

# Sestante Dynamic Conservative Portfolio

## Monthly Investment Report

As of 30/09/2025

### Latest performance\*

|                               | 1-mth | 3-mths | 1-yr | 3-yr | 5-yr | Inception |
|-------------------------------|-------|--------|------|------|------|-----------|
| Sestante Dynamic Conservative | 0.43  | 1.85   | 6.13 | 7.82 | 4.28 | 4.02      |
| RBA Cash Rate + 2% p.a.       | 0.46  | 1.46   | 6.30 | 6.19 | 4.65 | 4.20      |

### Market Review

Global markets in September 2025 reflected cautious optimism, with investors balancing hopes for monetary policy support against lingering concerns over global growth and political risk. While economic headlines were relatively subdued, equity markets continued their upward trend, supported by strong earnings, especially in the U.S. and Japan, and growing confidence in central bank policy.

While the Federal Reserve cut interest rates by 0.25% to a range of 4.00–4.25%, its cautious tone and firm inflation data dampened expectations for aggressive easing. Treasury yields moved sharply during the month, with the 10-year yield fluctuating between 4.01% and 4.14% as investors weighed mixed macroeconomic signals.

During the month, U.S. equity markets extended their rally, though momentum slowed somewhat compared to August's AI-driven surge. Despite this, the S&P 500 still gained 3.8% for the month and notched multiple record highs during the month, driven by broad sector participation.

Mid and small-cap indices posted more modest gains, while the Dow Jones Industrial Average also hit new highs. Investors are now turning their attention to third-quarter earnings, with early estimates pointing to robust year-over-year growth and strong buyback activity. The outcome of this earnings season is likely to shape the next leg of market direction, particularly if results exceed already high expectations.

In Europe, equity markets also advanced, with the Euro Stoxx 50 rising 2.8%. Gains were concentrated in banks and industrials, bolstered by the European Central Bank's decision to hold rates at 2.0%. Investors welcomed the steady hand of the ECB, even as risks such as U.S. trade policy and uneven regional growth weighed on sentiment. The euro weakened slightly against the dollar, and bond markets were stable, with the German 10-year yield around 2.4%.

UK markets saw a more mixed performance, as the FTSE 100 was supported by energy and financial stocks, helping offset a weakening pound. The Bank of England held rates at 4.0%, while fiscal concerns ahead of the November budget limited broader investor enthusiasm. Gilt yields remained elevated around 4.5%.

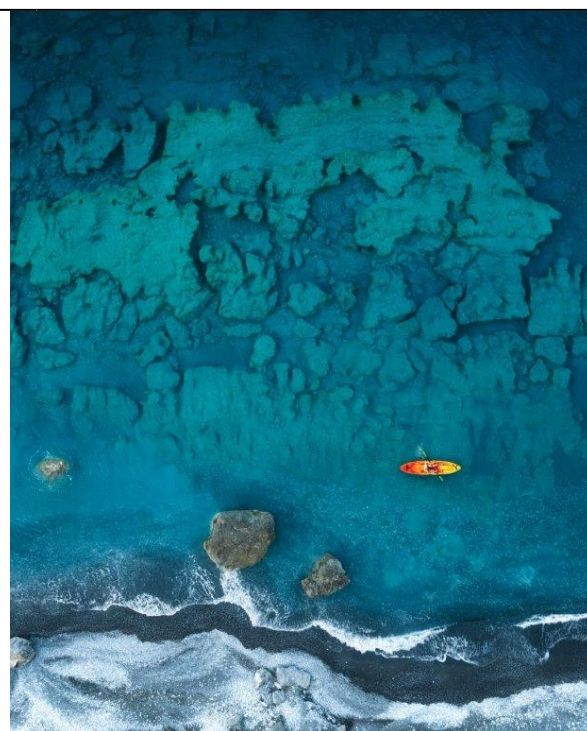
Globally, Japan's Nikkei 225 was the standout performer with a 6.5% gain, driven by a weaker yen, strong tech exports, and speculation around further Bank of Japan stimulus. Chinese equities were flat, pausing after August's rebound as investors weighed state support against persistent real estate and consumer challenges.

Australia's ASX 200 Accumulation Index was down by 0.8%. The poor performance was mainly driven by inflation kicking up more strongly than expected in both July and August causing the RBA to keep the cash rate at 3.60% and reducing expectations of future rate cuts. This meant that Australian bond yields rose over September with the 2-year up by 0.154% and the 5-year up by 0.128%.

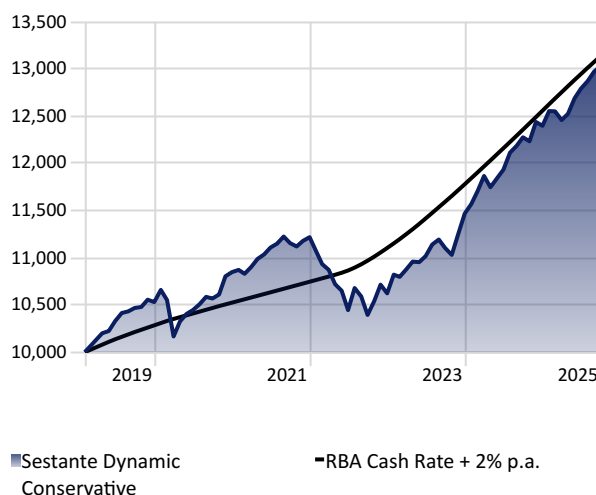
Commodities were mixed, with gold gaining 11% on safe-haven flows, while oil prices declined.

Heading into October, earnings and central bank decisions will likely dominate market focus, with investors maintaining a cautiously optimistic stance.

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 +2.0% per annum over rolling 3-year periods after fees.
- Asset Class: Diversified
- 30% Growth / 70% Defensive Split
- Portfolio Inception Date: 7 February 2019

## ESG Risk Score

● Sestante Dynamic Conservative

### Corporate ESG Risk Score



### Sovereign ESG Risk Score



## ESG Pillar Score



4.6

Environmental



8.7

Social



5.2

Governance



1.6

Unallocated

## Major Index Returns

|                                        | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years |
|----------------------------------------|---------|----------|----------|--------|---------|
| S&P/ASX 200 TR AUD                     | -0.78   | 4.71     | 14.66    | 10.56  | 15.17   |
| MSCI World Ex Australia GR AUD         | 2.03    | 6.23     | 12.70    | 23.57  | 23.21   |
| Bloomberg AusBond Composite 0+Y TR AUD | 0.10    | 0.40     | 3.04     | 4.09   | 4.25    |
| Bloomberg Global Aggregate TR Hdg AUD  | 0.68    | 1.02     | 2.53     | 2.44   | 3.96    |
| S&P Global Infrastructure NR AUD       | 0.20    | 2.34     | 7.09     | 21.21  | 15.55   |

### 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.

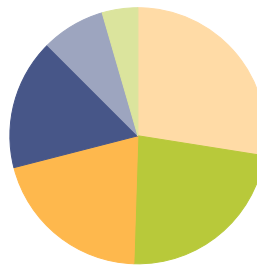
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining 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: 30/09/2025



|                            | %             |
|----------------------------|---------------|
| Cash                       | 27.50         |
| Australian Fixed Income    | 23.00         |
| International Fixed Income | 20.50         |
| International Equities     | 16.50         |
| Australian Equities        | 8.00          |
| Global Infrastructure      | 4.50          |
| <b>Total</b>               | <b>100.00</b> |

## Where your funds are invested

|                                       |               |       |
|---------------------------------------|---------------|-------|
| <b>Cash</b>                           | <b>27.50</b>  | —     |
| BetaShares Aus High Interest Cash ETF | 25.50         | —     |
| Cash                                  | 2.00          | —     |
| <b>Australian Fixed Income</b>        | <b>23.00</b>  | —     |
| Janus Henderson Tactical Income       | 11.50         | ●●●●● |
| Yarra Australian Bond Fund            | 6.00          | —     |
| Western Asset Aus Bond Tr M           | 5.50          | ●●●●● |
| <b>International Fixed Income</b>     | <b>20.50</b>  | —     |
| PIMCO Global Bond W                   | 10.50         | ●●●●● |
| Macquarie Dynamic Bond No.1 W         | 10.00         | ●●●●● |
| <b>International Equities</b>         | <b>16.50</b>  | —     |
| Ironbark Brown Advisory Global Share  | 5.00          | ●●●●● |
| GQG Partners Global Equity AUD Hedged | 4.50          | ●●●●● |
| Vanguard MSCI Intl ETF                | 3.50          | ●●●●● |
| Vanguard All-World ex-US Shares ETF   | 2.00          | ●●●●● |
| iShares S&P 500 AUD Hedged ETF        | 1.50          | ●●●●● |
| <b>Australian Equities</b>            | <b>8.00</b>   | —     |
| iShares Core S&P/ASX 200 ETF          | 3.50          | ●●●●● |
| Paradice Australian Equities Fund     | 1.50          | ●●●●● |
| Schroder Australian Equity Fund - PC  | 1.50          | ●●●●● |
| Yarra Ex-20 Australian Equities Fund  | 1.50          | ●●●●● |
| <b>Global Infrastructure</b>          | <b>4.50</b>   | —     |
| VanEck FTSE Gbl Infrs(AUD Hdg)ETF     | 4.50          | ●●●●● |
| <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

There were no portfolio changes this month.