Sestante Dynamic Star Conservative Portfolio

Monthly Investment Report

As of 31/10/2026



Latest performance*

	1-mth	3-mths	1-yr	3-yr	Inception
Sestante Dynamic Star Conservative	0.54	0.28	3.87	—	5.95
RBA Cash Rate +1.5% p.a.	0.52	1.52	5.79	5.86	5.75

Market Review

October brought a sharp change in market leadership. Growing doubts over whether the enormous sums being spent on artificial intelligence (AI) infrastructure will generate adequate returns triggered a sell-off in technology and semiconductor shares, while renewed conflict in the Gulf pushed Brent crude above US$115 a barrel. Despite the energy shock, investors sought safety in high-quality government bonds, which rallied strongly after September's sharp sell-off. Central banks largely stood still, with the US Federal Reserve holding rates at 3.75% to 4.00%, and the European Central Bank and Bank of Japan also leaving policy unchanged.

Global shares (MSCI ACWI ex-Australia) fell 1.5% in hedged terms, while unhedged investors fared worse, losing 2.8% as currency movements added to the decline. The headline weakness concealed a broad rotation. Among developed markets, energy (+12.8%), consumer staples (+10.7%), health care (+9.9%) and utilities (+7.9%) led the way, while technology (-7.0%) and communication services (-13.5%) lagged. Value stocks gained 2.7%, whereas growth stocks fell 4.2%. In the US, the equal-weighted S&P 500 rose 5.0%, well ahead of the headline index (-0.9%), as large technology names including Alphabet (-18.7%), Meta (-15.2%), Nvidia (-10.4%) and Broadcom (-7.2%) weighed on returns. Global semiconductors slumped 13.7%, although software edged up 0.9%.

The UK was among the strongest major markets, with the FTSE All-Share up 1.1% thanks to its energy and defensive exposure, while MSCI Europe ex-UK gained 0.7%. European financials fell 5.4% amid fiscal and political concerns in France. Japan's Nikkei 225 dropped around 5% following a mid-month sell-off in semiconductor stocks. Emerging markets were hit hardest, falling 8.0%. Technology-heavy Korea (-15.6%) and Taiwan (-8.4%) sold off, Hong Kong's Hang Seng lost around 6%, China's CSI 300 posted an 11th consecutive weekly decline, its longest losing streak on record, and Brazilian equities slumped following the presidential election.

Australian shares bucked the global trend, with the S&P/ASX 300 Accumulation Index rising 1.1% and recovering part of September's losses.

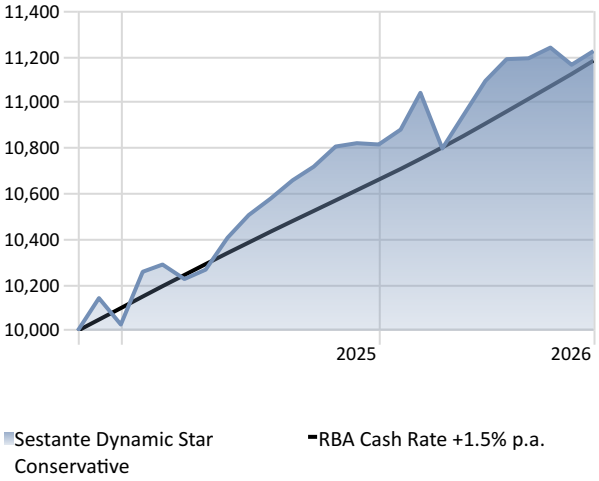
Real assets also performed well. Hedged global infrastructure surged 8.8% and hedged global property rose 2.6%. Gold retreated from record levels to trade below US$4,000 an ounce.

Government bonds rallied as yields retreated by roughly 0.20% to 0.30% across the US, UK, and Germany, with the US 10-year Treasury yield easing from 5.29% to around 5.03%. Australian bonds returned 1.2% and hedged global bonds gained 1.8%, while US Treasuries returned 2.4%. French bonds were the exception, as fiscal worries widened their yield spread over German Bunds. Global investment-grade credit rose 1.3% and global inflation-linked bonds gained 1.8%.

October underlined the value of diversification, with gains in defensive sectors, government bonds and infrastructure helping to offset steep falls in technology stocks and emerging markets.

For a detailed market review and outlook, please refer to the Monthly Market Commentary document available on www.azsestante.com/investment-options

$10,000 invested over time

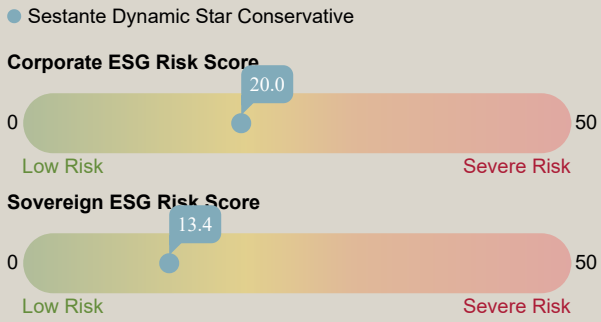


Portfolio information

- Investment Objective:
  To deliver outperformance of the RBA cash rate +1.50% per annum over a rolling 3-year period after fees.
- Asset Class: Diversified
- 30% Growth / 70% Defensive Split
- Portfolio Inception Date: 1 November 2024

Source: Morningstar Direct

ESG Risk Score



ESG Pillar Score

5.3 Environmental

8.2 Social

4.6 Governance

2.0 Unallocated

Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	1.38	0.45	4.60	3.69	13.35
MSCI World Ex Australia GR AUD	-1.92	0.49	7.46	4.69	18.66
Bloomberg AusBond Composite 0+Y TR AUD	1.16	0.07	2.22	0.39	4.60
Bloomberg Global Aggregate TR Hdg AUD	1.76	0.24	0.40	0.43	4.48
S&P Global Infrastructure NR AUD	5.71	-1.48	-0.43	3.17	15.50

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 1/11/2024 and represents modelled performance only and assumes income received is reinvested.

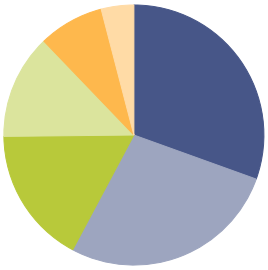
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining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

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Current Asset Allocation

Portfolio Date: 31/10/2026



	%
Australian Fixed Income	30.50
Cash	27.30
International Equities	17.03
International Fixed Income	13.00
Australian Equities	8.12
Global Infrastructure	4.05
Total	**100.00**

Where your funds are invested

Australian Fixed Income	**30.50**	—
PIMCO Australian Bond E	11.00	—
Western Asset Australian Bond E	11.00	🌐🌐🌐
Franklin Australian Absolute Return Bd E	8.50	—
Cash	**27.30**	—
CFS Enhanced Cash-Class A	25.80	—
Cash	1.50	—
International Equities	**17.03**	—
CFS Index Global Share - Hedged-Class A	4.90	—
Royal London Core Global Share E	3.30	🌐🌐🌐
T. Rowe Price Global Equity E	2.38	🌐🌐🌐
RQI Global Share Value - Class E	2.30	🌐🌐
Vinva Global Alpha Extension - Class E	1.48	—
CFS FC-Yarra Global Small Companies	1.37	🌐🌐
RQI Em Markets Value - Class E	1.30	🌐
International Fixed Income	**13.00**	—
Macquarie Dynamic Bond Class E	6.50	—
PIMCO Global Bond E	6.50	—
Australian Equities	**8.12**	—
Pendal Aust Share E	2.58	—
Schroder Australian Equity Fund E	2.41	🌐🌐
CFS FC Inv-Yarra ex-20 Australian Eqs E	1.58	—
CFS Index Australian Share-Class A	1.55	🌐🌐🌐
Global Infrastructure	**4.05**	—
ClearBridge Infras Value - Hdg E	4.05	🌐🌐🌐
	100.00	

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.

AZsestante azimut group

Source: Morningstar Direct