

# Sestante Moderately Conservative Index Portfolio

## Monthly Investment Report



As of 28/02/2026

### Latest Performance\*

	1-mth	3-mths	1-yr	3-yr	5-yr	Inception
Sestante Mod Conservative Index	2.05	2.62	10.55	9.36	5.78	5.83
RBA Cash Rate + 2% p.a.	0.45	1.42	5.99	6.29	4.95	4.29

### Market Review

Global investment markets opened 2026 with a constructive shift in sentiment, as improving risk appetite outweighed ongoing geopolitical and political uncertainty. January proved volatile, yet asset prices reflected growing confidence in global growth and corporate earnings. Hedged global Equities advanced approximately 2.5% over the month, while Bond markets delivered only modest returns as yields moved higher in response to stronger activity data and shifting policy expectations.

Equity market performance was characterised by a clear broadening in leadership. Investors continued to rotate away from highly concentrated US mega-cap technology exposure toward a wider set of regions and styles. Within the United States, small-capitalisation stocks rose around 5% in USD, significantly outperforming large caps, while the so-called Magnificent Seven stocks gained only about 1%, broadly in line with the S&P 500.

Outside the US, performance was even stronger. Emerging Market Equities surged approximately 9% in January, outperforming Developed markets by a margin not seen in more than two decades. Japanese equities also delivered solid gains, with the main Japanese Equities index rising 4.6%, supported by improving earnings expectations and renewed investor interest in cyclical sectors. Across regions, cyclical stocks outperformed defensives, reflecting confidence in global demand and earnings resilience. The Australian equity market was also up for the month (1.8%), driven higher by strong gains in the energy and materials sectors.

Earnings growth remained a key driver of equity returns. Forward earnings expectations were revised higher across several markets, particularly in emerging markets, Japan and materials-related sectors. In the US, the fourth-quarter reporting season progressed positively, with reported earnings exceeding consensus expectations by roughly 9%, providing fundamental support for equity prices despite elevated valuations.

Fixed income markets lagged risk assets. The Global Aggregate Bond Index rose by around 0.2%, as stronger-than-expected economic data and concerns around fiscal policy weighed on performance. US Treasury yields moved higher, particularly at the front end, as expectations for the next Federal Reserve rate cut were pushed further out. Japanese government bonds experienced a notable sell-off, with 10-year yields contributing to a monthly decline of approximately 1.3%, marking their weakest start to a year since the mid-1990s. In contrast, select eurozone bonds outperformed, with French and Italian government bonds returning around 1% and 0.7%, respectively, as investors sought carry amid easing political risk.

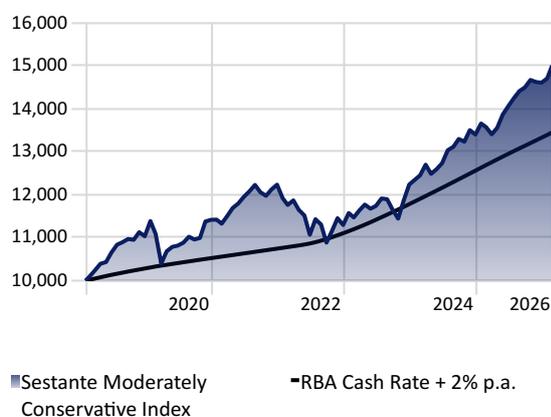
Commodities delivered some of the strongest returns during the month. The Bloomberg Commodity Index rose approximately 10%, led by energy markets. Brent crude oil prices climbed around 12%, while European and US gas prices surged on colder-than-expected winter conditions. Gold also performed strongly, rising around 13% during January, supported by central bank demand and heightened geopolitical risk.

Overall, January highlighted a more balanced market environment. Equity gains broadened across regions and styles, commodities delivered strong returns, and diversification proved valuable

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



### Portfolio information

- Investment Objective: target RBA cash rate +2.0% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 45% Growth / 55% Defensive
- Portfolio Inception Date: 7 February 2019

## ESG Risk Score

● Sestante Moderately Conservative Index

### Corporate ESG Risk Score



### Sovereign ESG Risk Score



## ESG Pillar Score



6.0

Environmental



8.3

Social



4.4

Governance



1.1

Unallocated

## Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	4.11	7.34	4.07	16.19	12.22
MSCI World Ex Australia GR AUD	-1.06	-4.60	0.78	6.18	19.06
Bloomberg AusBond Composite 0+Y TR AUD	0.88	0.46	0.03	3.15	3.61
Bloomberg Global Aggregate TR Hdg AUD	1.39	1.39	3.02	4.46	4.44
S&P Global Infrastructure NR AUD	5.55	3.01	7.39	16.87	15.56

### 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 that of the model portfolio. Investment performance is shown from 7/2/2019 and represents modelled performance only and assumes income received is reinvested.

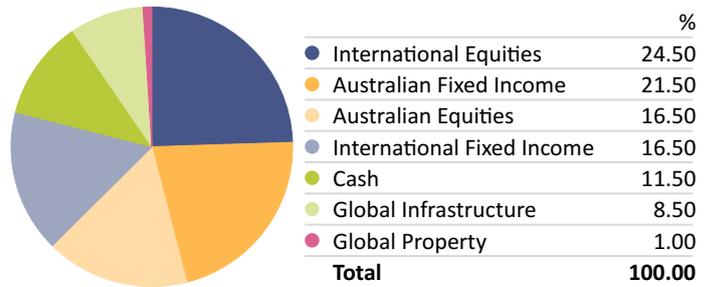
The Morningstar Historical Corporate Sustainability Score is a weighted average of the trailing 12 months of Morningstar Portfolio Corporate Sustainability Scores. Historical portfolio scores are not equal-weighted; rather, more-recent portfolios are weighted more heavily than older portfolios. Combining 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: 28/02/2026



## Where your funds are invested

<b>International Equities</b>	<b>24.50</b>	—
Vanguard All-World ex-US Shares ETF	9.00	🌐🌐🌐
iShares S&P 500 AUD Hedged ETF	7.50	🌐🌐🌐
iShares S&P 500 ETF	6.50	🌐🌐🌐
Vanguard Emerging Markets Shares Index	1.50	🌐
<b>Australian Fixed Income</b>	<b>21.50</b>	—
iShares Australian Bond Index	21.50	—
<b>Australian Equities</b>	<b>16.50</b>	—
iShares Core S&P/ASX 200 ETF	16.50	🌐🌐🌐
<b>International Fixed Income</b>	<b>16.50</b>	—
iShares Global Bond Index	16.50	🌐🌐🌐
<b>Cash</b>	<b>11.50</b>	—
BetaShares Aus High Interest Cash ETF	9.50	—
Cash	2.00	—
<b>Global Infrastructure</b>	<b>8.50</b>	—
VanEck FTSE Gbl Infrs(AUD Hdg)ETF	8.50	🌐🌐🌐
<b>Global Property</b>	<b>1.00</b>	—
VanEck FTSE Intl Prop (AUD Hdg) ETF	1.00	🌐🌐🌐
	<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

There were no portfolio changes this month.