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InvestSense *Market & Portfolio update*

KEY POINTS *from* 30 SEPTEMBER **2023**

- Investor sentiment was low during the September quarter, due to concerns over rising interest rates, slowing pace of disinflation, high oil prices and a potential global recession. Fears of a recession appear to be receding, however inflation, particularly food and energy prices, may remain elevated.
- Most major asset classes recorded negative returns in September 2023. Cash was the best performing asset class over the quarter (+1.08%), however all other asset classes posted negative returns. Australian equities represented by the ASX300 reported a slight downturn for the quarter, (-0.8%). The losses were widespread across the sectors, with Healthcare plunging by 6.4%. Energy, contrarily, rose by 2.2% due to the spike in oil prices. The latter half of the quarter, especially September, saw a 12% uptick in energy stocks, despite an earlier slump, mirroring the volatility in global energy markets.
- International equities declined by 4% in AUD terms in September, with the S&P 500 falling by -3.3% in local currency terms and European and Japanese markets falling by over 5%. In contrast, the UK FTSE 100 managed to stay positive, benefiting from a frail British Pound.
- Australian bonds were modestly negative (-0.28%) for the quarter, while listed property posted negative returns (-3.04%) and infrastructure (-7.35%), burdened by escalating bond yields.

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Portfolio update

Investing in QBE Insurance Group Ltd (QBE)
QBE Insurance Group is one of Australia's leading insurance companies, offering a broad range of insurance solutions. We have started investing in QBE due to its diversified business model and robust growth prospects. The firm has demonstrated resilience against economic downturns and stands to benefit from an expanding middle class in emerging Asia-Pacific markets.

Selling out of Steadfast Group Ltd (SDF)
Steadfast Group is an Australian-based insurance brokerage firm. We have decided to exit our position in this stock due to its declining underwriting business and the emergence of better opportunities elsewhere.

Increasing Allocation to Healthcare Companies
As part of our strategic reallocation, we are increasing our exposure to healthcare stocks, particularly Resmed and CSL.

Resmed, a global leader in sleep apnoea devices has seen its stock decline significantly this year due to the rise of alternative treatments. However, we believe that Resmed's innovative product range and strong global presence provide a solid foundation for future growth.

CSL has shown robust earnings growth and we are optimistic about CSL's contribution to our portfolio, given their sustained performance and leadership in plasma therapies.

Your financial planner has a full summary of the changes made to the InvestSense portfolios, so please contact them if you would like more information on any of these changes.

Hedging International Infrastructure Investments
We are transitioning our infrastructure exposure to a hedged product which aims to minimise currency risk for Australian investors.

Changes to Bond Funds and increasing duration
We have made some changes in the Fixed Interest component of the Portfolio, exiting our position in the T.Rowe Price Dynamic Global Bond Fund and reallocating those assets to the Macquarie True Index Australian Fixed Interest Fund and the US Treasury Bond ETF (Hedged). By increasing our allocation to these funds, we aim to increase the portfolio's duration and capitalise on the current interest rate environment.