

CFS Index 150 Portfolio

CFS Edge Managed Accounts

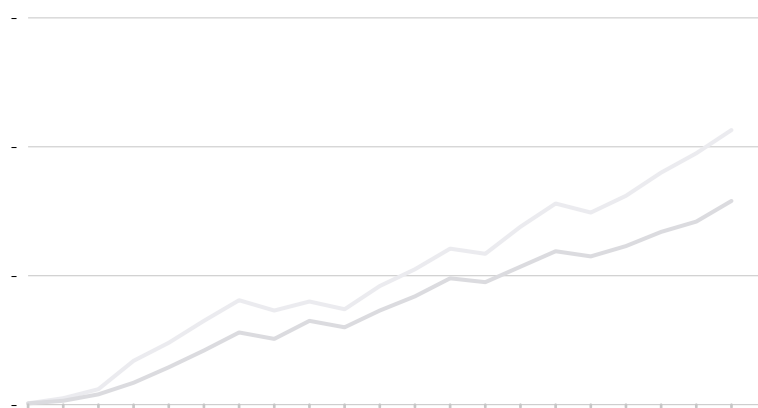
Quarterly update for month ending: September 2026

Investment Objective	To deliver long term capital growth, after fees, by providing equity market exposure typically around 150% notional through geared equity strategies, with the objective of outperforming the option's composite benchmark over rolling 7 year periods.
Investment Philosophy	CFS specialises in constructing and managing multi-asset portfolios. CFS believes in active management, including active asset allocation. A flexible approach to portfolio construction, utilising active managers, smart beta and market cap index strategies, ensures portfolios are sophisticated, robust, but not overly complex.
Reporting Benchmark	Morningstar Aus Aggressive Target Allocation NR AUD
Accelerate Series	Accelerate 100
Asset Class	Diversified
Investment Approach	Active AA Index
Investment Style	Geared
Holdings	
– Managed funds	6
– ETF's	nil
– Listed equities	nil
– SMA's	nil
Risk Measure	7 - Very High
Minimum Timeframe	7 years
Code	EDGIL150
Inception	04 June 2026
Min. Investment	\$5,000
Fees and Costs	Refer to PDS
Target Market Determination	TMD

Quarterly Commentary

Performance History

Data available 6 months from portfolio inception



Performance Returns

Net of fees

	Total Fund return (net) ²	Benchmark return	Total excess return (net)
1 month (%)	-1.77	-0.60	-1.17
3 months (%)	0.12	0.34	-0.22
6 months (%)	-	-	-
1 year (%)	-	-	-
3 years (% p.a.)	-	-	-
Since inception¹ (% p.a.)	0.12	0.34	-0.22

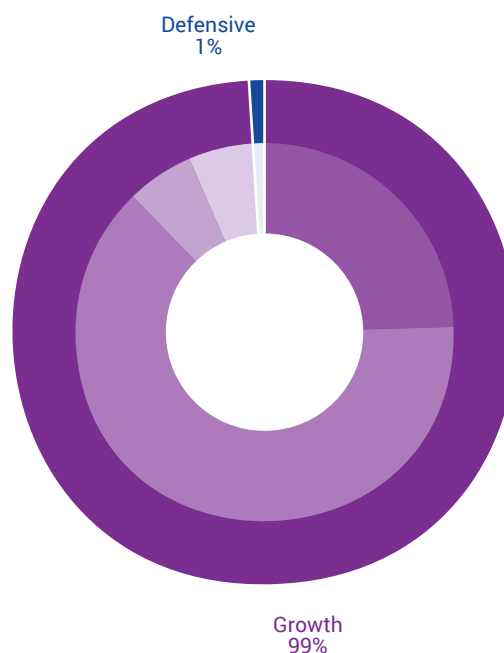
Past performance is not a reliable indicator of future performance.

¹ From 1 April 2026, performance data is sourced using a new data vendor. Where a portfolio's inception date falls on or after the 2nd of the month, performance calculations will commence from the following month.

² The managed portfolio performance represents total return for the periods. Returns have been calculated using the time-weighted method after fees. Total returns include accrued distributions. Due to individual circumstances or customisation, your net returns may differ from the net returns quoted.

Portfolio Allocation

Asset Class	Allocation
Growth	99.0%
<ul style="list-style-type: none"> Australian Equities International Equities Property Infrastructure Alternatives and Other³ 	<ul style="list-style-type: none"> 24.6% 63.2% 5.7% 5.5% 0.0%
Defensive	1.0%
<ul style="list-style-type: none"> Australian Fixed Income International Fixed Income Cash 	<ul style="list-style-type: none"> 0.0% 0.0% 1.0%



³ Alternatives and Other are included under 'Growth Assets' for ease of representation but may at times refer to 'Defensive Assets'.

Top 10 Portfolio Holdings

Asset class	Investment	Weight (%)
International Equities	CFS Index Global Share - Hedged-Class A	38.8%
Australian Equities	CFS Geared Index Australian Share A	24.6%
International Equities	CFS Geared Index Global Share A	17.4%
International Equities	CFS Index Global Share-Class A	6.9%
Property	CFS Index Global Property Securities - Class A	5.7%
Infrastructure	CFS Index Global Listed Infrastructure Securities - Class A	5.5%
Cash	AUD Cash	1.0%

CFS Investments

At Colonial First State (CFS), investment management is centred around providing a comprehensive suite of investment solutions that cater to diverse investor needs. With a team of over 20 investment professionals, CFS specialises in constructing and managing portfolios that offer a convenient and simple way to diversify investments. The investment offerings span single-sector and multi-sector options across index, smart beta, and fully active products, with a range of risk/return characteristics.

Quarterly Commentary

What happened over the quarter?

- The rise in Bond yields took centre stage from equities this quarter.
- Understanding the 'why' behind the high yields has implications for equities.
- Unusually muted differences between regions this quarter limited the opportunity for asset allocation alpha.

It's not often that Bonds overshadow Equities but this was one of those rare quarters. A seemingly globally-synchronised rise in long-term bond yields (which means a fall in the price of bonds) had both investors and governments on edge.

This theme warrants unpacking – yields can rise for 'good' or 'bad' reasons. New Fed Chair Kevin Warsh attributed higher US yields to (in order): (1) higher economic growth expectations on the back of the AI capex boom, (2) competition for capital by hyperscalers crowding out the US government, and (3) geopolitics, which was code for the Iran war dragging on for longer than expected.

We believe Warsh himself is at least partly behind the US yields rising – his withdrawal of forward guidance leaves the bond market to 'think for itself' for the first time in a generation, and this 'uncertainty premium' has arguably flowed through to bond pricing.

Across the Atlantic, France had an even more dramatic spike in yields. This was almost entirely due to political and fiscal factors- markets are concerned with whether France will be able to pass a budget at all and have sent the French/German yield to levels last seen during 2012, at the height of the Eurozone crisis. None of the reasons here are good. The difference between the two examples helps explain the 'puzzle' of US equities being near an all-time high despite rate, inflation and AI capex overspending concerns.

Under the surface, however, we are seeing fragility in US equities. Single-stock volatility remains high, and the SOXX Semiconductor fell into a technical correction (-11%) over the quarter.

We see two main opportunities in the portfolios. One, taking advantage of now-attractive yields on Government bonds (selectively). Two, continuing to hold our 'rotation' positioning while remaining invested in growth assets overall. We've seen traditional defensive sectors such as Health Care outperform, but also Mag-7 names such as Apple and Microsoft (which are seen as 'relatively' defensive). We are also examining targeted opportunities outside the US, notably in China and Germany – mindful that genuine diversification away from the AI theme is difficult given its cross-market, cross-asset class reach.

- Without the benefit of active tilts, Index missed out on some of the alpha opportunity we captured in our more active SMA suites.
- Listed real assets, which are rate-sensitive, fell heavily as long yields rose.
- The differences in regional returns were unusually muted this quarter, offering little in the way of outperformance potential.
- Our tilt to Australian Bonds added value over the quarter, as they outperformed their Global counterparts by ~1%.

What are we watching?

- Does Trump have any realistic cards left to play on Iran before the looming Midterms?
- Will high valuation multiples weigh on Tech, even if earnings results remain robust?
- Has Fed Chair Warsh simply partially 'corrected' last year's cuts in the face of a stronger US economy, or are we about to see a 2022-style rate hike cycle?

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Colonial First State

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