

Market Review

Global investment markets delivered strong gains in Q3 2025, driven largely by enthusiasm for artificial intelligence (AI), robust corporate earnings, and a long-anticipated interest rate cut by the U.S. Federal Reserve. Equity markets led the rally, while credit markets tightened and commodities, especially precious metals, surged.

Global equities saw widespread strength. U.S. stocks, particularly in the tech and communication services sectors, posted record highs, with the S&P 500 up 8% and the Nasdaq propelled by AI-driven optimism. Semiconductors and AI-linked firms like Intel and Alphabet were standout performers. Emerging markets outperformed developed peers, with the MSCI Emerging Markets Index gaining over 11%, led by China, Taiwan, and Korea, all benefiting from AI exposure and improved U.S.-China trade relations.

Japan's stock market also had a notable quarter, as the Nikkei and TOPIX indices hit record levels, supported by strong earnings, share buybacks, and tech sector momentum. A weaker yen and improving corporate governance reforms further underpinned gains. UK equities rallied, supported by a weaker pound and strength in internationally exposed sectors. The FTSE 100 posted its best quarter since 2022. In Europe, performance was more muted; political uncertainty weighed on France and Germany, though financials supported broader Eurozone returns.

Australian equities delivered around 5% return for the quarter, with the Materials sector a standout performer, returning approximately 21%.

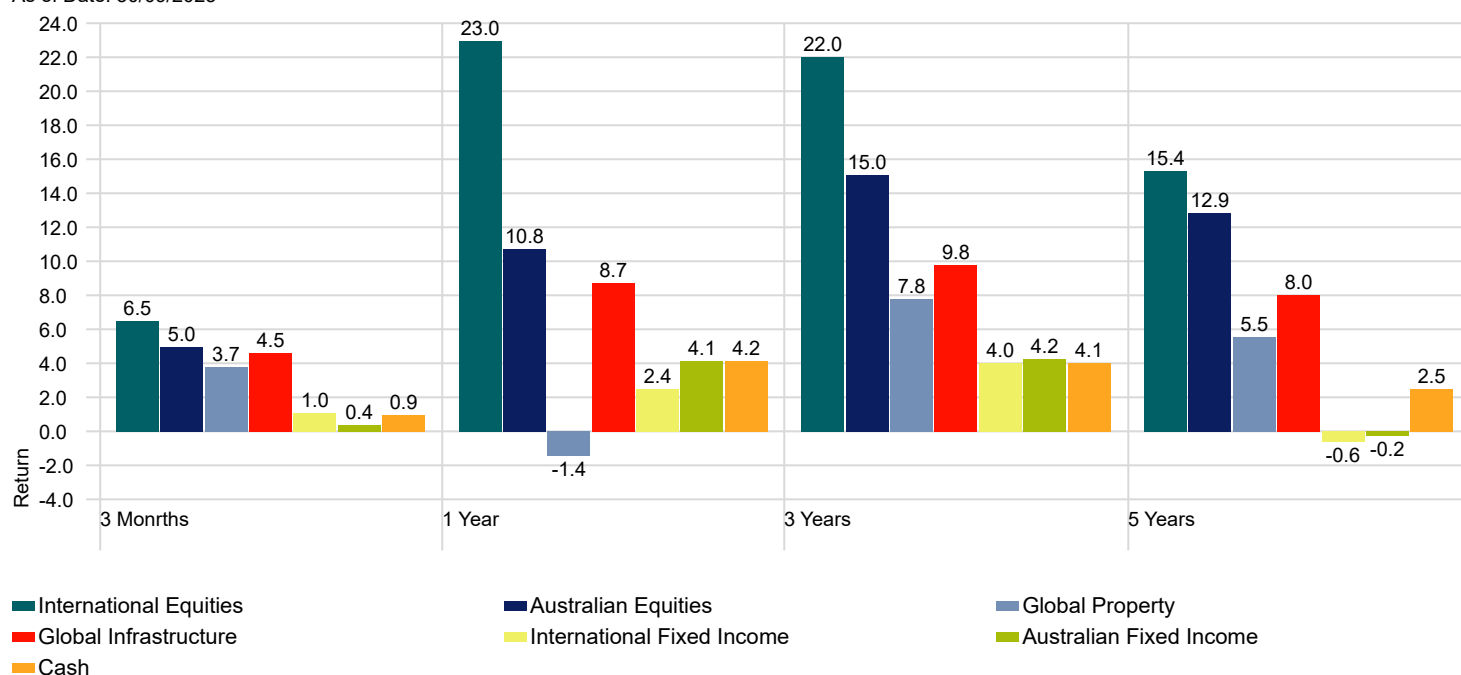
Credit markets outperformed government bonds. U.S. high yield and investment-grade credit tightened further, reflecting strong demand for yield and confidence in corporate fundamentals. U.S. Treasuries gained as yields declined, driven by the Fed's 25 basis points rate cut and signs of labour market softening. European and UK government bonds were more volatile amid fiscal concerns and persistent inflation. Japanese government bonds lagged, pressured by political instability and the Bank of Japan's hawkish signals.

Commodities were mixed. Gold and silver surged to record levels, driven by safe-haven demand and supply constraints. Broader commodity indices saw moderate gains, though energy prices declined slightly due to expectations of oil surpluses.

AI enthusiasm, improving corporate performance, and easing monetary policy created a favourable environment for risk assets. However, high valuations, geopolitical risks, and lingering inflation concerns remain key headwinds for investors as markets look ahead to Q4.

Returns

As of Date: 30/09/2025



*International Equities: MSCI ACWI Ex Australia; Australian Equities: S&P/ASX 300; Global Property: FTSE EPPA Nareit Ex Australia Hdg AUD; Global Infrastructure: FTSE Dev Core Infrastructure 50/50 Hdg AUD; International Fixed Income: Bloomberg Global Aggregate Hdg AUD; Australian Fixed Income: Bloomberg Ausbond Composite 0+Y; Cash: Bloomberg AusBond Bank 0+Y.

Conservative Profile

Dynamic Portfolio

The Dynamic portfolio recorded a 1.85% return, outperforming its cash + 2.0% (annual) benchmark for the quarter. The Paradise Australian Equities Fund significantly outperformed for the quarter, while the Schroders Australian Equity Fund underperformed its benchmark. The asset allocation decision to go outside of Australia's largest companies paid off, with the Yarra Ex-20 Australian Equities Fund outperforming the ASX 200, therefore adding value. Global equities saw widespread strength. U.S. stocks, particularly in the tech and communication services sectors, posted record highs. The US focussed iShares S&P 500 AUD Hedged ETF outperformed the MSCI World Index on an unhedged basis adding value over the quarter. Our position in the Vanguard All-World ex-US Shares ETF underperformed the broader MSCI AC World Index on both a hedged and unhedged basis, detracting from portfolio performance for the quarter. Infrastructure had a relatively weak quarter compared with global equities but still posted reasonable positive returns for the quarter. All of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

ESG Portfolio

The ESG portfolio returned 1.70%, outperforming its cash + 2.0% (annual) benchmark for the quarter. Q3 was a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the Australian Ethical Australian Shares Fund and the Betashares Global Sustainability Leaders Currency Hedged ETF. Both the AXA IM Sustainable Equity Fund hedged and unhedged underperformed. After outperforming last quarter, the Robeco Emerging Conservative Equity Fund underperformed the MSCI World Index detracting value for the quarter. Infrastructure had a relatively subdued quarter when compared to global equities. The 4D Global Infrastructure Fund returned 1.76% and underperformed its index. From a Fixed Income perspective, all of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

Index Portfolio

The Index portfolio delivered a 2.18% return, outperforming its cash + 1.5% (annual) benchmark for the quarter. All portfolio constituents produced positive returns this quarter leading to solid overall returns. The best positive return for the quarter was produced by the iShares S&P 500 AUD Hedged ETF with a return of 7.85%, closely followed by the unhedged iShares S&P 500 ETF that returned 6.86%. The next best performer was the iShares Core S&P/ASX 200 ETF that returned 4.68% for the quarter.

Moderately Conservative Profile

Dynamic Portfolio

The Dynamic portfolio recorded a 2.56% return, outperforming its cash + 2.5% (annual) benchmark for the quarter. The Paradise Australian Equities Fund significantly outperformed for the quarter, while the Schroders Australian Equity Fund underperformed its benchmark. The asset allocation decision to go outside of Australia's largest companies paid off, with the Yarra Ex-20 Australian Equities Fund outperforming the ASX 200, therefore adding value. Global equities saw widespread strength. U.S. stocks, particularly in the tech and communication services sectors, posted record highs. The US focussed iShares S&P 500 AUD Hedged ETF outperformed the MSCI World Index on an unhedged basis adding value over the quarter. Our position in the Vanguard All-World ex-US Shares ETF underperformed the broader MSCI AC World Index on both a hedged and unhedged basis, detracting from portfolio performance for the quarter. Both Infrastructure and Property had a relatively weak quarter compared with global equities but still posted reasonable positive returns for the quarter. All of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

ESG Portfolio

The ESG portfolio returned 2.07%, outperforming its cash + 2.5% (annual) benchmark for the quarter. Q3 was a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the Australian Ethical Australian Shares Fund and the Betashares Global Sustainability Leaders Currency Hedged ETF. Both the AXA IM Sustainable Equity Fund hedged and unhedged underperformed. After outperforming last quarter, the Robeco Emerging Conservative Equity Fund underperformed the MSCI World Index detracting value for the quarter. Real assets had a relatively subdued quarter when compared to global equities. The 4D Global Infrastructure Fund returned 1.76% and underperformed its index. From a Fixed Income perspective, all of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

Index Portfolio

The Index portfolio delivered a 3.08% return, outperforming its cash + 2.0% (annual) benchmark for the quarter. All portfolio constituents produced positive returns this quarter leading to solid overall returns. The best positive return for the quarter was produced by the iShares S&P 500 AUD Hedged ETF with a return of 7.85%, closely followed by the unhedged iShares S&P 500 ETF that returned 6.86%. The next best performer was the iShares Core S&P/ASX 200 ETF that returned 4.68% for the quarter.

Balanced Profile

Dynamic Portfolio

The Dynamic portfolio recorded a 3.28% return, outperforming its cash + 3.5% (annual) benchmark for the quarter. The Paradise Australian Equities Fund significantly outperformed for the quarter, while the Schroders Australian Equity Fund underperformed its benchmark. The asset allocation decision to go outside of Australia's largest companies paid off, with the Yarra Ex-20 Australian Equities Fund outperforming the ASX 200, therefore adding value. Global equities saw widespread strength. U.S. stocks, particularly in the tech and communication services sectors, posted record highs. The US focussed iShares S&P 500 AUD Hedged ETF outperformed the MSCI World Index on an unhedged basis adding value over the quarter. Our position in the Vanguard All-World ex-US Shares ETF underperformed the broader MSCI AC World Index on both a hedged and unhedged basis, detracting from portfolio performance for the quarter. Both Infrastructure and Property had a relatively weak quarter compared with global equities but still posted reasonable positive returns for the quarter. All of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

ESG Portfolio

The ESG portfolio returned 2.54%, outperforming its cash + 3.5% (annual) benchmark for the quarter. Q3 was a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the Australian Ethical Australian Shares Fund and the Betashares Global Sustainability Leaders Currency Hedged ETF. Both the AXA IM Sustainable Equity Fund hedged and unhedged underperformed. After outperforming last quarter, the Robeco Emerging Conservative Equity Fund underperformed the MSCI World Index detracting value for the quarter. Real assets had a relatively subdued quarter when compared to global equities. The 4D Global Infrastructure Fund returned 1.76% and underperformed its index. From a Fixed Income perspective, all of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

Index Portfolio

The Index portfolio delivered a 3.99% return, outperforming its cash + 2.5% (annual) benchmark for the quarter. All portfolio constituents produced positive returns this quarter leading to solid overall returns. The best positive return for the quarter was produced by the iShares S&P 500 AUD Hedged ETF with a return of 7.85%, closely followed by the unhedged iShares S&P 500 ETF that returned 6.86%. The next best performer was the iShares Australian Equity Index that returned 4.95% for the quarter.

Assertive Profile

Dynamic Portfolio

The Dynamic portfolio recorded a 3.78% return, outperforming its cash + 4.5% (annual) benchmark for the quarter. The Paradise Australian Equities Fund significantly outperformed for the quarter, while the Schroders Australian Equity Fund underperformed its benchmark. The asset allocation decision to go outside of Australia's largest companies paid off, with the Yarra Ex-20 Australian Equities Fund outperforming the ASX 200, therefore adding value. Global equities saw widespread strength. U.S. stocks, particularly in the tech and communication services sectors, posted record highs. The US focussed iShares S&P 500 AUD Hedged ETF outperformed the MSCI World Index on an unhedged basis adding value over the quarter. Our position in the Vanguard All-World ex-US Shares ETF underperformed the broader MSCI AC World Index on both a hedged and unhedged basis, detracting from portfolio performance for the quarter. Both Infrastructure and Property had a relatively weak quarter compared with global equities but still posted reasonable positive returns for the quarter. All of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

ESG Portfolio

The ESG portfolio returned 2.86%, outperforming its cash + 4.5% (annual) benchmark for the quarter. Q3 was a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the Australian Ethical Australian Shares Fund and the Betashares Global Sustainability Leaders Currency Hedged ETF. Both the AXA IM Sustainable Equity Fund hedged and unhedged underperformed. After outperforming last quarter, the Robeco Emerging Conservative Equity Fund underperformed the MSCI World Index detracting value for the quarter. Real assets had a relatively subdued quarter when compared to global equities. The 4D Global Infrastructure Fund returned 1.76% and underperformed its index. From a Fixed Income perspective, all of the portfolio's Fixed Income exposures produced positive returns and outperformed their benchmarks, with the Janus Henderson Tactical Income Fund being the best performer.

Index Portfolio

The Index portfolio delivered a 5.00% return, outperforming its cash + 3.0% (annual) benchmark for the quarter. All portfolio constituents produced positive returns this quarter leading to solid overall returns. The best positive return for the quarter was produced by the iShares S&P 500 AUD Hedged ETF with a return of 7.85%, closely followed by the unhedged iShares S&P 500 ETF that returned 6.86%. The next best performer was the iShares Australian Equity Index that returned 4.95% for the quarter.

Aggressive Profile

Dynamic Portfolio

The Dynamic portfolio recorded a 4.27% return, outperforming its cash + 5.0% (annual) benchmark for the quarter. The Paradise Australian Equities Fund significantly outperformed for the quarter, while the Schroders Australian Equity Fund underperformed its benchmark. The asset allocation decision to go outside of Australia's largest companies paid off, with the Yarra Ex-20 Australian Equities Fund outperforming the ASX 200, therefore adding value. Global equities saw widespread strength. U.S. stocks, particularly in the tech and communication services sectors, posted record highs. The US focussed iShares S&P 500 AUD Hedged ETF outperformed the MSCI World Index on an unhedged basis adding value over the quarter. Our position in the Vanguard All-World ex-US Shares ETF underperformed the broader MSCI AC World Index on both a hedged and unhedged basis, detracting from portfolio performance for the quarter. Both Infrastructure and Property had a relatively weak quarter compared with global equities but still posted reasonable positive returns for the quarter.

ESG Portfolio

The ESG portfolio returned 3.16%, outperforming its cash + 5.0% (annual) benchmark for the quarter. Q3 was a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the Australian Ethical Australian Shares Fund and the Betashares Global Sustainability Leaders Currency Hedged ETF. Both the AXA IM Sustainable Equity Fund hedged and unhedged underperformed. After outperforming last quarter, the Robeco Emerging Conservative Equity Fund underperformed the MSCI World Index detracting value for the quarter. Real assets had a relatively subdued quarter when compared to global equities. The 4D Global Infrastructure Fund returned 1.76% and underperformed its index.

Index Portfolio

The Index portfolio delivered a 5.38% return, outperforming its cash + 4.5% (annual) benchmark for the quarter. All portfolio constituents produced positive returns this quarter leading to solid overall returns. The best positive return for the quarter was produced by the iShares S&P 500 AUD Hedged ETF with a return of 7.85%, closely followed by the unhedged iShares S&P 500 ETF that returned 6.86%. The next best performer was the iShares Australian Equity Index that returned 4.95% for the quarter.

AZ Sestante Quarterly Report

As of 30/09/2025

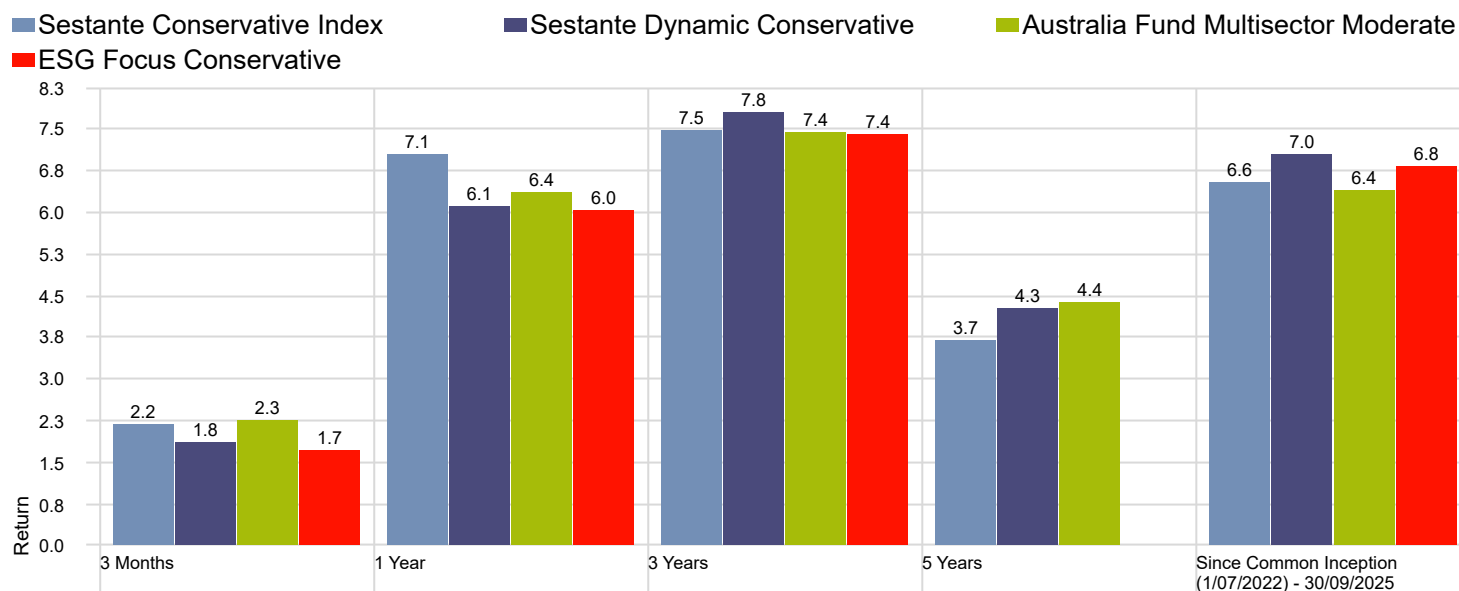
Peer Group Returns

Multisector Moderate Category



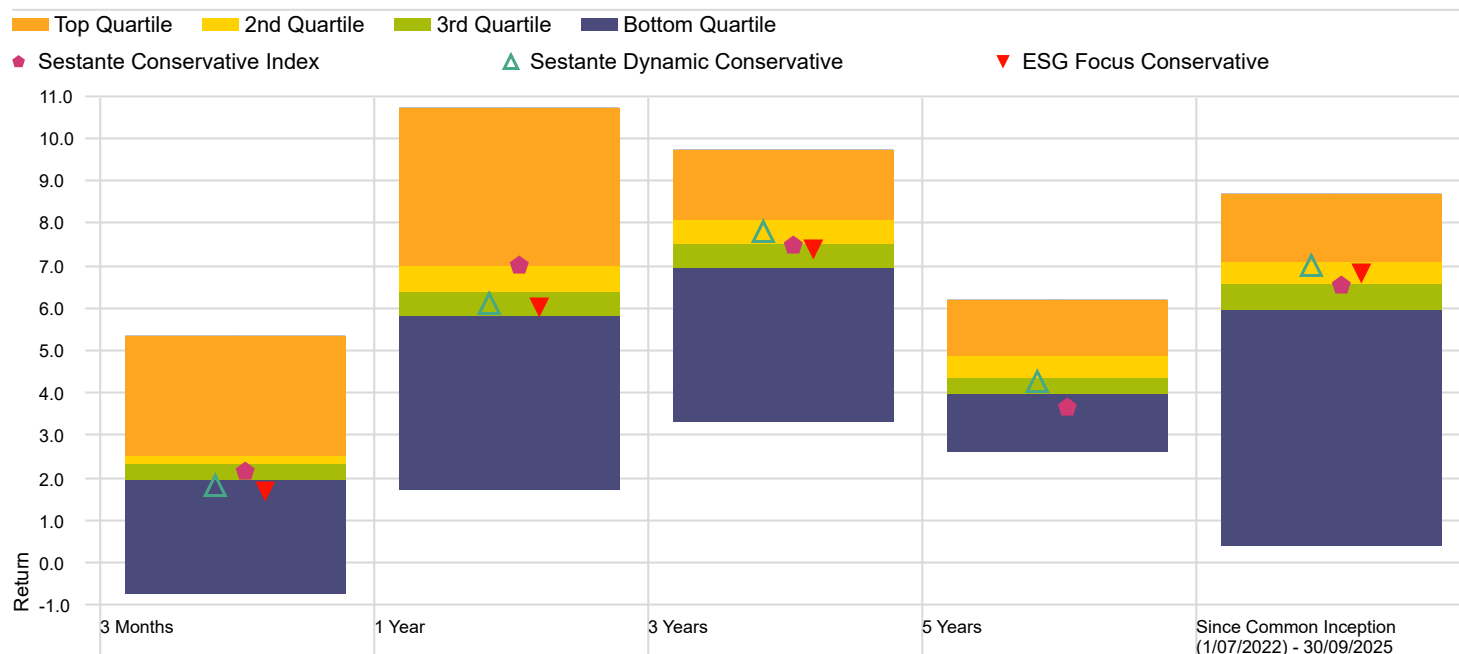
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Moderate Category consists of funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors.

Sestante Conservative Portfolios vs Morningstar Peers



Sestante Conservative Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Moderate



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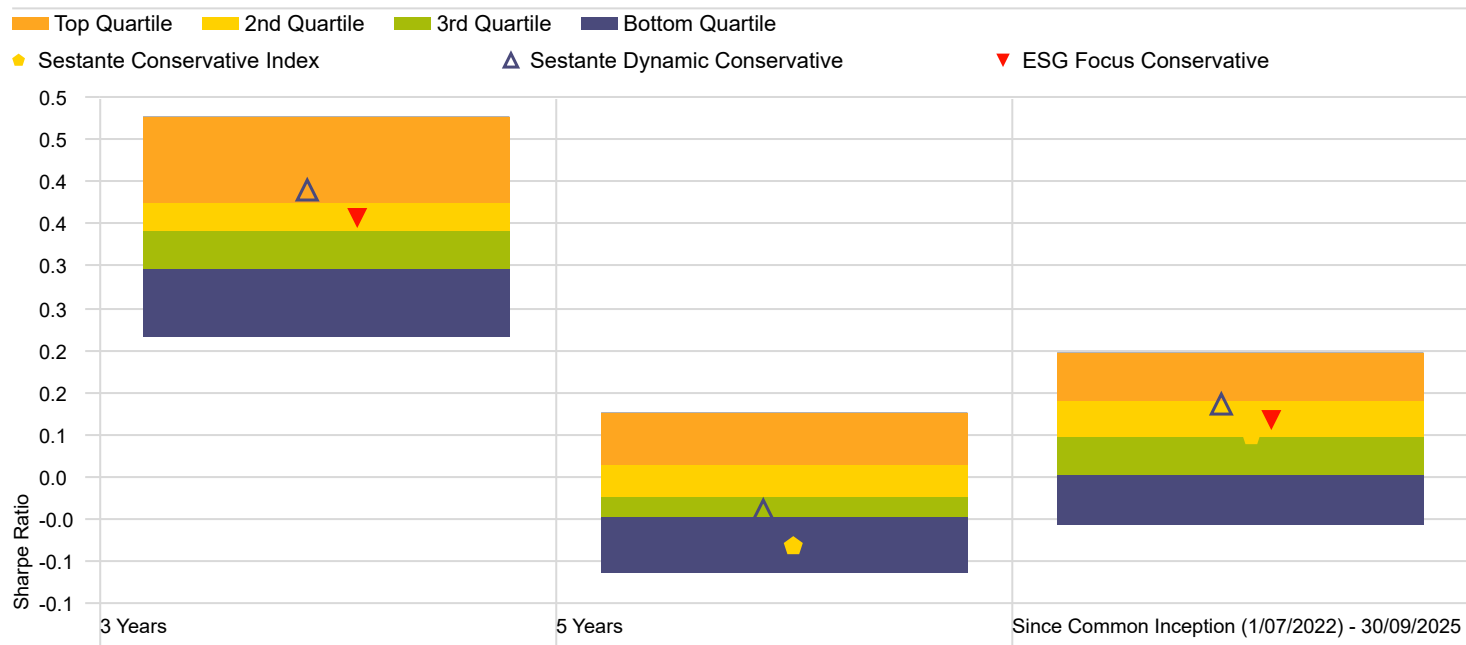
As of 30/09/2025

Peer Group Returns

Multisector Moderate Category

Sharpe Ratio Relative to Peer Group - Conservative

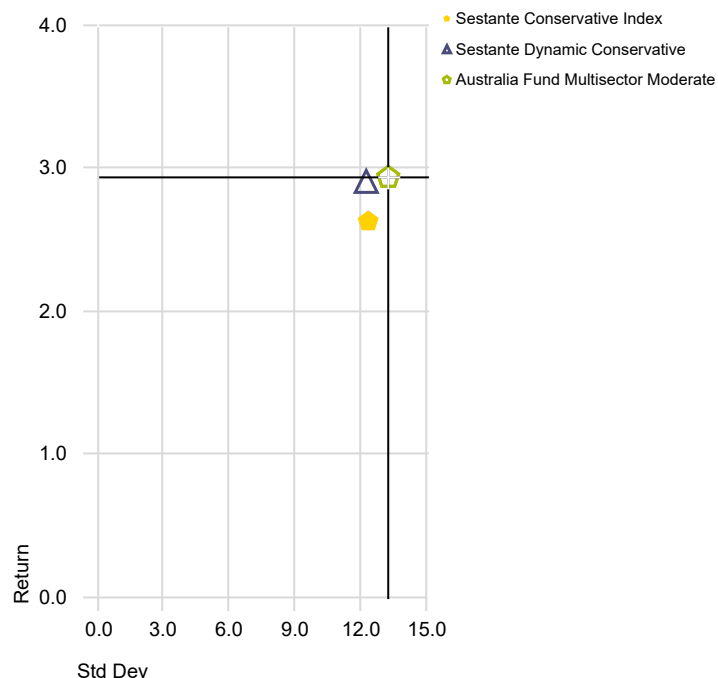
Peer Group (5-95%): Funds - Australia - Multisector Moderate



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

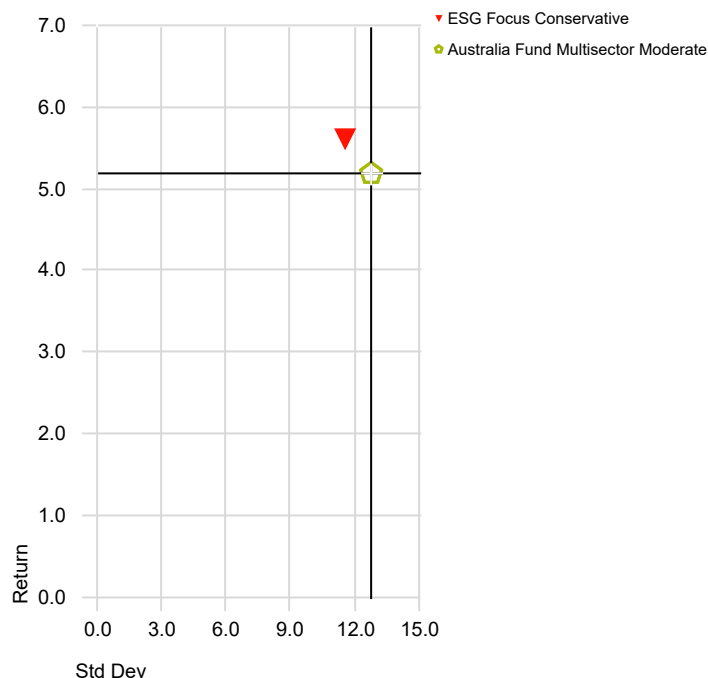
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 30/09/2025



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 30/09/2025



AZ Sestante Quarterly Report

As of 30/09/2025

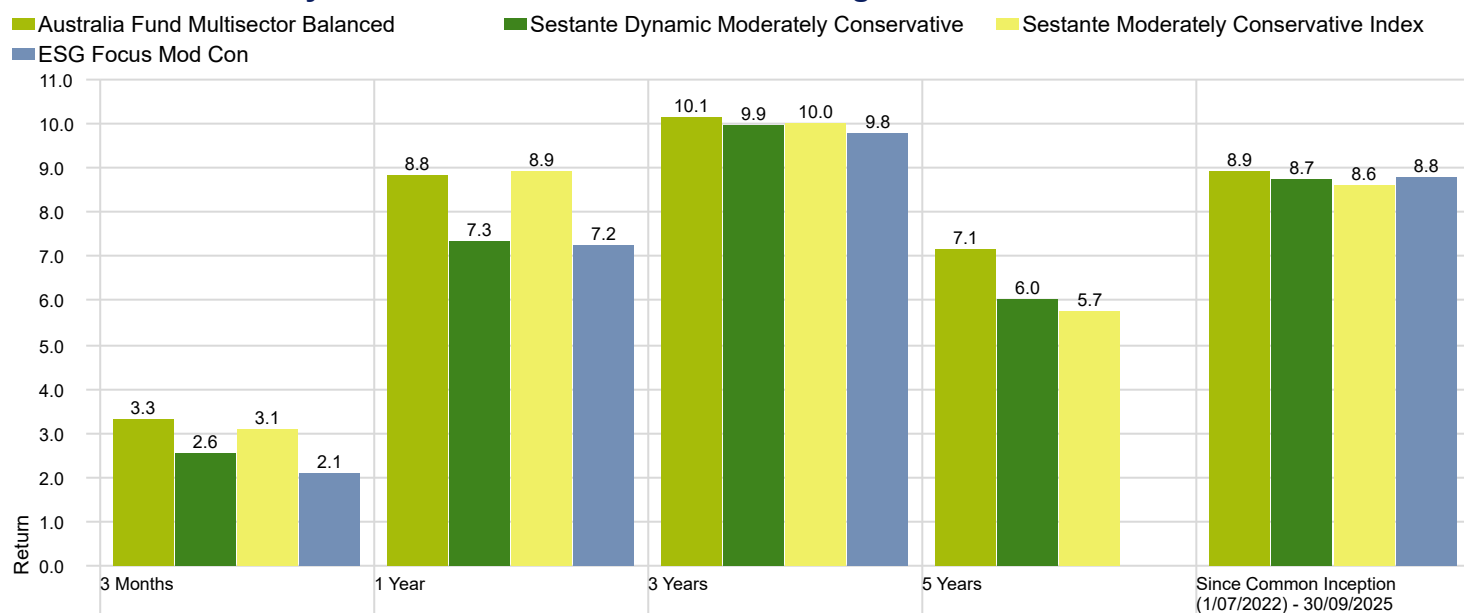
Peer Group Returns

Multisector Balanced Category



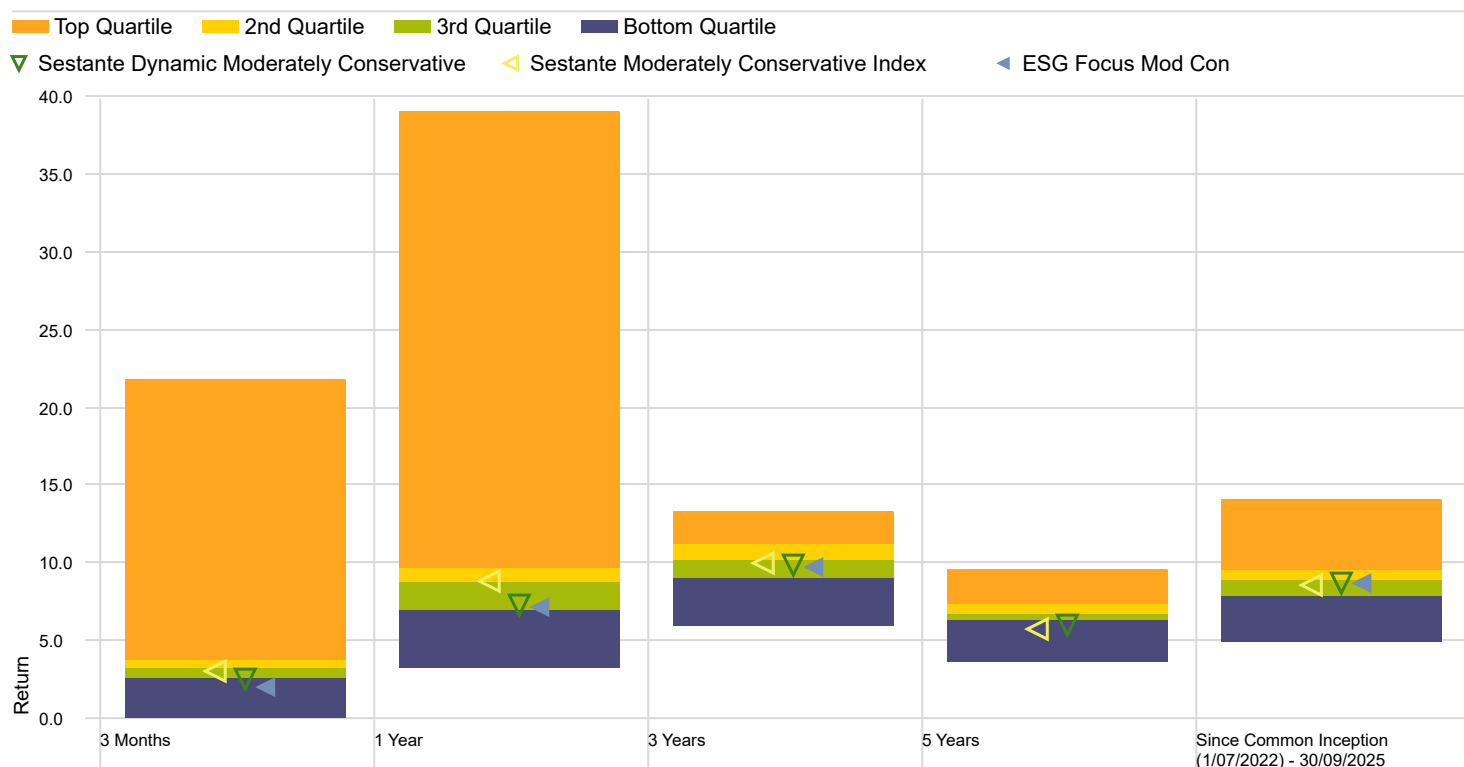
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Balanced Category consists of funds that invest in a number of sectors and have between 41% and 60% of their investments exposed to the growth sectors.

Sestante Moderately Conservative Portfolios vs Morningstar Peers



Sestante Moderately Conservative Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Balanced



AZ Sestante Quarterly Report

As of 30/09/2025

Peer Group Returns

Multisector Balanced Category

Sharpe Ratio Relative to Peer Group - Moderately Conservative

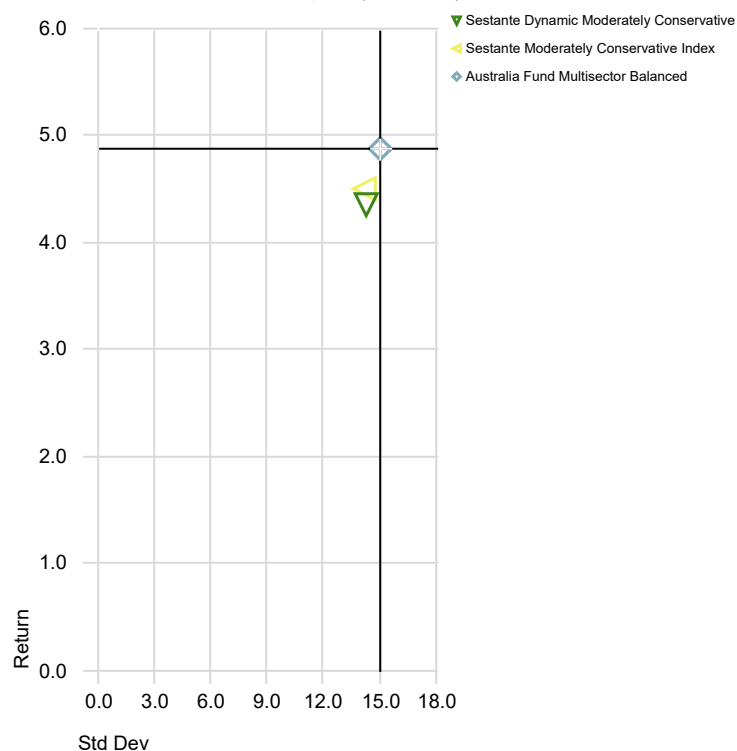
Peer Group (1-100%): Funds - Australia - Multisector Balanced



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

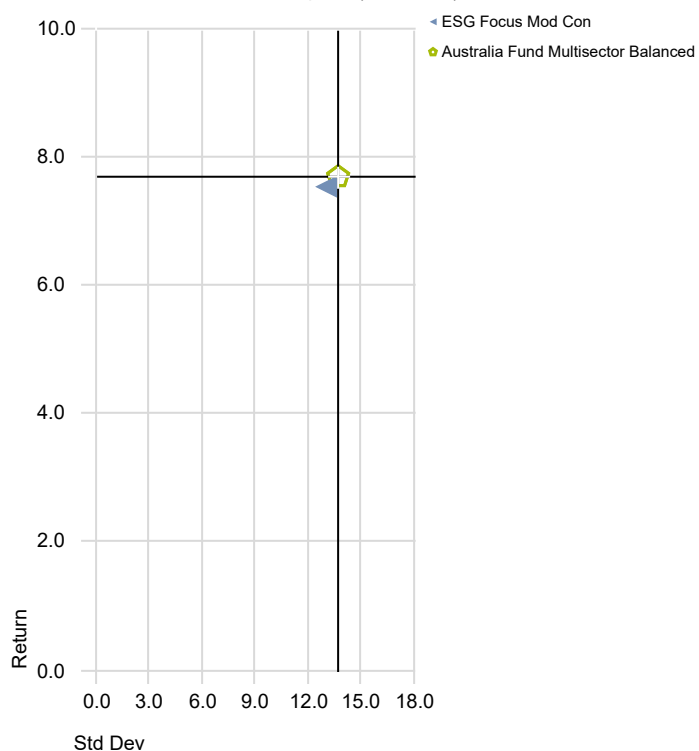
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 30/09/2025



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 30/09/2025



AZ Sestante Quarterly Report

As of 30/09/2025

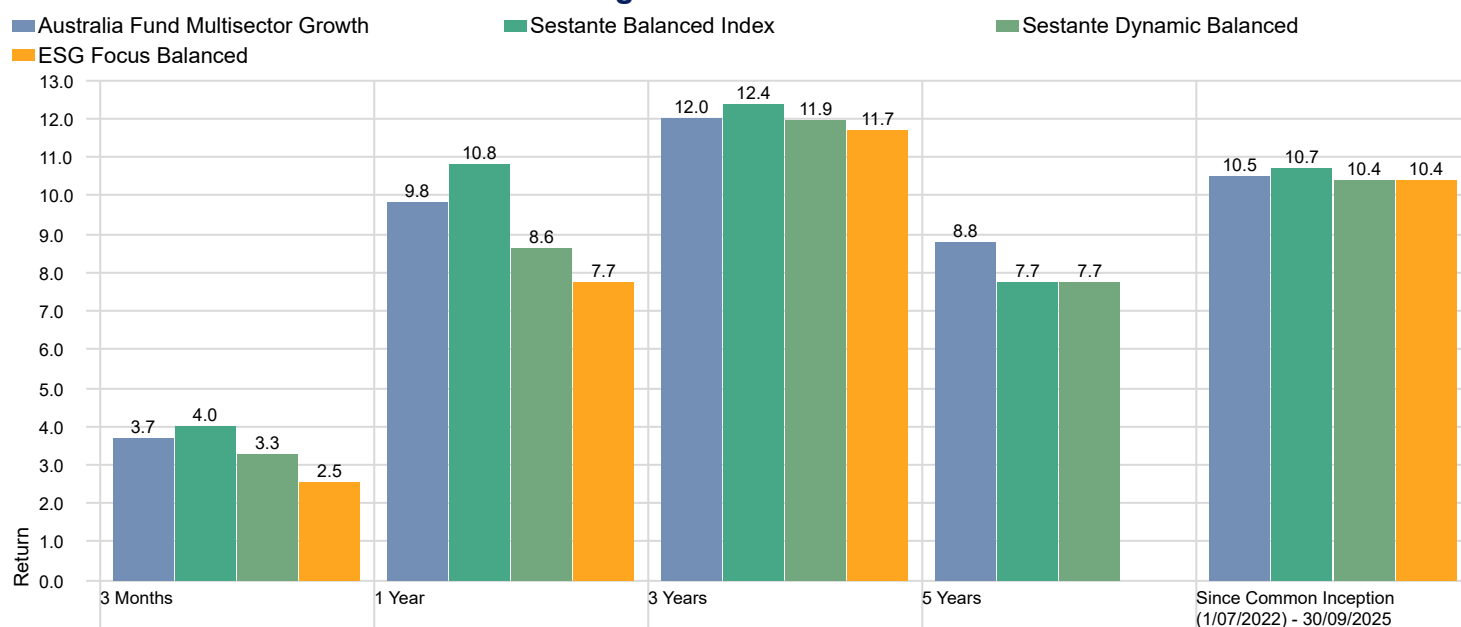
Peer Group Returns

Multisector Growth Category



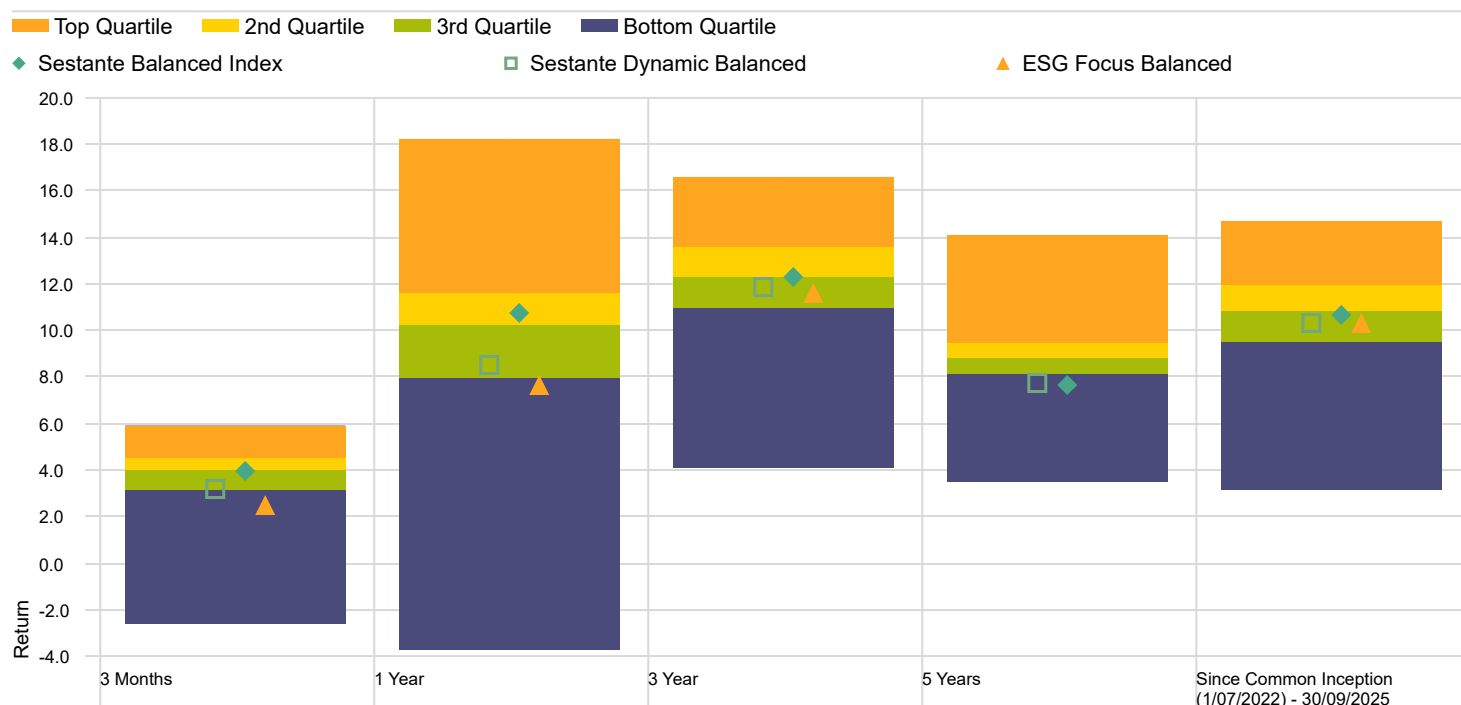
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Growth Category consists of funds that invest in a number of sectors and have between 61% and 80% of their investments exposed to the growth sectors.

Sestante Balanced Portfolios vs Morningstar Peers



Sestante Balanced Performance Relative to Peer Group

Peer Group (1-100%): Funds - Australia - Multisector Growth



AZ Sestante Quarterly Report

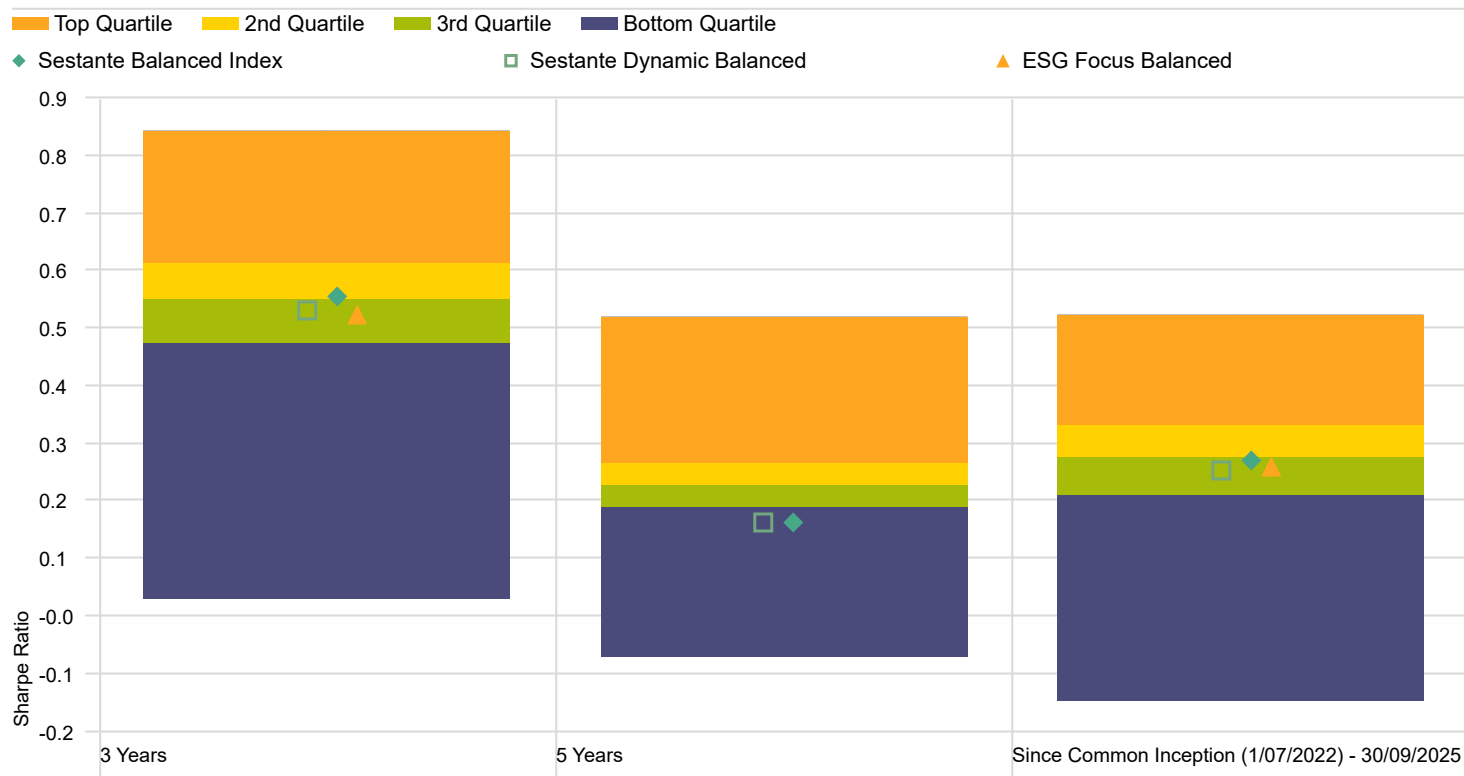
As of 30/09/2025

Peer Group Returns

Multisector Growth Category

Sharpe Ratio Relative to Peer Group - Balanced

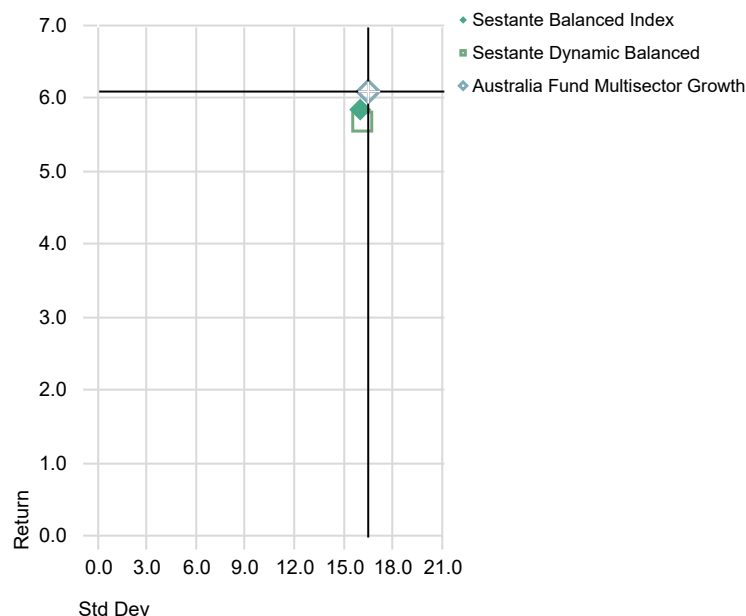
Peer Group (1-100%): Funds - Australia - Multisector Growth



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

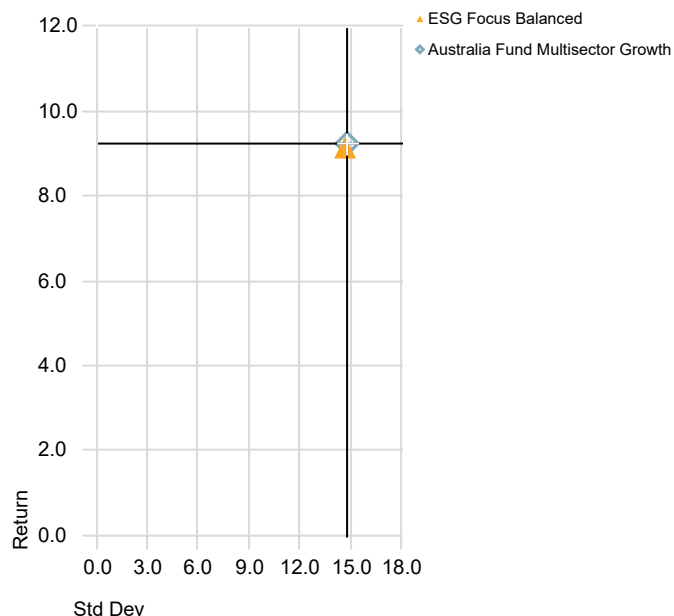
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 30/09/2025



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 30/09/2025



AZ Sestante Quarterly Report

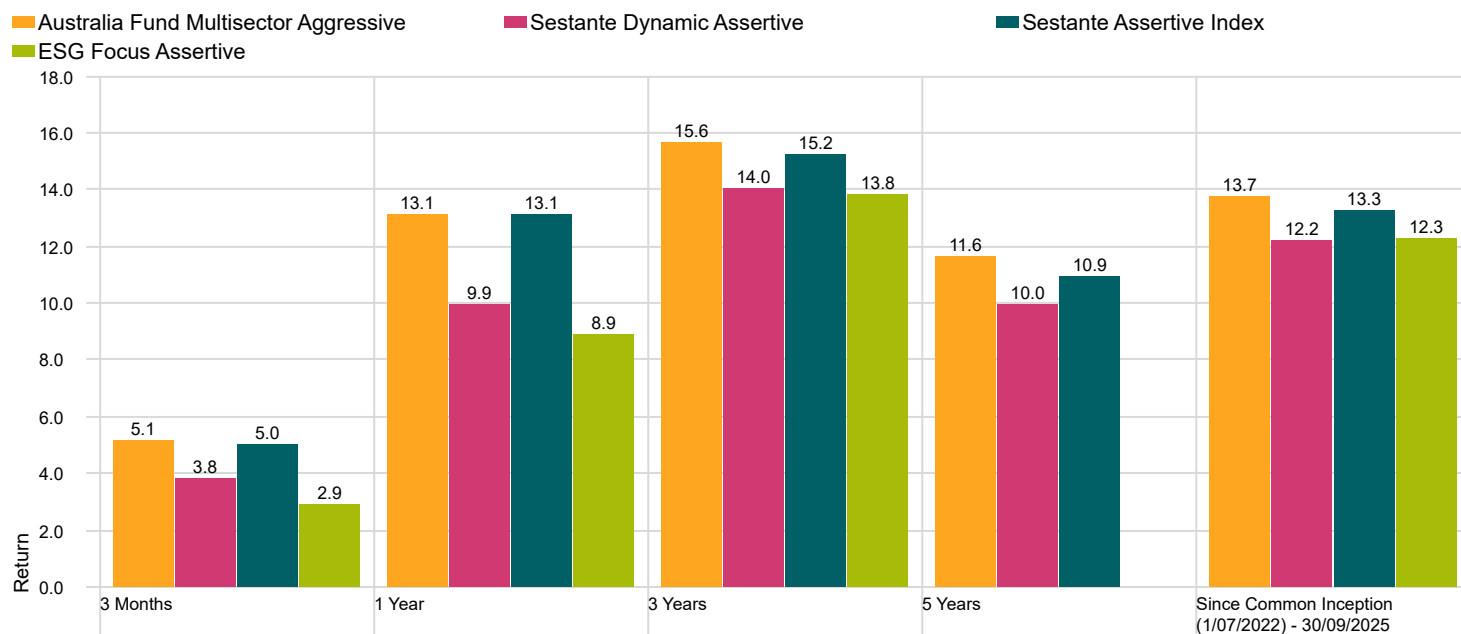
As of 30/09/2025

Peer Group Returns

Multisector Aggressive Category

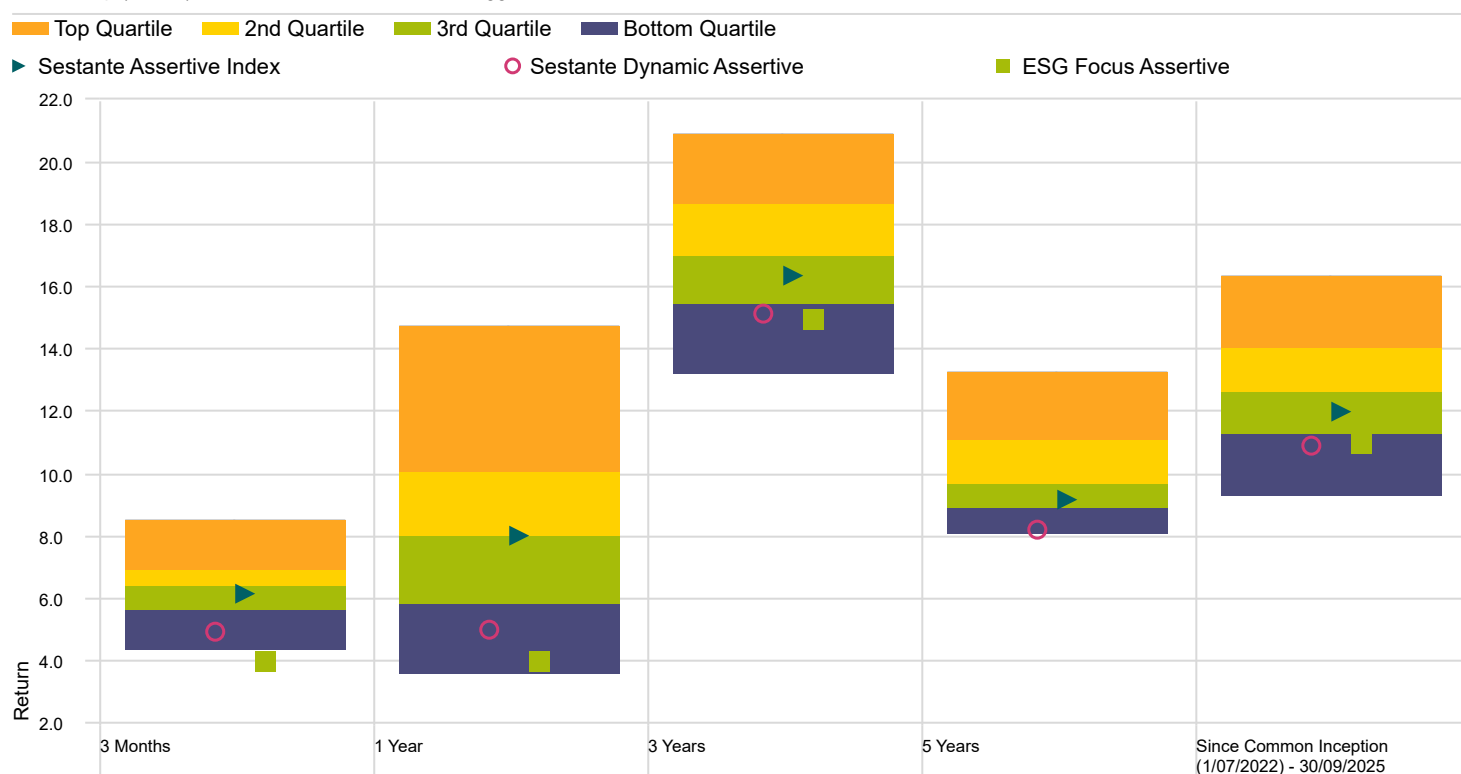
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. Multisector Aggressive funds invest in a number of sectors and have over 80% of their assets in growth sectors.

Sestante Assertive Portfolios vs Morningstar Peers



Sestante Assertive Performance Relative to Peer Group

Peer Group (5-95%): Funds - Australia - Multisector Aggressive



AZ Sestante Quarterly Report

As of 30/09/2025

Peer Group Returns

Multisector Aggressive Category

Sharpe Ratio Relative to Peer Group - Assertive

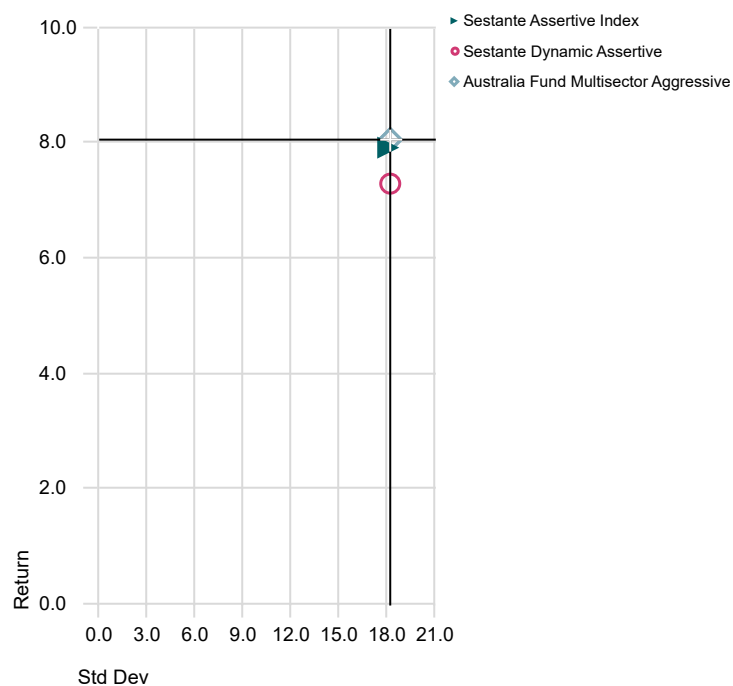
Peer Group (1-100%): Funds - Australia - Multisector Aggressive



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

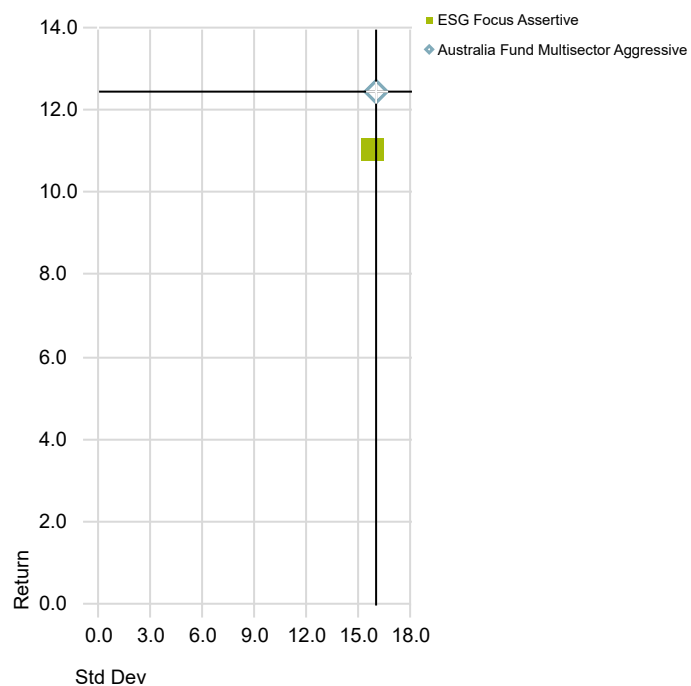
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 30/09/2025



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 30/09/2025

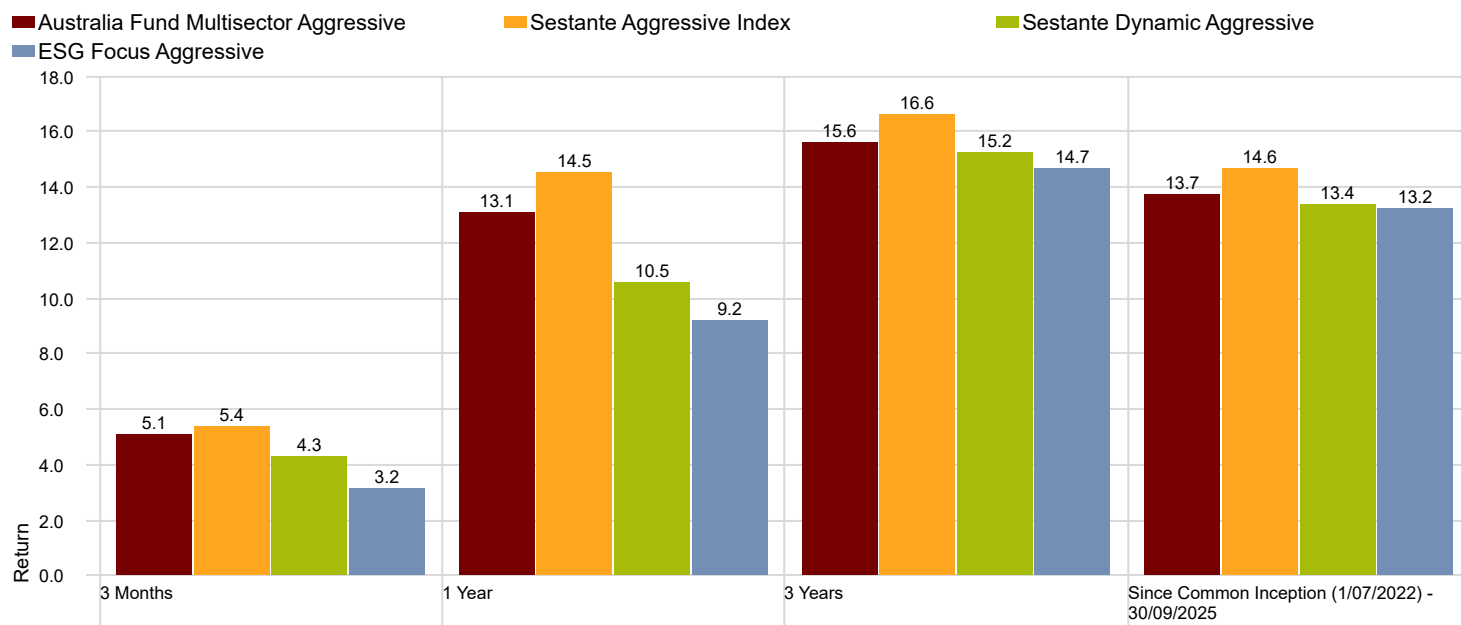


AZ Sestante Quarterly Report

As of 30/09/2025
Peer Group Returns
Multisector Aggressive Category

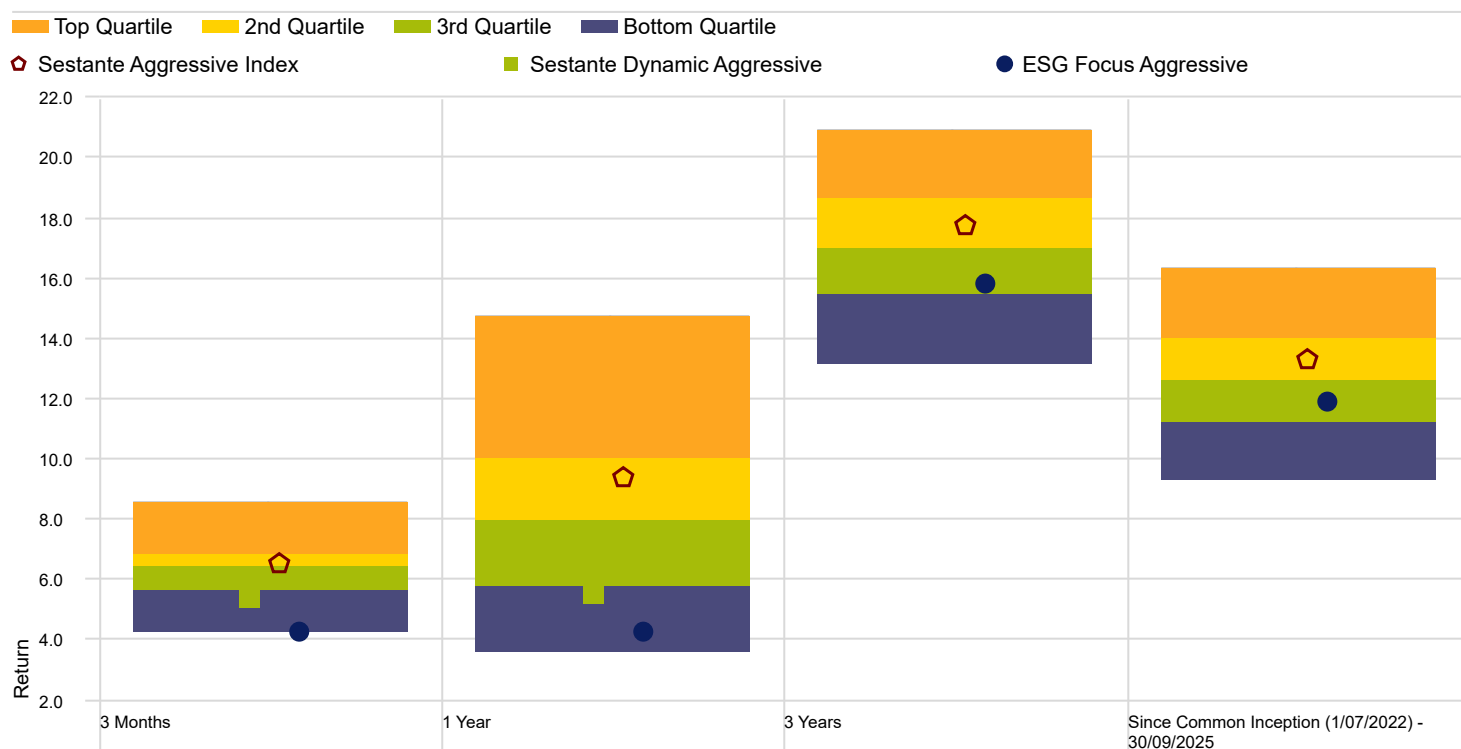
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. Multisector Aggressive funds invest in a number of sectors and have over 80% of their assets in growth sectors.

Sestante Aggressive Portfolios vs Morningstar Peers



Sestante Aggressive Performance Relative to Peer Group

Peer Group (5-95%): Funds - Australia - Multisector Aggressive



AZ Sestante Quarterly Report

As of 30/09/2025

Peer Group Returns

Multisector Aggressive Category

Sharpe Ratio Relative to Peer Group - Aggressive

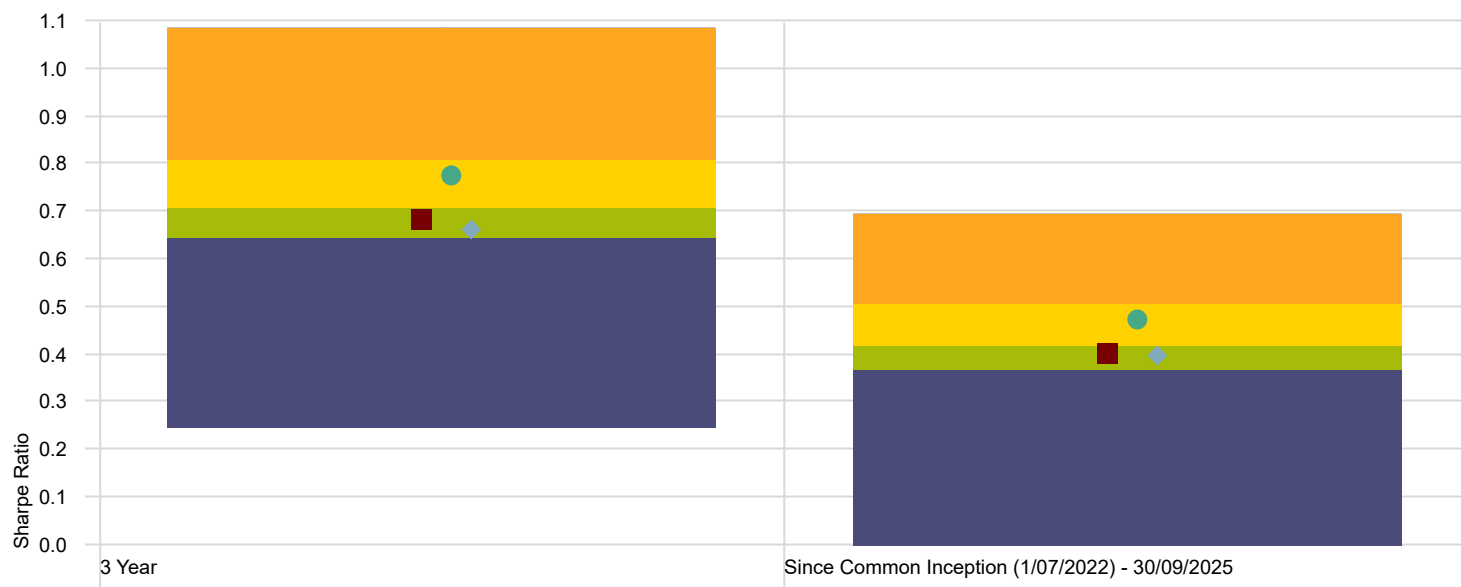
Peer Group (1-100%): Funds - Australia - Multisector Aggressive

Top Quartile 2nd Quartile 3rd Quartile Bottom Quartile

Sestante Aggressive Index

Sestante Dynamic Aggressive

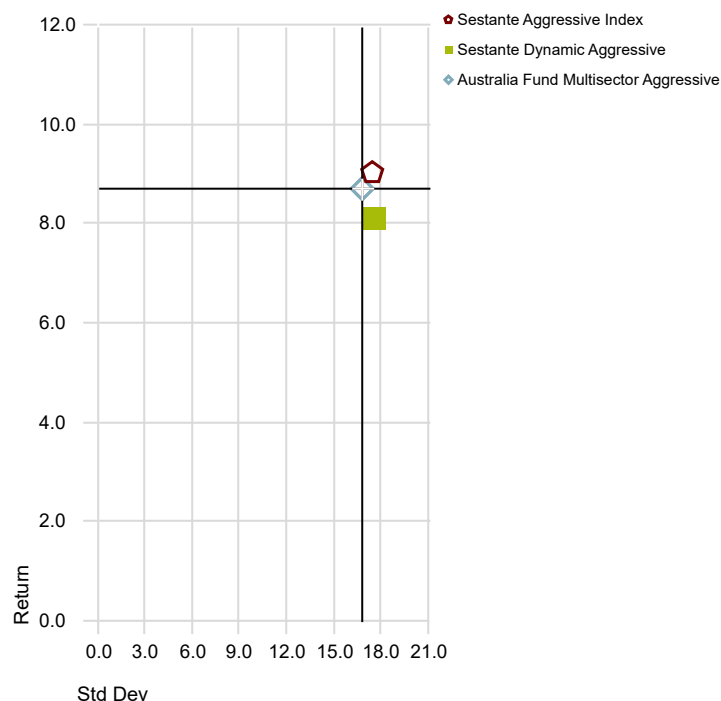
ESG Focus Aggressive



Sharpe Ratio is a risk-adjusted measure. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund had to bear to earn an excess return over the risk-free rate.

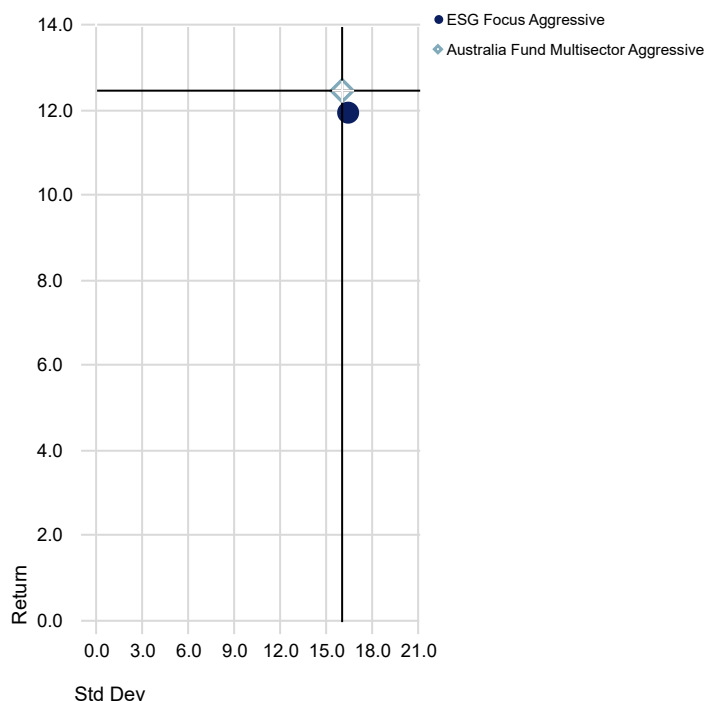
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/09/2020) to 30/09/2025



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 30/09/2025



AZ Sestante

AZ Sestante is a specialist investment consultant focused on designing and managing a range of multi-manager model portfolios via SMAs, MDAs, and fund of funds. Our parent company Azimut is Italy's largest independent asset manager listed on the Italian stock exchange.

E: invest@azsestante.com | www.azsestante.com

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