# Mason Stevens Balanced Growth Flagship Multi-Asset Managed Portfolio Performance Report as at 30 September 2026

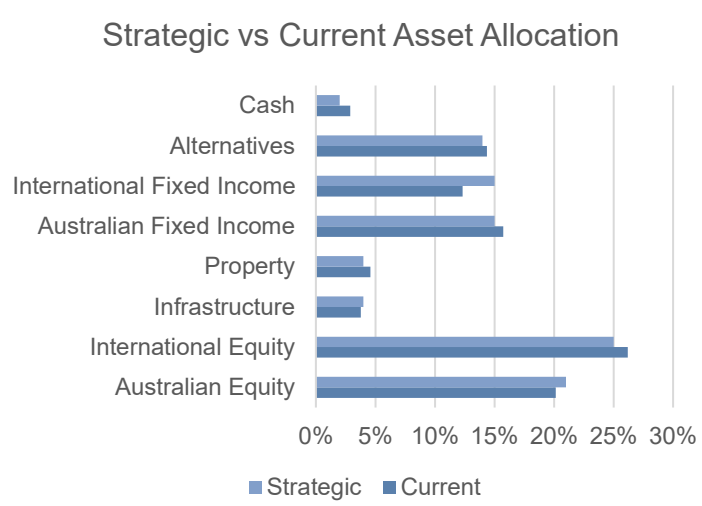
## Investment objective and strategy

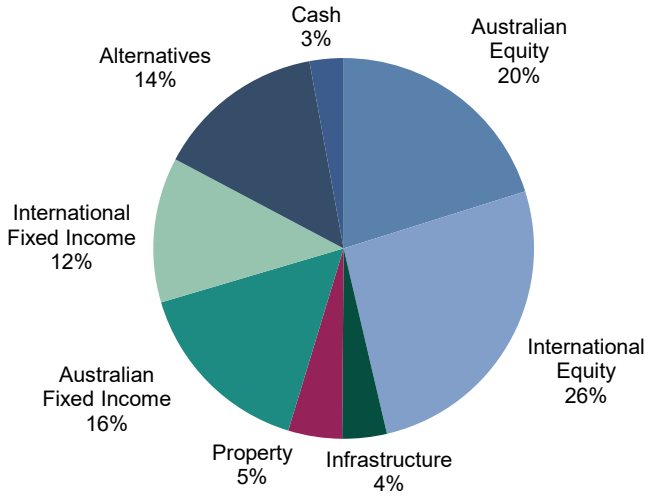
The portfolio is designed as an actively managed, multi-asset investment solution, with the aim of providing a return above the benchmark with a focus on growth and targets investments with a slightly lower liquidity profile with the goal of capturing the illiquidity premium on these investments.

## Portfolio performance as at 30 September 2026[1]

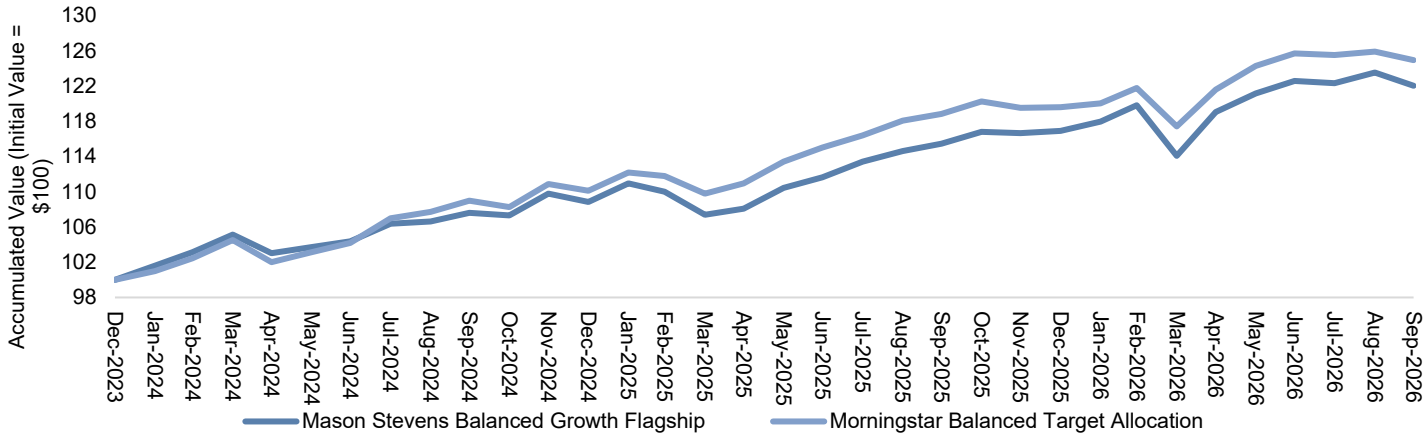
| | 1 month | 3 months | 6 months | 1 year | 2 years | Since Inception |
|---|---|---|---|---|---|---|
| **Portfolio** | **-1.21%** | **-0.42%** | **5.83%** | **4.59%** | **5.93%** | **7.12%** |
| Morningstar Australia Balanced Target Allocation NR AUD Index | -0.76% | -0.59% | 5.47% | 4.20% | 6.59% | 8.09% |
| Excess Return | -0.45% | 0.16% | 0.36% | 0.39% | -0.66% | -0.96% |

## Portfolio positioning



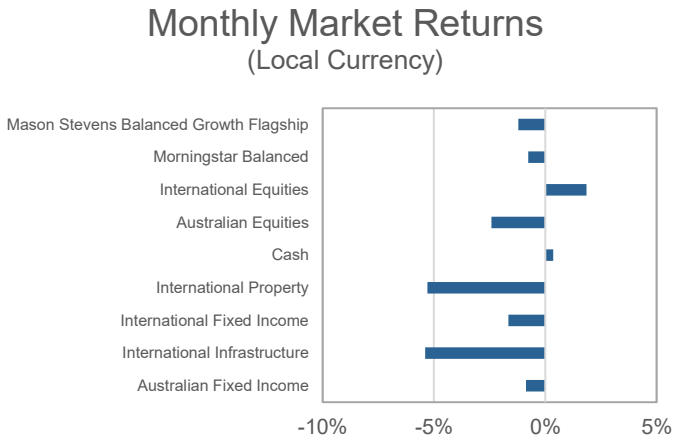

## Performance since inception




**Past performance is not a reliable indicator of future performance.**

(1) Portfolio returns are calculated net of management, performance, administration/custody and transaction fees, but excluding any adviser fees from the Managed Portfolio's inception date of 31/12/2023 and assumes reinvestment of all income (but not franking credits). Returns are based on the theoretical performance of a portfolio from the inception date based on simplifying assumptions and security weightings. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, contributions and withdrawals, fees and any customisations. Each client should also take into account their own taxation situations. All information provided in this report is correct as at the date of this report but without independent verification.

## Monthly portfolio commentary




September was a negative month in terms of both absolute and relative returns. The portfolio returned -1.21% versus the -0.76% return for the benchmark. International equities made a positive contribution, led by the portfolio's largest holding, Vinva Global Alpha Extension, which gained 2.1%. BetaShares Global Quality Leaders ETF (QLTY) rose 1.9%, partly offset by VanEck Global Defence ETF (DFND), which fell 5.2%. Aspect Diversified Futures and Apis Global Long/Short were the best performing holdings, up 6.0% and 2.5% respectively. Australian equities detracted from returns as the domestic market weakened. Greencape Broadcap fell 3.6%, VanEck S&P/ASX Midcap ETF (MVE) 3.3% and BetaShares Australian Momentum ETF (MTUM) 2.9%. Gold also gave back recent gains. The main drag came from private credit and rate-sensitive assets. Metrics Master Income Trust fell 7.2%, while the SGH LaSalle and Resolution Capital global property allocations fell 5.7% and 5.1%. The VanEck and Lazard global infrastructure exposures fell 5.3% and 5.1% respectively. Fixed income also weighed on returns, with the international bond allocation detracting as JPMorgan Global Bond and Vanguard Global Aggregate Bond each fell around 1.9%. There were no changes to the portfolio during the month.

## Key features

| |
|---|
| **Investment universe** |
| Managed funds, Exchange Traded Funds (ETFs), listed managed funds and cash |
| **Target Return** |
| Morningstar Australia Balanced Target Allocation NR AUD Index |
| **Number of investments** |
| 5 to 30 (subject to market conditions and Manager Discretion) |
| **Min investment** |
| $25,000 (or as agreed by the Investment-Sub Adviser) |
| **Suggested timeframe** |
| 3 years |
| **Portfolio statistics** |
| Underlying ICR – 0.63%<br>Individual Holdings – 29 |
| **Portfolio Manager** |
| **Leanne Taylor** – Chief Investment Officer, **Andrew Ash** – Head of Manager Research |

## Market commentary and outlook

### Overview

The key theme in September was the global bond market sell-off. The Fed voted 12-0 to raise rates by 25bps to 3.75%-4.00% at its mid-September meeting, its first hike since 2023, and markets are pricing an additional hike by year-end. The US 10-year yield finished at 5.29%, a level not seen since before the Global Financial Crisis. In Australia, the ASX 200 fell for four straight weeks into the RBA meeting. On 29 September the RBA lifted the cash rate to 4.60%, a 15-year high and its fourth hike this year and left the door open to further increases. In the US, volatility in AI-related stocks took some momentum out of the equity market, and breadth narrowed sharply, with only information technology and communication services finishing in positive territory. In commodities, renewed tensions in the Middle East pushed Brent crude to around US$109 mid-month, before prices eased into month end.

### Rising Bond Yields – The Sell-Off Continues

The US 10-year Treasury yield continued its rout, rising ~82bps over the September quarter, one of the largest quarterly increases this century. In Australia, the 10-year yield finished near 5.35%, close to its highest level since 2011. Rising government debt, higher oil prices and heavy corporate bond issuance all added to the pressure. The five largest hyperscalers are expected to spend around US$720 billion on capex in 2026, and their bond issuance had already reached roughly US$220 billion by 10 August, compared with US$109 billion for all of 2025.

### Central Banks – Tightening in Tandem

The ECB moved first, raising its deposit rate by 25bps to 2.50% on 10 September, following a hike in June. The Fed followed on 16 September with a 25bps increase to 3.75%-4.00%. The Bank of England held at 3.75% on 17 September, although three members voted for a hike. The Bank of Japan then lifted its policy rate to 1.25%, its highest level since 1995, in a split 7-2 decision. The RBA rounded out the month on 29 September, raising the cash rate to 4.60%, its fourth 25bps increase this year. It cited higher energy prices and rapid technology-related price rises and flagged that further hikes remain possible. Energy-driven inflation was the common thread across all five, and markets continue to price further rate increases from the major central banks over the next 12 months.

### The AI Trade: A Scare then a Rebound

On 14 September the Philadelphia Semiconductor Index fell 5.9% and Nvidia dropped 3.4% after an essay from Anthropic's CEO argued that frontier AI labs should slow the pace of capability gains. Over the rest of the month, Meta, Microsoft and Alphabet all moved higher as investors began to separate companies that depend on ever-rising AI capex from those that could benefit from reining it in. Meta also launched Muse, a personal AI agent that can run errands, manage schedules and carry out multi-step tasks. Its shares rose 11.3% on 21 September following positive broker commentary, with the move also lifting semiconductor stocks such as AMD and Intel. Some analysts see potential for Muse to gain broad consumer adoption.

## Geopolitics – No Progress in Iran

The US-Israeli war with Iran kept energy markets on edge. Early in the month, US strikes on Iranian tankers and Houthi attacks on Saudi Arabia pushed oil higher, and Brent peaked at around US$109. Houthi missile and drone attacks later targeted Riyadh and Aramco's Yanbu facilities, putting the Red Sea export route at risk, although Saudi Arabia was able to restart its East-West pipeline at about half capacity. Prices dipped on 25 September after Iran proposed a seven-day plan to reopen the Strait of Hormuz, but President Trump rejected the offer, leaving the conflict unresolved. Brent finished the month near US$103, helped lower by the completion of the US's 172-million-barrel strategic reserve release announced in March. Refined product flows through Hormuz remain well below pre-war levels.

## US Midterms – Implications for Markets

With the US 10-year Treasury yield above 5%, the fiscal outlook is the key market focus through which the election is likely to impact markets. As of 1 October, prediction markets (Polymarket) give the Democrats a 92% chance of winning the House and around 63% for the Senate, making a divided or Democrat-controlled Congress the current base case. Such an outcome would likely reduce the chances of new tax and spending legislation, which could ease some of the upward pressure on long-term yields and the US dollar. A Republican hold would give the administration a clearer path to further tax and spending measures. Markets may view such an outcome as adding to deficit and inflation pressures, with potential to push yields higher, and favour financials, energy and defence. Whatever the result, government funding and debt-ceiling negotiations could bring renewed volatility to Treasuries and the dollar.

## Global Trade Policy – Challenges Remain

Trade tensions between the US and Canada escalated sharply. A 50% Section 338 tariff on about C$27.6 billion of Canadian goods took effect on 22 August. Canada retaliated from 8 September with dollar-for-dollar countermeasures on the same value of US imports, targeting steel and aluminium, dairy, appliances, agricultural equipment, pulp and paper, plastics and electronics. Existing counter-tariffs on steel and aluminium rose from 25% to 50% to match US rates. Washington adjusted the scope of its tariffs on 15 September. From 29 September it then replaced the 50% duty on certain Canadian motor vehicles, dairy and alcohol products with an outright import ban. Canada has suspended trade negotiations with the US, while US-Mexico talks on autos, steel and aluminium are continuing. Elsewhere, the US-China trade truce was extended by two months to 10 January following Xi's state visit to the US, with each side cutting tariffs on about US$30 billion of non-sensitive goods.

## Key October Macro events

ISM Manufacturing (2nd), US Unemployment (2nd), AU Melbourne Institute Inflation (5th), NAB Business Confidence and Conditions (13th), RBA Minutes (13th), US CPI (14th), Australian Unemployment (15th), Australian CPI (28th), FOMC Rate Decision (29th).

**Contact:**

Investors, please speak to your adviser

T 1300 988 878

E wealth@masonstevens.com.au

The Managed Portfolio is managed by Mason Stevens Asset Management Pty Limited (MSAM) ABN 92 141 447 654, as the Investment Sub- Adviser. MSAM is a Corporate Authorised Representative (CAR 461312) of Mason Stevens Pty Limited. Investment decisions are governed by an Investment Committee that ensures the appropriate discipline and rigour is applied to the investment process.

**More information**
Further information about the Portfolio, including fees and costs, is outlined in the Mason Stevens Flagship Managed Portfolio disclosure documents, available at masonstevens.com.au.

**About Mason Stevens**
Mason Stevens is a specialist wealth platform provider that focuses on Managed Account (MA) solutions. The company offers Outsourced CIO (Chief Investment Office) services that complement the platform and MA solutions. Established in 2010, Mason Stevens is led by some of Australia's most experienced finance and investment professionals. With offices in Sydney and Melbourne, Mason Stevens has a dedicated team of over 80 professionals committed to providing exceptional services nationwide.

This Report is provided by Mason Stevens Asset Management Pty Limited ABN 92 141 447 654 (MSAM) as Investment Sub-Adviser of the Managed Portfolio. MSAM is a corporate authorised representative (CAR 461312) of Mason Stevens Pty Limited, ABN 91 141 447 207, AFSL 351578 (Mason Stevens). Content in this Report is of a general nature and does not have regard to any individual's personal objectives, financial situation and needs. Please seek specific advice and obtain a copy of the investment mandate before making a decision in relation to any investment. Information in this Report is provided in good faith. Whilst every effort is made to ensure the information is accurate at the time of sending, MSAM does not make any representation or warranty as to its accuracy, reliability or completeness nor does it undertake to correct any information subsequently found to be inaccurate. Any information contained in this Report is subject to change without prior notice and MSAM is not obliged to update any information. References made to any third party or their data is based on information that MSAM believes to be true and accurate as at the date of this Report but without independent verification.