Changes within your portfolio

We have made a number of adjustments to your **Alpha Conservative First Choice Managed Account**.

As 2026 gets underway, markets have become more unsettled. In Australia, interest rates remain higher than in most other countries (other than Japan), and some technology and AI shares are now showing mixed results.

Based on our view of the current market and to prepare for what may lie ahead, we have made a number of changes to your portfolio. These changes have been designed to help increase the resilience and diversification of your portfolio.

The updates to your portfolio focus on a few key themes which are explained below.

- Introduced a dedicated exposure to Gold Bullion: We have added an investment in physical Gold through the **Global X Physical Gold ETF**. This investment is intended to act as a form of protection for your portfolio during periods of market uncertainty, such as economic disruptions or geopolitical events. Ongoing growth in US government debt levels (now in excess of US$38 trillion) and the expectation of further interest rate cuts in the first half of 2026, may place continued downward pressure on the US dollar. Historically, this type of environment has been supportive for gold prices. While gold has performed strongly during 2025, our preference has been to focus on AI as our primary driver of excess returns, with some exposure to gold miners in your portfolio. At this point in the market where AI-related investments have become more expensive and outcomes less certain, the allocation to gold bullion is intended to help reduce volatility and improve diversification across your portfolio.

- Increased your exposure to higher quality credit and reduced your exposure to cash: Changes in the CFS portfolio rules now allow us to invest a larger proportion of the Cash balance held in your portfolio. To make better use of this opportunity, we have increased your allocation to higher quality income-producing assets, typically Australian Bank issued investment grade securities, to improve returns from the defensive part of your portfolio. To achieve this we have introduced the **Yarra Enhanced Income Fund**, a specialist manager in this area.

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Portfolio Update
Alpha Conservative (FirstChoice Managed Account)

12th FEB 2026

Alpha Conservative Managed Account	Previous Allocation	New Allocation
Australian Equity	**7.00%**	**7.00%**
CFS Index Australian Share Fund	2.00%	2.00%
Ausbil Australian Active Equity Fund	5.00%	5.00%
International Equity	**6.00%**	**6.00%**
CFS Index Global Share Fund	3.00%	3.00%
GQG Partners Global Equity AUD Hedged	3.00%	3.00%
Property & Infrastructure	**2.00%**	**2.00%**
Magellan Infrastructure Fund	2.00%	2.00%
Alternatives	**0.00%**	**2.00%**
Global X Physical Gold Structured	**0.00%**	**2.00%**
Fixed Income	**65.00%**	**73.00%**
CFS Macquarie Australian Fixed Interest Fund	25.00%	25.00%
Janus Henderson Tactical Income Fund	15.00%	15.00%
Yarra Enhanced Income Fund (Direct)	**0.00%**	**8.00%**
PIMCO Diversified Fixed Interest W	25.00%	25.00%
Cash	**20.00%**	**10.00%**
FSI Strategic Cash Fund	**20.00%**	**10.00%**