Sestante Moderately Conservative Index Portfolio
Monthly Investment Report

As of 31/10/2024

Latest Performance*

	1-mth	3-mths	1-yr	3-yr	5-yr	Inception
Sestante Mod Conservative Index	-0.43	1.59	15.80	3.39	3.85	4.89
RBA Cash Rate + 2% p.a.	0.54	1.62	6.61	5.08	3.95	3.87

Market Review

US markets held up reasonably well and only lost relatively small amounts of territory given the level of volatility seen during the lead-up to the US election. The S&P 500 recorded a loss of around 1% in US dollars. When adjusted back into Australia dollars the return was positive for the month due to the depreciation of the Australian dollar versus the US dollar.

Tesla and Netflix reported this month, and both enjoyed solid price gains after announcing strong third-quarter results. This positive sentiment extended to information technology stocks more broadly, with Nvidia achieving a new record high after a positive earnings result from Taiwan Semiconductor boosted investor sentiment again for AI-related investments.

In Europe, the Stoxx 50 was up around 0.5%, while the broader Stoxx 600 index lost approximately 1.6% for the month. Eurozone inflation dipped to 1.7% in September, falling below the European Central Bank's (ECB) target for the first time in three years, but rebounded to 2.0% in October according to a flash estimate by Eurostat, which was marginally above forecasts. The UK's FTSE 100 dropped by 1.2% for the month. The decline was primarily driven by the energy sector and falling oil prices, which negatively impacted companies like BP. In China, all major markets ended the month lower. This was the result of the fiscal stimulus measures announced last month not meeting investor expectations. In Japan, the Yen weakened after the ruling coalition failed to secure a majority in the recent elections. The Yen declined against the US dollar and a number of other currencies, including the Swiss Franc and the Euro. Interestingly, the weaker currency helped export-heavy Japanese companies. This saw the Nikkei close up for the month.

While October saw the short end of the US yield curve fall as the Fed eased rates, the medium to longer dated bonds rose suggesting inflation fears regardless of the result of the US election.

In Australia, October saw the S&P 200 lose 1.33%. While the banking sector performed well, the other large sector in the Australian market, metals and mining lost ground. Both BHP and Rio Tinto took a hit during October after both produced solid gains the prior month. This was a reflection of the Chinese stimulus story and the iron ore price.

After a few solid month's performance, Property and Infrastructure generally took a downturn in October. The S&P/ASX 200 A-REIT was down 2.52%, with Goodman Group, the largest security in the Index, down 0.95%. Global listed infrastructure, as measured by the FTSE Developed Core Infrastructure 50/50 Net Return Index Hedged into AUD lost 0.79% for the month, while Global Property lost 3.74% based on the FTSE EPRA NAREIT Developed hedged in AUD Net Total Return Index. The Global Property loss was mainly driven by rising US treasuries yields, as the market factored in a slower rate cutting cycle by the Fed.

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

■ Sestante Moderately Conservative Index ▬ RBA Cash Rate + 2% p.a.
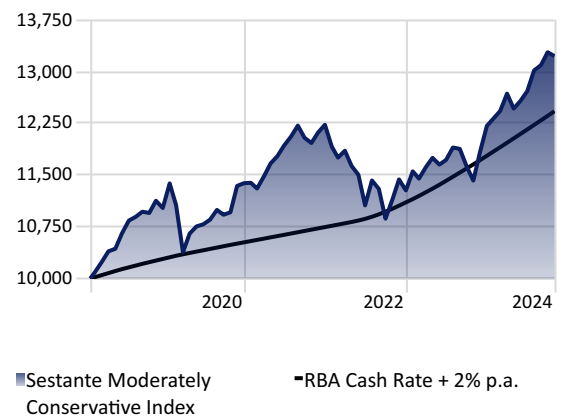
Portfolio information

- Investment Objective:
  target RBA cash rate +2.0% per annum over rolling 5-year periods after fees.

- Asset Class: Diversified

- 45% Growth / 55% Defensive

- Portfolio Inception Date: 7 February 2019

Source: Morningstar Direct

Sustainability Score

● Sestante Moderately Conservative Index

Corporate Sustainability Score

20.8

0 — 50

Low Risk — Severe Risk
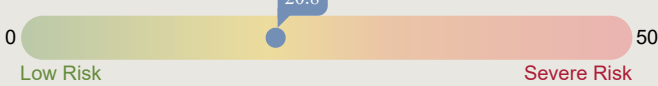
Sovereign Sustainability Score

11.1

0 — 50

Low Risk — Severe Risk

ESG Pillar Score

4.9 Environmental

8.7 Social

5.4 Governance

1.3 Unallocated

Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	-1.31	2.10	8.44	24.89	8.01
MSCI World Ex Australia GR AUD	3.94	2.24	10.43	29.90	11.93
Bloomberg AusBond Composite 0+Y TR AUD	-1.88	-0.39	2.26	7.08	-0.62
Bloomberg Global Aggregate TR Hdg AUD	-1.51	0.53	4.02	8.37	-1.89
S&P Global Infrastructure NR AUD	4.55	6.75	14.00	27.61	11.86

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.
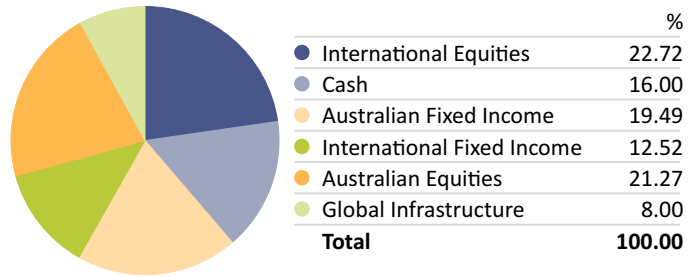
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining 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: 31/10/2024

	%
● International Equities	22.72
● Cash	16.00
● Australian Fixed Income	19.49
● International Fixed Income	12.52
● Australian Equities	21.27
● Global Infrastructure	8.00
Total	**100.00**

Where your funds are invested

International Equities	**22.72**	—
Vanguard All-World ex-US Shares ETF	9.66	⊕⊕⊕⊕
iShares S&P 500 AUD Hedged ETF	8.78	⊕⊕⊕⊕
iShares S&P 500 ETF	4.28	⊕⊕⊕⊕
Australian Equities	**21.27**	—
iShares Core S&P/ASX 200 ETF	21.27	⊕⊕⊕⊕
Australian Fixed Income	**19.49**	—
iShares Australian Bond Index	19.49	⊕⊕⊕⊕
Cash	**16.00**	—
iShares Core Cash ETF	11.06	—
BetaShares Aus High Interest Cash ETF	4.94	—
International Fixed Income	**12.52**	—
iShares Global Bond Index	12.52	⊕⊕⊕⊕
Global Infrastructure	**8.00**	—
VanEck FTSE Glbl Infras(AUD Hdg)ETF	7.01	⊕⊕⊕⊕
Vanguard Global Infrastructure Index	0.99	⊕⊕⊕
	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

There were no portfolio changes the month.

Active Asset Allocation: AZ Sestante Model Portfolio vs Investment Policy Target
As of 31/10/2024

Moderately Conservative Index

- Australian Shares: 20.50% / 15.00%
- International Shares: 19.00% / 15.00%
- Real Assets: 4.00% / 11.00%
- Australian Fixed Income: 21.50% / 16.25%
- International Fixed Income: 13.50% / 16.25%
- Alternatives: 0.00% / 6.50%
- Cash: 21.50% / 20.00%

■ AZ Sestante Model Portfolio Dynamic Asset Allocation ■ Policy

AZ SESTANTE
AZIMUT GROUP

Source: Morningstar Direct