

# Sestante Dynamic Moderately Conservative Portfolio

## Monthly Investment Report

As of 30/09/2024

### Latest performance\*

	1-mth	3-mths	1-yr	3-yr	5-yr	Inception
Sestante Dynamic Mod Con	1.13	3.79	14.13	3.90	4.62	5.17
RBA Cash Rate + 2.5% p.a.	0.57	1.75	7.11	5.47	4.40	4.34

### 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.

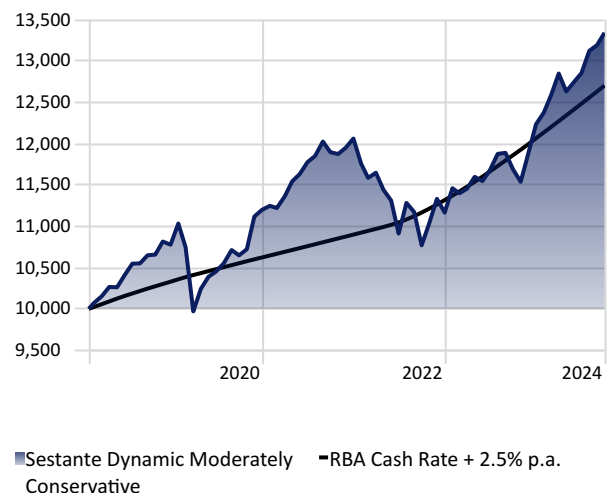
The Australian equity market delivered a 3.07% return in September, driven by a 13.07% surge in the materials sector, which benefited from China's policy support for industrial metals. Health care was the weakest sector, with CSL falling 6.09% due to senior management changes. Supermarkets Coles (-2.1%)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



### Portfolio information

- Investment Objective: target RBA cash rate +2.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 45% Growth / 55% Defensive Split
- Portfolio Inception Date: 7 February 2019

## Sustainability Score

● Sestante Dynamic Moderately Conservative

### Corporate Sustainability Score



### Sovereign Sustainability Score



## ESG Pillar Score



## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	2.97	7.79	6.65	21.77	8.45
MSCI World Ex Australia GR AUD	-0.43	2.40	2.83	23.78	11.12
Bloomberg AusBond Composite 0+Y TR AUD	0.31	3.02	2.16	7.11	-1.19
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

### 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 8/8/2020 and represents modelled performance only and assumes income received is reinvested.

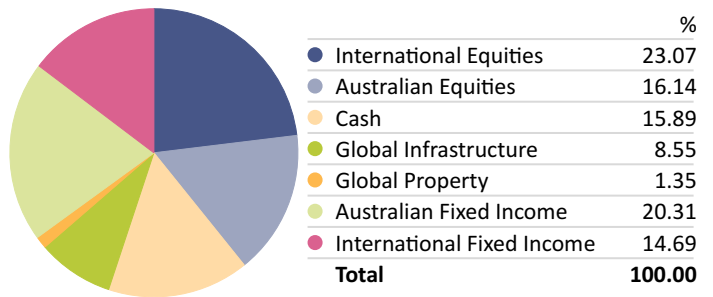
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining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

This document has been prepared by AZ Sestante Limited, ABN 94 106 888 662, AFSL 284 442 (AZ Sestante). This document is not an offer of securities or financial products, nor is it financial product advice. As this document has been prepared without taking account of any investors' particular objectives, financial situation or needs, you should consider its appropriateness having regard to your objectives, financial situation and needs before taking any action. Past performance is not a reliable indicator of future results. Although specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness. The information stated, opinions expressed and estimates given constitute best judgement at the time of publication and are subject to change without notice. Consequently, although this document is provided in good faith, it is not intended to create any legal liability on the part of any other entity and does not vary the terms of a relevant disclosure statement. All dollars are Australian unless otherwise specified.

## Current Asset Allocation

Portfolio Date: 30/09/2024



## Where your funds are invested

<b>International Equities</b>	<b>23.07</b>	—
Ironbark Brown Advisory Global Share	6.14	🌐
GQG Partners Global Equity AUD Hedged	6.12	🌐
Vanguard MSCI Intl ETF	4.36	🌐🌐🌐
iShares S&P 500 AUD Hedged ETF	3.87	🌐🌐🌐
Fidelity Asia	1.47	🌐🌐🌐
Vanguard MSCI Intl (Hdg) ETF	1.11	🌐🌐🌐
<b>Australian Fixed Income</b>	<b>20.31</b>	—
Janus Henderson Tactical Income	9.60	🌐🌐🌐
Yarra Australian Bond Fund	5.37	—
Western Asset Aus Bond Tr M	5.34	🌐🌐🌐
<b>Australian Equities</b>	<b>16.14</b>	—
iShares Core S&P/ASX 200 ETF	8.15	🌐🌐🌐
Schroder Australian Equity Fund - PC	3.19	🌐🌐🌐
Paradice Australian Equities Fund	2.92	🌐🌐🌐
Yarra Ex-20 Australian Equities Fund	1.88	🌐🌐🌐
<b>Cash</b>	<b>15.89</b>	—
BetaShares Aus High Interest Cash ETF	9.44	—
Pendal Short Term Income Securities Fd	4.13	🌐🌐
iShares Core Cash ETF	2.31	—
<b>International Fixed Income</b>	<b>14.69</b>	—
PIMCO Global Bond W	10.36	—
Macquarie Dynamic Bond No.1 W	4.33	—
<b>Global Infrastructure</b>	<b>8.55</b>	—
VanEck FTSE Gbl Infrs(AUD Hdg)ETF	8.55	🌐🌐🌐
<b>Global Property</b>	<b>1.35</b>	—
VanEck FTSE Intl Prop (AUD Hdg) ETF	1.35	🌐🌐🌐
<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 were no portfolio changes this month.

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

As of 30/09/2024

