



Sestante Global Macro Fund

RG 240 Annual Disclosure as at 30 June 2018

Asset Class

Alternatives

Investment Manager

AZ Fund Management S.A.

APIR Code

PAT5878AU

ARSN

619 981 752

Fund Inception Date

6 September 2017

Overview

As at 30 June 2018, the Sestante Global Macro Fund ('Fund'), gains its investment exposure by investing into the Australian dollar ('AUD') denominated class of units, of the AZ Multi Asset Institutional Macro Dynamic Trading Fund ('Underlying Fund'), a Luxembourg domiciled fund managed by AZ Fund Management S.A. ('AZ Fund Management').

The Fund, via its investment in the Underlying Fund, adopts a global macro-economic investment strategy that involves taking long and short positions in futures on financial indices of various types (equity securities, bonds, currencies and raw materials).

The Fund is classified as a hedge fund in accordance with the Australian Securities and Investments Commission, Regulatory Guide 240 'Hedge funds: Improving disclosure'. This classification is based on the fact that the Fund exhibits two or more of the characteristics of a hedge fund, being they:

- aim to generate returns that are not highly correlated to published indices;
- charge a performance fee;
- use leverage;
- use derivatives; and/or
- use short selling.

AZ Sestante Limited ('AZ Sestante') as Responsible Entity of the Fund, is required to provide retail investors with extra information on the Fund. This report is as at 30 June 2018. For further information about the Fund, please see AZ Sestante's website at www.azsestante.com.

Financial year (net) returns

The Fund's inception date is 6 September 2017. The performance figure in the table below represent the Fund's return since inception, net of fees and charges, for the period 6 September 2017 to 30 June 2018.

Date	Net Returns (%)
6 Sep 2017 – 30 Jun 2018	0.91

Past performance is not an indicator of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution.

Liquidity¹

As at 30 June 2018, approximately 100% of the Fund could be liquidated within **10 days**.

The % of underlying portfolio assets able to be converted into cash over the following time periods assuming 30% of Average Daily Volume over the past 12 months to 30 June 2018²:

(a) 1 to 10 days	100%
(b) > 10 days to 30 days	100%
(c) >30 days to 6 months	100%
(d) < 1 year	100%
(e) > 1 year	100%

¹ The estimated time required to sell the asset at the value ascribed to that asset in the Fund's most recent net asset value.

² The data herein reflects an estimated liquidity in relation to the underlying investments within the Fund; the analysis does not look through to the underlying security level. The analysis includes redemption frequency plus notice period. The liquidity terms for the investor may differ substantially. There are no assurances that such liquidity estimates will reflect the actual liquidity of the Fund.

Contact Details

T: 1800 034 402 | E: client.services@ironbarkam.com | W: www.azsestante.com



AZ SESTANTE
AZIMUT GROUP



Sestante Global Macro Fund

RG 240 Annual Disclosure as at 30 June 2018

Strategy allocation (gross)

As at 30 June 2018, the actual gross strategy allocations are as per the table below.

Strategy	Allocation Weighting (%)
Bond	56%
Equity and Derivatives	15%
Commodity	10%
FX	-1%
Cash & Cash equivalent	30%
Total	110.00

Leverage and short selling

The Fund does not directly borrow or use derivatives for leveraging purposes, however, the Underlying Fund is permitted to use derivatives for leveraging purposes.

As at 30 June 2018 the Fund's exposure (through the Underlying Fund):

	Exposure (%)
Long Equity	34%
Short Equity	12%
Debt Securities	48%
Cash	22%

The Fund's gross leverage is 26%, and the Fund's net leverage is 14%.

Liabilities and maturity profile

The borrowings of the Fund and Underlying Fund, as at 30 June 2018, are nil.

Derivative counterparties

The Fund does not invest directly in derivatives, however, the Underlying Fund may invest in exchange-traded and over-the-counter financial derivative instruments to achieve its investment objective and for the purposes of hedging against market, securities, interest rate, exchange rate, credit risk.

The derivative counterparty or counterparties engaged by the Underlying Fund for the period 6 September 2017 to 30 June 2018 were;

- The Hong Kong and Shanghai Bank PLC
- Standard Chartered Bank (Hong Kong) Limited
- Goldman Sachs International
- Morgan Stanley & Co. International PLC
- Credit Suisse International
- UBS AG London Branch
- Nomura International PLC
- BNP PARIBAS Corporate & Institutional Banking S.A.
- Société Générale Corporate & Investment Banking S.A.

Changes to key service providers

For the period 6 September 2017 to 30 June 2018, there were no changes to key service providers at the Fund or the Underlying Fund level.

Important Information

Issued by AZ Sestante Limited ABN 94 106 888 662 AFSL 284442. This document is not an offer of securities or financial products, nor is it financial product advice. As this document has been prepared without taking account of any investors' particular objectives, financial situation and needs, you should consider its appropriateness having regard to your objectives, financial situation and needs. The Fund referred to is issued by AZ Sestante Limited ABN 94 106 888 662 AFSL 284442. To acquire units in the Fund, complete the application form that accompanies the current PDS, which you can obtain from www.azsestante.com or by calling client services on 1800 034 402. You should consider the PDS in deciding to acquire or to continue to hold the Fund. Although specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness. The information stated, opinions expressed and estimates given constitute best judgement at the time of publication and are subject to change without notice to you. This document describes some current internal investment guidelines and processes. These are constantly under review, and may change over time. Consequently, although this document is provided in good faith, it is not intended to create any legal liability on the part of AZ Sestante Limited or any other entity and does not vary the terms of a relevant disclosure statement. Past performance is not an indicator of future results. All dollars are Australian dollars unless otherwise specified. All indices are copyrighted by and proprietary to the issuer of the index.

Contact Details

T: 1800 034 402 | E: client.services@ironbarkam.com | W: www.azsestante.com



AZ SESTANTE
AZIMUT GROUP