

# CFS AZ Sestante Wholesale Diversified Fund Monthly Investment Report

As of 31/10/2025

## Latest performance\*

|            | 1-mth | 3-mths | 6-mths | 1-yr  | 3-yrs | 5-yrs | Inception |
|------------|-------|--------|--------|-------|-------|-------|-----------|
| Investment | 0.80% | 2.27%  | 6.65%  | 8.09% | 8.61% | 5.25% | 5.07%     |
| Super      | 0.78% | 2.09%  | 5.97%  | 7.39% | 7.79% | 4.82% | 4.57%     |
| Pension    | 0.88% | 2.34%  | 6.70%  | 8.25% | 8.80% | 5.42% | 5.13%     |
| Benchmark  | 0.73% | 2.19%  | 4.01%  | 7.12% | 7.23% | 7.85% | 6.61%     |

## Market Review

October delivered broadly positive returns across global asset markets, as investors balanced moderating inflation, easing trade tensions, and cautious central bank signals. Despite political uncertainty and a partial U.S. government shutdown that delayed economic data, equity markets advanced on resilient corporate earnings and optimism surrounding policy shifts.

U.S. equities extended their rally, with the S&P 500 up 2.3% for the month, led by strong results in technology and financials. Just over 80% of companies beat earnings expectations, averaging profit surprises of over 6%. Growth and AI-related sectors dominated, with growth stocks up 4.2% versus 0.4% for value, while small caps and real estate lagged. Investor enthusiasm for technology themes pushed valuations higher, although market participation remained narrow.

The Federal Reserve cut rates by 0.25% to a 3.75–4.00% range, confirming that quantitative tightening will end in December. Chair Jerome Powell struck a cautious tone, prompting markets to scale back expectations for further easing. The U.S. dollar strengthened about 2%, while Treasury yields finished little changed, with 10-year bonds near 4.1%. Credit markets steadied after early-month stress linked to several U.S. corporate defaults, and high-yield credit slightly outperformed investment grade debt.

Japanese equities were a standout performer, lifted by optimism following the election of Prime Minister Sanae Takaichi, who pledged pro-growth reforms and continued stimulus in the spirit of Abenomics. The Nikkei 225 index surged, supported by export-driven gains from a weaker yen. However, rising expectations of fiscal expansion nudged Japanese bond yields higher.

Across Asia, markets benefited from improving trade sentiment and China's ongoing stimulus. The MSCI Asia ex-Japan Index rose 4.5%, with South Korea (+23%) and Taiwan (+10%) leading gains, as semiconductor producers rallied on improved AI supply-chain outlooks. China's CSI 300 climbed 2.5% as the government expanded liquidity and relaxed property restrictions, though persistent youth unemployment and housing stress capped enthusiasm.

In Australia, equities underperformed, with the S&P/ASX 300 Accumulation Index up 0.4%, as stronger-than-expected inflation data curtailed hopes for near-term RBA interest rate cuts.

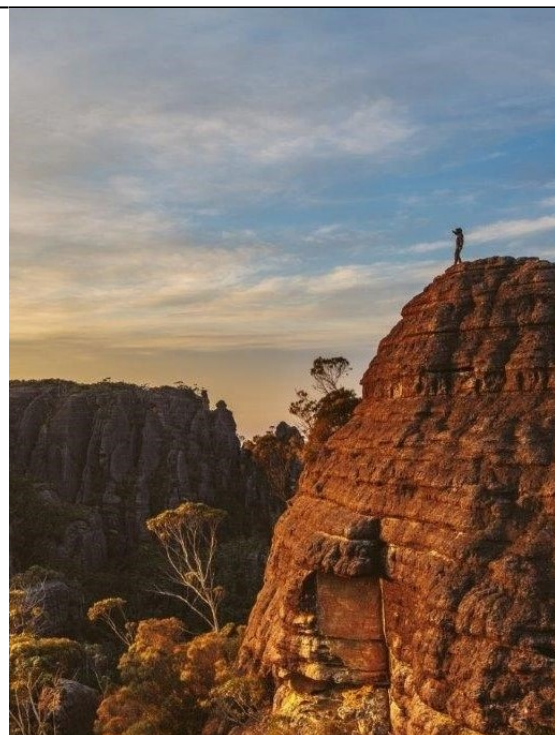
In Europe, equities advanced moderately. The Euro Stoxx 50 gained 2.8%, driven by luxury and auto stocks supported by recovering Chinese demand. The ECB kept rates steady for a third meeting as inflation fell to 2.2%, its lowest in three years. The UK's FTSE All-Share rose 3.7%, aided by a weaker pound and a 30-basis-point drop in gilt yields, as softer inflation boosted rate-sensitive sectors.

Emerging markets performed well overall, led by Argentina (+64%) after a pro-reform election result. Emerging-market debt (+2.2%) also outpaced developed markets, supported by high real yields and a softer dollar.

Commodities posted a 2.9% gain, led by industrial and precious metals, while gold regained safe-haven status amid geopolitical risks and record central-bank buying.

Overall, October reflected cautious optimism. Equities benefited from trade relief and resilient earnings, while bonds were mixed amid shifting rate expectations.

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



## \$10,000 invested over time



■ CFS AZ Sestante Diversified ■ RBA Cash Rate + 3.5% p.a.

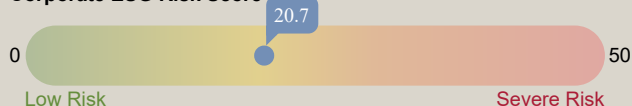
## Portfolio information

- Investment Objective: target CPI +3.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- Portfolio Inception Date: 5 December 2016 (for investments only)

## ESG Risk Score

● CFS AZ Sestante Diversified

### Corporate ESG Risk Score



### Sovereign ESG Risk Score



## ESG Pillar Score



5.7

Environmental



8.1

Social



4.4

Governance



1.2

Unallocated

\*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 5/12/2016 and represents modelled performance only and assumes income received is reinvested.

### AZ Sestante

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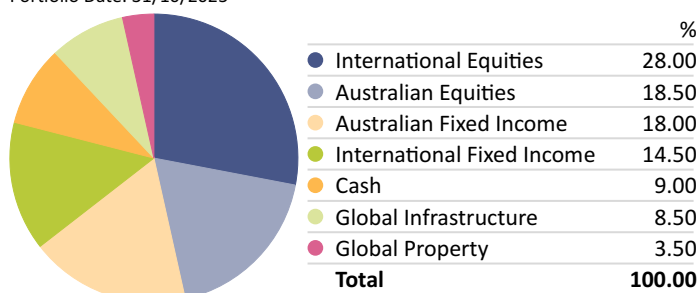
### Important information

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 100 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: 31/10/2025



## Where your funds are invested

|                                          |               |  |
|------------------------------------------|---------------|--|
| <b>International Equities</b>            | <b>28.00</b>  |  |
| CFS Index Global Share-Hedged            | 8.00          |  |
| CFS FC-GQG Partners Global Equity        | 6.50          |  |
| CFS FC-T. Rowe Price Global Equity       | 5.00          |  |
| CFS FC W- RQI Global Value               | 3.50          |  |
| CFS FC-Royal London Con Glb Share        | 3.50          |  |
| CFS FC-Pendal Glb Emerg Mkt Opps         | 1.50          |  |
| <b>Australian Equities</b>               | <b>18.50</b>  |  |
| CFS FC-Schroder Australian Equity        | 8.50          |  |
| CFS FC-Pendal Australian Share           | 6.50          |  |
| CFS Wholesale Indexed Australian Share   | 3.50          |  |
| <b>Australian Fixed Income</b>           | <b>18.00</b>  |  |
| CFS FC-Franklin Aust Abs Return Bond     | 9.00          |  |
| CFS FC-Pendal Sust Aust Fixed Interest   | 4.50          |  |
| CFS Wholesale Indexed Australian Bond    | 4.50          |  |
| <b>International Fixed Income</b>        | <b>14.50</b>  |  |
| CFS FC-PIMCO Global Bond                 | 7.50          |  |
| CFS FC-Macquarie Dynamic Bond            | 7.00          |  |
| <b>Cash</b>                              | <b>9.00</b>   |  |
| CFS Wholesale Cash                       | 8.50          |  |
| Cash                                     | 0.50          |  |
| <b>Global Infrastructure</b>             | <b>8.50</b>   |  |
| CFS Index Global List Infrastructure Sec | 8.50          |  |
| <b>Global Property</b>                   | <b>3.50</b>   |  |
| CFS Index Global Property Securities     | 3.50          |  |
| <b>Total</b>                             | <b>100.00</b> |  |

**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

During October, we allocated to Emerging Market equities and established a position in the Pendal Emerging Markets Opportunities Fund. This was funded by trimming the exposure to the RQI Global Share Value Fund.

## Major Index Returns

|                                        | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years |
|----------------------------------------|---------|----------|----------|--------|---------|
| S&P/ASX 200 TR AUD                     | 0.39    | 2.70     | 11.09    | 12.46  | 13.08   |
| MSCI World Ex Australia GR AUD         | 3.34    | 6.43     | 18.59    | 22.84  | 21.47   |
| Bloomberg AusBond Composite O+Y TR AUD | 0.36    | 0.80     | 1.68     | 6.47   | 4.05    |
| Bloomberg Global Aggregate TR Hdg AUD  | 0.75    | 1.93     | 2.33     | 4.78   | 4.35    |
| S&P Global Infrastructure NR AUD       | 0.95    | 1.40     | 7.13     | 17.05  | 13.83   |