

## Market Review

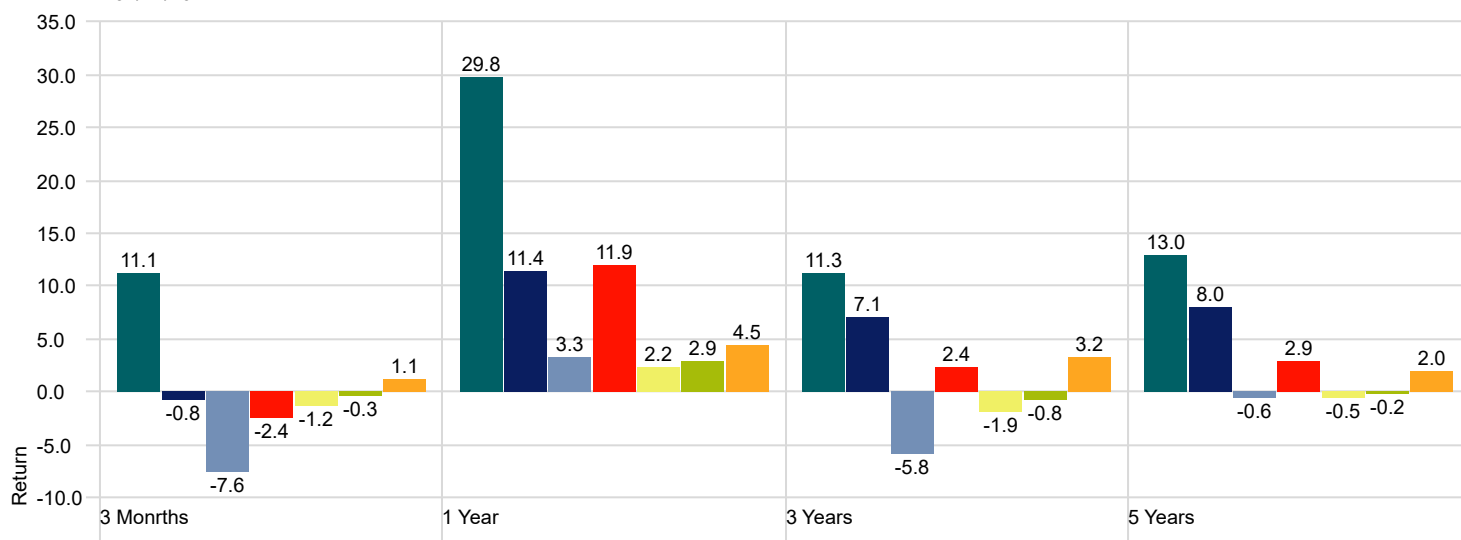
US stocks made gains in Q4 to end a very strong year for the S&P 500. Equities were boosted by Donald Trump's presidential election victory and the "Red Sweep" which saw the Republicans take control of Congress. Shares were buoyed by expectations that Trump's policy programme will increase growth, lower taxes and reduce regulation. In Q4, gains were driven by the communication services, information technology and consumer discretionary sectors. The weakest performing sector for Q4 was materials. Eurozone shares fell in Q4 amid fears of a recession. There was political instability, combined with worries of trade wars given Trump's election victory. In Europe, the poorest performing sectors for the quarter were materials, real estate and consumer staples, while the industrials sector posted a gain. UK equities fell over the quarter. A number of domestically focussed sectors declined amid a rise in long-term bond yields and growing concerns about the UK macro-economic outlook.

The Japanese equity market experienced solid gains over Q4, with the TOPIX Total Return Index increasing by 5.4% in yen terms. Developments in the US and their impact on financial markets, particularly the currency market, drove the Japanese equity market. Overall, yen weakness towards the end of the year helped achieve a more positive earnings outlook. Trump's election victory provided headwinds for emerging market equities for the quarter. The MSCI Emerging Market Index fell in US dollar terms due to investor concerns about the potential impacts of Trump's proposed tariffs, particularly on China. China declined, but by less than the index. A lack of further detail relating to policy stimulus measures announced in September, together with the concerns around the implications of Trump's proposed tariffs on Chinese exports, had a negative impact on the index over the quarter.

The fixed income markets were volatile in the final quarter of 2024, primarily driven by geopolitical tensions, central bank decisions, and fluctuating inflation rates. The period was marked by notable selloffs in major government bond markets, with various factors influencing investor sentiment across the globe. US Treasuries sold off in October amid concerns over potential inflationary policies arising from a possible Republican victory in the presidential election. Inflation figures saw an unexpected uptick, leading to a rise in bond yields, as markets started to price in fewer rate cuts. Over the quarter, US high yield spreads tightened to historical lows due to strong demand, while European high yield spreads also tightened over the quarter, despite political pressures and economic challenges.

## Returns

As of Date: 31/12/2024



■ International Equities     
 ■ Australian Equities     
 ■ Global Property  
■ Global Infrastructure     
 ■ International Fixed Income     
 ■ Australian Fixed Income  
■ Cash

\*International Equities: MSCI ACWI Ex Australia; Australian Equities: S&P/ASX 300; Global Property: FTSE EPPA Nareit Ex Australia Hdg AUD; Global Infrastructure: FTSE Dev Core Infrastructure 50/50 Hdg AUD; International Fixed Income: Bloomberg Global Aggregate Hdg AUD; Australian Fixed Income: Bloomberg Ausbond Composite 0+Y; Cash: Bloomberg AusBond Bank 0+Y.

## Conservative Profile

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### Dynamic Portfolio

The Dynamic portfolio recorded a 0.97% return, underperforming its cash + 3.5% (annual) benchmark for the quarter. Paradise Australian Equities outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. From a global equity perspective, GQG Partners Global Equity Fund was the laggard. Currency hedging detracted from performance, as the AUD fell significantly against the USD. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### ESG Portfolio

The ESG portfolio returned 0.58%, underperforming its cash + 3.5% (annual) benchmark for the quarter. The Alphinity Sustainable Shares Fund outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. Within Global Equities, the Stewart Investors Worldwide Leaders Sustainability Fund underperformed. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. 4D Global Infrastructure lost 6.09%, while the Russell International Property Securities Fund Hedged lost 8.31%. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### Index Portfolio

The Index portfolio delivered a 0.87% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The main detractor from the quarter's performance was the currency hedging employed within Global Equities, Global Property and Global Infrastructure, which suffered from a significant decline in the Australian dollar. The best positive return for the quarter was produced by the iShares S&P 500 ETF, which returned 14.70% for the quarter.

## Moderately Conservative Profile

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### Dynamic Portfolio

The Dynamic portfolio recorded a 1.00% return, underperforming its cash + 3.5% (annual) benchmark for the quarter. Paradise Australian Equities outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. From a global equity perspective, GQG Partners Global Equity Fund was the laggard. Currency hedging detracted from performance, as the AUD fell significantly against the USD. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### ESG Portfolio

The ESG portfolio returned 0.68%, underperforming its cash + 3.5% (annual) benchmark for the quarter. The Alphinity Sustainable Shares Fund outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. Within Global Equities, the Stewart Investors Worldwide Leaders Sustainability Fund underperformed. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. 4D Global Infrastructure lost 6.09%, while the Russell International Property Securities Fund Hedged lost 8.31%. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### Index Portfolio

The Index portfolio delivered a 0.85% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The main detractor from the quarter's performance was the currency hedging employed within Global Equities, Global Property and Global Infrastructure, which suffered from a significant decline in the Australian dollar. The best positive return for the quarter was produced by the iShares S&P 500 ETF, which returned 14.70% for the quarter.

## Balanced Profile

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### Dynamic Portfolio

The Dynamic portfolio recorded a 1.01% return, underperforming its cash + 3.5% (annual) benchmark for the quarter. Paradise Australian Equities outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. From a global equity perspective, GQG Partners Global Equity Fund was the laggard. Currency hedging detracted from performance, as the AUD fell significantly against the USD. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### ESG Portfolio

The ESG portfolio returned 0.27%, underperforming its cash + 3.5% (annual) benchmark for the quarter. The Alphinity Sustainable Shares Fund outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. Within Global Equities, the Stewart Investors Worldwide Leaders Sustainability Fund underperformed. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. 4D Global Infrastructure lost 6.09%, while the Russell International Property Securities Fund Hedged lost 8.31%. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### Index Portfolio

The Index portfolio delivered a 0.74% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The main detractor from the quarter's performance was the currency hedging employed within Global Equities, Global Property and Global Infrastructure, which suffered from a significant decline in the Australian dollar. The best positive return for the quarter was produced by the iShares S&P 500 ETF, which returned 14.70% for the quarter.

## Assertive Profile

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### Dynamic Portfolio

The Dynamic portfolio recorded a 1.47% return, underperforming its cash + 3.5% (annual) benchmark for the quarter. Paradise Australian Equities outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. From a global equity perspective, GQG Partners Global Equity Fund was the laggard. Currency hedging detracted from performance, as the AUD fell significantly against the USD. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### ESG Portfolio

The ESG portfolio returned 0.60%, underperforming its cash + 3.5% (annual) benchmark for the quarter. The Alphinity Sustainable Shares Fund outperformed the benchmark for the quarter, while the Schroders Australian Equity Fund underperformed. Within Global Equities, the Stewart Investors Worldwide Leaders Sustainability Fund underperformed. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. 4D Global Infrastructure lost 6.09%, while the Russell International Property Securities Fund Hedged lost 8.31%. The portfolio's International Fixed Income exposure slightly outperformed the global fixed income benchmark, although negative. The portfolio's Australian Fixed Income exposure outperformed the Australian fixed income benchmark.

### Index Portfolio

The Index portfolio delivered a 1.40% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The main detractor from the quarter's performance was the currency hedging employed within Global Equities, Global Property and Global Infrastructure, which suffered from a significant decline in the Australian dollar. The best positive return for the quarter was produced by the iShares S&P 500 ETF, which returned 14.70% for the quarter.

## Aggressive Profile

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### Dynamic Portfolio

The Dynamic portfolio recorded a 1.70% return, underperforming its cash + 3.5% (annual) benchmark for the quarter. Paradise Australian Equities outperformed the benchmark for the quarter, while the Schrodgers Australian Equity Fund underperformed. From a global equity perspective, GQG Partners Global Equity Fund was the laggard. Currency hedging detracted from performance, as the AUD fell significantly against the USD. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns.

### ESG Portfolio

The ESG portfolio returned 0.93%, underperforming its cash + 3.5% (annual) benchmark for the quarter. The Alphinity Sustainable Shares Fund outperformed the benchmark for the quarter, while the Schrodgers Australian Equity Fund underperformed. Within Global Equities, the Stewart Investors Worldwide Leaders Sustainability Fund underperformed. Real assets had a poor quarter, with both Global Property and Global Infrastructure producing negative returns. 4D Global Infrastructure lost 6.09%, while the Russell International Property Securities Fund Hedged lost 8.31%.

### Index Portfolio

The Index portfolio delivered a 1.68% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The main detractor from the quarter's performance was the currency hedging employed within Global Equities, Global Property and Global Infrastructure, which suffered from a significant decline in the Australian dollar. The best positive return for the quarter was produced by the iShares S&P 500 ETF, which returned 14.70% for the quarter.

# AZ Sestante Quarterly Report

As of 31/12/2024

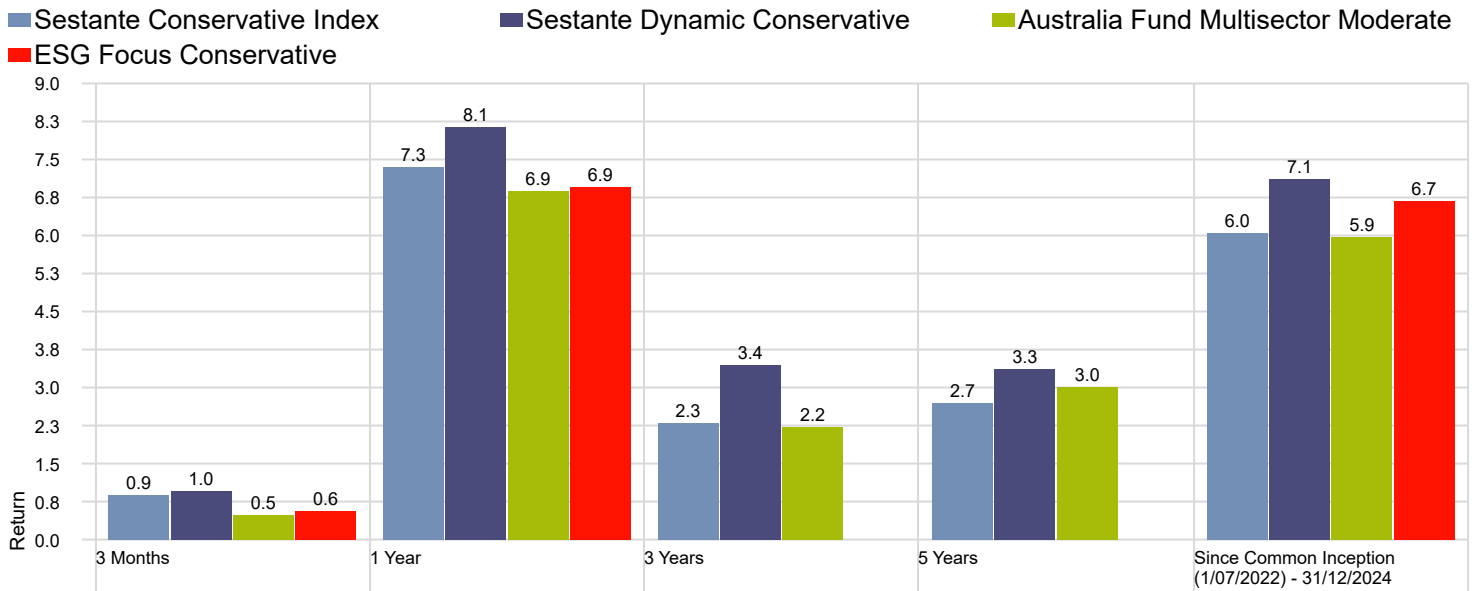
## Peer Group Returns

### Multisector Moderate Category



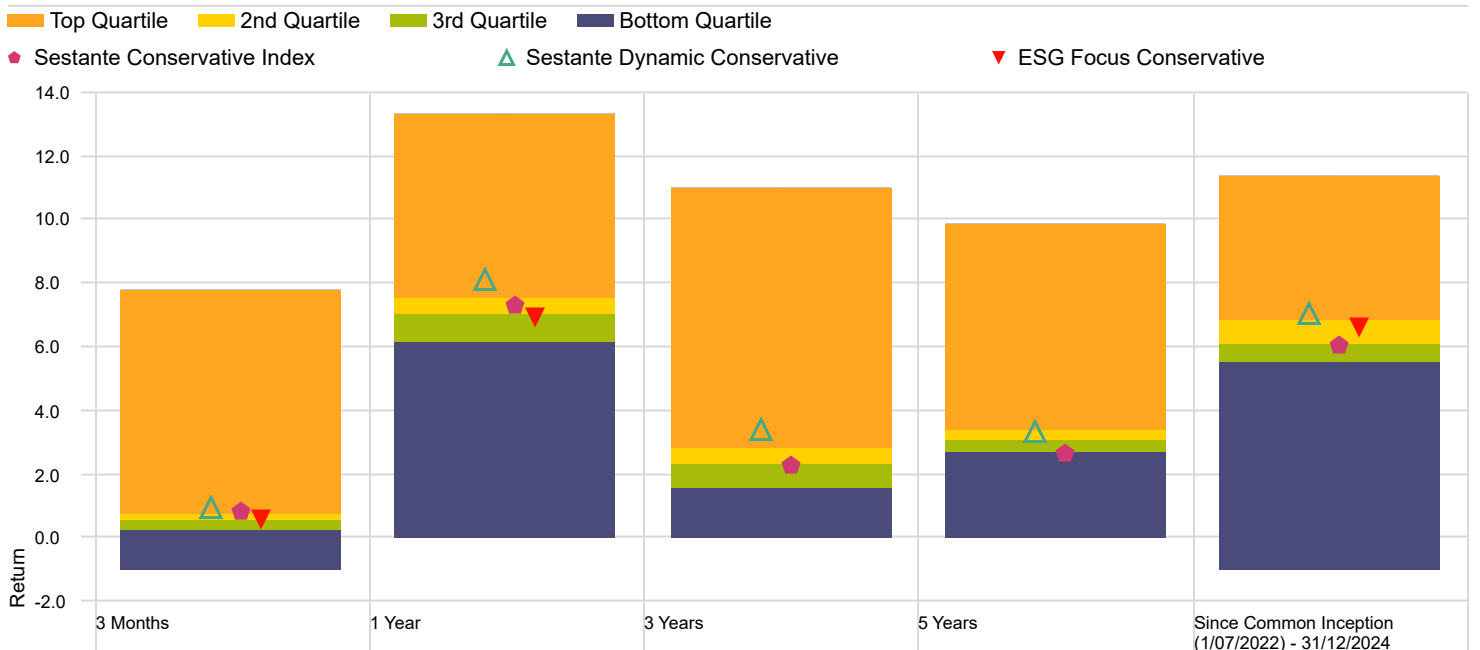
This part of the report aims provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Moderate Category consists of funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors.

### Sestante Conservative Portfolios vs Morningstar Peers



### Sestante Conservative Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Moderate



# AZ Sestante Quarterly Report

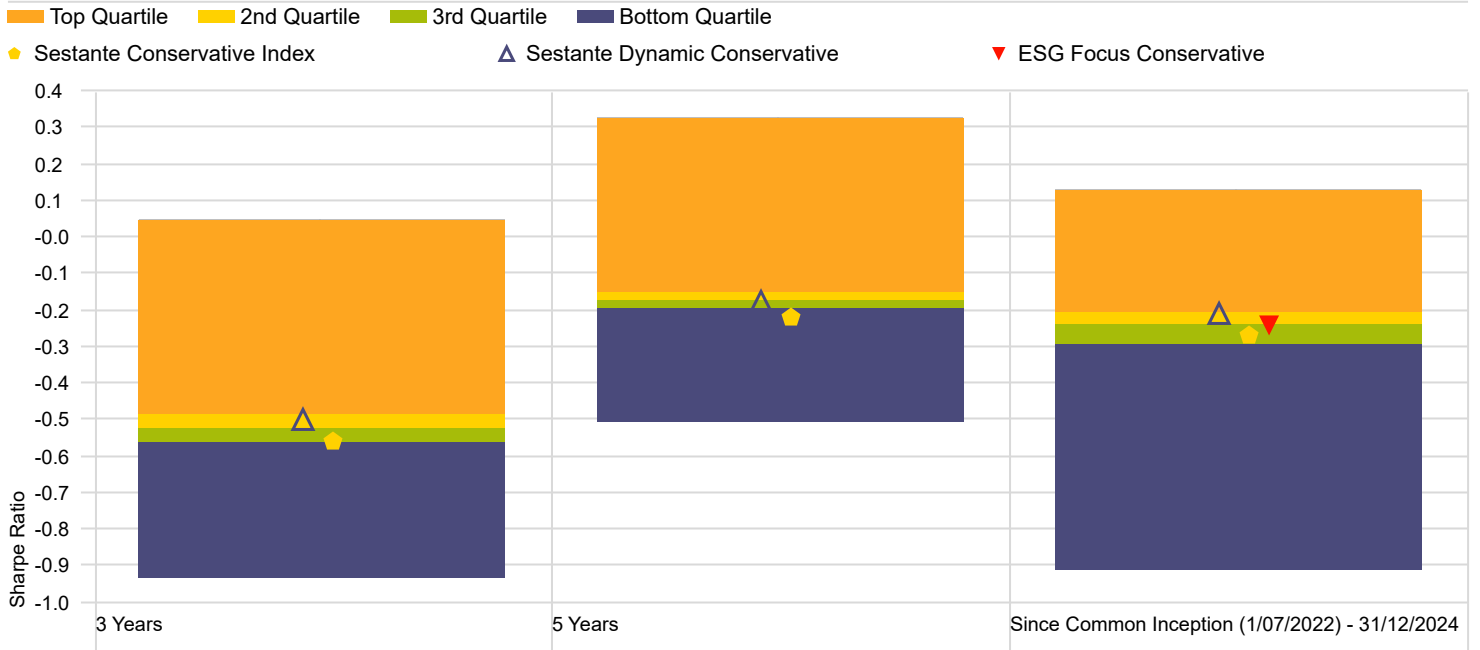
As of 31/12/2024

## Peer Group Returns

### Multisector Moderate Category

### Sharpe Ratio Relative to Peer Group - Conservative

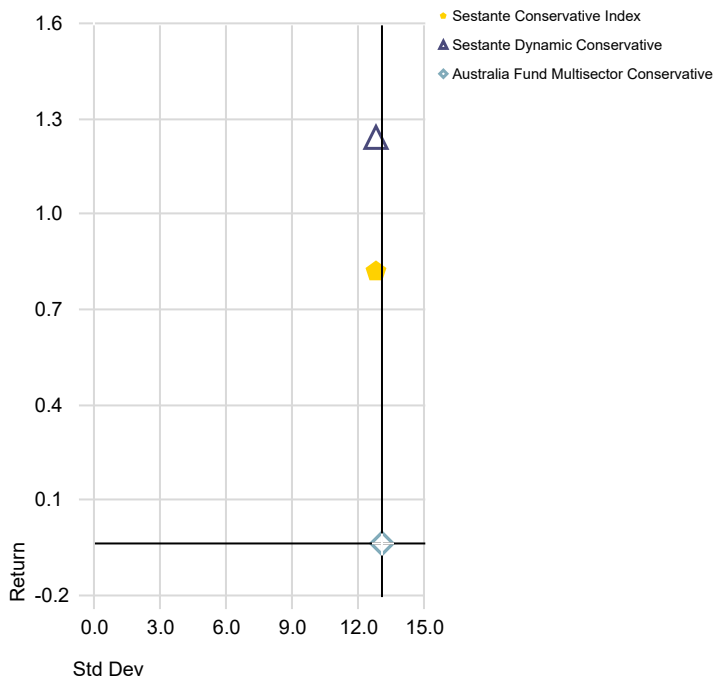
Peer Group (1-100%): Funds - Australia - Multisector Moderate



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

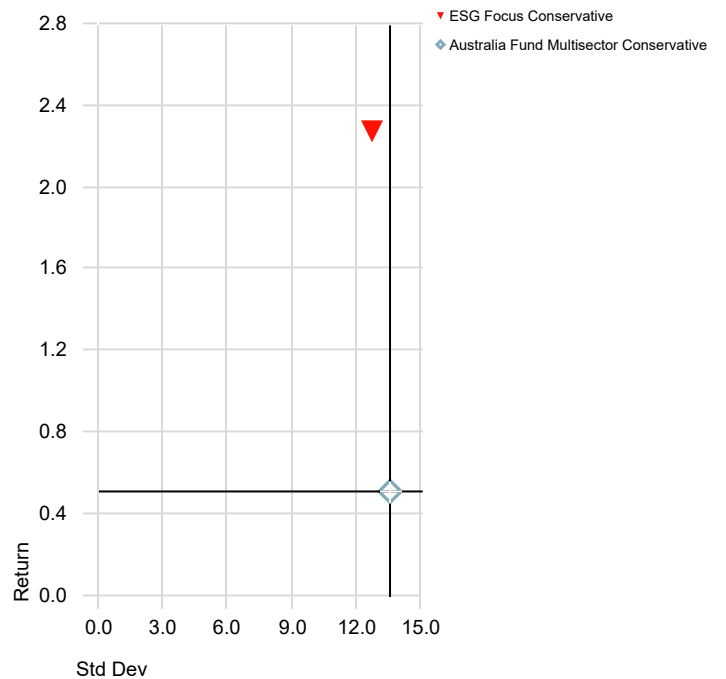
### Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/12/2024



### Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/12/2024



# AZ Sestante Quarterly Report

As of 31/12/2024

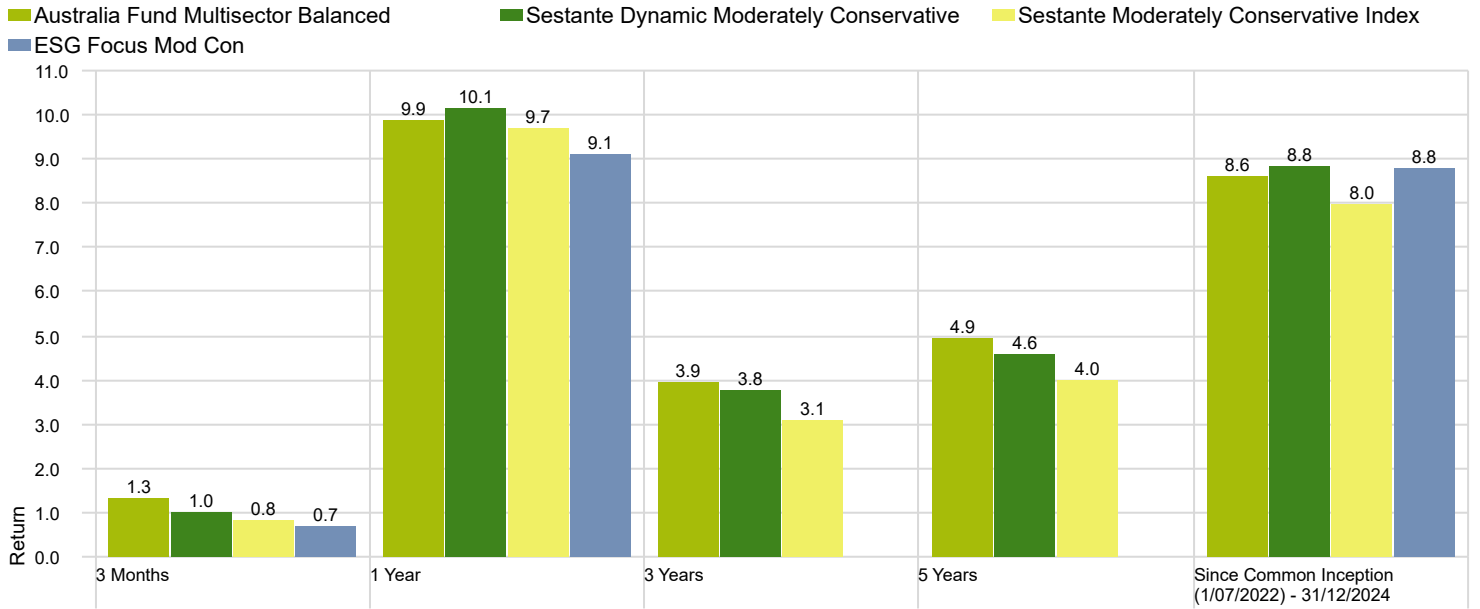
## Peer Group Returns

### Multisector Balanced Category



This part of the report aims provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Balanced Category consists of funds that invest in a number of sectors and have between 41% and 60% of their investments exposed to the growth sectors.

### Sestante Moderately Conservative Portfolios vs Morningstar Peers



### Sestante Moderately Conservative Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Balanced



# AZ Sestante Quarterly Report

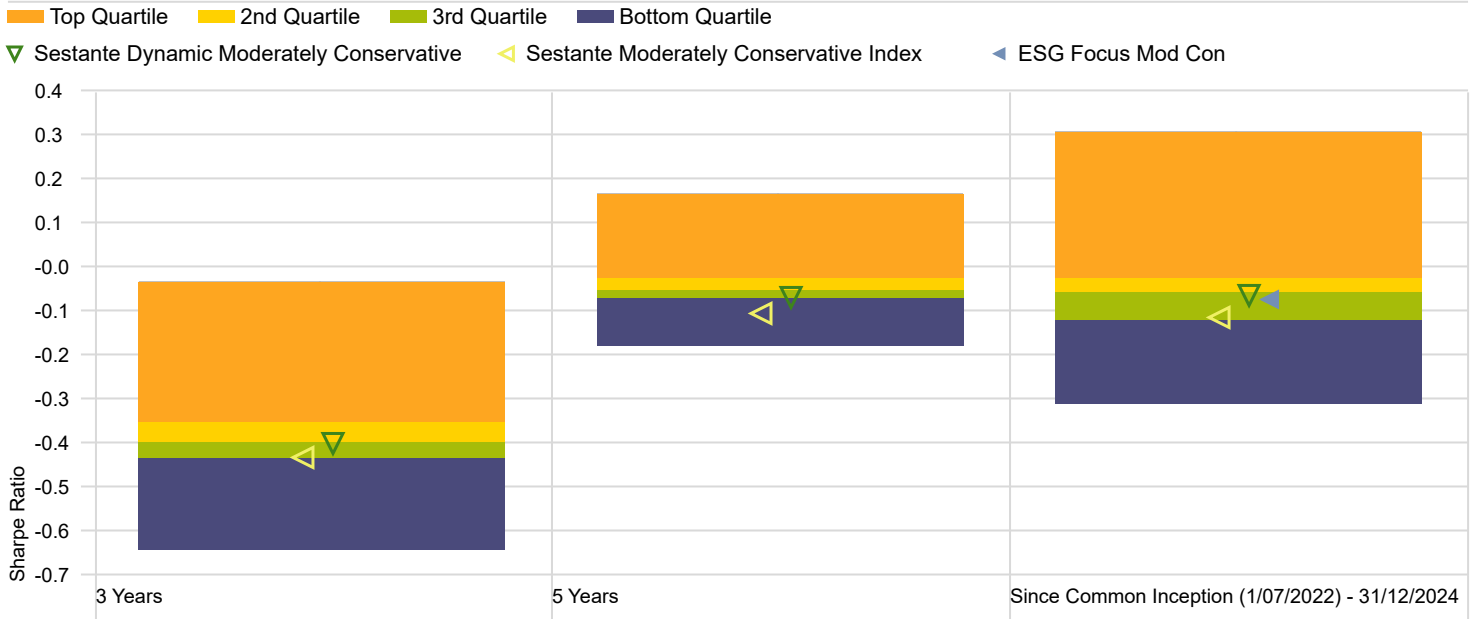
As of 31/12/2024

## Peer Group Returns

### Multisector Balanced Category

### Sharpe Ratio Relative to Peer Group - Moderately Conservative

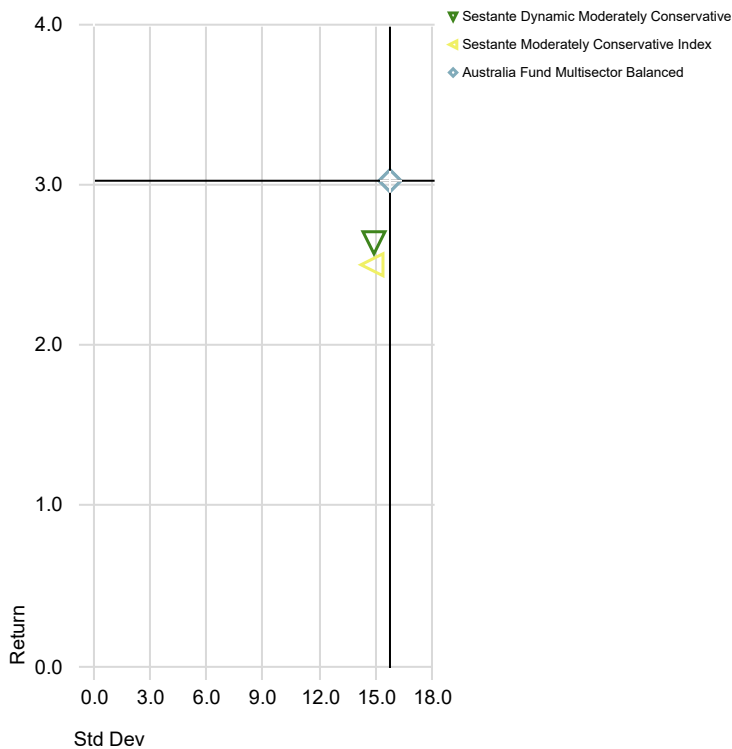
Peer Group (1-100%): Funds - Australia - Multisector Balanced



Sharpe Ratio is a risk-adjusted measure, It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

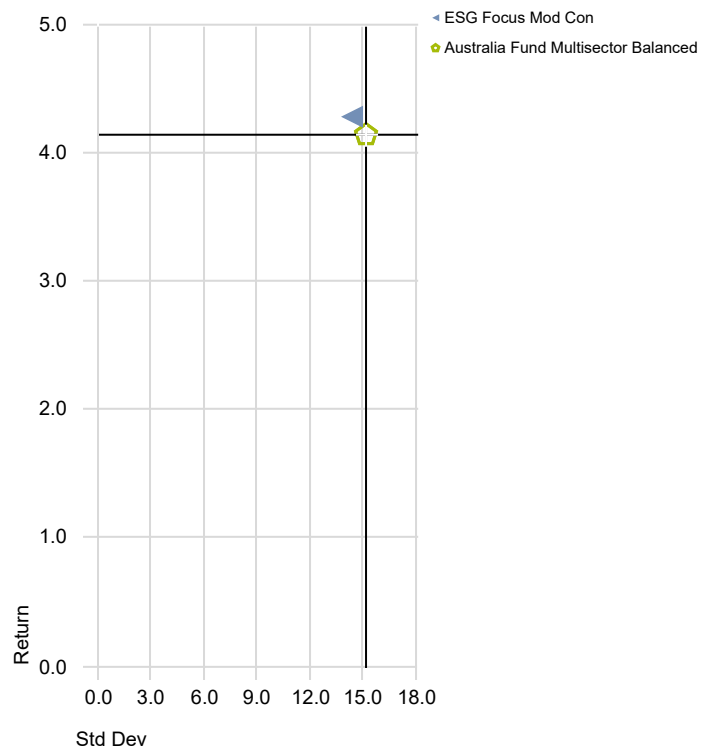
### Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/12/2024



### Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/12/2024





# AZ Sestante Quarterly Report

As of 31/12/2024

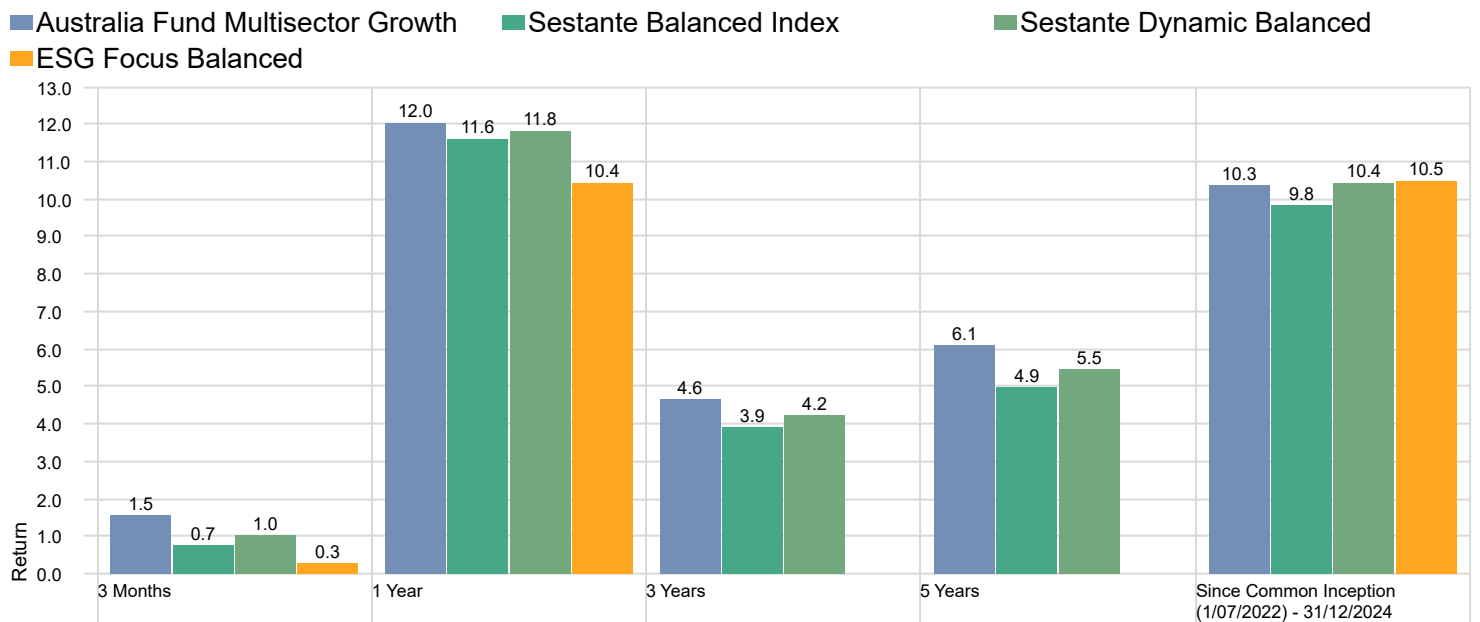
## Peer Group Returns

### Multisector Growth Category



This part of the report aims provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Growth Category consists of funds that invest in a number of sectors and have between 61% and 80% of their investments exposed to the growth sectors.

### Sestante Balanced Portfolios vs Morningstar Peers



### Sestante Balanced Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Growth



# AZ Sestante Quarterly Report

As of 31/12/2024

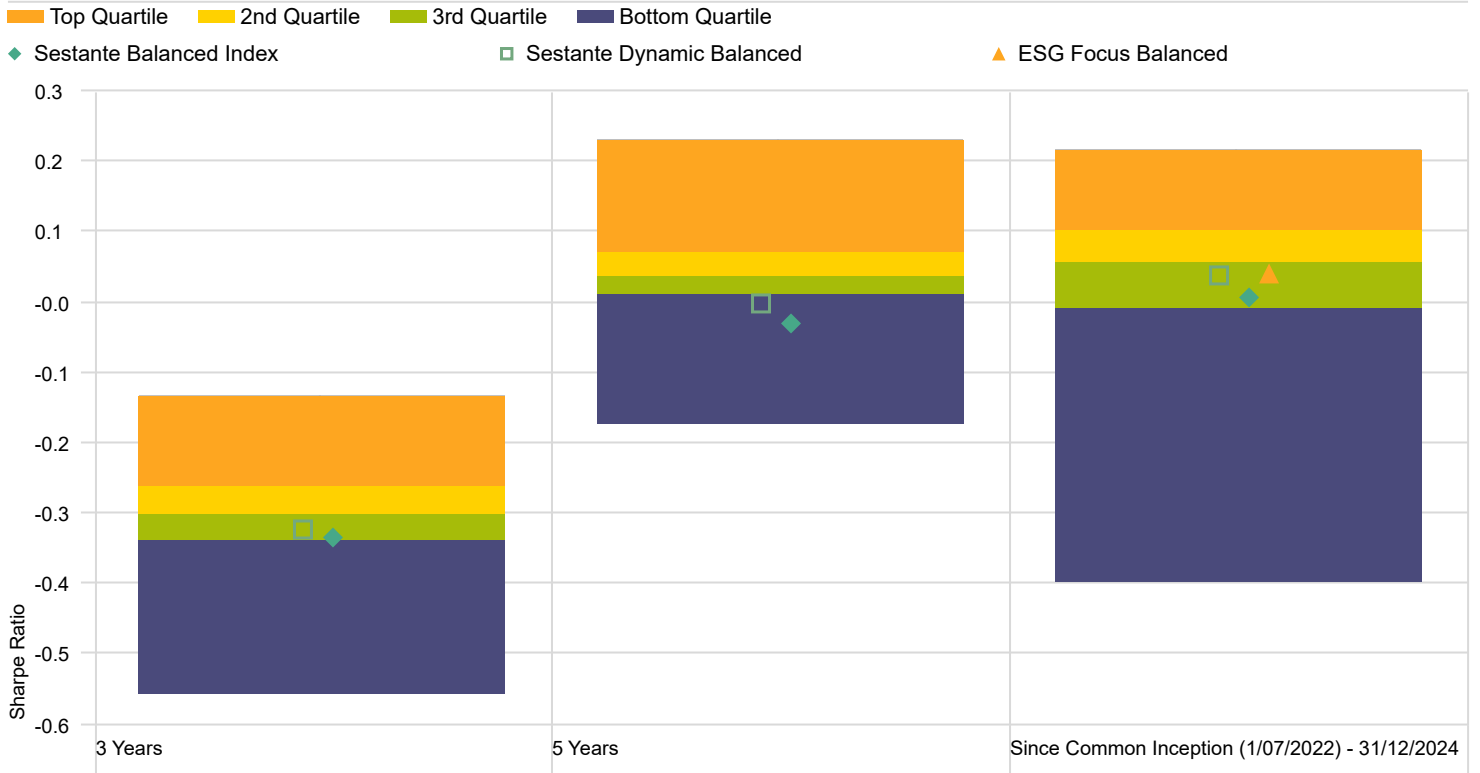
Peer Group Returns

Multisector Growth Category



## Sharpe Ratio Relative to Peer Group - Balanced

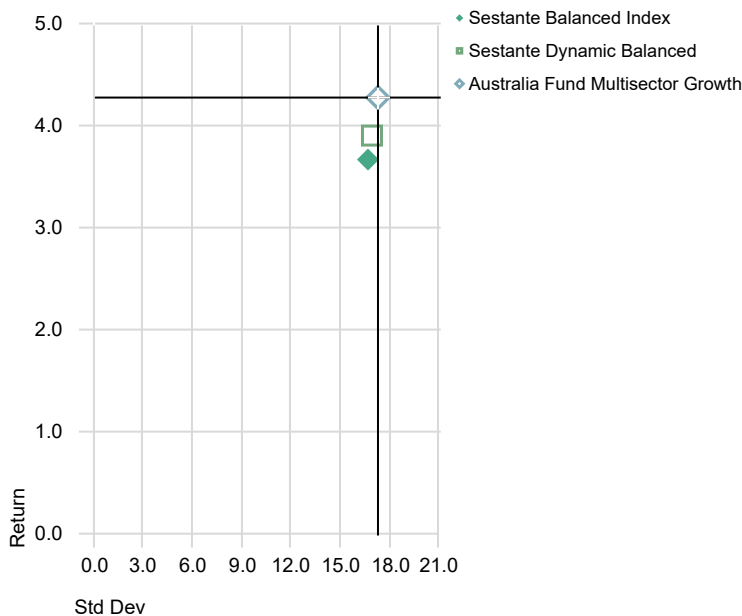
Peer Group (1-100%): Funds - Australia - Multisector Growth



Sharpe Ratio is a risk-adjusted measure, It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

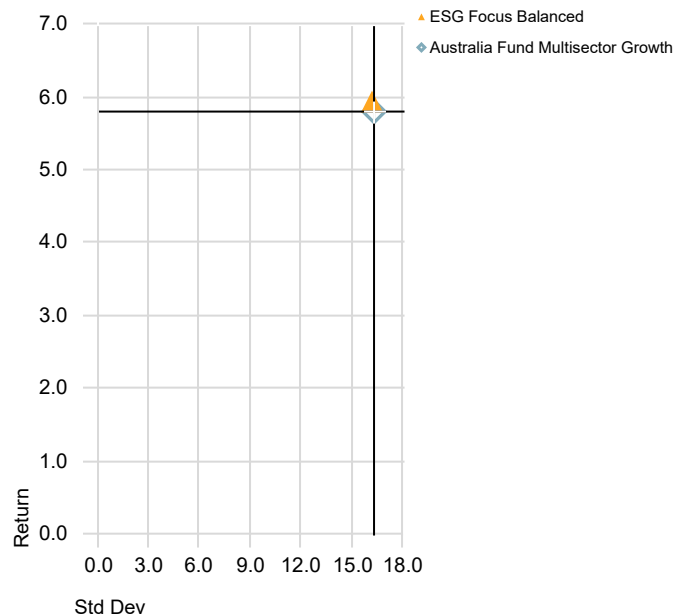
## Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/12/2024



## Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/12/2024



# AZ Sestante Quarterly Report

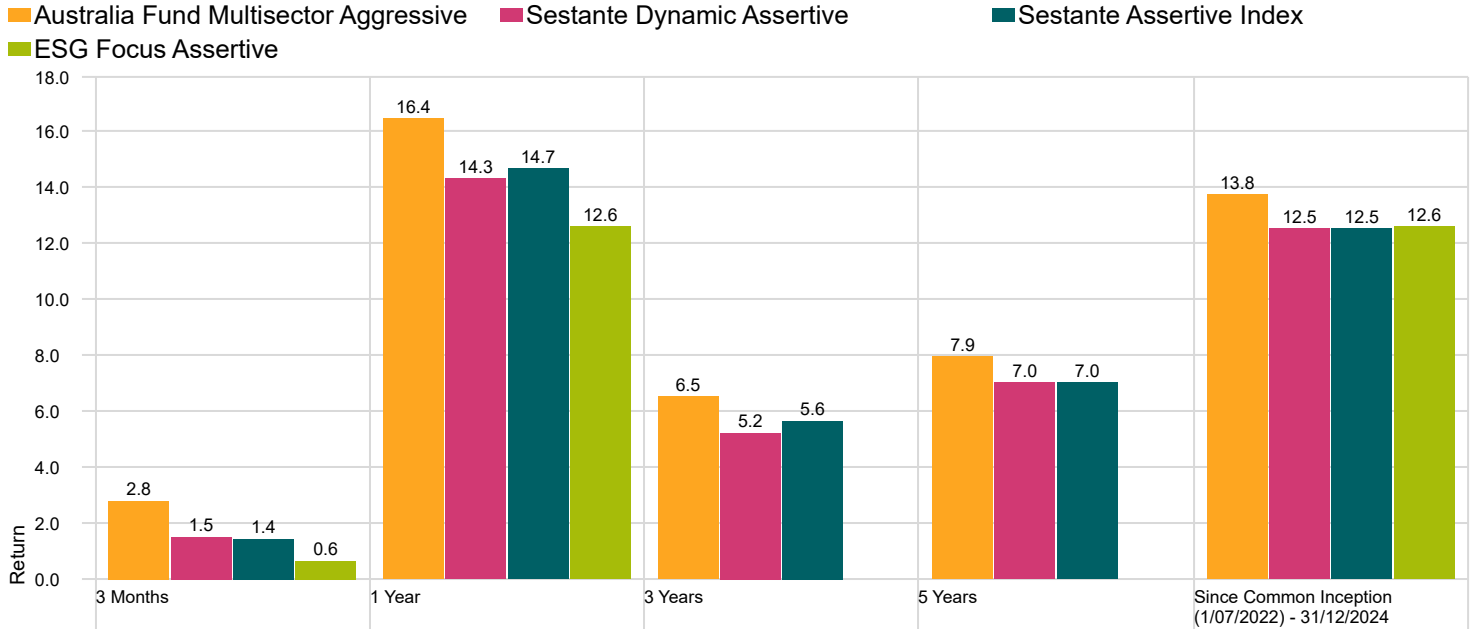
As of 31/12/2024

## Peer Group Returns

### Multisector Aggressive Category

This part of the report aims provide investors an effective way to compare the AZ Sestante portfolios with like options. Multisector Aggressive funds invest in a number of sectors and have over 80% of their assets in growth sectors.

### Sestante Assertive Portfolios vs Morningstar Peers



### Sestante Assertive Performance Relative to Peer Group



# AZ Sestante Quarterly Report

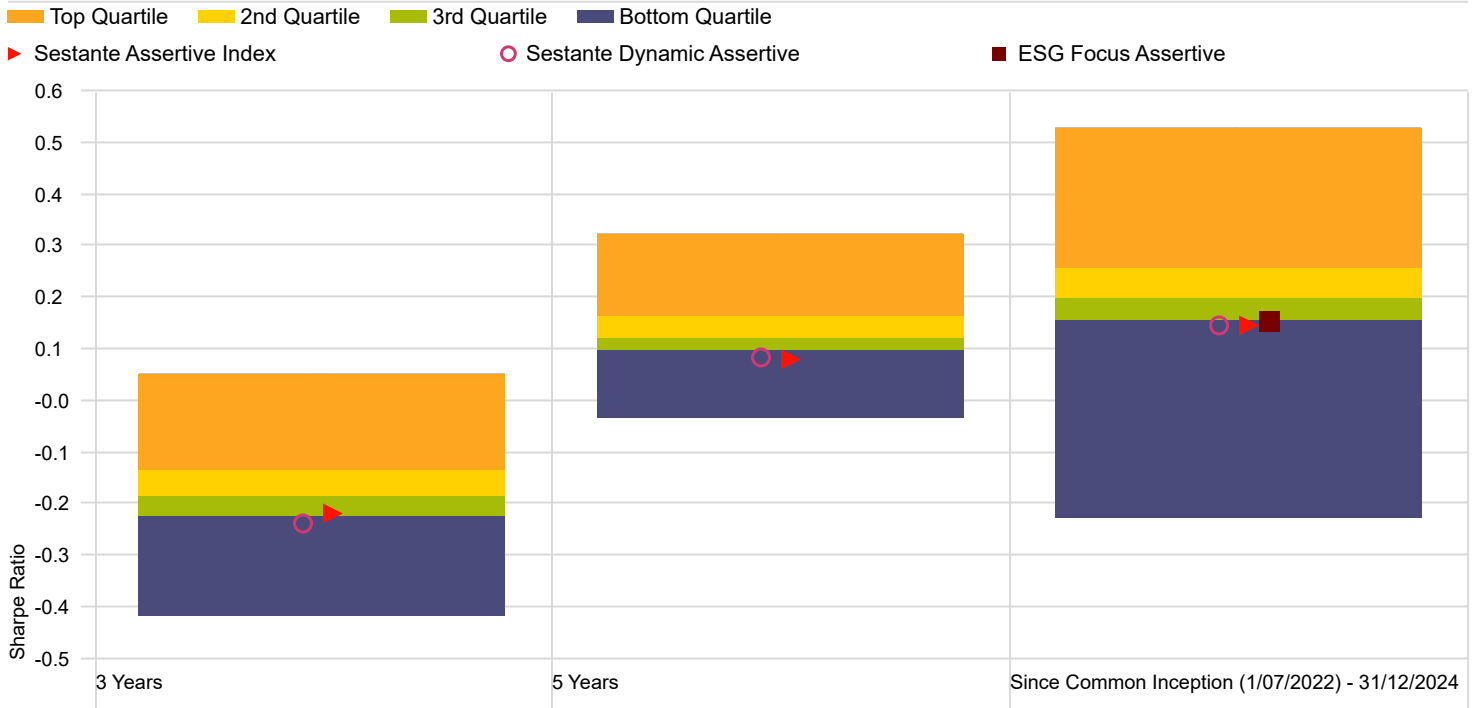
As of 31/12/2024

## Peer Group Returns

### Multisector Aggressive Category

## Sharpe Ratio Relative to Peer Group - Assertive

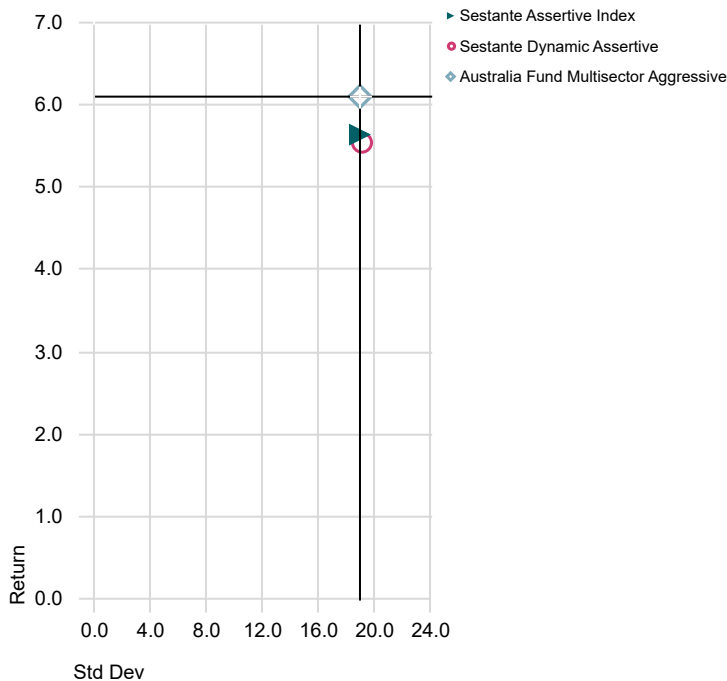
Peer Group (1-100%): Funds - Australia - Multisector Aggressive



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

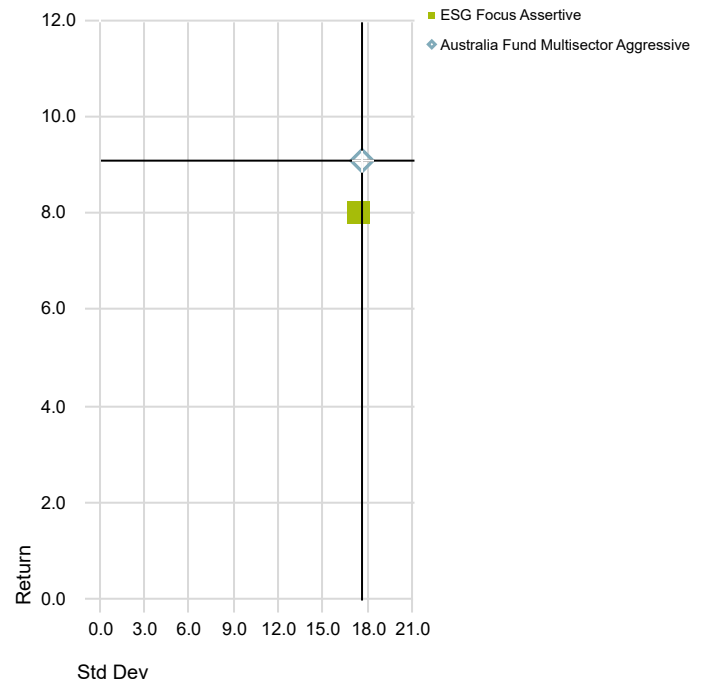
## Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/12/2024



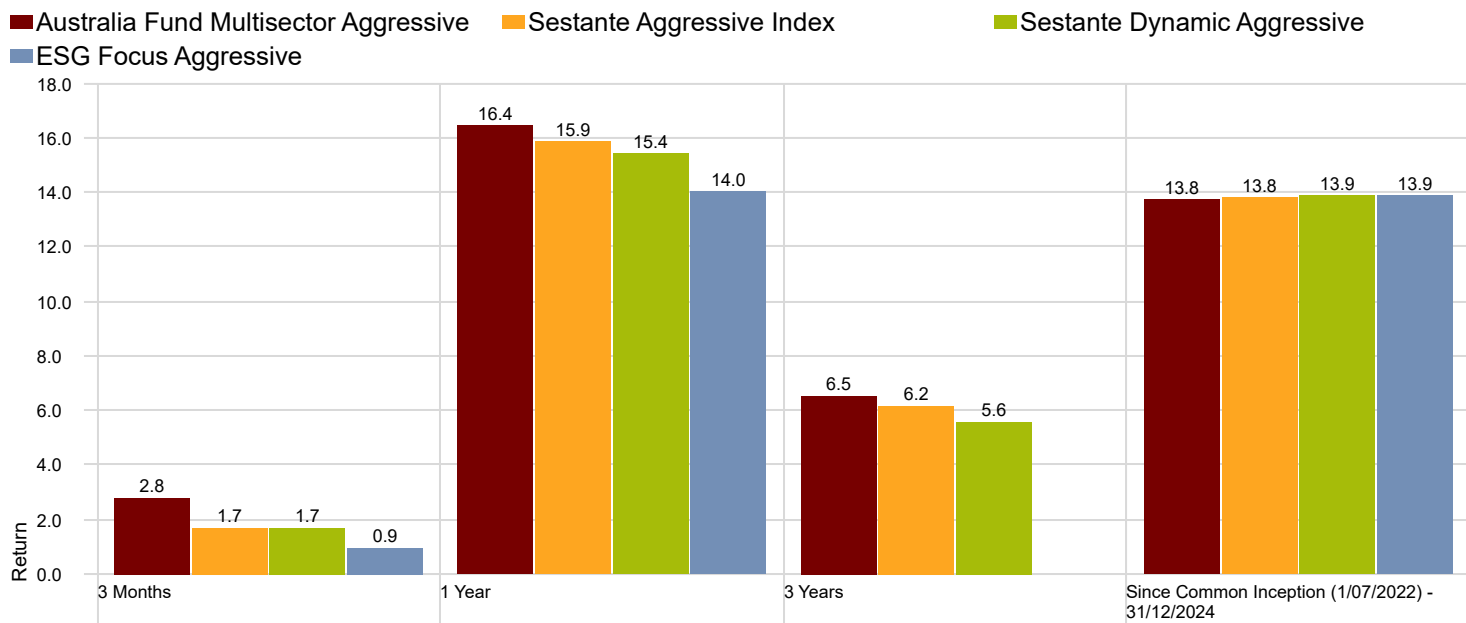
## Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/12/2024



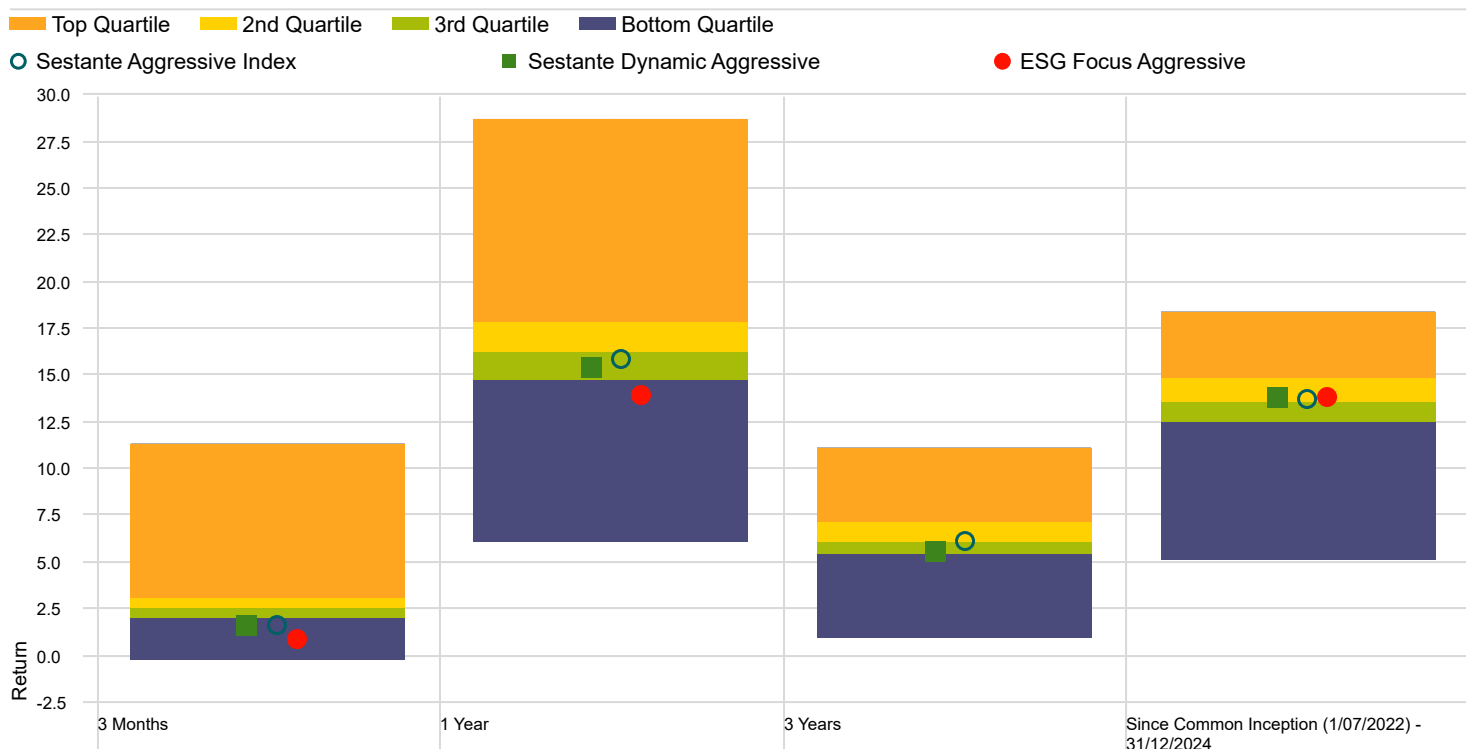
This part of the report aims provide investors an effective way to compare the AZ Sestante portfolios with like options. Multisector Aggressive funds invest in a number of sectors and have over 80% of their assets in growth sectors.

### Sestante Aggressive Portfolios vs Morningstar Peers



### Sestante Aggressive Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Aggressive



# AZ Sestante Quarterly Report

As of 31/12/2024

## Peer Group Returns

### Multisector Aggressive Category

### Sharpe Ratio Relative to Peer Group - Aggressive

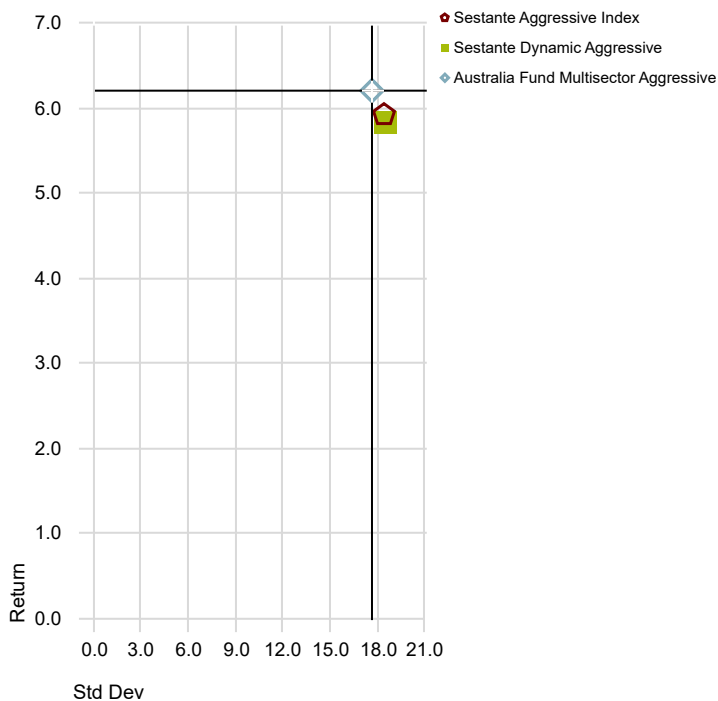
Peer Group (1-100%): Funds - Australia - Multisector Aggressive



Sharpe Ratio is a risk-adjusted measure, It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

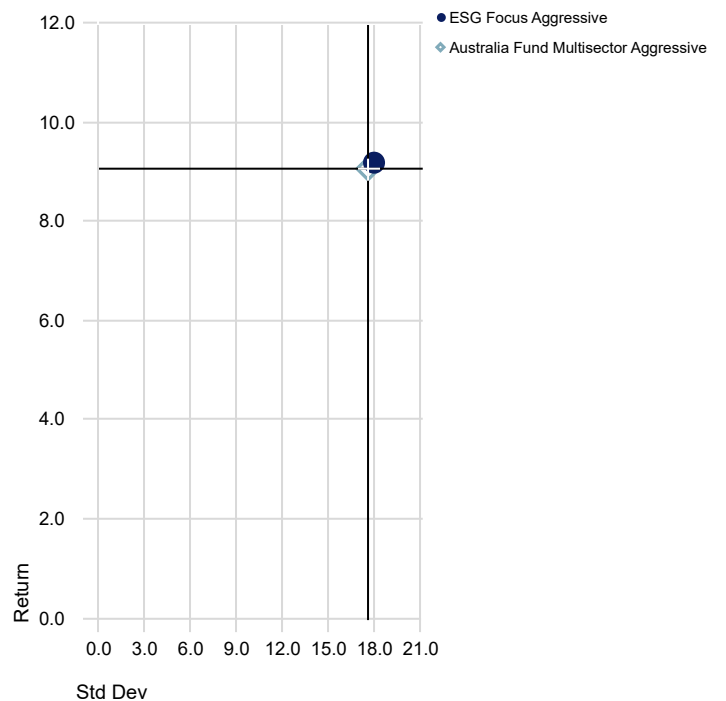
### Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/09/2020) to 31/12/2024



### Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/12/2024



## 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\$187 billion in assets globally including over AU\$2.1 billion in multi-manager solutions in Australia  
E: [invest@azsestante.com](mailto:invest@azsestante.com) | [www.azsestante.com](http://www.azsestante.com)

## Important information

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