Sestante Dynamic Moderately Conservative Portfolio

Monthly Investment Report

As of 31/07/2026

Latest performance*

	1-mth	3-mths	1-yr	3-yr	5-yr	Inception
Sestante Dynamic Mod Con	0.04	2.85	5.75	7.83	4.65	5.42
RBA Cash Rate + 2.5% p.a.	0.59	1.75	6.61	6.87	5.84	4.93

Market Review

Global financial markets delivered mixed returns in July as investors navigated renewed geopolitical tensions, changing interest rate expectations and a significant rotation within equity markets. Renewed conflict between the United States and Iran briefly pushed Brent crude oil above US$100 per barrel, reigniting inflation concerns and lifting government bond yields globally. As fears of a broader conflict eased, investor attention shifted back to second-quarter corporate earnings and the outlook for artificial intelligence (AI)-related investment. The global equity MSCI World Index rose 0.5% in US dollar terms, while the MSCI World ex-US Index gained 2.1%, highlighting stronger performance outside the United States.

Market leadership changed noticeably during the month. Following an extended period of outperformance, technology and semiconductor stocks weakened as investors questioned elevated valuations and the scale of AI-related capital expenditure. The Philadelphia Semiconductor Index fell more than 20%, while broader technology benchmarks also declined. In contrast, energy, financials and consumer discretionary outperformed as investors rotated towards value-oriented sectors. Despite this shift, the corporate earnings season remained broadly supportive, with resilient profits reinforcing confidence in the underlying health of global equity markets.

US equities reflected this rotation, with the S&P 500 slipping 0.1% and the Nasdaq Composite falling 3.2% as several major technology companies retreated. Value stocks comfortably outperformed growth stocks, demonstrating that market returns broadened beyond the largest AI beneficiaries. European markets were stronger, with the STOXX Europe 600 advancing 2.2% in US dollar terms, supported by improving business activity, solid earnings and strength in energy and financial companies. The UK was among the best-performing developed markets, benefiting from its relatively low exposure to technology stocks.

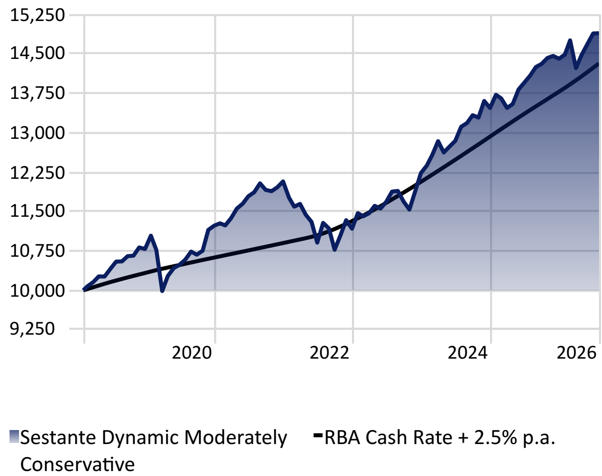
Across Asia, returns were mixed. Japan's broader TOPIX Index outperformed the technology-heavy Nikkei, while emerging markets declined overall as weakness in South Korean and Taiwanese semiconductor companies outweighed strong gains in China. The MSCI Emerging Markets Index fell 3.0% over the month, highlighting the impact of the sell-off across AI-related supply chains.

Fixed income markets endured another challenging month as government bond yields rose sharply across most developed economies. Higher oil prices, ongoing fiscal borrowing requirements and substantial corporate debt issuance linked to AI investment placed upward pressure on yields. Despite the Fed leaving interest rates unchanged, the US 30-year Treasury yield rose to its highest level since 2007, while yields also increased materially across other maturities and several major developed markets.

Australian markets outperformed many global peers. The S&P/ASX 300 Accumulation Index gained 2.1%, supported by energy and financial stocks, resilient employment conditions and improving business activity. Softer inflation data later in the month also reinforced expectations that the Reserve Bank of Australia would leave interest rates unchanged at its August meeting, helping support investor sentiment despite higher global bond yields.

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



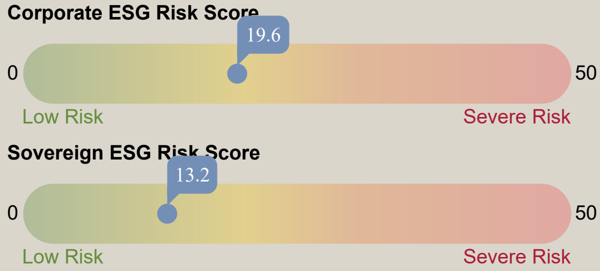
Portfolio information

- Investment Objective:
  target RBA cash rate +2.5% per annum over rolling 5-year periods after fees.
- Asset Class: Diversified
- 45% Growth / 55% Defensive Split
- Portfolio Inception Date: 7 February 2019

Source: Morningstar Direct

ESG Risk Score

Sestante Dynamic Moderately Conservative



ESG Pillar Score

5.4 Environmental

8.2 Social

4.4 Governance

1.4 Unallocated

Major Index Returns

	1 Month	3 Months	6 Months	1 Year	3 Years
S&P/ASX 200 TR AUD	2.26	4.13	2.86	6.01	10.40
MSCI World Ex Australia GR AUD	-0.90	6.94	7.83	10.88	17.14
Bloomberg AusBond Composite 0+Y TR AUD	-0.43	2.15	1.64	1.12	3.65
Bloomberg Global Aggregate TR Hdg AUD	-0.94	0.16	0.02	2.13	3.37
S&P Global Infrastructure NR AUD	-1.24	1.07	4.11	6.19	13.55

Important information

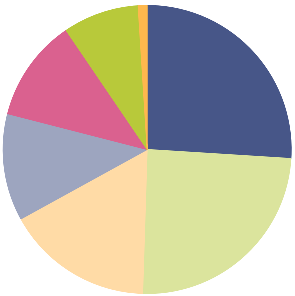
*Past performance is not a reliable indicator of future performance. Performance is calculated before taxes, model management and platform fees and after underlying investment management fees. For full details of fees please refer to the relevant platform offer documents. Performance is notional in nature and an individual investor's actual performance may differ to the that of the model portfolio. Investment performance is shown from 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.

Current Asset Allocation

Portfolio Date: 31/07/2026



	%
Australian Fixed Income	26.00
International Equities	24.50
Australian Equities	16.50
International Fixed Income	12.00
Cash	11.50
Global Infrastructure	8.50
Global Property	1.00
Total	**100.00**

Where your funds are invested

Australian Fixed Income	**26.00**	—
Western Asset Aus Bond Tr M	9.00	
Yarra Australian Bond Fund	9.00	—
Janus Henderson Tactical Income	8.00	
International Equities	**24.50**	—
Ironbark Brown Advisory Global Share	6.50	
Vanguard MSCI Intl ETF	4.50	
Vanguard MSCI Intl (Hdg) ETF	3.00	
GQG Partners Global Equity AUD Hedged	2.50	
Yarra Global Small Companies Fund	2.50	
iShares S&P 500 AUD Hedged ETF	2.00	
Pendal Global Emerging Mkts Oppes - WS	2.00	
Vanguard All-World ex-US Shares ETF	1.50	
Australian Equities	**16.50**	—
iShares Core S&P/ASX 200 ETF	6.50	
Paradice Australian Equities Fund	3.50	
Schroder Australian Equity Fund - PC	3.50	
Yarra Ex-20 Australian Equities Fund	3.00	
International Fixed Income	**12.00**	—
Macquarie Dynamic Bond No.1 W	6.00	—
PIMCO Global Bond W	6.00	
Cash	**11.50**	—
Vanguard Cash Reserve	9.50	—
Cash	2.00	—
Global Infrastructure	**8.50**	—
VanEck FTSE Glbl Infras(AUD Hdg)ETF	8.50	
Global Property	**1.00**	—
VanEck FTSE Intl Prop (AUD Hdg) ETF	1.00	
	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

In July, the Investment Committee approved a number of portfolio changes, including adding Vanguard Cash Reserve Fund, removing BetaShares High Interest Cash ETF, increasing exposure to Western Asset Australian Bond Fund, Yarra Australian Bond Fund, and Paradice Australian Equities Fund, and reducing exposure to Janus Henderson Tactical Income Fund, Macquarie Dynamic Bond Fund, PIMCO Global Bond Fund, and Yarra Ex-20 Australian Equities Fund.

AZ SESTANTE
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Source: Morningstar Direct