

# Sestante Aggressive Index Portfolio

## Monthly Investment Report

As of 31/05/2025

### Latest Performance\*

	1-mth	3-mths	1-yr	3-yr	Inception
Sestante Aggressive Index	4.64	3.13	14.76	10.30	10.48
RBA Cash Rate +4.5%p.a.	0.72	2.17	9.12	8.52	7.07

### Market Review

In May 2025, global markets recovered from April's declines, despite continued volatility driven largely by trade policy developments. U.S. Equity markets staged a strong comeback, while fixed income and commodities faced mixed results.

U.S. stocks delivered robust returns, with the S&P 500 climbing 6.2%, led by strength in technology, healthcare, and cyclical sectors like industrials and consumer discretionary. This was underpinned by a strong earnings season with 77% of S&P 500 companies exceeded earnings expectations. Growth stocks outpaced value, and small-cap equities rebounded 5.9%, supported by hopes for tax and regulatory relief in the proposed U.S. budget bill.

Despite ongoing geopolitical headwinds, including tariff threats and uncertainty surrounding fiscal direction, investor appetite for risk improved as trade talks with China and the EU showed signs of progress. Market optimism also built on a 90-day pause in U.S.-China tariffs and the announcement of a U.S.-U.K. trade agreement.

European equities posted healthy returns, with the MSCI Europe ex-UK Index gaining 4.9%. Sentiment improved as expectations for fiscal support increased and trade tensions with the U.S. temporarily eased. German and French indices rose in mid-May following the delay of potential U.S. tariffs on EU imports. Eurozone equities benefited despite muted economic momentum.

UK equities also advanced, albeit more modestly. The FTSE 100 gained 3.3% amid strong performances in energy and financials. The broader FTSE All-Share was up 3.6%, though defensive sectors like consumer staples and utilities lagged due to inflationary pressure and rising yields.

In Asia, performance was mixed, but generally positive. Chinese equities saw modest gains as trade policy softened, with the Shanghai Composite up 2.1% and Hong Kong's Hang Seng rising 5.3%. Investors welcomed U.S.-China tariff relief, though enthusiasm tempered as reduced pressure lessened hopes for further stimulus.

Japan's Nikkei 225 rose 5.3%, benefiting from a weaker yen and strong corporate earnings among exporters. Despite a contraction in GDP, market sentiment held firm on expectations of stable monetary policy and moderate inflation.

Bond markets experienced volatility. The Bloomberg Global Aggregate Index fell 0.4% as yields rose mid-month due to fiscal concerns, including Moody's downgrade of U.S. sovereign debt. However, high-yield credit outperformed sovereign bonds, with spreads tightening significantly on improved risk sentiment.

Commodities, as a broad asset class, underperformed overall. The Bloomberg Commodities Index dipped 0.9%. Gold dipped mid-month as risk appetite improved, but closed relatively flat, while oil prices recovered to near \$63 per barrel amid ongoing OPEC+ supply questions.

May marked a rebound in risk assets, especially equities and high-yield credit, as easing trade tensions and strong earnings fuelled market optimism. However, volatility remains elevated amid persistent inflation and unresolved geopolitical risks. Diversification remains key as markets navigate this uncertain landscape.

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



■ Sestante Aggressive Index    ■ RBA Cash Rate +4.5%p.a.

### Portfolio information

- Investment Objective: target RBA cash rate +4.5% per annum over rolling 7-year periods after fees.
- Asset Class: Diversified
- 98% Growth / 2% Defensive
- Portfolio Inception Date: 8 August 2020

## ESG Risk Score

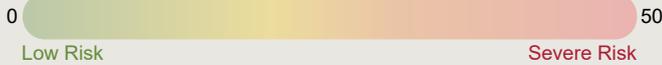
● Sestante Aggressive Index

Corporate ESG Risk Score

20.5



Sovereign ESG Risk Score



## ESG Pillar Score



5.5

Environmental



9.1

Social



5.3

Governance



0.6

Unallocated

## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	4.20	4.31	1.64	13.36	9.62
MSCI World Ex Australia GR AUD	5.41	-1.26	3.78	18.12	18.08
Bloomberg AusBond Composite 0+Y TR AUD	0.16	2.04	3.71	6.84	3.11
Bloomberg Global Aggregate TR Hdq AUD	-0.36	0.14	0.86	5.32	1.42
S&P Global Infrastructure NR AUD	3.68	6.54	9.03	24.61	11.83

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

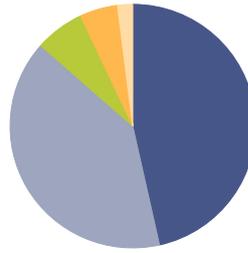
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining 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: 31/05/2025



	%
International Equities	46.50
Australian Equities	40.00
Global Infrastructure	6.50
Global Property	5.00
Cash	2.00
<b>Total</b>	<b>100.00</b>

## Where your funds are invested

<b>International Equities</b>	<b>46.50</b>	—
Vanguard All-World ex-US Shares ETF	19.00	🌐🌐🌐
iShares S&P 500 AUD Hedged ETF	17.50	🌐🌐🌐
iShares S&P 500 ETF	10.00	🌐🌐🌐
<b>Australian Equities</b>	<b>40.00</b>	—
iShares Core S&P/ASX 200 ETF	26.50	🌐🌐🌐🌐
iShares Australian Equity Index	13.50	🌐🌐🌐
<b>Global Infrastructure</b>	<b>6.50</b>	—
VanEck FTSE Gbl Infrs(AUD Hdq)ETF	6.50	🌐🌐🌐
<b>Global Property</b>	<b>5.00</b>	—
VanEck FTSE Intl Prop (AUD Hdq) ETF	5.00	🌐🌐🌐
<b>Cash</b>	<b>2.00</b>	—
Cash	2.00	—
	<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.