSup-CFS Index Australian Bond	0.00	⊕⊕⊕⊕
<b>International Fixed Income</b>	<b>8.96</b>	—
CFS FC W PSup-Macquarie Dynamic Bond	3.98	⊕⊕⊕⊕⊕
CFS FC W PSup-Colchester Glb Gov Bond	2.98	⊕⊕⊕
CFS FC W PSup-PIMCO Global Bond	1.99	—
<b>Global Infrastructure</b>	<b>8.71</b>	—
CFS FC W PSup-FSI Glb Listed Infrastruct	8.71	⊕⊕⊕⊕
<b>Cash</b>	<b>6.58</b>	—
CFS FC W PSup-FSI Strategic Cash	6.58	—
<b>Global Property</b>	<b>4.99</b>	—
CFS FC W PSup-CFS Index Glb Property Sec	4.99	⊕⊕⊕⊕
<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

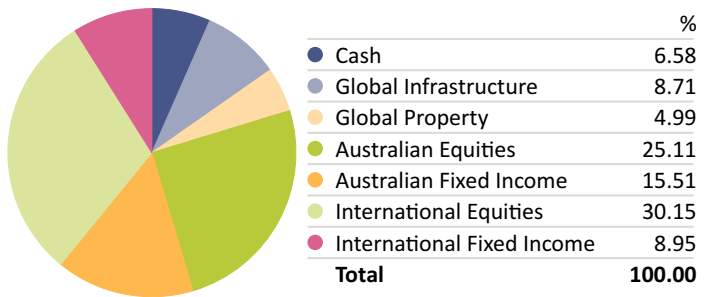
In September, holdings in Stewart Investors Worldwide Sustainability fund were sold and proceeds replaced with Realindex Global Share Value fund. 50% of holdings in the Ironbark Royal London Concentrated Global Share fund were sold and replaced with the T Rowe Price Global Equity fund.

## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
MSCI World Ex Australia GR AUD	-0.43	2.40	2.83	23.78	11.12
Bloomberg Global Aggregate TR Hdg AUD	1.07	3.99	3.82	9.11	-1.48
S&P Global Infrastructure NR AUD	1.47	8.97	8.93	20.64	10.08
Bloomberg AusBond Composite 0+Y TR AUD	0.31	3.02	2.16	7.11	-1.19
S&P/ASX 200 TR AUD	2.97	7.79	6.65	21.77	8.45

## Current Asset Allocation - Pension

Portfolio Date: 30/09/2024



## Where your funds are invested

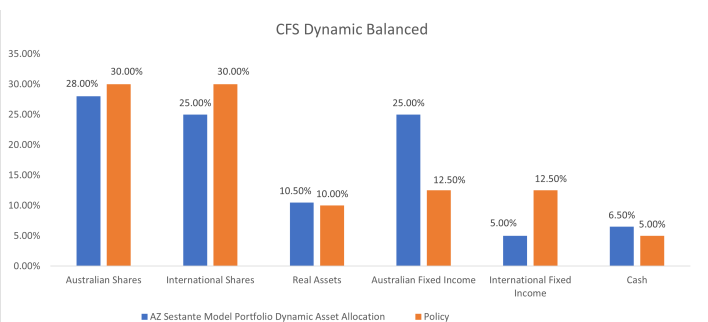
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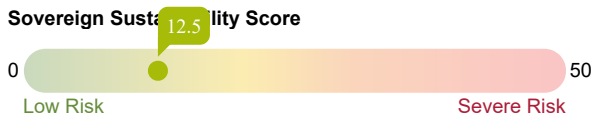
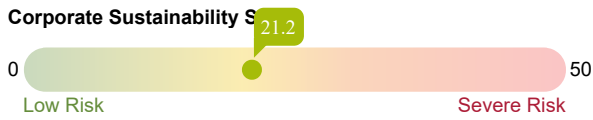
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## Active Asset Allocation: AZ Sestante Model Portfolio vs Investment Policy Target

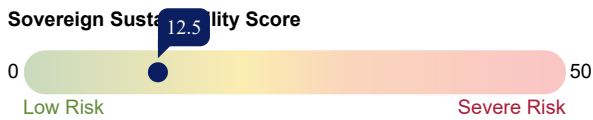
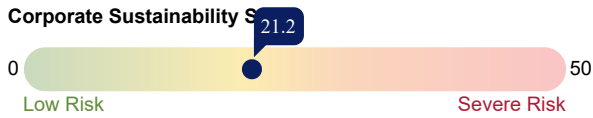


## Sustainability Score - Super



● CFS MA Dynamic Balanced Super

## Sustainability Score - Pension



● CFS MA Dynamic 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. E: invest@azsestante.com www.azsestante.com

### 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 21/2/2022 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 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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