



Description

The Apt Defensive SMA is designed to generate higher income returns than traditional cash investments.

It provides exposure to a blend of passive and active fixed income strategies across various income generating assets.

The Apt Defensive SMA is designed for investors who seek a diversified portfolio of defensive assets.

Investment Objective

To outperform the RBA Cash Rate.

Suggested Minimum Investment Timeframe

3+ years

Indicative Number of Holdings

5 to 15

APIR Code

EDGAPTDP

Management Costs

0.26% p.a.¹

Performance	1 month	6 months	1 Year	3 Years (pa)	Since 1/5/2024 (pa)
Apt Defensive SMA ²	0.5%	-	-	-	2.9%
RBA Cash Rate	0.4%	2.2%	4.5%	2.9%	2.0%

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¹ Other fees and costs may apply. To understand all the fees payable, please refer to the CFS Separately Managed Account Product Disclosure Statement.

² The Apt Defensive performance returns are after management costs but before administration fees and taxes. The shaded performance is historical simulated investment performance data and should not be taken as actual performance. Any references to past investment performance are not an indication of future investment returns

Commentary

Fixed interest markets advanced in September amidst rate cuts by global central banks. Notably, the US Federal Reserve began the US monetary easing cycle with an outsized rate cut of 0.5%, bringing the US Federal Fund Rate to a target range of 4.25% - 4.50%. Australian fixed interest markets rose 0.3% as the Reserve Bank of Australia maintained the cash rate at 4.35% at the September Board meeting whereas international fixed interest markets rallied 1.1% on a hedged basis. The Australian 10-year government bond yield was flat at 4.0% whilst the US 10-year bond yield fell -0.1% to 3.8%.

The Apt Defensive SMA rose 0.5% over the month with gains led by the Vanguard Global Aggregate Bond Index (Hedged) ETF. Domestic bond ETFs, the Vanguard Australian Fixed Interest ETF and the Betashares Australian Government Bond ETF returned 0.5% and 0.4% respectively.

The second-best performer in September was the Betashares Active Australian Hybrids Fund which returned 0.8%. The Fund is currently trading on a net running yield of 5.8% or when franking credits are factored in, a gross running yield of 6.4%.

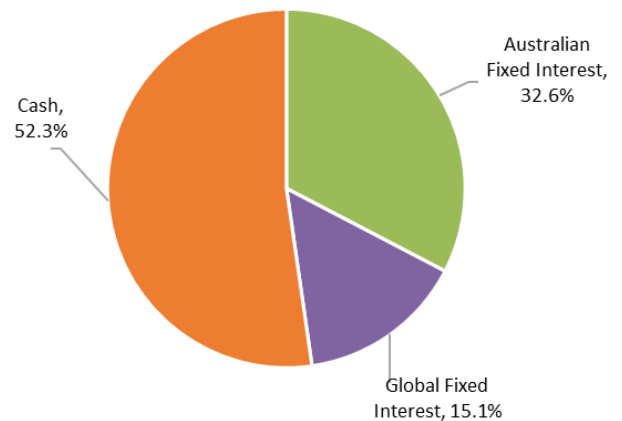
The Mutual Cash and Term Deposit Fund and the Betashares Australian High Interest Cash ETF returned 0.4% and 0.3% respectively. Consensus estimates forecast the current cash rate to be unchanged for the remainder of the calendar year.

The Ardea Real Outcome Fund returned 0.1% with relative value strategies and bond carry driving returns.

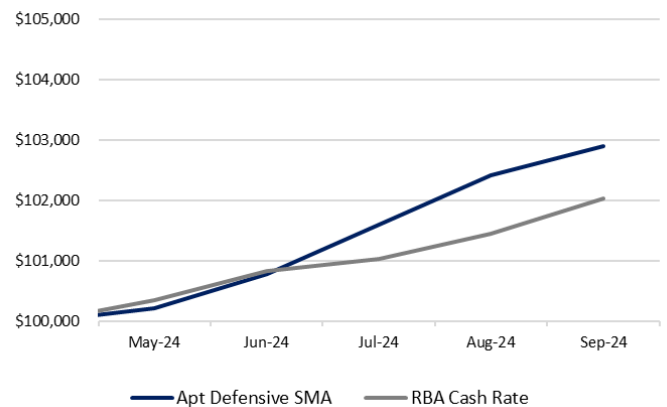
Holdings as at 30/09/2024

Cash	2.0%
ActiveX Ardea Real Outcome Bond Fund ETF	5.0%
Betashares Active Australian Hybrids ETF	7.5%
Betashares Australian Government Bond ETF	15.1%
Betashares Australian High Interest Cash ETF	15.0%
Mutual Cash and Term Deposit Fund	35.3%
Vanguard Australian Fixed Interest ETF	10.0%
Vanguard Global Aggregate Bond Index (Hedged) ETF	10.1%
Total - Defensive	100.0%

Asset Allocation as at 30/09/2024



Growth of \$100,000 since 1 May 2024



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