

Market Review

Global financial markets experienced a volatile first quarter of 2026, driven by geopolitical tensions, sector rotation and shifting inflation expectations. Equity markets generally declined, bond markets weakened and commodities surged, with the escalation of conflict in the Middle East becoming the dominant market driver. Disruption to energy supply routes led to a sharp rise in oil prices, increased inflation concerns and a broad reassessment of investor positioning across asset classes.

U.S. equity markets were particularly volatile. The S&P 500 declined around 4.3% for the quarter, marking one of the weaker periods for U.S. large-cap equities in recent years. Technology stocks were a major drag, especially software companies, as investors questioned the long-term impact of artificial intelligence on traditional business models. At the same time, investors rotated toward AI infrastructure businesses such as semiconductors and data centres. Energy and materials companies were among the strongest performers, benefiting from the surge in commodity prices.

European equities also declined, with losses concentrated late in the quarter as energy prices rose and growth concerns intensified. However, energy and commodity-linked sectors delivered strong returns. The UK market performed better overall, supported by its exposure to resources and energy companies, while Japanese equities were among the stronger performers, helped by policy expectations, currency weakness and improved political stability.

Emerging markets delivered mixed results. Technology-heavy markets such as Korea and Taiwan performed well earlier in the quarter due to strong AI-related demand, although gains partially reversed following the Middle East conflict. Latin American markets benefited from higher commodity prices, while India and China lagged due to growth concerns and rising energy costs.

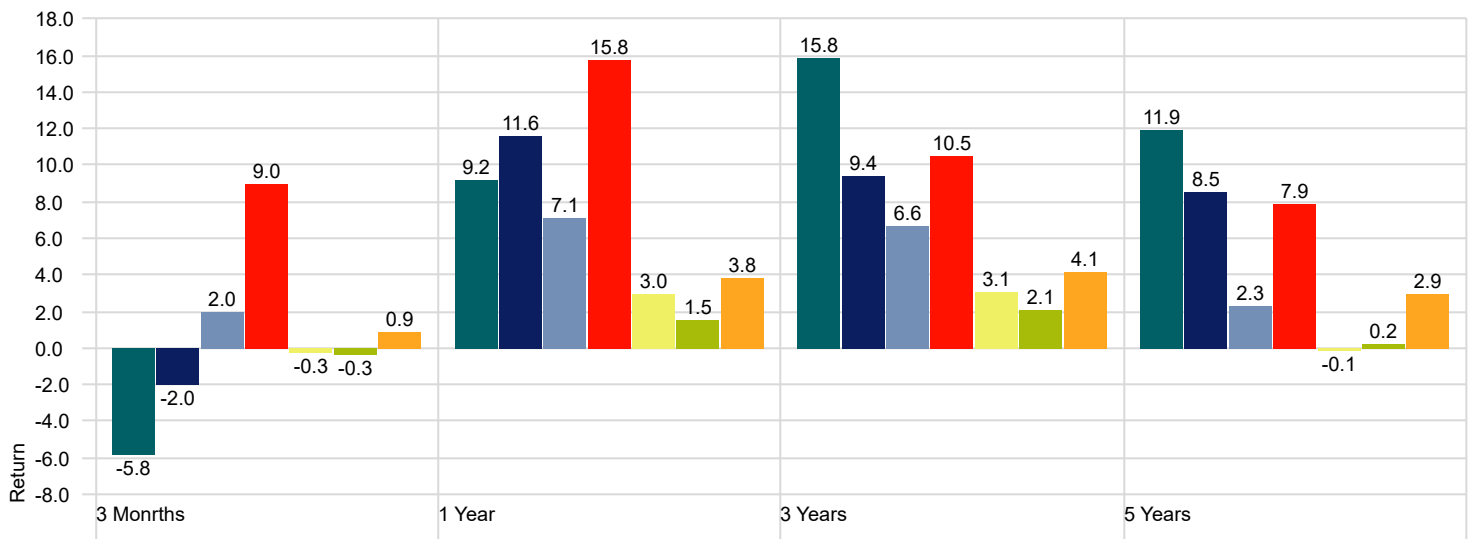
Fixed income markets also faced pressure as rising energy prices increased inflation expectations and reduced the likelihood of near-term interest rate cuts. Government bond yields rose across most major markets, while U.S. Treasuries proved relatively resilient compared with other regions.

Commodities were the standout asset class during the quarter, with energy prices surging following supply disruptions in the Middle East. Australian equities benefited from this environment, supported by strong exposure to energy and materials companies.

Overall, the quarter highlighted a shift in market leadership, with commodities and value-oriented sectors outperforming while growth and technology stocks faced pressure amid elevated geopolitical risks and uncertainty.

Returns

As of Date: 31/03/2026



■ International Equities
 ■ Australian Equities
 ■ Global Property
■ Global Infrastructure
 ■ International Fixed Income
 ■ Australian Fixed Income
■ Cash

*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 -0.69% return, underperforming its cash + 2.0% (annual) benchmark for the quarter. The Schroder Australian Equity Fund was a strong performer and added value, however this was more than offset by weaker results from the Paradise Australian Equities Fund and the Yarra Ex-20 Australian Equities Fund, which significantly underperformed the ASX 200.

International equities were mixed but overall detracted slightly. The GQG Partners Global Equity Fund delivered strong returns and was a key contributor, while the Yarra Global Small Companies Fund and Vanguard All-World ex-US Shares ETF also added value. However, these gains were offset by weaker performance from the Ironbark Brown Advisory Global Share Fund and Vanguard MSCI International ETF.

Infrastructure delivered a solid positive return, with the VanEck Global Infrastructure ETF (Hedged) contributing value and providing diversification benefits.

Within Fixed Income, the Janus Henderson Tactical Income Fund added value, while both the Western Asset Australian Bond Trust and the Yarra Australian Bond Fund detracted marginally. Globally, both the PIMCO Global Bond Fund and Macquarie Dynamic Bond Fund delivered negative returns and detracted from overall portfolio performance.

ESG Portfolio

The ESG portfolio returned -1.13%, underperforming its cash + 2.0% (annual) benchmark for the quarter. Q1 was again a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the 4D Global Infrastructure Fund (AUD Hedged) and the Schroders Australian Equity Fund. The poorest performing exposure was the VanEck MSCI Australian Sustainable Equity ETF that lost 10.1%, which significantly underperformed the ASX 200 Index and detracted value over the quarter. The Mirova Global Sustainable Equity Fund and the Australian Ethical Australian Shares Fund both lost around 9.5% for the quarter. Given the rising bond yields over the quarter, the PIMCO ESG Global Bond Fund lost 1.6%, which detracted from the portfolio's absolute return.

Index Portfolio

The Index portfolio delivered a -0.68% return, underperforming its cash + 1.5% (annual) benchmark for the quarter. The best positive return for the quarter was produced by the VanEck FTSE Global Infrastructure (AUD Hedged) ETF, which returned 9.0%. Given the International equities were generally negative for the quarter, the poorest performing exposure was the iShares S&P 500 ETF that lost 6.9%.

Moderately Conservative Profile

Dynamic Portfolio

The Dynamic portfolio recorded a -1.24% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The Schroder Australian Equity Fund was a strong performer and added value, however this was more than offset by weaker results from the Paradise Australian Equities Fund and the Yarra Ex-20 Australian Equities Fund, which significantly underperformed the ASX 200.

International equities were mixed but overall detracted slightly. The GQG Partners Global Equity Fund delivered strong returns and was a key contributor, while the Yarra Global Small Companies Fund and Vanguard All-World ex-US Shares ETF also added value. However, these gains were offset by weaker performance from the Ironbark Brown Advisory Global Share Fund and Vanguard MSCI International ETF.

Infrastructure delivered a solid positive return, with the VanEck Global Infrastructure ETF (Hedged) contributing value and providing diversification benefits. In contrast, Global Property underperformed its benchmark, with the VanEck International Property ETF (Hedged) detracting slightly.

Within Fixed Income, the Janus Henderson Tactical Income Fund added value, while both the Western Asset Australian Bond Trust and the Yarra Australian Bond Fund detracted marginally. Globally, both the PIMCO Global Bond Fund and Macquarie Dynamic Bond Fund delivered negative returns and detracted from overall portfolio performance.

ESG Portfolio

The ESG portfolio returned -1.82%, underperforming its cash + 2.5% (annual) benchmark for the quarter. Q1 was again a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the 4D Global Infrastructure Fund (AUD Hedged) and the Schroders Australian Equity Fund. The poorest performing exposure was the VanEck MSCI Australian Sustainable Equity ETF that lost 10.1%, which significantly underperformed the ASX 200 Index and detracted value over the quarter. The Mirova Global Sustainable Equity Fund and the Australian Ethical Australian Shares Fund both lost around 9.5% for the quarter. Given the rising bond yields over the quarter, the PIMCO ESG Global Bond Fund lost 1.6%, which detracted from the portfolio's absolute return.

Index Portfolio

The Index portfolio delivered a -1.10% return, underperforming its cash + 2.0% (annual) benchmark for the quarter. The best positive returns for the quarter were produced by the VanEck FTSE Global Infrastructure (AUD Hedged) ETF and the VanEck FTSE International Property (AUD Hedged) ETF, which returned 9.0% and 1.8% respectively. Given the International equities were generally negative for the quarter, the poorest performing exposure was the iShares S&P 500 ETF that lost 6.9%.

Balanced Profile

Dynamic Portfolio

The Dynamic portfolio recorded a -2.04% return for the quarter, underperforming its cash +3.5% (annual) benchmark, with most of the weakness driven by equity markets. Australian equities were the largest detractor. The Schroder Australian Equity Fund was a strong performer and added value, however this was more than offset by weaker results from the Paradise Australian Equities Fund and the Yarra Ex-20 Australian Equities Fund, which significantly underperformed the ASX 200.

International equities were mixed but overall detracted slightly. The GQG Partners Global Equity Fund delivered strong returns and was a key contributor, while the Yarra Global Small Companies Fund and Vanguard All-World ex-US Shares ETF also added value. However, these gains were offset by weaker performance from the Ironbark Brown Advisory Global Share Fund and Vanguard MSCI International ETF.

Infrastructure delivered a solid positive return, with the VanEck Global Infrastructure ETF (Hedged) contributing value and providing diversification benefits. In contrast, Global Property underperformed its benchmark, with the VanEck International Property ETF (Hedged) detracting slightly.

Within Fixed Income, the Janus Henderson Tactical Income Fund added value, while both the Western Asset Australian Bond Trust and the Yarra Australian Bond Fund detracted marginally. Globally, both the PIMCO Global Bond Fund and Macquarie Dynamic Bond Fund delivered negative returns and detracted from overall portfolio performance.

ESG Portfolio

The ESG portfolio returned -2.89%, underperforming its cash + 3.5% (annual) benchmark for the quarter. Q1 was again a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the 4D Global Infrastructure Fund (AUD Hedged) and the Schroders Australian Equity Fund. The poorest performing exposure was the VanEck MSCI Australian Sustainable Equity ETF that lost 10.1%, which significantly underperformed the ASX 200 Index and detracted value over the quarter. The Mirova Global Sustainable Equity Fund and the Australian Ethical Australian Shares Fund both lost around 9.5% for the quarter. Given the rising bond yields over the quarter, the PIMCO ESG Global Bond Fund lost 1.6%, which detracted from the portfolio's absolute return.

Index Portfolio

The Index portfolio delivered a -1.85% return, underperforming its cash + 2.5% (annual) benchmark for the quarter. The best positive returns for the quarter were produced by the VanEck FTSE Global Infrastructure (AUD Hedged) ETF and the VanEck FTSE International Property (AUD Hedged) ETF, which returned 9.0% and 1.8% respectively. Given the International equities were generally negative for the quarter, the poorest performing exposure was the iShares S&P 500 ETF that lost 6.9%.

Assertive Profile

Dynamic Portfolio

The Dynamic portfolio recorded a -2.59% return, underperforming its cash + 4.5% (annual) benchmark for the quarter. The Schroder Australian Equity Fund was a strong performer and added value, however this was more than offset by weaker results from the Paradise Australian Equities Fund and the Yarra Ex-20 Australian Equities Fund, which significantly underperformed the ASX 200.

International equities were mixed but overall detracted slightly. The GQG Partners Global Equity Fund delivered strong returns and was a key contributor, while the Yarra Global Small Companies Fund and Vanguard All-World ex-US Shares ETF also added value. However, these gains were offset by weaker performance from the Ironbark Brown Advisory Global Share Fund and Vanguard MSCI International ETF.

Infrastructure delivered a solid positive return, with the VanEck Global Infrastructure ETF (Hedged) contributing value and providing diversification benefits. In contrast, Global Property underperformed its benchmark, with the VanEck International Property ETF (Hedged) detracting slightly.

Within Fixed Income, the Janus Henderson Tactical Income Fund added value, while both the Western Asset Australian Bond Trust and the Yarra Australian Bond Fund detracted marginally. Globally, both the PIMCO Global Bond Fund and Macquarie Dynamic Bond Fund delivered negative returns and detracted from overall portfolio performance.

ESG Portfolio

The ESG portfolio returned -3.64%, underperforming its cash + 4.5% (annual) benchmark for the quarter. Q1 was again a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the 4D Global Infrastructure Fund (AUD Hedged) and the Schroders Australian Equity Fund. The poorest performing exposure was the VanEck MSCI Australian Sustainable Equity ETF that lost 10.1%, which significantly underperformed the ASX 200 Index and detracted value over the quarter. The Mirova Global Sustainable Equity Fund and the Australian Ethical Australian Shares Fund both lost around 9.5% for the quarter. Given the rising bond yields over the quarter, the PIMCO ESG Global Bond Fund lost 1.6%, which detracted from the portfolio's absolute return.

Index Portfolio

The Index portfolio delivered a -2.33% return, underperforming its cash + 3.0% (annual) benchmark for the quarter. The best positive returns for the quarter were produced by the VanEck FTSE Global Infrastructure (AUD Hedged) ETF and the VanEck FTSE International Property (AUD Hedged) ETF, which returned 9.0% and 1.8% respectively. Given the International equities were generally negative for the quarter, the poorest performing exposure was the iShares S&P 500 ETF that lost 6.9%.

Aggressive Profile

Dynamic Portfolio

The Dynamic portfolio recorded a -3.22% return, underperforming its cash + 5.0% (annual) benchmark for the quarter. The Schroder Australian Equity Fund was a strong performer and added value, however this was more than offset by weaker results from the Paradise Australian Equities Fund and the Yarra Ex-20 Australian Equities Fund, which significantly underperformed the ASX 200.

International equities were mixed but overall detracted slightly. The GQG Partners Global Equity Fund delivered strong returns and was a key contributor, while the Yarra Global Small Companies Fund and Vanguard All-World ex-US Shares ETF also added value. However, these gains were offset by weaker performance from the Ironbark Brown Advisory Global Share Fund and Vanguard MSCI International ETF.

Infrastructure delivered a solid positive return, with the VanEck Global Infrastructure ETF (Hedged) contributing value and providing diversification benefits. In contrast, Global Property underperformed its benchmark, with the VanEck International Property ETF (Hedged) detracting slightly.

ESG Portfolio

The ESG portfolio returned -4.11%, underperforming its cash + 5.0% (annual) benchmark for the quarter. Q1 was again a difficult quarter for actively managed ESG styled portfolios. Some of the better performing underlying products were the 4D Global Infrastructure Fund (AUD Hedged) and the Schroders Australian Equity Fund. The poorest performing exposure was the VanEck MSCI Australian Sustainable Equity ETF that lost 10.1%, which significantly underperformed the ASX 200 Index and detracted value over the quarter. The Mirova Global Sustainable Equity Fund and the Australian Ethical Australian Shares Fund both lost around 9.5% for the quarter.

Index Portfolio

The Index portfolio delivered a -3.02% return, underperforming its cash + 4.5% (annual) benchmark for the quarter. The best positive returns for the quarter were produced by the VanEck FTSE Global Infrastructure (AUD Hedged) ETF and the VanEck FTSE International Property (AUD Hedged) ETF, which returned 9.0% and 1.8% respectively. Given the International equities were generally negative for the quarter, the poorest performing exposure was the iShares S&P 500 ETF that lost 6.9%.

AZ Sestante Quarterly Report

As of 31/03/2026

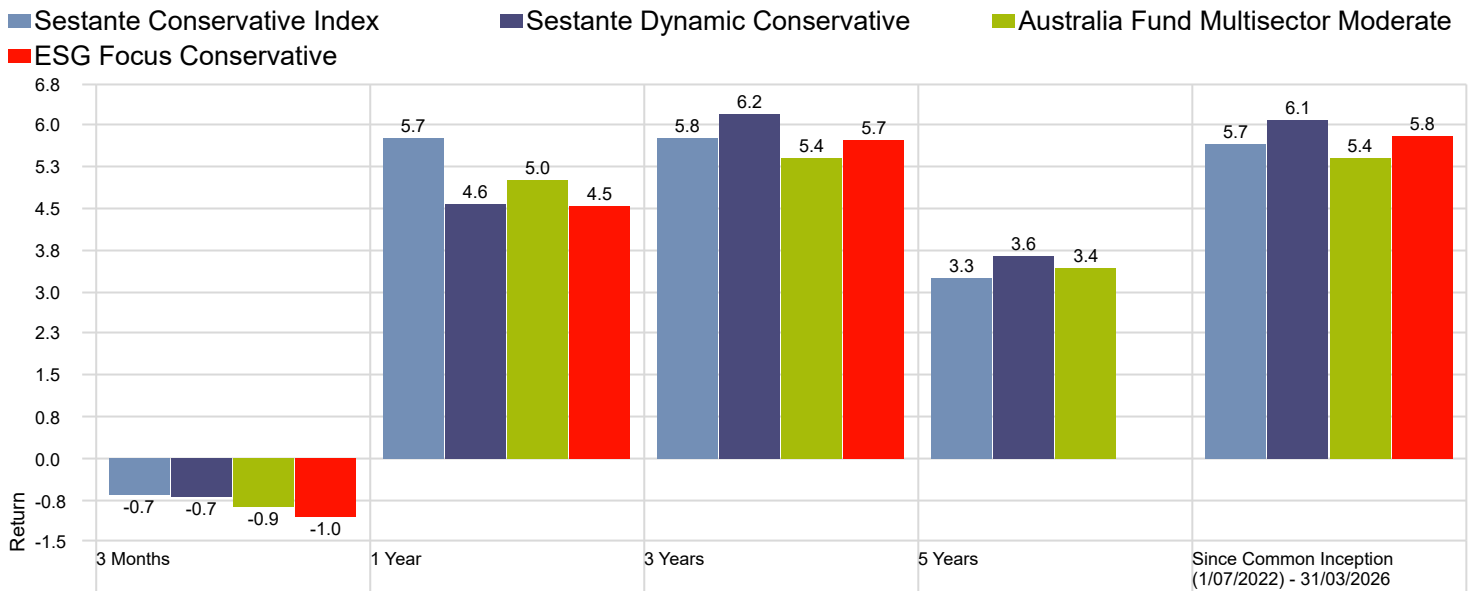
Peer Group Returns

Multisector Moderate Category



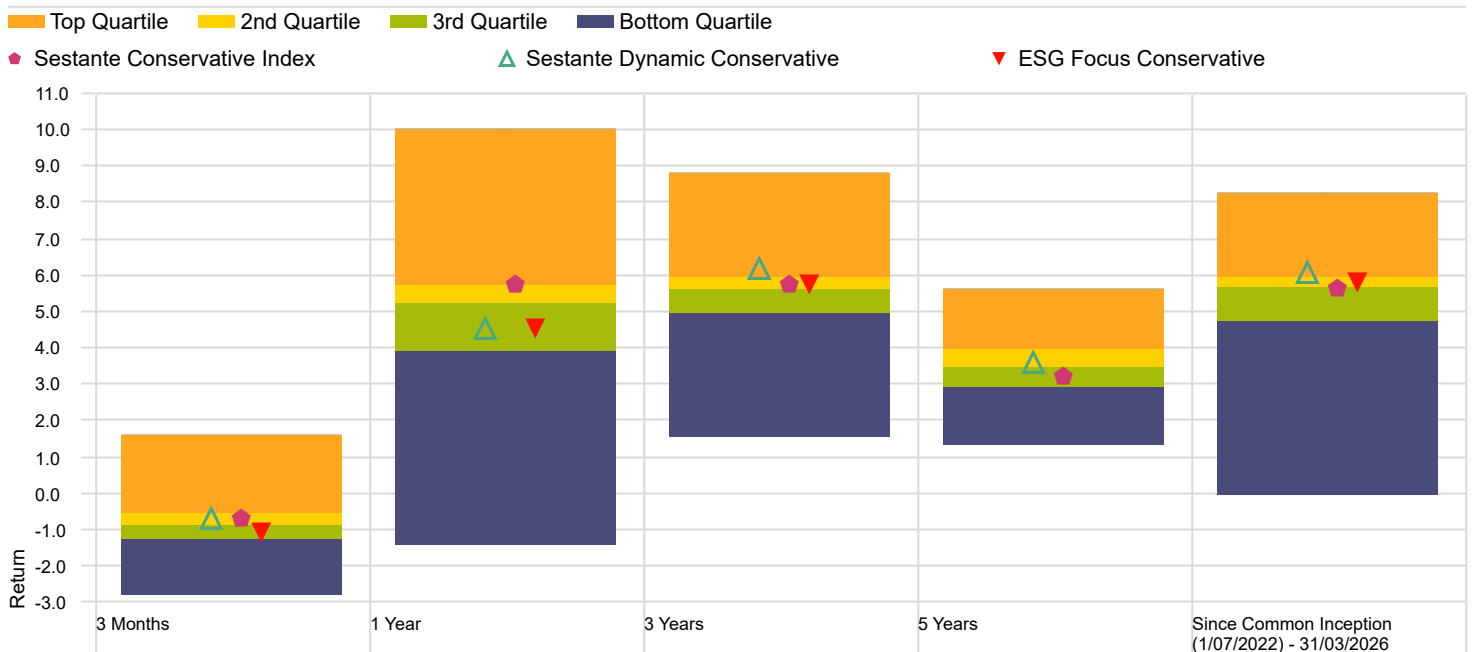
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Moderate Category consists of funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors.

Sestante Conservative Portfolios vs Morningstar Peers



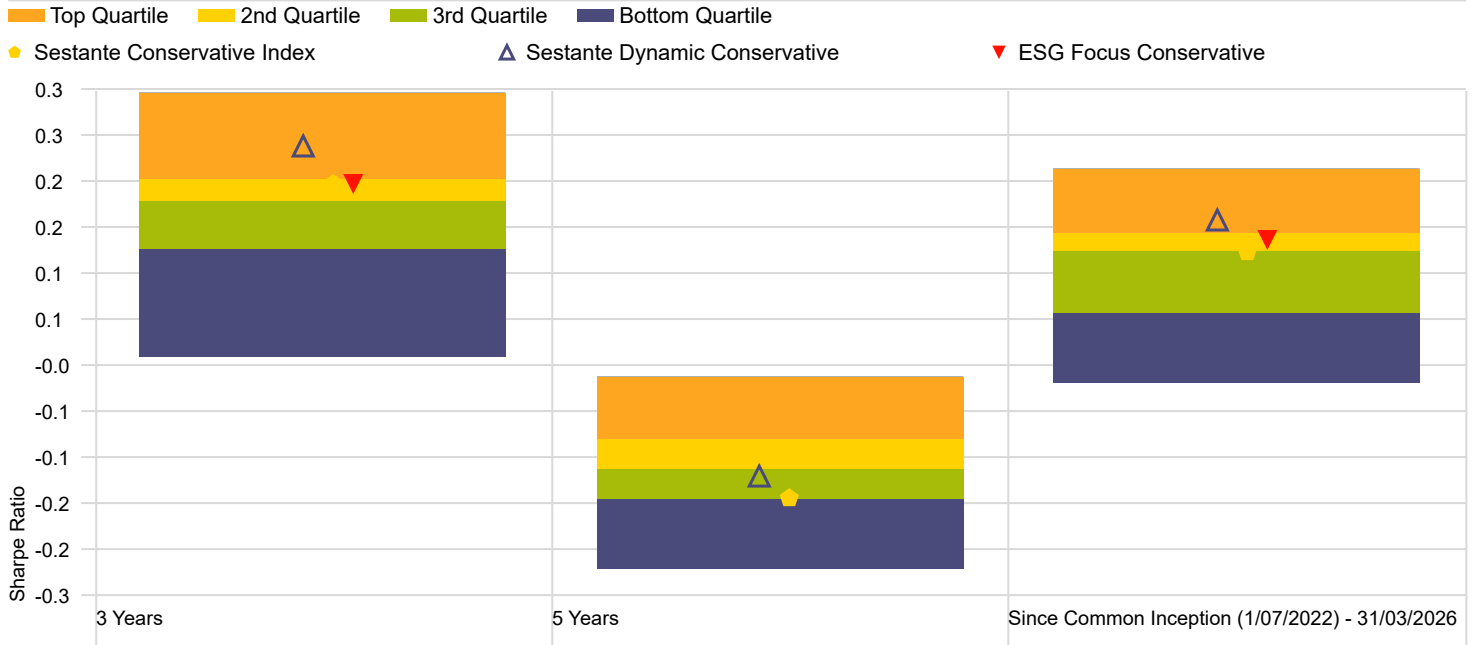
Sestante Conservative Performance Relative to Peer Group

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



Sharpe Ratio Relative to Peer Group - Conservative

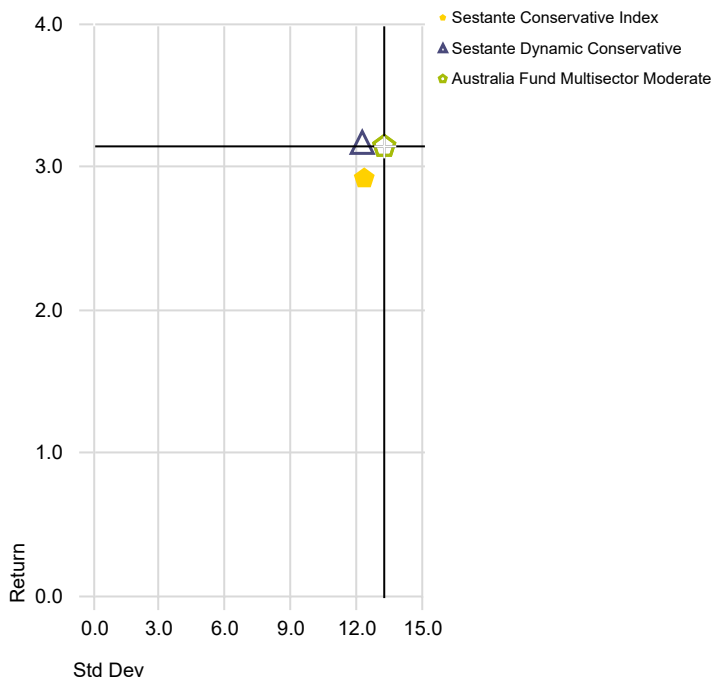
Peer Group (5-95%): Funds - Australia - Multisector Moderate



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.

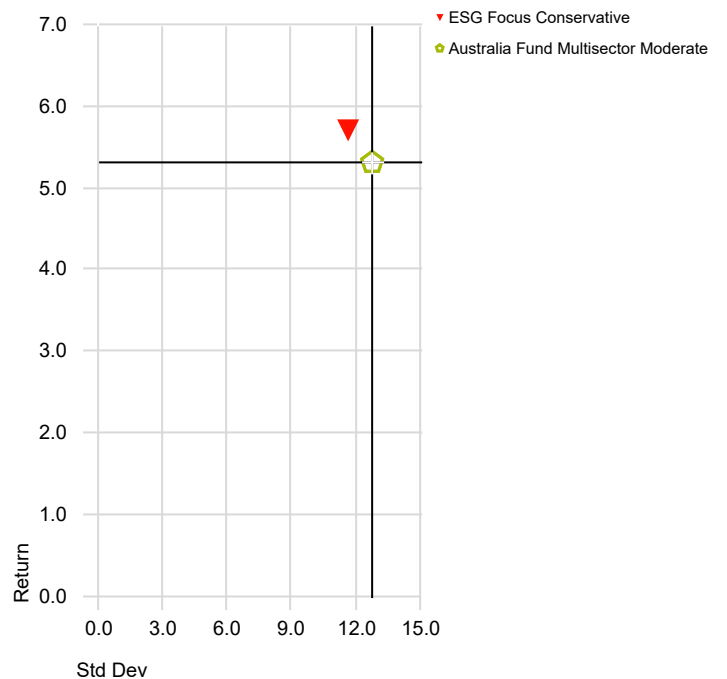
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/03/2026



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/03/2026



AZ Sestante Quarterly Report

As of 31/03/2026

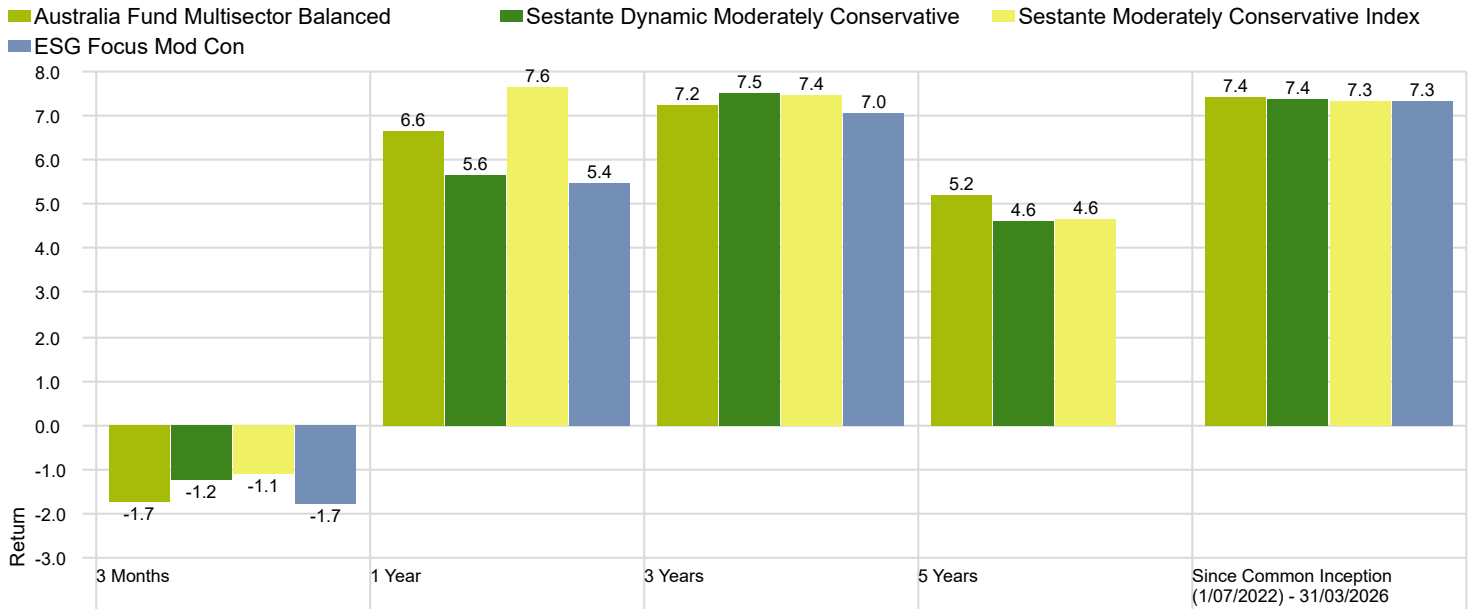
Peer Group Returns

Multisector Balanced Category



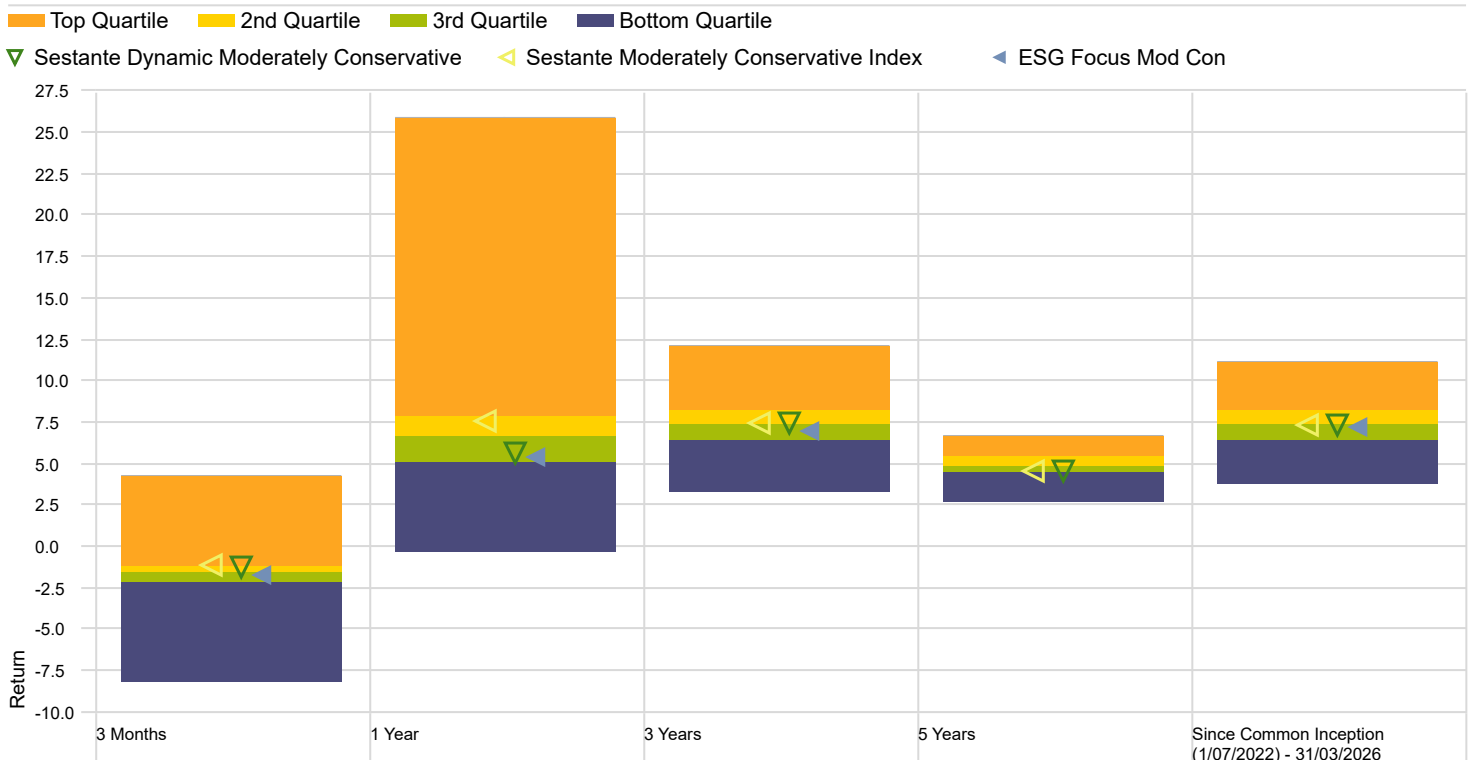
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Balanced Category consists of funds that invest in a number of sectors and have between 41% and 60% of their investments exposed to the growth sectors.

Sestante Moderately Conservative Portfolios vs Morningstar Peers



Sestante Moderately Conservative Performance Relative to Peer Group

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

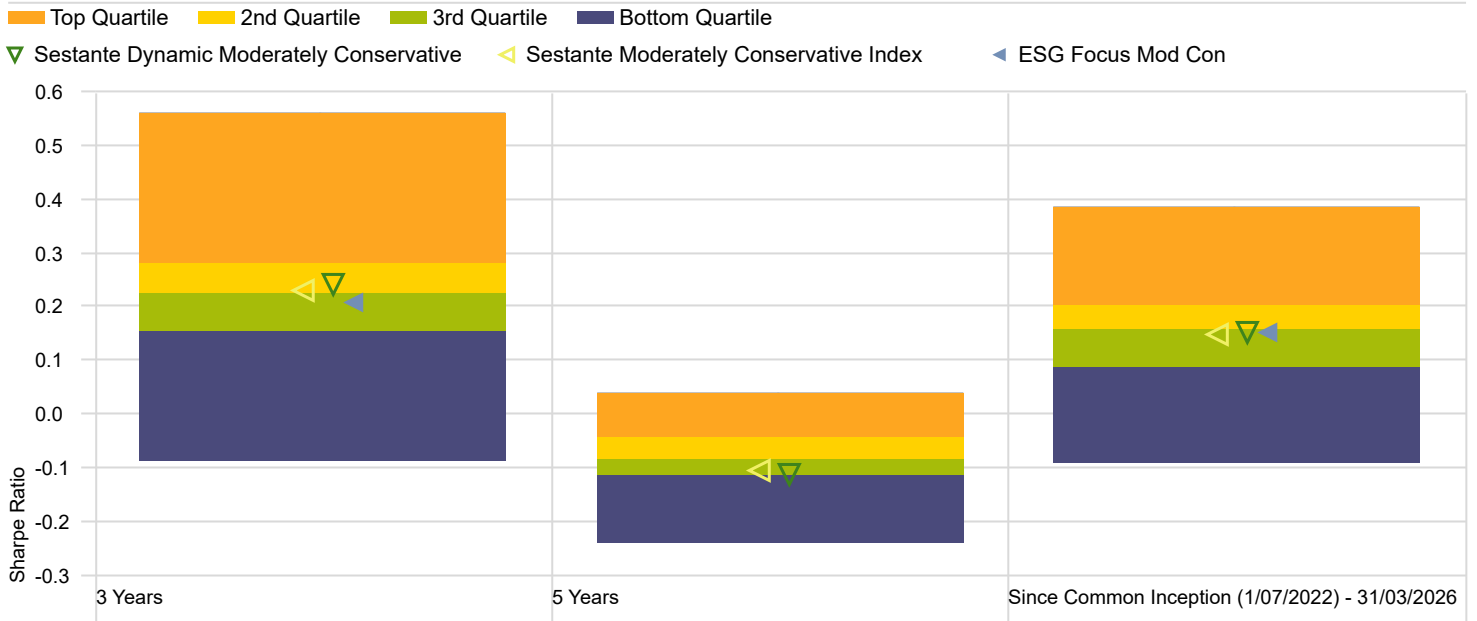


AZ Sestante Quarterly Report

As of 31/03/2026
Peer Group Returns
Multisector Balanced Category

Sharpe Ratio Relative to Peer Group - Moderately Conservative

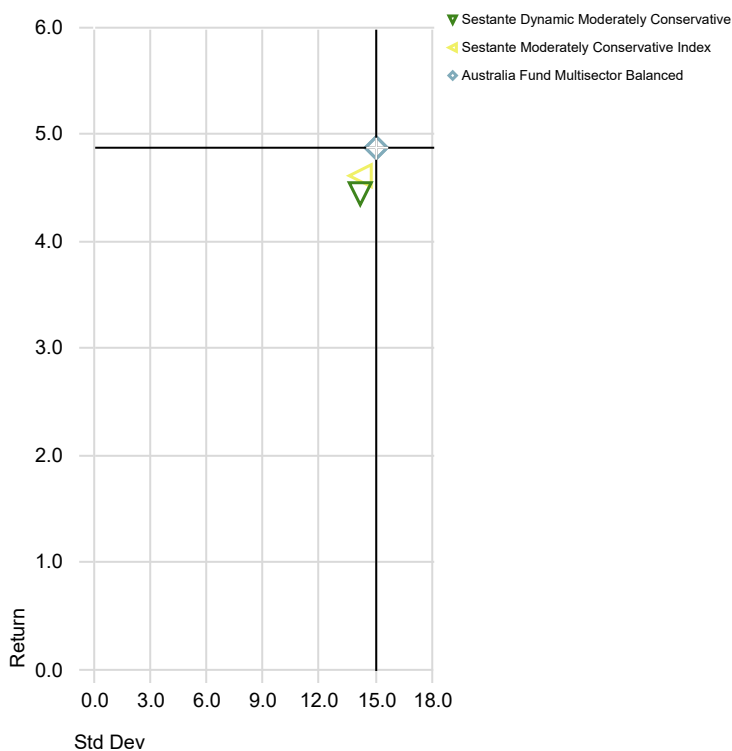
Peer Group (1-100%): Funds - Australia - Multisector Balanced



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.

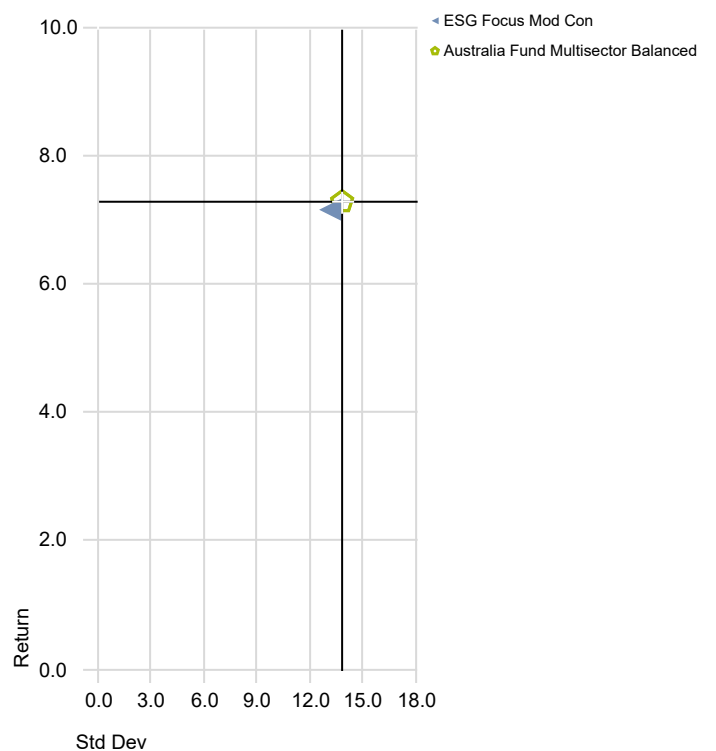
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/03/2026



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/03/2026



AZ Sestante Quarterly Report

As of 31/03/2026

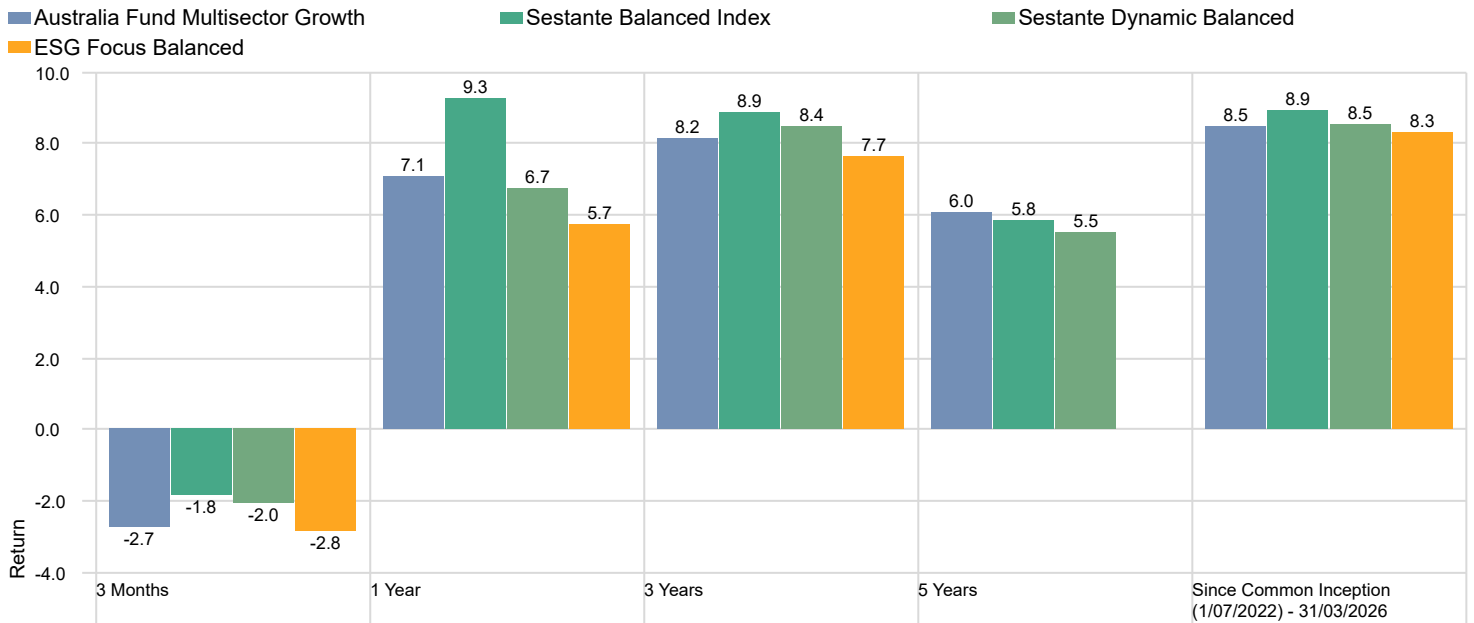
Peer Group Returns

Multisector Growth Category



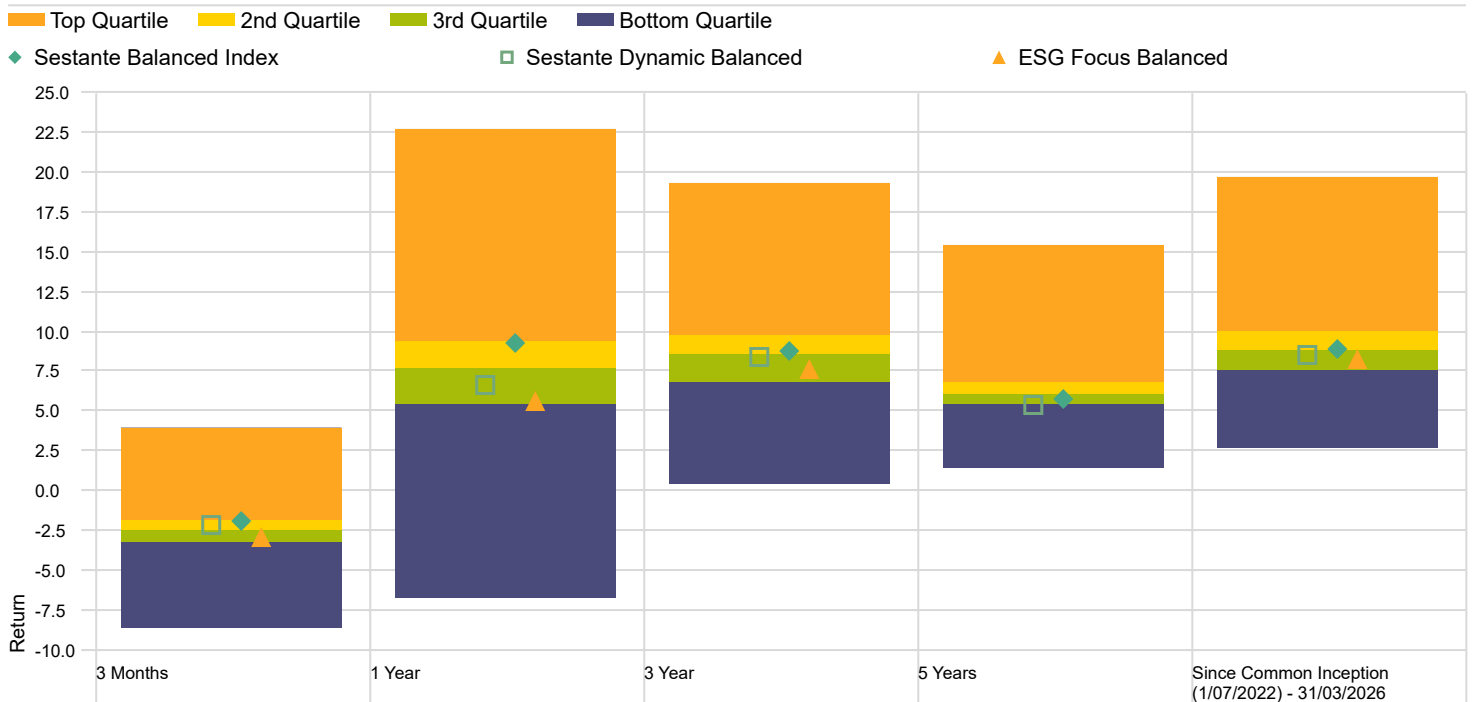
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. The Multisector Growth Category consists of funds that invest in a number of sectors and have between 61% and 80% of their investments exposed to the growth sectors.

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 31/03/2026

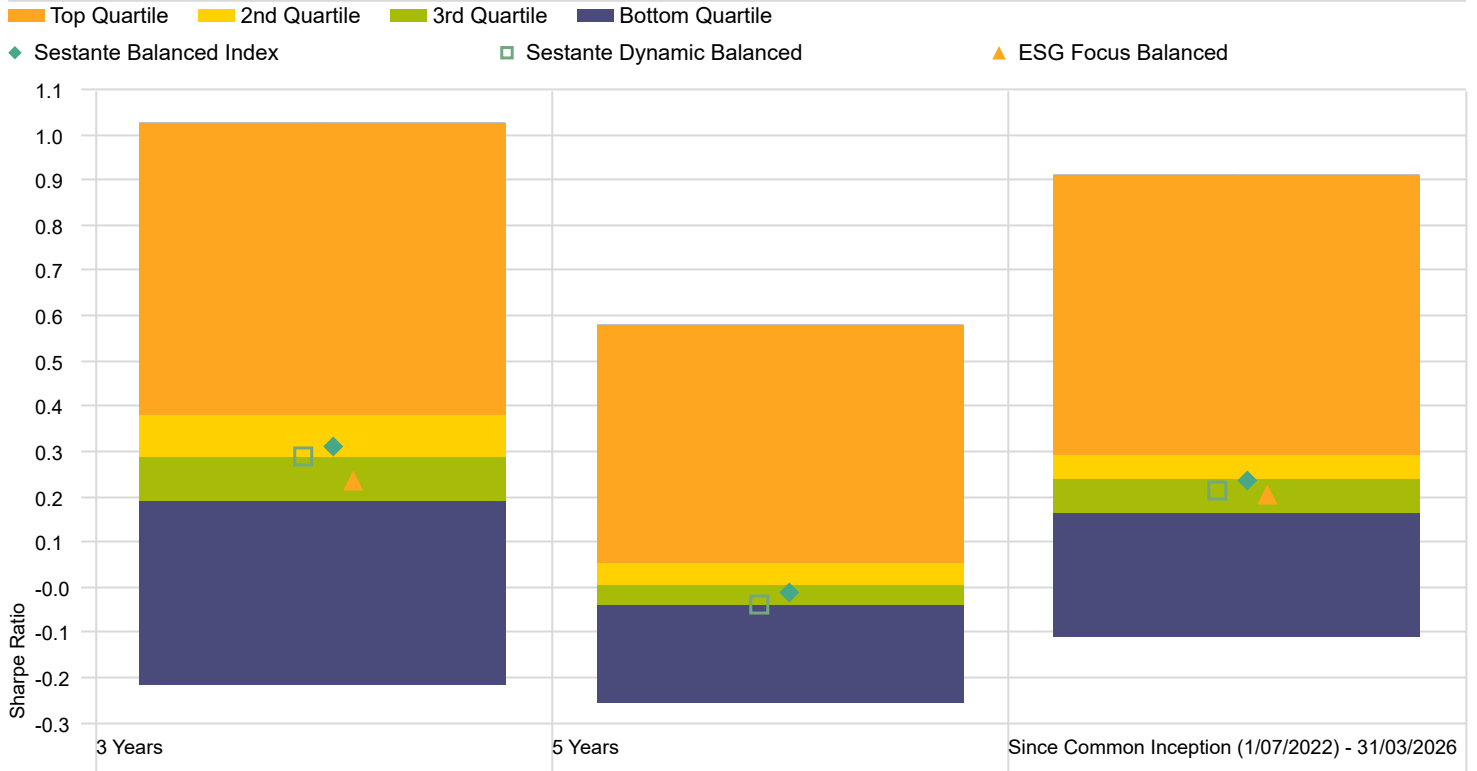
Peer Group Returns

Multisector Growth Category



Sharpe Ratio Relative to Peer Group - Balanced

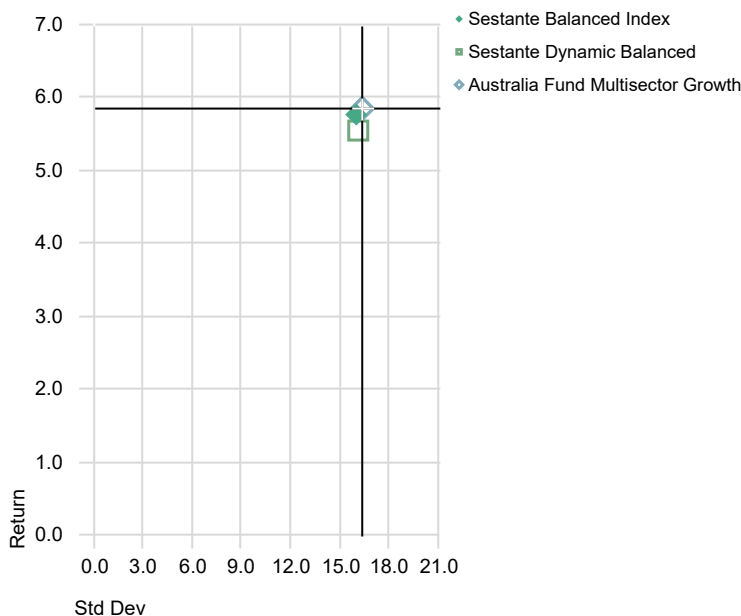
Peer Group (1-100%): Funds - Australia - Multisector Growth



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.

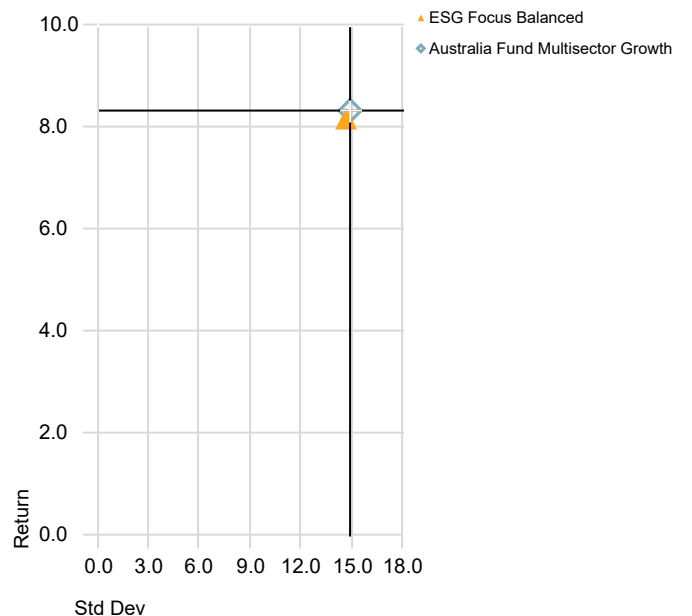
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/03/2026



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/03/2026



AZ Sestante Quarterly Report

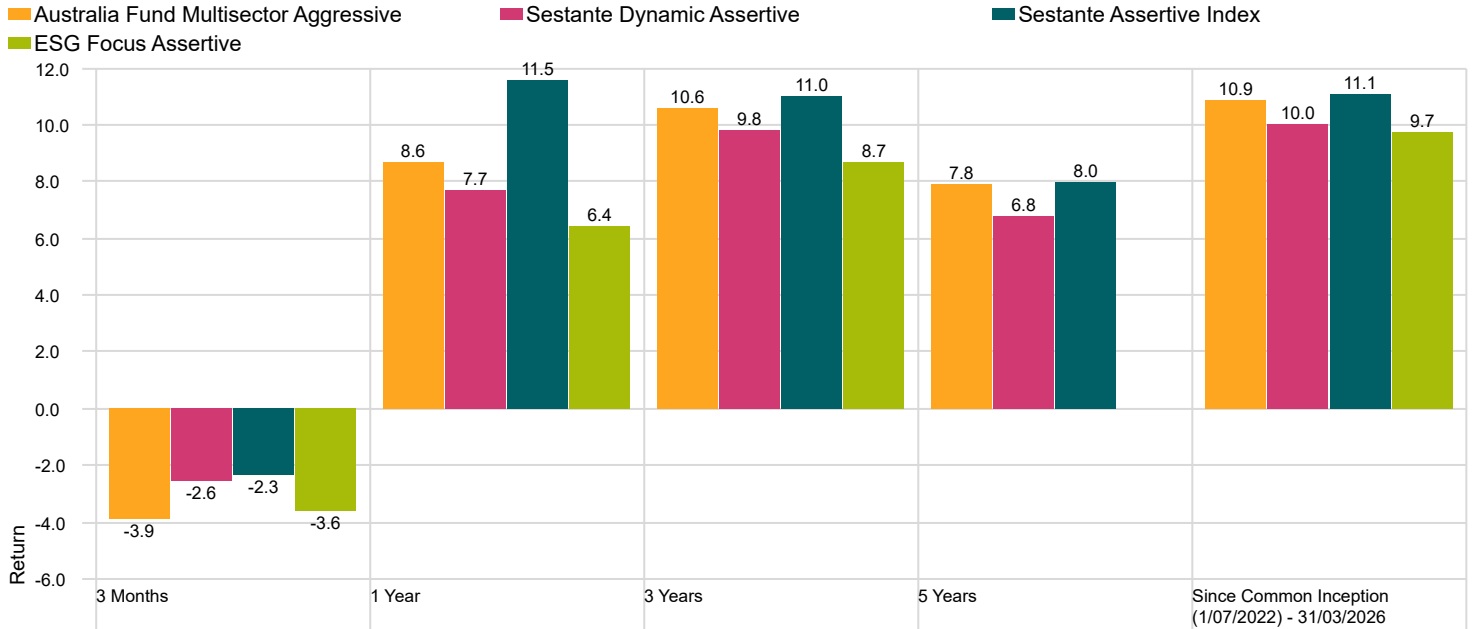
As of 31/03/2026

Peer Group Returns

Multisector Aggressive Category

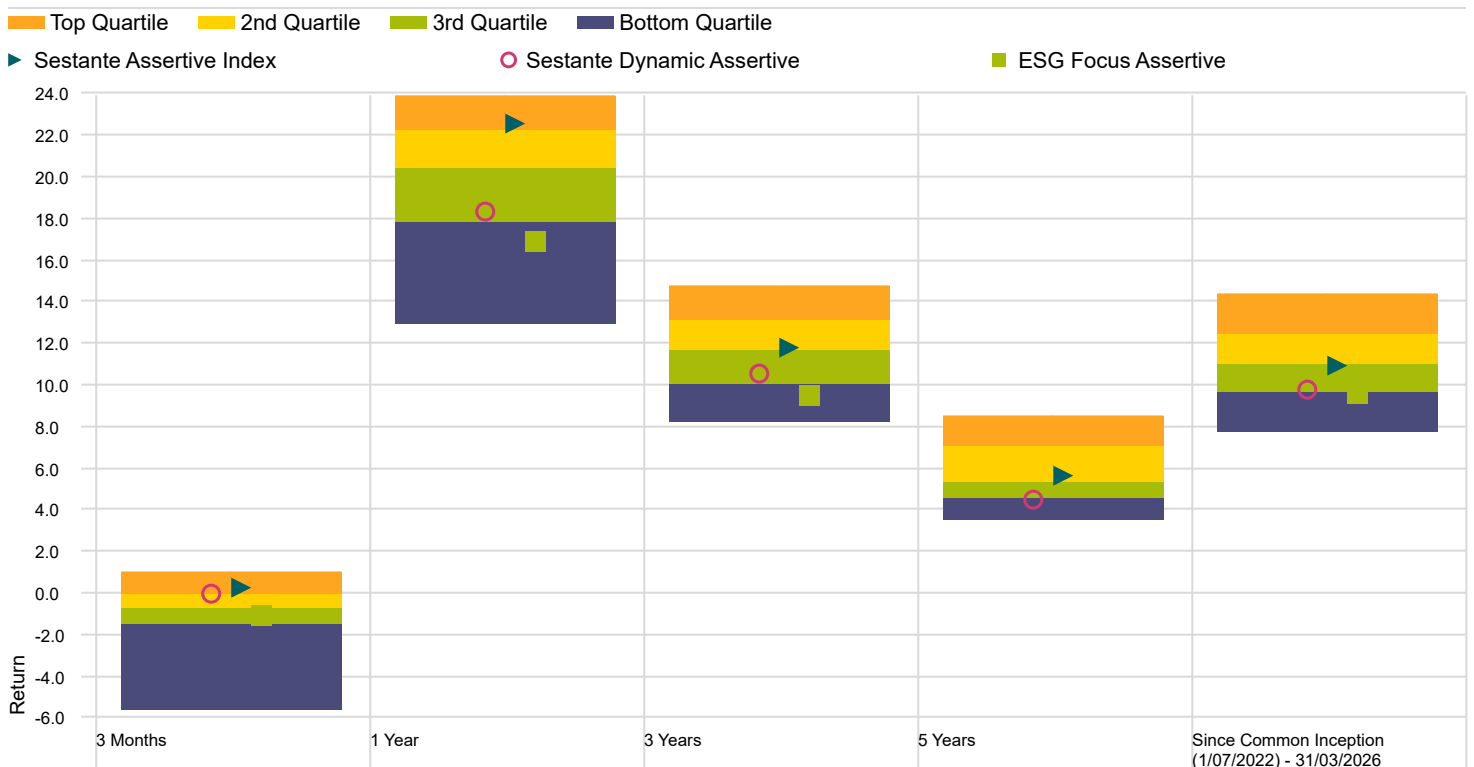
This part of the report aims to provide investors an effective way to compare the AZ Sestante portfolios with like options. Multisector Aggressive funds invest in a number of sectors and have over 80% of their assets in growth sectors.

Sestante Assertive Portfolios vs Morningstar Peers



Sestante Assertive Performance Relative to Peer Group

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

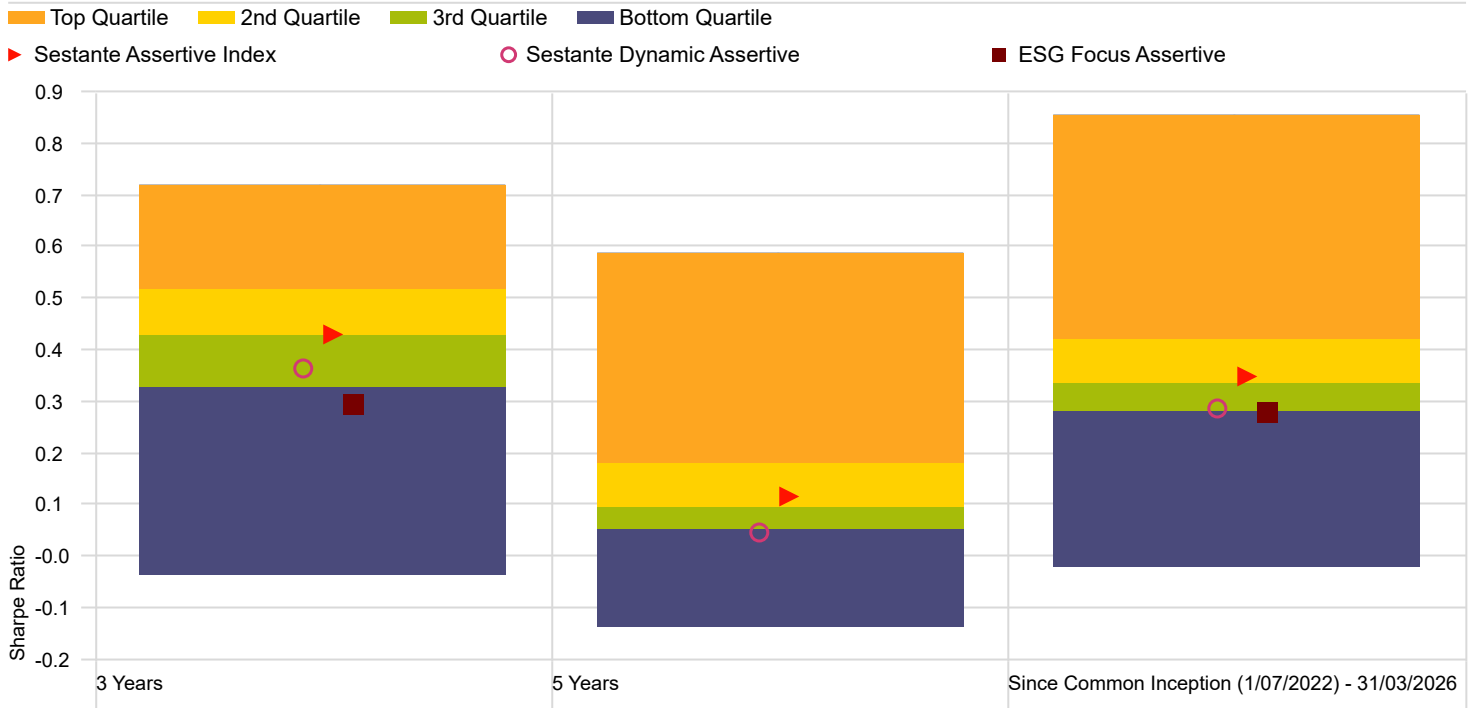


AZ Sestante Quarterly Report

As of 31/03/2026
Peer Group Returns
Multisector Aggressive Category

Sharpe Ratio Relative to Peer Group - Assertive

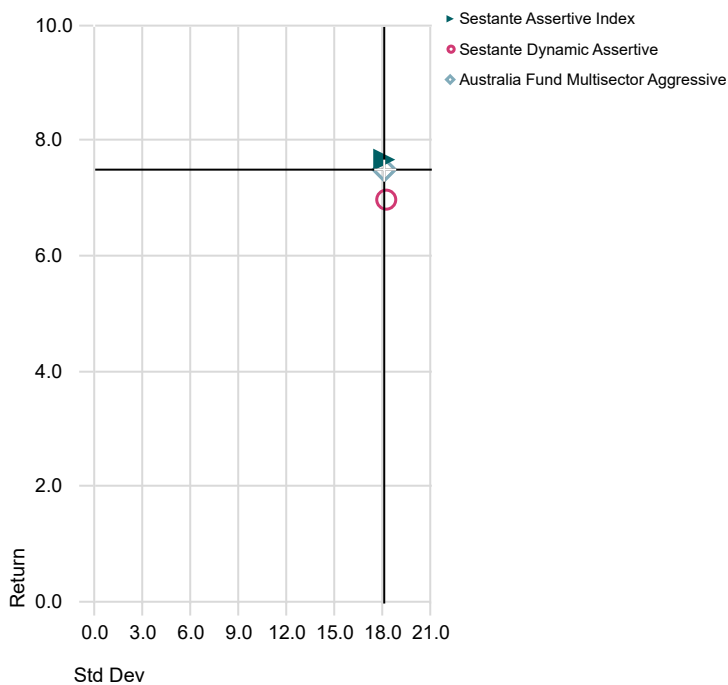
Peer Group (1-100%): Funds - Australia - Multisector Aggressive



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.

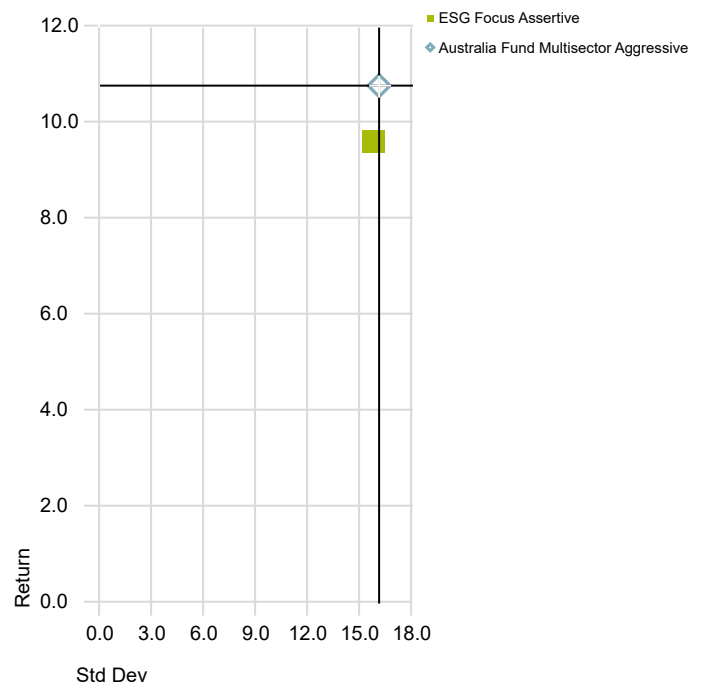
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/03/2019) to 31/03/2026



Risk-Reward (Since common inception ESG)

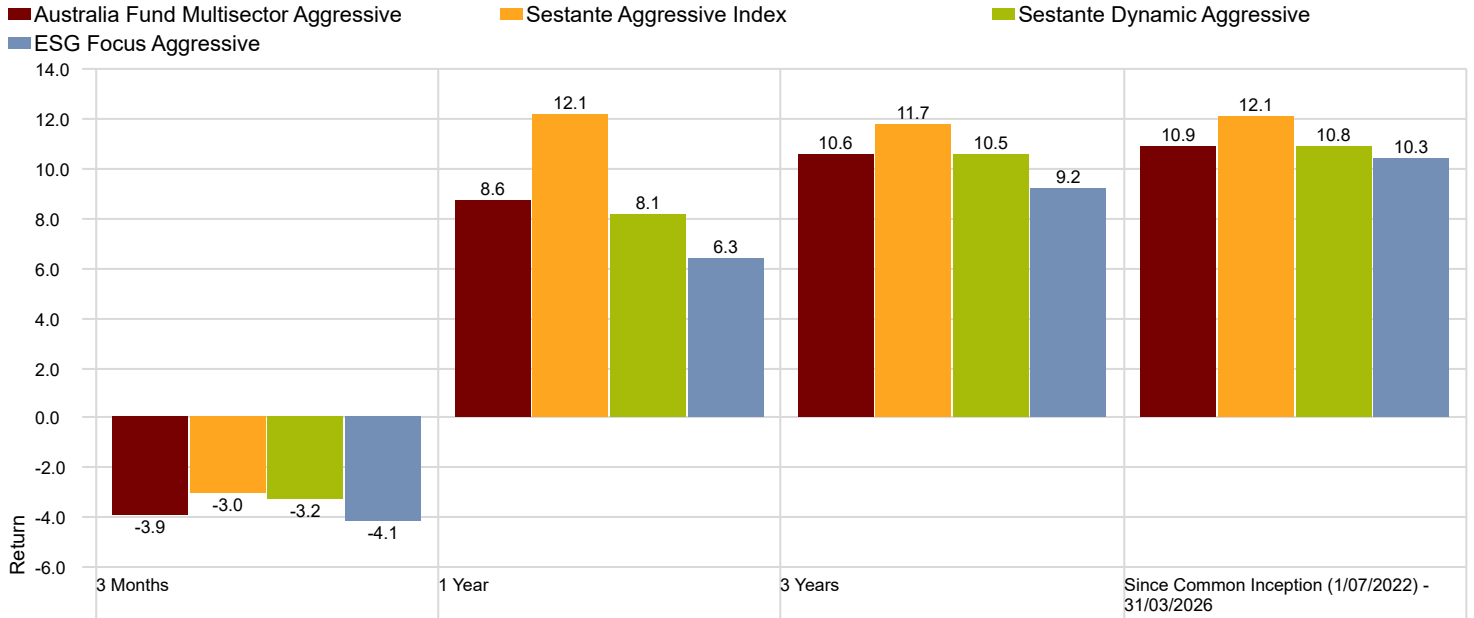
Time Period: Since Common Inception (1/07/2022) to 31/03/2026



AZ Sestante Quarterly Report
 As of 31/03/2026
 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

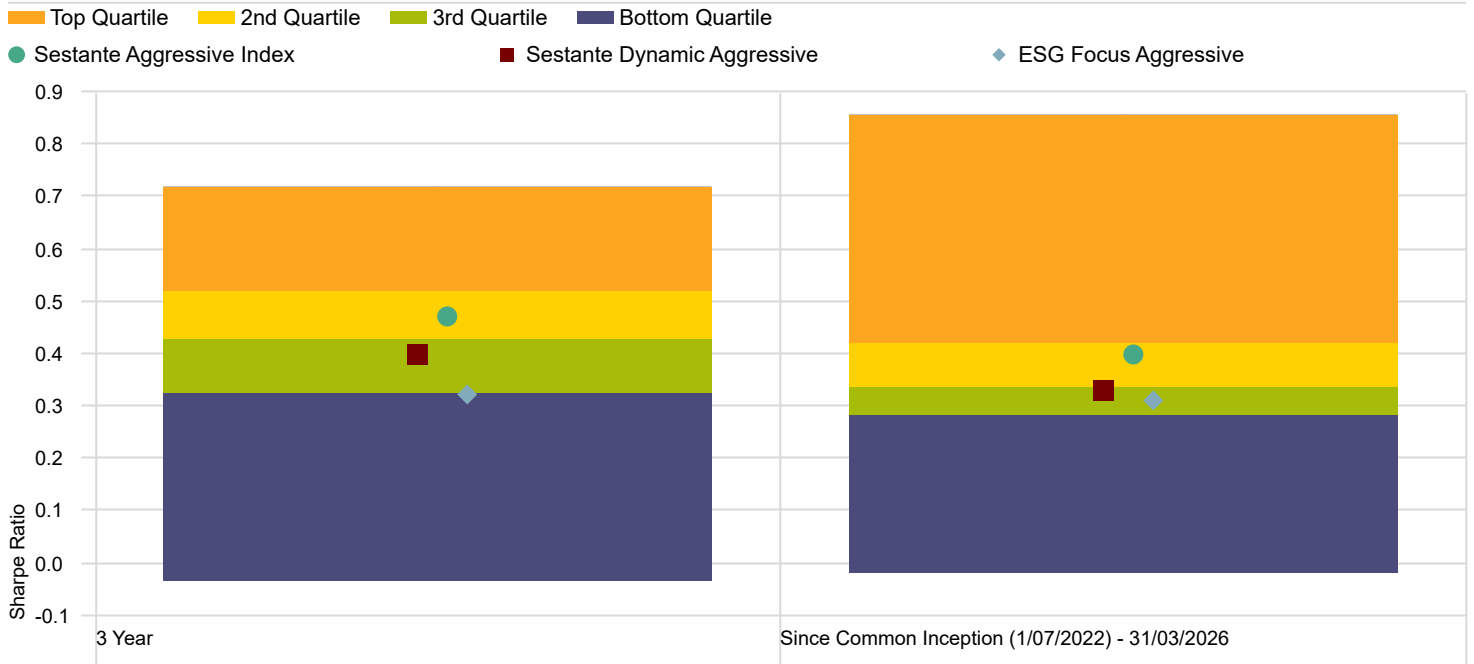


AZ Sestante Quarterly Report

As of 31/03/2026
Peer Group Returns
Multisector Aggressive Category

Sharpe Ratio Relative to Peer Group - Aggressive

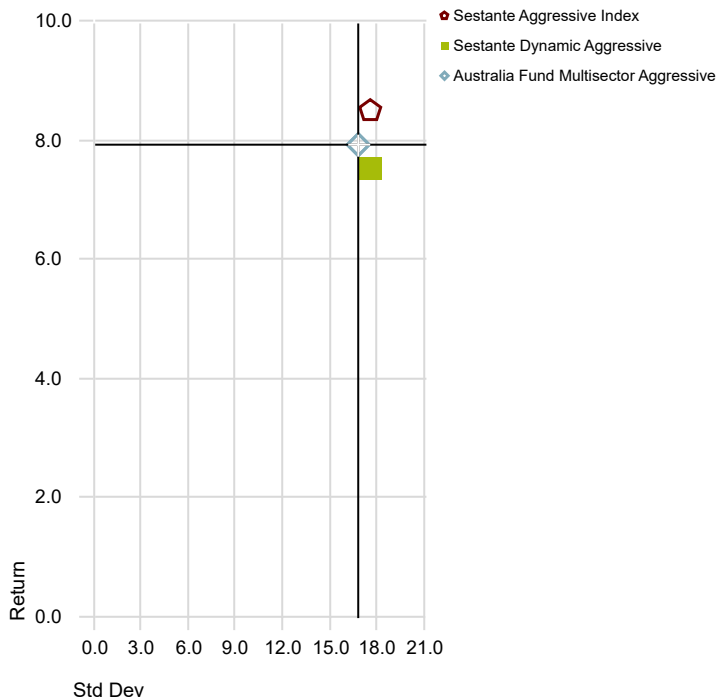
Peer Group (1-100%): Funds - Australia - Multisector Aggressive



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.

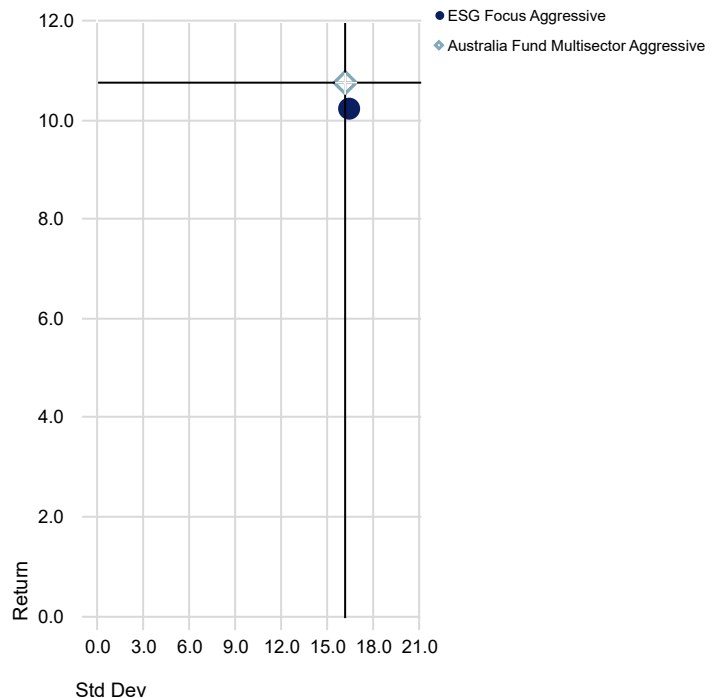
Risk-Reward (Since common inception exclude ESG)

Time Period: Since Common Inception (1/09/2020) to 31/03/2026



Risk-Reward (Since common inception ESG)

Time Period: Since Common Inception (1/07/2022) to 31/03/2026



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.

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