

# Azimut Investments High Conviction Global Equities SMA

Monthly Investment Report  
As of 28/02/2026



### Investment Objective:

The portfolio aims to achieve a return of 2%p.a. in excess of the MSCI World Ex Australia Index, over the medium to long term (before fees).

### Asset Class:

Global Equities

### Currency:

Unhedged

### Number of Holdings:

15-35

### Minimum Suggested Timeframe:

5 years

### Estimated Total Cost:

HUB24 (AZS007): 0.7175% p.a before transaction costs and platform fees  
Mason Stevens: 0.635% p.a. before transaction costs and platform fees

### Minimum Initial Investment:

\$50,000

### 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.

[www.azimutinvestments.com.au](http://www.azimutinvestments.com.au)

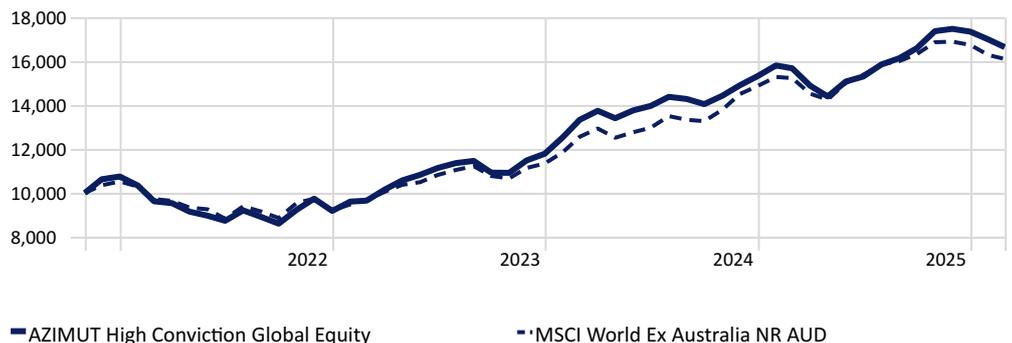
## Latest Performance\*

	1-mth	3-mths	6-mths	1-yr	2-yr	3-yr	S.I.
AZIMUT High Con Global Equity	-2.04	-4.76	3.12	6.15	11.73	19.93	11.15
MSCI World Ex Australia NR AUD	-1.09	-4.68	0.61	5.74	13.25	18.52	10.97

## Investment Approach

The portfolio employs a combination of top-down and bottom-up analysis. The process seeks to exploit market trends, strength of trends and potential turning points to make statistically favourable decisions. The portfolio strategy is based on identifying stocks with the highest expected risk adjusted returns in the current market conditions. This view is obtained through a combination of top down and bottom-up analysis and leads the portfolio to exhibit different styles and factors depending on market conditions. Both fundamental as well as quantitative approaches are applied which helps filter the stock universe.

## \$10,000 invested over time



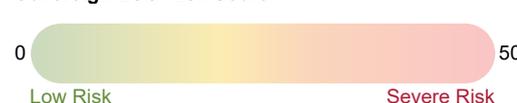
## ESG Risk Score

● AZIMUT High Conviction Global Equity

### Corporate ESG Risk Score



### Sovereign ESG Risk Score



## ESG Pillar Score



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## Top 10 Holdings

Portfolio Date: 28/02/2026	
	%
Alphabet Inc Class A	5.00
Apple Inc	5.00
JPMorgan Chase & Co	5.00
Microsoft Corp	5.00
NVIDIA Corp	5.00
Taiwan Semiconductor Manufacturing Co Ltd ADR	5.00
ASML Holding NV	4.75
Caterpillar Inc	4.00
ConocoPhillips	3.75
Amazon.com Inc	3.50

## Equity Sectors

Portfolio Date: 28/02/2026	
	%
Basic Materials	2.82
Consumer Cyclical	11.28
Financial Services	18.46
Real Estate	0.00
Consumer Defensive	6.41
Healthcare	8.97
Utilities	3.59
Communication Services	7.95
Energy	3.85
Industrials	11.28
Technology	25.38

## Regional Exposure

Portfolio Date: 28/02/2026	
	%
North America	66.15%
Latin America	0.00%
United Kingdom	0.00%
Europe Developed	23.33%
Europe Emerging	0.00%
Africa/Middle East	0.00%
Japan	2.56%
Asia Developed	5.13%
Asia Emerging	2.82%

## 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 1/11/2021 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.

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## Market Commentary

During the month, markets were impacted by developments on the trade front after the U.S. Supreme Court struck down the tariffs imposed under the International Emergency Economic Powers Act (IEEPA) including 'reciprocal' tariffs, as well as tariffs applied to Canada, China, Mexico, and other countries. The Trump Administration immediately responded with a 10% global tariff under Section 122 (which is legally capped at 15%) and can be used up to 150 days without Congressional approval. The changes materially reshape prior trade agreements, lowering tariffs for some countries and raising them for others, raising uncertainties over the reimbursement of the disputed tariffs. The news comes at a time when the American market is shaped by fears that AI could potentially harm multiple business models and by worries about labour market deterioration. Over the last weekend, the U.S. and Israeli massive military operation in Iran took central stage altering the near-term global macroeconomic outlook potentially introducing the risk of a stagflation shock.

The U.S. economy showed signs of slowing in Q4 growing at an annual rate of 1.4% after 4.4% in Q3 and below the 3% expected because of the government shutdown, consumer spending and trade. The labour market improved, with unemployment falling to 4.3%. Despite the anticipated downward revision of payrolls for 2024 and 2025, job growth accelerated significantly in January (130.000 vs. 65.000), easing concerns about a potential slowdown after weak retail sales data. Tariffs do not seem to have produced a major impact on inflation so far. PCE price index increased from 2.8% to 2.9% in December, while Core PCE, the FED's preferred measure of inflation, rose to 3% from 2.8%. In Europe confidence returned among industrial companies: the private sector activity exceeded expectations with composite PMI indices recording their best results since 2022 (51.9 in February from 51.3 in January). Germany, the region's largest economy was the main driver, with manufacturing expanding for the first time in more than three and a half years, thanks to increased government spending on defence and infrastructure. Inflation edged slightly higher in February, rising from 1.7% to 1.9% on the headline, and from 2.2% to 2.3% on the core. In Japan inflation slowed from 2.0% to 1.7% in January and core inflation slowed from 2.3% to 2.2%, a level not seen since October 2021.

As far as central banks go, the FED minutes showed that policymakers even signalled that higher interest rates may be necessary if inflation remains above target level. Expectations for Fed rate cuts are now at over 60 basis points by the end of 2026, with a first cut expected in June and a second in September. The ECB unanimously decided to leave its key interest rates unchanged (2%), while continuing to maintain a balanced stance, leaving the direction of its next move uncertain. In Japan, the prospect of further additional expansion following Prime Minister Takaichi's landslide victory may increase the likelihood that the BoJ accelerates the normalisation process. Markets are currently pricing in a first-rate hike by June, followed by a second move by the end of the year.

Fixed-income markets remained range-bound, with the front end of the curves anchored by broadly stable monetary policy expectations, while easing inflationary pressures support lower yields across the medium and long end. In the United States, short-term yields have declined again toward 3.40% with the 10-year yield falling below 4%, extending the flattening trend across the 2-10year segment. In the euro area, expectations of improving inflation dynamics have fostered the hypothesis of a possible return to monetary easing over the coming quarters by the ECB. The German 2-year yield closed below 2%, an area that continues to act as technical support, while the 10-year yield moved back below 2.70%. The 2-10 year spread stands around 65 basis points, close to the lowest levels of the past year. Intra EGB spreads remained anchored at tight levels, supported by a relatively constructive institutional environment. In this context the Btp10-year yield declined toward 3.30%, the lowest level since December 2024 (62bps vs Bund). In Japan, long-term rates also retraced their sharp rise to 2.11% on the 10-year rate after a relative lull in fears about the budget deficit and rising debt.

On the forex market after the sharp decline in December and January, the dollar rebounded in February with the cross against euro back at 1.1822. USD/JPY has resumed its upward trajectory by reduced confidence that the BoJ will raise rates in the near term, a view reinforced by the government's appointment of two new board members perceived as dovish. USD/CNH sell-off continues, with the pair remaining under pressure following the U.S. Supreme Court ruling on tariffs. The pair dropped to 6.8267, while USD/CNY fell to 6.8318, both levels last seen in March 2023.

Looking at commodities, gold rose approx. 7.9% to nearly US\$5,280/oz, while oil prices turned more volatile and moved back towards the 71\$/b, reflecting heightened geopolitical tensions between Iran and the U.S.

Among the three best performing names for the month were Caterpillar, ConocoPhillips and Enel. While among the worst performing names were Thermofisher, EssilorLuxottica and Tencent.

During the month we rebalanced a few positions without changing the overall sector exposure. As of the end of month, we have a buffer of cash (roughly 2.5%) to be allocated.

## Market Commentary

### Company Overview: Waste Management Inc (WM US)

Waste Management (WM) operates a highly integrated environmental and waste management business, providing comprehensive collection, disposal, and recycling services across North America. The company's revenue structure is heavily anchored by its Collection segment, which remains the primary driver of the business, accounting for 61.18% of total revenues in the most recent year (2025). Within this core collection business, WM benefits from a diversified customer base: Commercial collection represents the largest share at 22.34%, followed by Residential (13.93%) and Industrial (12.32%), with 'Other' collection activities making up the remaining 12.60%. While Collection remains the dominant cash generator, its relative weight has slightly normalised from historical levels, where it consistently averaged above 65% in previous years.

Beyond traditional waste pickup, the company's post-collection and secondary services—such as Landfill, Transfer, and Recycling Processing & Sales provide critical infrastructure scale and vertical integration. Notably, a clear strategic catalyst is underway within the WM Healthcare Solution segment. This specific division has experienced explosive growth, surging from a three-year historical average of approximately 2% to nearly 10% of total revenues in the latest LTM period. This rapid expansion underscores WM's successful penetration into specialised, highly regulated, and potentially higher-margin medical waste streams.

Geographically, unlike multinational tech peers, WM maintains a highly localised and concentrated revenue base. The United States accounts for the overwhelming majority of the business at well over 95% of total revenues. Canada represents a very small fractional share, while exposure to Other Countries is virtually non-existent. This North American concentration effectively insulates the company from broader global geopolitical volatility, tying its performance directly to the domestic macroeconomic and industrial environment.

From a valuation and price momentum perspective, Waste Management has exhibited significant strength, posting a robust YTD performance of approximately +12%. Notably, a large portion of this recent rally materialised following the escalation of geopolitical conflicts and the ensuing volatility in global energy markets. As investors digest the implications of war and rising oil and gas prices, WM has attracted capital as a high-quality, defensive safe haven whose business model actively benefits from the current macroeconomic backdrop.

Despite this recent positive price action, a deeper look at the underlying multiples suggests the stock is not overextended. Based on our proprietary combined Z-score analysis, which evaluates an equal-weighted combination of P/E, P/CF, and EV/EBITDA multiples over a 2-year rolling window, WM's valuation remains highly attractive. Both the self-relative Z-score (comparing WM to its own historical baseline) and the cross-sector Z-score are currently sitting at low to neutral levels, well below the standard deviation thresholds that would indicate stretched or crowded positioning.

This quantitative setup indicates that the recent stock appreciation has been driven primarily by solid fundamental performance and earnings quality, rather than sheer multiple expansion. Given its inherently healthy underlying business, robust cash generation, and the structural tailwinds provided by its energy-hedged infrastructure, we believe WM still has meaningful room for upside in the current environment.

Overall, the combination of undemanding relative valuation and a highly resilient business model makes the stock an excellent core portfolio holding, offering a rare blend of downside protection and thematic upside in an increasingly volatile global landscape.