

AZ Sestante Limited

Managed Account Statement of Advice (SOA) Guidance Wording For CFS FirstChoice Managed Accounts Dynamic Portfolios

OCTOBER 2026

Important information

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About Us

AZ Sestante Limited (AZ Sestante) is the AFS-licensed, wholly owned Australian subsidiary of AZ International, part of Azimut Holding S.p.A (Azimut), Italy’s leading independent asset manager.

Established in 2016, we specialise in designing and administering a focused range of multi-manager investment solutions and managed accounts for our clients. Our parent company Azimut, Italy’s largest independent asset manager, was established in 1989 and listed on the Italian stock exchange in 2004.

Our investment solutions are designed to cater to our clients’ specific risk and return objectives through our suite of flagship multi-manager capabilities. Underpinning our product design is the global multi-manager investment resources of Azimut. Azimut’s multi-manager approach is characterised by actively managed, outcome-oriented portfolios, leveraging best-in-class, specialist investment managers within a cost-efficient framework. Azimut’s global multi-manager team (the Investment Manager) and AZ Sestante’s Investment Committee (the Investment Committee) work closely with the Responsible Entity of the offers, to ensure appropriate levels of independent governance and oversight as well as ongoing risk management and compliance. Our goal is to consistently deliver favourable and cost-efficient investment outcomes for our clients within a well-defined risk management and governance framework.

What We Offer

Our suite of CFS FirstChoice managed accounts are designed to cover a wide range of client risk and return objectives. Our Dynamic portfolios combine dynamic asset allocation with both active and passive investment managers to provide the most efficient and cost effective portfolios.

The following table highlights our current offerings:

Multi-manager Solution	Asset Allocation	RBA Cash Rate Outperformance Target p.a. after fees
		Dynamic
CFS AZ Sestante Dynamic Conservative	30% Growth 70% Conservative	+ 1.5%
CFS AZ Sestante Dynamic Moderate	40% Growth 60% Conservative	+ 2%
CFS AZ Sestante Dynamic Diversified	50% Growth 50% Conservative	+2.5%
CFS AZ Sestante Dynamic Balanced	70% Growth 30% Conservative	+ 3.25%
CFS AZ Sestante Dynamic Assertive	85% Growth 15% Conservative	+ 4%
CFS AZ Sestante Dynamic Aggressive	97.5% Growth 2.5% Conservative	+4.5%

Our Distinguishing Characteristics



Globally driven portfolio construction

We look to achieve 80% of our client investment returns from asset allocation – the cornerstone of our client offering. Asset allocation is driven by Azimut's global multi-manager investment team, using the best investment managers available in a product structure designed by AZ Sestante.



Outcome focused portfolios

We collaborate with adviser practices to design and deliver outcome focused portfolio solutions tailored to their licensee framework and targeting specific risk and return objectives.



Robust repeatable investment process

The investment process that powers AZ Sestante-designed portfolios systematically considers all elements known to deliver incremental value, is supplemented by best-in-class investment managers and is managed consistently within a robust risk management and governance framework.



Investment Committee structure

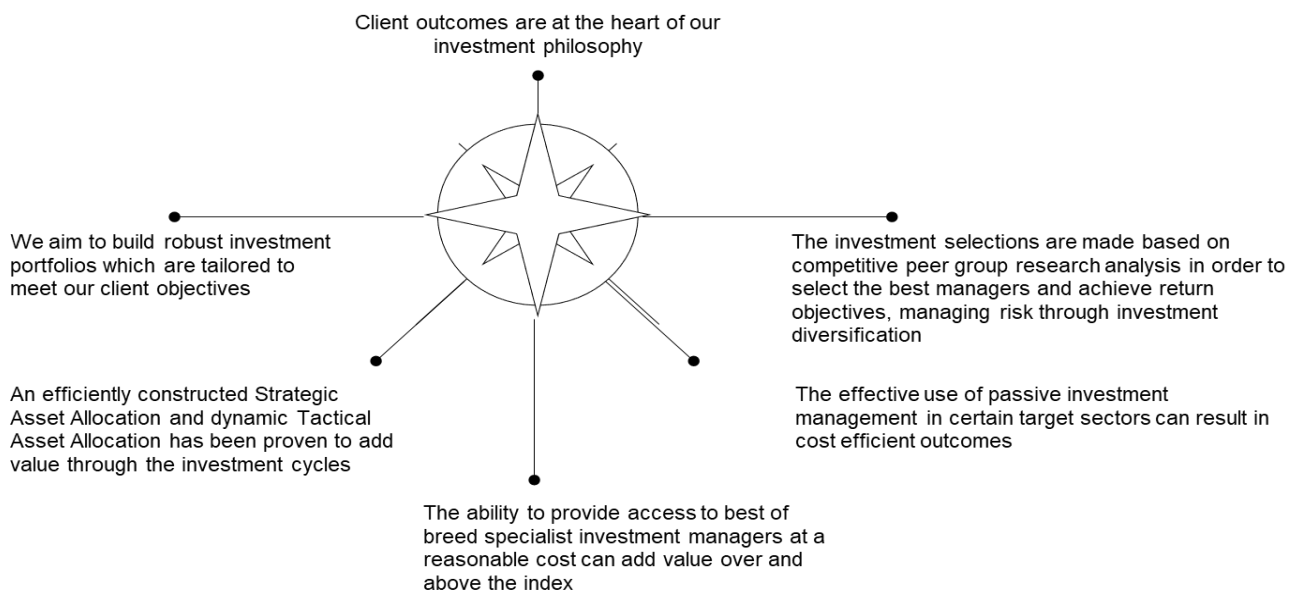
Our Investment Committee structure allows for streamlined, seamless implementation of investment decisions from an Australian client perspective through access to best-in-class portfolio solutions and investment managers.



Actively managed & cost effective

Portfolio are actively managed at both the investment-manager-selection and asset allocation levels, with the blending of active and passive implementation plus the global scale of the Azimut Group ensuring cost efficient solutions.

Investment Philosophy





5 Key Pillars of our Approach

All funds are constructed using the following five step process.

	1. Establish Portfolio Objectives	2. Develop Strategic & Tactical Asset Allocation	3. Manager Research Selection & Configuration	4. Portfolio Implementation	5. Ongoing Monitoring & Due Diligence
Responsibilities	The Investment Committee works closely with Licensees to determine the appropriate product brief and portfolio guidelines. The Investment Team then develops appropriate Risk and Return objectives to ensure Licensee requirements are met. These objectives are monitored closely over time to ensure continued compliance with established guidelines	The SAA/TAA is anchored to Licensee guidelines and then developed using the Black-Litterman Model: > 10 year asset class correlation matrix and equal risk contribution creates most diversified market portfolio; > Reverse optimised to calculate implied expected returns; and > Portfolio then optimised on pre-defined risk tolerance to calculate SAA/TAA exposures.	1. Proprietary quantitative analysis screens universe. 2. Qualitative analysis drives final manager recommendations. 3. Collective approval of preferred managers. 4. Manager optimisation within SAA/TAA framework. 5. Ratification via majority vote.	Final due diligence on recommended investments: > Recommendations within guidelines > New manager due diligence check > Cash flows in line with TAA and guidelines	Robust and structured approach to monitoring and due diligence. > Manager meetings/ ongoing assessment. Underlying quantitative and qualitative portfolio analysis > Mandate compliance, liquidity, regulatory compliance, liquidity
Authority	Investment Committee/Licensee: Product Brief/ Guidelines Investment Team: Portfolio Risk and Return Objectives Responsible Entity: Monitoring guidelines.	Investment Manager: SAA/TAA Investment Committee: Reviews SAA annually, reviews TAA quarterly.	Investment Manager Quantitative and qualitative analysis, manager optimisation Investment Committee: final manager selection and allocation.	Responsible Entity: modelling and implementing investment decisions recommended by Investment Committee.	Investment Committee: Managers Investment Team: quant/qual analysis/monitoring Responsible Entity: Compliance, liquidity.

Investment Team Supported by Global Breadth & Depth of the AZ Global Investment Platform



Appendix – Managed Account Inserts & “Why Managed Account” Language

AZ Sestante offers six Dynamic managed portfolios on CFS FirstChoice. Based on your “[insert]” risk profile, we have recommended that you invest in the ‘AZ Sestante Dynamic “[insert]” Portfolio through the CFS FirstChoice platform. Information on the recommended managed portfolio is provided below.

CFS AZ Sestante Dynamic Conservative Portfolio

Objective	To deliver outperformance of the RBA cash rate +1.5% p.a. (after fees) over a rolling 3-year period.	
Suitable for	Designed for investors who seek stable, regular income from low volatility assets but with some exposure to the share market and are focussed on capital preservation and are prepared to forego the potential of higher returns for lower volatility and the preservation of capital.	
Investment style and approach	Active - The portfolio aims to utilise AZ Sestante's portfolio construction capabilities and invest in high quality asset investments with 70% exposure to defensive assets (such as cash and fixed interest) and 30% exposure to growth assets (such as shares, property, infrastructure, and alternative assets). This approach aims to provide enhanced diversification and improve risk adjusted returns.	
Suggested min timeframe	A minimum investment horizon of 3 years.	
Standard risk measure	4 - Medium risk of short-term loss	
Asset Allocation	Minimum	Maximum
Australian shares	5	20
<i>Australian small caps</i>	0	10
International Shares	5	20
<i>Emerging Markets</i>	0	5
<i>Specialist</i>	0	5
<i>International</i>		
Alternatives	0	10
Diversified Real Return	0	10
Listed Property + infrastructure	0	15
Fixed Interest + cash	60	80
Cash	20	50
Defensive	60	80
Growth	20	40

CFS AZ Sestante Dynamic Moderate Portfolio

Objective	To deliver outperformance of the RBA cash rate +2% p.a. (after fees) over a rolling 4-year period.	
Suitable for	Designed for investors who seek relatively stable, regular income from low volatility assets but with some exposure to the share market and are focussed on capital preservation and are prepared to forego the potential of higher returns for lower volatility and the preservation of capital.	
Investment style and approach	Active - The portfolio aims to utilise AZ Sestante's portfolio construction capabilities and invest in high quality asset investments with 60% exposure to defensive assets (such as cash and fixed interest) and 40% exposure to growth assets (such as shares, property, infrastructure, and alternative assets). This approach aims to provide enhanced diversification and improve risk adjusted returns.	
Suggested min timeframe	A minimum investment horizon of 4-years.	
Standard risk measure	5 - Medium risk of short-term loss	
Asset Allocation	Minimum	Maximum
Australian shares	10	25
<i>Australian small caps</i>	0	10
International Shares	10	25
<i>Emerging Markets</i>	0	5
<i>Specialist</i>	0	5
<i>International</i>		
Alternatives	0	15
Diversified Real Return	0	10
Listed Property + infrastructure	0	20
Fixed Interest + cash	40	60
Cash	10	30
Defensive	40	60
Growth	40	60

CFS AZ Sestante Dynamic Diversified Portfolio

Objective	To deliver outperformance of the RBA cash rate +2.5% p.a. (after fees) over a rolling 5year period.	
Suitable for	Designed for investors who seek relatively stable, regular income from low volatility assets but with some exposure to the share market and are focussed on capital preservation and are prepared to forego the potential of higher returns for lower volatility and the preservation of capital.	
Investment style and approach	Active - The portfolio aims to utilise AZ Sestante's portfolio construction capabilities and invest in high quality asset investments with 50% exposure to defensive assets (such as cash and fixed interest) and 50% exposure to growth assets (such as shares, property, infrastructure, and alternative assets). This approach aims to provide enhanced diversification and improve risk adjusted returns.	
Suggested min timeframe	A minimum investment horizon of 5-years.	
Standard risk measure	5 - Medium risk of short-term loss	
Asset Allocation	Minimum	Maximum
Australian shares	10	25
<i>Australian small caps</i>	0	10
International Shares	10	25
<i>Emerging Markets</i>	0	5
<i>Specialist International</i>	0	5
Alternatives	0	15
Diversified Real Return	0	10
Listed Property + infrastructure	0	20
Fixed Interest + cash	40	60
Cash	10	30
Defensive	40	60
Growth	40	60

CFS AZ Sestante Dynamic Balanced Portfolio

Objective	To deliver outperformance of the RBA cash rate +3.25% p.a. (after fees) over a rolling 6year period.	
Suitable for	Designed for investors who seek a diversified portfolio with exposure to growth and defensive assets, seeking moderate growth over the investment timeframe with a moderate level of income, and accept a moderate degree of volatility with a relatively higher exposure to growth assets.	
Investment style and approach	Active - The portfolio aims to utilise AZ Sestante's portfolio construction capabilities and invest in high quality asset investments with 30% exposure to defensive assets (such as cash and fixed interest) and 70% exposure to growth assets (such as shares, property, infrastructure, and alternative assets). This approach aims to provide enhanced diversification and improve risk adjusted returns.	
Suggested min timeframe	A minimum investment horizon of 6-years.	
Standard risk measure	6 - High risk of short-term loss	
Asset Allocation	Minimum	Maximum
Australian shares	15	30
<i>Australian small caps</i>	0	10
International Shares	15	30
<i>Emerging Markets</i>	0	5
<i>Specialist International</i>	0	5
Alternatives	0	15
Diversified Real Return	0	15
Listed Property + infrastructure	0	20
Fixed Interest + cash	30	50
Cash	10	30
Defensive	30	50
Growth	50	70

CFS AZ Sestante Dynamic Assertive Portfolio

Objective	To deliver outperformance of the RBA cash rate +4% p.a. (after fees) over a rolling 7year period.	
Suitable for	Designed for investors who seek a relatively high level of capital growth on their investment, a modest level of income, and are willing to accept a high level of short to medium term capital volatility.	
Investment style and approach	Active - The portfolio aims to utilise AZ Sestante's portfolio construction capabilities and invest in high quality asset investments with 15% exposure to defensive assets (such as cash and fixed interest) and 85% exposure to growth assets (such as shares, property, infrastructure and alternative assets). This approach aims to provide enhanced diversification and improve risk adjusted returns.	
Suggested min timeframe	A minimum investment horizon of 7 years.	
Standard risk measure	6 - Medium risk of short-term loss	
Asset Allocation	Minimum	Maximum
Australian shares	15	40
<i>Australian small caps</i>	0	15
International Shares	15	40
<i>Emerging Markets</i>	0	10
<i>Specialist International</i>	0	10
Alternatives	0	20
Diversified Real Return	0	15
Listed Property + infrastructure	0	20
Fixed Interest + cash	20	40
Cash	0	10
Defensive	20	40
Growth	60	80

CFS AZ Sestante Dynamic Aggressive Portfolio

Objective	To deliver outperformance of the RBA cash rate +4.5% p.a. (after fees) over a rolling 7-year period.	
Suitable for	Designed for investors who seek a relatively high level of capital growth on their investment, a modest level of income, and are willing to accept a high level of short to medium term capital volatility.	
Investment style and approach	Active - The portfolio aims to utilise AZ Sestante's portfolio construction capabilities and invest in high quality asset investments with 2.5% exposure to defensive assets (such as cash and fixed interest) and 97.5% exposure to growth assets (such as shares, property, infrastructure, and alternative assets). This approach aims to provide enhanced diversification and improve risk adjusted returns.	
Suggested min timeframe	A minimum investment horizon of 7 years.	
Standard risk measure	7 - High risk of short-term loss	
Asset Allocation	Minimum	Maximum
Australian shares	25	50
<i>Australian small caps</i>	0	20
International Shares	25	60
<i>Emerging Markets</i>	0	15
<i>Specialist International</i>	0	15
Alternatives	0	20
Diversified Real Return	0	15
Listed Property + infrastructure	0	20
Fixed Interest + cash	0	20
Cash	0	10
Defensive	0	20
Growth	80	100

Why Managed Accounts?

Investing via a Managed Account

Managed Accounts provide investors with exposure to professionally managed portfolios where the beneficial ownership of the underlying investments within the account rests with the investor. This is one of the key attractions of the Managed Account structure.

Reasons

- A Managed Account is appropriate for you as it allows us to efficiently implement our recommended “dynamic asset allocation” strategy – a strategy designed to achieve solid returns with less volatility irrespective of market or benchmark allocations.
- A Managed Account provides access to professionally run investment portfolios managed by a professional investment manager – AZ Sestante, also known as the “Model Manager”. AZ Sestante will continually review the assets held in your Model and, if the actual holdings in your managed account do not align with the reference allocation for your account, your portfolio will be rebalanced. The asset allocation will ‘float’ based on daily market valuations and be rebalanced where AZ Sestante feels adjustments are required in response to investment markets or the economic outlook.

There are some key advantages that a “Managed Account” offers over a more traditional “Managed Fund” structure of investing:

1. **Greater Control:** There are a variety of underlying Managed Portfolios available giving you the opportunity to select a particular investment strategy that is appropriate for your needs.
2. **Greater transparency:** The underlying assets of the Managed Account you choose are held in your account. You can see exactly where your money is invested, how each asset contributes to your investment performance, and what investment decisions have been implemented on your behalf. This is different from a managed fund where visibility over the underlying assets is more obscured.
3. **Cost effectiveness:** If you decide to change between Managed Portfolios, only those assets that are different or have different weightings between the two models will need to be traded. This can reduce transaction costs and tax when you switch between models.
4. **Tax effectiveness:** Since there is no embedded tax liability within a Managed Account structure, the investor does not face any tax consequences as other investors enter or exit the Managed Account. This is not the case with a traditional managed fund investment where, at times, you can have significant unrealised capital gains embedded in the unit price of the fund - which a new investor then inherits, even though they didn’t participate in those gains. In the case of a Managed Account investor, for better or worse, your capital gains tax liability is your own and the tax impact is not affected by other investors. The tax you pay on the investments will be a direct result of the income and capital gains from your investments only.
5. **Flexibility:** You retain the beneficial ownership of the underlying assets – which is different from investing via a traditional managed fund. With a Managed Account, you hold the underlying assets in your account, rather than as units in a managed fund. This provides greater flexibility and control over your investments. It also provides the ability to customise your portfolio to meet your individual preferences than a traditional managed fund.

Implications

- A Managed Account investment is an investment portfolio which is actively managed by investment professionals. There are fees associated with active management which can be higher than a passively managed or “static” portfolio. In addition to the underlying investment costs of the assets you are invested in, there is an “Investment Management Fee” which is charged by CFS FirstChoice and AZ Sestante (the administrator of the product) for the work they do in managing your investment.
- The investments in a Managed Account are based on the decisions of the Model Manager. Investment management decisions can be subjective and while Model Managers are required to exercise reasonable care and diligence, there is a risk that their investment decisions will result in the model not achieving its objectives.
- “Model mismatching”: the actual asset holdings in your underlying portfolio are unlikely to perfectly match the holdings of your chosen model. This can be caused by the implementation of minimum holding sizes, and differences in timing and prices achieved for trades. As a result, the actual investment performance of your Managed Account may differ from the reported outcomes of the models.
- Transaction costs: the amount of trading associated with portfolio rebalances will impact your transaction costs and investment performance. Trading may be caused by investment decisions of your Model Manager as well as by changes you make to your Managed Account such as additions and withdrawals. The application of minimum trade sizes, minimum holding sizes and your investment preferences may also cause more frequent trading to occur as part of the rebalance, particularly on smaller account balances.

For a complete explanation of the risks associated with Managed Accounts, please refer to the CFS Firstchoice Product Disclosure Statement (PDS).