



Drummond CFS Conservative Portfolio

Super & Pension

Monthly Update - June 2025

MARKET COMMENTARY

Global equity markets had a strong June, rising 3.9%. Continued positivity around the “taco trade (Trump always chickens out)” saw the complete pricing out of any tariff related risk to economic growth or inflation for the foreseeable future. Markets also shrugged off a sharp escalation in conflict between Israel and Iran as well as a US attack on Iran’s nuclear facilities, after no material retaliation from Iran allowed a ceasefire to be agreed upon. This saw equity markets fully recover the tariff related drawdown and reach new highs in many regions.

Global equity returns were again led by mega-cap technology in June, up 8.5%. Nvidia rose around 15% in the month, buoyed by ongoing optimism around AI and a bullish outlook at its annual shareholder meeting. Otherwise, the resources and energy sectors performed well, supported by higher oil prices in light of Middle East tensions.

Australian stocks underperformed global shares, rising 1.4%, reflecting less technology exposure as well as weakness in defensive sectors including healthcare and consumer staples (down -1.3% and -2.8% respectively). Emerging market equities had a very solid month, matching the performance of the Nasdaq (up 6.1%) led by positivity around trade negotiations between China and the US and some ongoing recovery in economic growth in China.

Fixed income markets gained a little in June. Australian bonds rose 0.9% and US bonds rose 1.0%. In both regions, this corresponded with a modest fall in long term bond yields. In the US, the biggest news in bond markets is the continued negotiation around Trump’s One Big Beautiful Bill, which would cut taxes and spending materially, though the net effect would be larger deficits. Credit markets were also positive in the month on lower yields and tighter spreads.

The broad commodity market gained 4.9% for the month, with oil (up 8.5%) the key driver. The AUD gained 1.8% versus the USD, benefiting from improved global risk sentiment.

PORTFOLIO COMMENTARY

The Drummond CFS Conservative Portfolio delivered 0.9% in June. This compares to a return of 1.0% for the FE AMI Moderate Index.

The performance of the portfolios across the range of risk profiles was positive in June, due largely to the allocations to Australian and global equity markets. A positive tilt towards emerging markets was beneficial to performance with strong gains for the month. Within fixed income, corporate and government bonds were also positive. At the manager level, most delivered reasonable returns, though those domestic managers who have bet against the Australian banks, or global managers that are more quality focused have lagged. The portfolios have been positioned with a high amount of FX hedging exposure which has helped as the AUD continues to rally on USD weakness.

During the month, the exposures across the portfolios were kept relatively stable.

PORTFOLIO OVERVIEW

This portfolio has a neutral exposure to growth assets of 30% and is suitable for those investors seeking less volatile returns with a conservative risk tolerance.

KEY FACTS

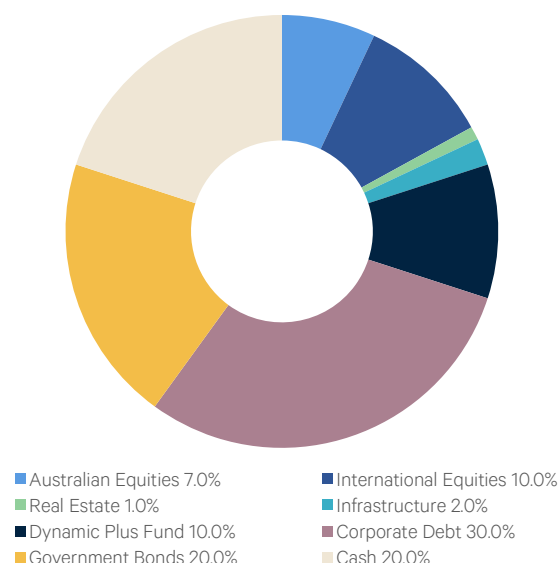
Inception Date	Apr-24
Asset Class	Global Multi Asset
Style	Active
Typical Split	30% Growth / 70% Defense
Investment Horizon	3 years
Benchmark Index	FE AMI Moderate
Est. Total Cost Super	0.77% p.a.
Est. Total Cost Pension	0.77% p.a.

TACTICAL TILTS*

Australian Equities	Underweight
International Equities	Underweight
Real Estate	Overweight
Infrastructure	Overweight
Government Bonds	Underweight
Corporate Debt	Overweight
Cash	Overweight

*Look through asset class exposure including Dynamic Plus Fund

CURRENT ASSET ALLOCATION

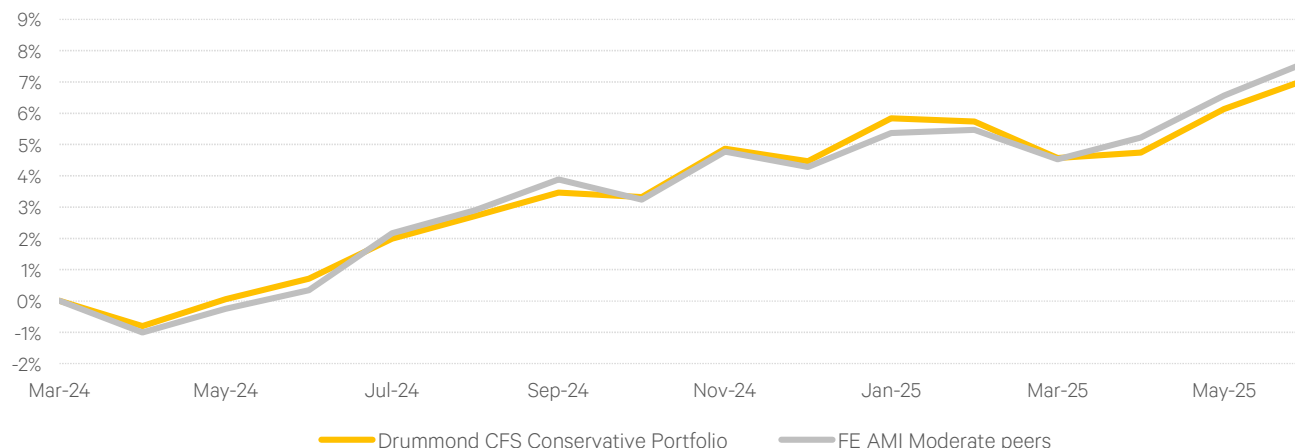


PORTFOLIO PERFORMANCE (Pension)

	1m %	3m %	6m %	1yr %	3yr p.a. %	S.I%
Drummond CFS Conservative Portfolio	0.9	24	25	6.3		5.8
FE AMI Moderate	1.0	3.0	32	7.3		6.2
Difference	-0.1	-0.6	-0.7	-1.0		-0.4

Source: Drummond Capital Partners, Refinitiv, FE FundInfo. Inception Date is 10 April 2024.

PERFORMANCE SINCE INCEPTION (Pension)



PORTFOLIO HOLDINGS

ASSET CLASS	FUND MANAGER	WEIGHT %
DIVERSIFIED REAL RETURN		10.0
	Drummond Dynamic Plus Fund	10.0
AUSTRALIAN EQUITIES		7.0
	DNR Capital Australian Equities High Conviction Fund	4.0
	Solaris Australian Share Fund	3.0
INTERNATIONAL EQUITIES		10.0
	GQG Partners Global Equity Fund - Hedged	4.0
	Colonial First State Wholesale Index Global Share - Hedged	2.0
	Fidelity Asia Fund	2.0
	Colonial First State Wholesale Index Global Share	1.0
	Intermede Global Equities	1.0
REAL ESTATE		1.0
	Quay Global Real Estate Fund	1.0
INFRASTRUCTURE		2.0
	CFS Index Global Listed Infrastructure Securities Fund	2.0
CASH		20.0
	CFS Enhanced Cash Fund	20.0
GOVERNMENT BONDS		20.0
	PIMCO Global Bond Fund	10.0
	Colonial First State Wholesale Index Australian Bond	5.0
	Western Asset Wholesale Australian Bond	5.0
CORPORATE DEBT		30.0
	Kapstream Wholesale Absolute Return Income Fund	10.0
	Perpetual Wholesale Diversified Income Fund	10.0
	Yarra Enhanced Income Fund	10.0
TOTAL LOOK THROUGH EXPOSURE (inc. Plus Fund)		
	Growth Assets	28.6
	Defensive Assets	71.4

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