

# Sestante Dynamic Moderately Conservative Portfolio

## Monthly Investment Report

As of 28/02/2025

### Latest performance\*

|                           | 1-mth | 3-mths | 1-yr | 3-yr | 5-yr | Inception |
|---------------------------|-------|--------|------|------|------|-----------|
| Sestante Dynamic Mod Con  | -0.52 | 0.33   | 8.54 | 5.64 | 4.91 | 5.21      |
| RBA Cash Rate + 2.5% p.a. | 0.52  | 1.70   | 7.11 | 6.09 | 4.71 | 4.52      |

### Market Review

In February 2025, global equity and bond markets faced mixed performance amid economic uncertainties and policy developments, with notable impacts on both asset classes. US equities showed weakness, with a 0.7% total return loss for developed market equities, largely driven by growing concerns over the US administration's policy agenda. Corporate and consumer sentiment weakened, and inflation concerns resurfaced, particularly with the potential for tariffs that could exacerbate inflation. US equity sectors that struggled included communication services and consumer discretionary, while sectors like consumer staples, energy, and real estate showed some strength. The decline in the US market weighed on developed markets, especially Japan.

Conversely, global bond markets demonstrated resilience, serving as a diversifier against equity losses. Despite concerns over inflation due to tariffs and firmer-than-expected inflation data, bonds outperformed, with the Bloomberg Global Aggregate Index returning 1.4% for the month. A key factor behind this bond market strength was the declining sentiment in the US economy, with weaker consumer confidence and reduced business activity. US Treasury yields fell, with the 10-year yield dipping to 4.2%. The bond market's positive returns were not confined to government bonds alone, as emerging market debt also benefited, posting a 1.6% return.

While US equities struggled, emerging markets, particularly in Asia, showed stronger performance, largely driven by positive momentum in Chinese tech stocks. China's stock market surged by 11.7% in dollar terms due to optimism surrounding its technology sector, particularly AI advancements, like DeepSeek's open-source AI model. Real estate also performed well, with global benchmarks up by 2.6%, as falling bond yields supported this asset class.

In Europe, the MSCI Europe ex-UK Index rose by 3.4%, with European financials and defence stocks among the top-performing sectors. This outperformance came as investors anticipated a potential ceasefire in Ukraine and Europe's growing defence spending. The Eurozone's economy showed marginal expansion, but inflationary pressures continued, impacting the European Central Bank's policy decisions. The bond market in Europe saw modest returns, with German Bunds yielding 2.39%, while European corporate bonds also had a favourable performance.

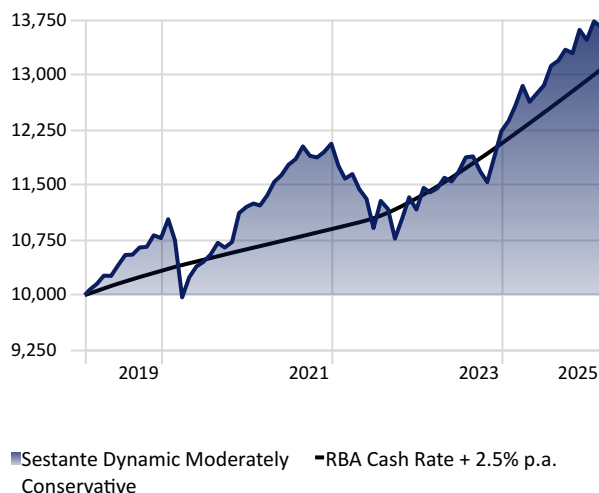
In Japan, equity performance was more subdued, with the TOPIX index falling 3.8%. The market was affected by rising concerns about US trade policies and tariffs, especially given Japan's significant exposure to the US economy. However, Japan's government bond yields rose in response to stronger-than-expected economic data, contributing to a narrowing of the interest rate gap between Japan and the US. This development, coupled with the yen's appreciation, led to a decline in Japanese exporter stocks.

Overall, the bond market remained strong in February, largely driven by a flight to safer assets amid growth concerns and economic uncertainty. Fixed income sectors performed well, with US Treasuries leading the pack. In contrast, equity markets faced challenges, particularly in the US, where growth concerns and trade policy uncertainties weighed on investor sentiment.

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



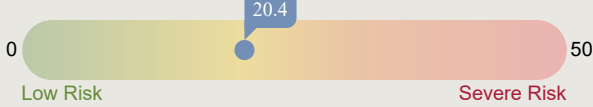
### Portfolio information

- 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

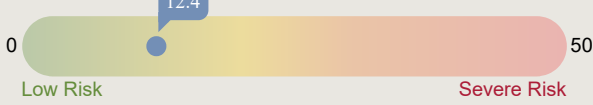
## Sustainability Score

● 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                     | -3.79   | -2.56    | 2.77     | 9.94   | 9.24    |
| MSCI World Ex Australia GR AUD         | -0.33   | 5.10     | 14.45    | 21.83  | 16.71   |
| Bloomberg AusBond Composite 0+Y TR AUD | 0.93    | 1.63     | 1.16     | 4.18   | 0.32    |
| Bloomberg Global Aggregate TR Hdg AUD  | 1.20    | 0.71     | 1.42     | 5.02   | -0.40   |
| S&P Global Infrastructure NR AUD       | 0.37    | 2.34     | 12.80    | 26.34  | 12.06   |

### 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.

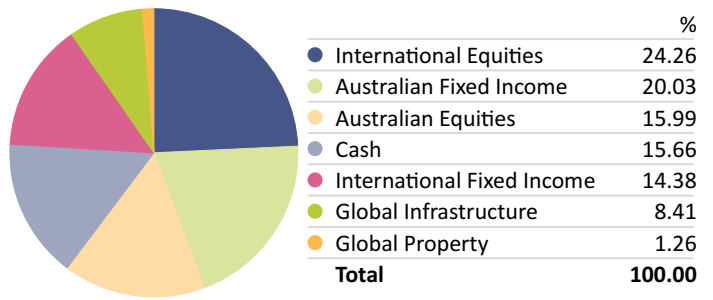
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining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

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## Current Asset Allocation

Portfolio Date: 28/02/2025



## Where your funds are invested

|  |               |      |
|--|---------------|------|
| <b>International Equities</b>          | <b>24.26</b>  | —    |
| Ironbark Brown Advisory Global Share   | 6.74          | 🌐🌐🌐🌐 |
| GQG Partners Global Equity AUD Hedged  | 6.10          | 🌐    |
| Vanguard MSCI Intl ETF                 | 4.84          | 🌐🌐   |
| iShares S&P 500 AUD Hedged ETF         | 3.94          | 🌐🌐🌐  |
| Fidelity Asia                          | 1.52          | 🌐🌐   |
| Vanguard MSCI Intl (Hdg) ETF           | 1.12          | 🌐🌐   |
| <b>Australian Fixed Income</b>         | <b>20.03</b>  | —    |
| Janus Henderson Tactical Income        | 9.56          | 🌐🌐🌐  |
| Western Asset Aus Bond Tr M            | 5.24          | 🌐🌐🌐  |
| Yarra Australian Bond Fund             | 5.23          | —    |
| <b>Australian Equities</b>             | <b>15.99</b>  | —    |
| iShares Core S&P/ASX 200 ETF           | 6.38          | 🌐🌐🌐🌐 |
| Yarra Ex-20 Australian Equities Fund   | 3.54          | 🌐🌐   |
| Schroder Australian Equity Fund - PC   | 3.14          | 🌐🌐🌐  |
| Paradice Australian Equities Fund      | 2.94          | 🌐🌐🌐  |
| <b>Cash</b>                            | <b>15.66</b>  | —    |
| BetaShares Aus High Interest Cash ETF  | 9.26          | —    |
| Pendal Short Term Income Securities Fd | 4.11          | 🌐🌐   |
| Cash                                   | 2.29          | —    |
| <b>International Fixed Income</b>      | <b>14.38</b>  | —    |
| PIMCO Global Bond W                    | 10.14         | —    |
| Macquarie Dynamic Bond No.1 W          | 4.24          | —    |
| <b>Global Infrastructure</b>           | <b>8.41</b>   | —    |
| VanEck FTSE Gbl Infrs(AUD Hdg)ETF      | 8.41          | 🌐🌐🌐  |
| <b>Global Property</b>                 | <b>1.26</b>   | —    |
| VanEck FTSE Intl Prop (AUD Hdg) ETF    | 1.26          | 🌐🌐🌐  |
| <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

During February, changes were implemented across the Sestante Dynamic Portfolios with a reduction in the passive Australian equities allocation by 20% in each Dynamic Portfolio, and the proceeds were reallocated to Yarra Ex-20 Australian Equities Fund.