

Sestante ESG Focus Dynamic Conservative Portfolio Monthly Investment Report



As of 12/31/2024

Latest Performance*

| | 1-mth | 3-mths | 1-yr | 3-yr | Inception |
|-------------------------|-------|--------|------|------|-----------|
| ESG Focus Conservative | -0.33 | 0.58 | 6.93 | — | 6.65 |
| RBA Cash Rate + 2% p.a. | 0.54 | 1.62 | 6.62 | 5.33 | 5.97 |

Market Review

The highlight of December was the rate cut by the US Federal Reserve (Fed). The Fed lowered its policy rate by 0.25% and the new dot plot showed a median forecast of only two rate cuts for 2025. While the 'dots' broadly met market expectations, the tone from the Fed was far more hawkish. This led to one of the steepest daily declines of 2024, with the S&P 500 down 2.9% on the day, before recovering some losses to close December down by 2.5%. The tech-heavy Nasdaq posted a positive return for December of 0.5%.

After a stellar month in November, US small-cap stocks fell by around 8%, giving back a large majority of November's gains. In the Eurozone, the Stoxx 600 index loss just over 1% for the month. European equities fell as losses in healthcare and utilities offset gains in technology. The UK's FTSE 100 lost 1.4% in December, mainly driven by concerns over weak trade data from China, a significant trading partner.

The Japanese equity market performed well during December. The TOPIX Total Return Index was up by 4%, while the Nikkei 225 was up by 4.4%. Despite a US rate cut, the Bank of Japan's dovish stance contributed to a weakening yen. The weak currency, along with talks of mergers in the automotive industry, caused a few large automotive stocks to rise significantly.

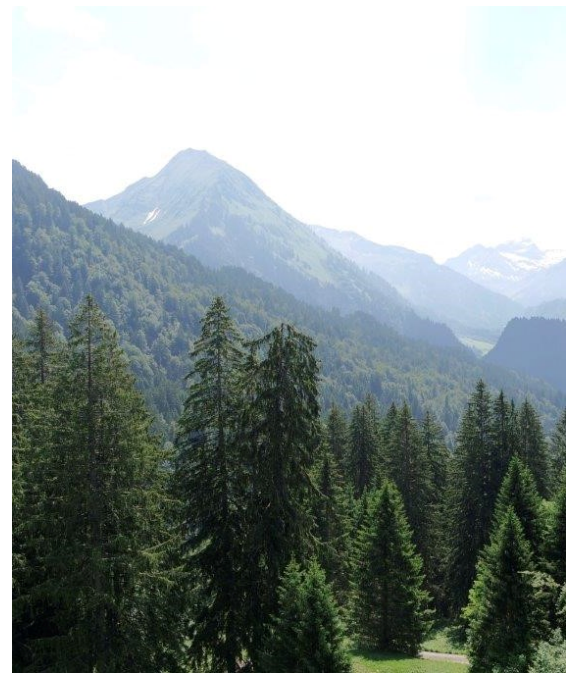
With regards to global bonds, the Federal Reserve delivered a hawkish 0.25% cut in mid-December. The updated Summary of Economic Projections removed 0.5% of rate cuts for 2025 relative to the September release, leaving just 0.5% of cuts expected over 2025. This put upward pressure on US Treasury yields with the curve steepening and the benchmark 10-year Treasury ending the month 0.40% higher. This had a significant impact on the Global Aggregate Index, as the US makes up just under half the index. As a result, the global bond benchmark closed December down by 1.2%.

In Australia, December saw the S&P 200 fall 3.3% on a price basis. Most of the ASX 200 sectors declined in December, with only consumer staples and energy delivering positive returns.

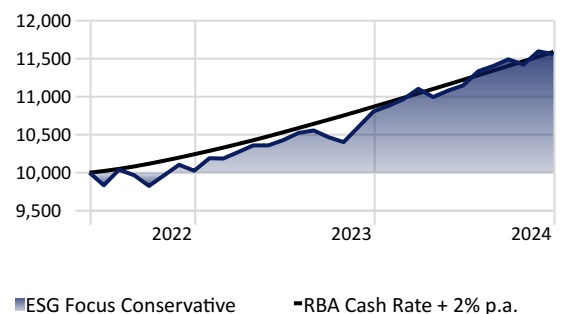
Australian bond yields generally declined during December, with the 2, 3 and 5 year yields all declining, while the 10-year yield increased by only 0.03% to close December at 4.366%. The overall small reduction in yields led to the Bloomberg AusBond Composite Index returning +0.51% for the month.

Property and Infrastructure performed poorly over December. The S&P/ASX 200 A-REIT Index was down 6.9%, with Goodman Group, the largest security in the Index, down by 6.0%. Scentre Group displayed index-like performance, with its price falling by 6.8%. Global listed infrastructure, as measured by the FTSE Developed Core Infrastructure 50/50 Net Return Index Hedged into AUD lost 5.3% for the month, while Global Property lost 6.9% based on the FTSE EPRA NAREIT Developed ex-Australia Rental AUD Hedged Net Tax Index.

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



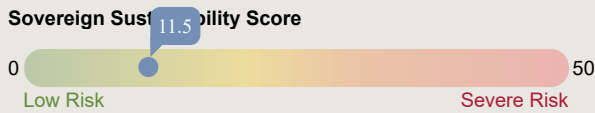
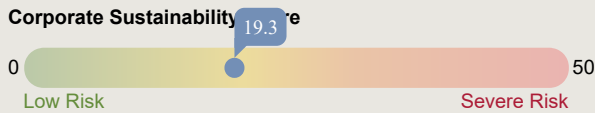
\$10,000 invested over time



Portfolio information

- Investment objective:**
 To delivery outperformance of RBA cash rate +2.0% per annum after fees over a rolling 3-year period.
- Suggested minimum timeframe:**
 3 years
- 30% Growth / 70% Defensive
- Portfolio inception date:**
 1 June 2022

Sustainability Score



● ESG Focus Conservative

ESG Pillar Score



Major Index Returns

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years |
|--|---------|----------|----------|--------|---------|
| S&P/ASX 200 TR AUD | -3.15 | -0.80 | 6.93 | 11.44 | 7.41 |
| MSCI World Ex Australia GR AUD | 2.61 | 12.22 | 14.91 | 31.77 | 12.80 |
| Bloomberg AusBond Composite 0+Y TR AUD | 0.51 | -0.26 | 2.75 | 2.93 | -0.79 |
| Bloomberg Global Aggregate TR Hdg AUD | -0.86 | -1.22 | 2.72 | 2.23 | -1.89 |
| S&P Global Infrastructure NR AUD | 0.44 | 9.10 | 18.89 | 25.69 | 11.94 |

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 1/6/2022 and represents modelled performance only and assumes income received is reinvested.

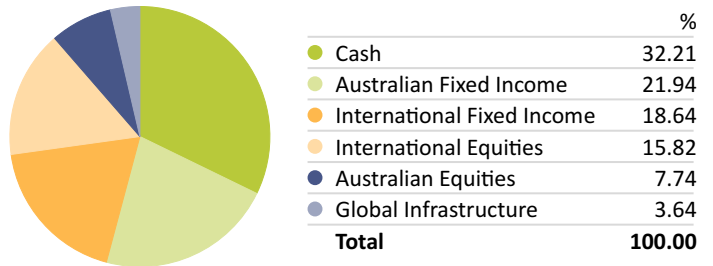
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining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

The Portfolio Unallocated ESG Risk Score represents the unmanaged ESG risk exposure to companies assigned an ESG Risk Rating, but whose risk is not decomposed into environmental, social and governance components. Calculated as the asset-weighted average of the company ESG Risk scores for the covered holdings in a portfolio that do not have E/S/G risk scores, unallocated ESG risk is displayed as a number between 0 and 100, where lower is better. Together, the four portfolio pillar score data points- Environmental Risk Score, Social Risk Score, Governance Risk Score, and Unallocated ESG Risk Score- will add up to a portfolio's Sustainability Score.

Current Asset Allocation

Portfolio Date: 12/31/2024



Where your funds are invested

| | | |
|--|---------------|-------|
| Cash | 32.21 | — |
| BetaShares Aus High Interest Cash ETF | 17.67 | — |
| Pendal Short Term Income Securities Fd | 9.63 | 🌐🌐 |
| iShares Core Cash ETF | 4.91 | — |
| Australian Fixed Income | 21.94 | — |
| Pendal Sustainable Aust Fixed Interest | 13.54 | 🌐🌐🌐🌐 |
| Janus Henderson Tactical Income | 8.41 | 🌐🌐🌐🌐 |
| International Fixed Income | 18.64 | — |
| PIMCO ESG Global Bond Fund - Wholesale | 10.43 | 🌐🌐🌐🌐🌐 |
| Macquarie Dynamic Bond No.1 W | 8.21 | — |
| International Equities | 15.82 | — |
| Stewart Investors Worldwide Leaders | 3.49 | 🌐🌐🌐🌐 |
| Mirova Global Sustainable Equity No. 2 I | 3.21 | 🌐🌐🌐🌐🌐 |
| BetaShares Global Sstnbty Ldrs ETF Ccy H | 2.94 | 🌐🌐🌐🌐🌐 |
| AXA IM Sustainable Equity A (H) AUD | 2.84 | 🌐🌐🌐 |
| AXA IM Sustainable Equity | 2.22 | 🌐🌐🌐 |
| Robeco Emerging Conservative Equity AUD | 1.12 | 🌐🌐🌐 |
| Australian Equities | 7.74 | — |
| Schroder Australian Equity Fund - PC | 2.99 | 🌐🌐🌐 |
| VanEck MSCI AUS Sust Eq ETF | 1.86 | 🌐🌐🌐🌐🌐 |
| Alphinity Sustainable Share | 1.70 | 🌐🌐🌐🌐 |
| Australian Ethical Australian Shr WS | 1.19 | 🌐🌐🌐🌐 |
| Global Infrastructure | 3.64 | — |
| 4D Global Infrastructure AUD Hedged | 3.64 | 🌐🌐🌐🌐 |
| | 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 this month.

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

As of 12/31/2024

