

# Sestante ESG Focus Dynamic Balanced Portfolio Monthly Investment Report



As of 31/05/2026

## Latest Performance\*

	1-mth	3-mths	1-yr	3-yr	Inception
ESG Focus Balanced	1.21	-0.97	5.41	8.55	9.00
RBA Cash Rate + 3.5% p.a.	0.67	1.94	7.56	7.90	7.58

## Market Review

Global financial markets continued their recovery in May, supported by strong corporate earnings and growing optimism that tensions in the Middle East may gradually ease. Despite ongoing geopolitical risks, investors remained focused on earnings growth and continued momentum in artificial intelligence (AI)-related sectors, helping equities advance across most major markets.

The United States again led global performance. The S&P 500 rose approximately 5.3% during the month, while the Nasdaq 100 gained more than 10%, reaching fresh record highs. Strong first-quarter earnings were a key driver, with more than 80% of companies exceeding expectations. Continued investment in AI infrastructure, semiconductors, cloud computing and data centres remained a dominant market theme, supporting technology shares and reinforcing confidence in future profit growth. The broader market also benefited from resilient corporate balance sheets and improving investor sentiment.

Market leadership remained narrow. Technology significantly outperformed most other sectors, while defensive areas such as utilities, consumer staples and energy lagged. Semiconductor companies were among the strongest performers globally, as investors increased exposure to businesses expected to benefit from long-term AI adoption. Growth stocks continued to outperform value-oriented sectors as capital flowed toward companies perceived to have the greatest earnings potential.

Outside the US, returns were generally positive. European equities advanced by around 4%, supported by improving earnings expectations and resilience in technology and consumer discretionary sectors. The UK market posted more modest gains, while Japan was one of the standout performers globally, with the Nikkei 225 rising close to 12% as strong earnings, a weaker yen and continued foreign investor inflows supported sentiment.

Emerging markets outperformed developed markets, led by Taiwan and South Korea. Both markets benefited from their significant exposure to semiconductor manufacturers and AI supply chains. Taiwan reached new highs during the month as demand for AI-related hardware remained strong.

Commodity markets were mixed. Oil prices fell sharply as fears of prolonged disruption to energy supplies eased, helping alleviate inflation concerns. Industrial metals remained supported by demand linked to data centres, electrification and renewable energy investment, while gold continued to attract interest amid geopolitical uncertainty.

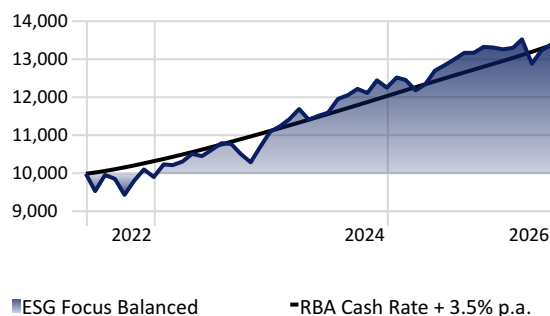
Australian markets also moved higher, although gains lagged many overseas markets. The S&P/ASX 300 Accumulation Index rose around 1.3%, while Australian small companies gained approximately 2.0%. Investor sentiment remained constrained by inflation concerns and the possibility of further Reserve Bank policy tightening. Australian bond yields declined later in the month, providing some support to local assets and fixed income markets. Globally, government bond yields remained volatile as investors balanced resilient growth against inflation risks. Corporate bonds generally outperformed government bonds, supported by improving risk sentiment and solid corporate fundamentals.

Overall, strong earnings growth and AI investment continue to support markets, although elevated valuations and geopolitical risks warrant caution.

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



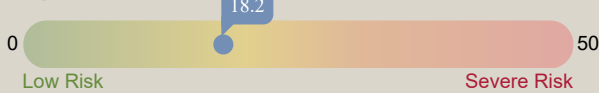
## Portfolio information

- **Investment objective:**  
To deliver outperformance of RBA cash +3.5% per annum after fees over a rolling 5-year period.
- **Suggested minimum timeframe:**  
6 years
- 70% Growth / 30% Defensive
- **Portfolio inception date:**  
1 June 2022

## ESG Risk Score

● ESG Focus Balanced

### Corporate ESG Risk Score



### Sovereign ESG Risk Score



## ESG Pillar Score



4.9

Environmental



7.7

Social



4.3

Governance



1.3

Unallocated

## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	1.15	-4.03	3.01	6.89	11.02
MSCI World Ex Australia GR AUD	4.58	6.60	1.69	14.63	18.30
Bloomberg AusBond Composite 0+Y TR AUD	1.62	0.23	0.69	1.31	2.97
Bloomberg Global Aggregate TR Hdg AUD	0.67	-0.85	0.53	3.42	3.47
ESG Focus Balanced	1.21	-0.97	0.63	5.41	8.55
RBA Cash Rate Target	0.37	1.06	1.99	3.93	4.25
MSCI ACWI Ex USA NR USD	5.03	2.74	17.79	32.77	20.81

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

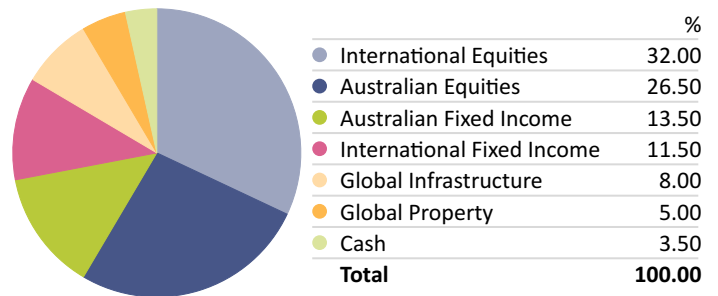
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining 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 50 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: 31/05/2026



## Where your funds are invested

Category	Value	Rating
<b>International Equities</b>	<b>32.00</b>	—
AXA IM Sustainable Equity	6.50	●●●●●
Betashares Global Sustnby Ldrs Ccy H ETF	6.50	●●●●●
Mirova Global Sustainable Equity Fund	6.50	●●●●●
Nanuk New World	6.50	●●●●●
AXA IM Sustainable Equity A (H) AUD	3.00	●●●●●
Robeco Emerging Conservative Equity AUD	3.00	●●●●●
<b>Australian Equities</b>	<b>26.50</b>	—
VanEck MSCI AUS Sust Eq ETF	11.00	●●●●●
Schroder Australian Equity Fund - PC	5.50	●●●●●
Alphinity Sustainable Share	5.00	—
Australian Ethical Australian Shr WS	5.00	●●●●●
<b>Australian Fixed Income</b>	<b>13.50</b>	—
Janus Henderson Tactical Income	7.50	●●●●●
Pendal Sustainable Aust Fixed Interest	6.00	●●●●●
<b>International Fixed Income</b>	<b>11.50</b>	—
PIMCO ESG Global Bond Fund - Wholesale	6.00	●●●●●
Macquarie Dynamic Bond No.1 W	5.50	—
<b>Global Infrastructure</b>	<b>8.00</b>	—
4D Global Infrastructure AUD Hedged	8.00	●●●●●
<b>Global Property</b>	<b>5.00</b>	—
Russell Intl Property Secs Hedged A	5.00	●●●●●
<b>Cash</b>	<b>3.50</b>	—
Cash	2.00	—
BetaShares Aus High Interest Cash ETF	1.50	—
<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.