Drummond CFS Growth Portfolio
Super & Pension
Monthly Update - July 2025

MARKET COMMENTARY

Global equity markets delivered solid gains in July, with MSCI ACWI rising 2.2%. Markets found resilience despite ongoing trade uncertainty, with the key July 9th tariff deadline ultimately extended to August 1st, providing temporary relief. The S&P 500 continued its record-breaking run, posting multiple new all-time highs throughout the month as investors remained optimistic about corporate earnings and economic resilience. The standout performer was the Nasdaq Composite, up 3.7%, again led by mega-cap technology stocks. US markets were buoyed by strong Q2 earnings reports and continued AI optimism, while Fed Chair Powell's balanced commentary kept rate cut hopes alive without signaling urgency.

Australian markets kept pace with global markets, rising 2.4%, despite the RBA's surprise decision to hold rates steady in a 6-3 split vote, disappointing expectations for the widely anticipated 25bp cut. Emerging markets posted solid gains of 2.0%, with Chinese markets showing resilience despite ongoing trade negotiations, supported by Q2 GDP growth beating expectations at 5.2% year-on-year.

Fixed income markets were soft in July. Australian bonds fell -0.3% as rate cut expectations were pushed back, while US bonds fell -0.4% on balanced Fed messaging. Credit markets were flat.

The commodity complex was volatile, with copper spiking on news of potential 50% US tariffs, while oil gained 6.1% on Middle East tensions and supply concerns. The Australian dollar weakened 1.2% against the USD despite improved global risk sentiment.

PORTFOLIO COMMENTARY

The Drummond CFS Growth Portfolio delivered 1.4% in July. This compares to a return of 1.0% for the FE AMI Growth Index.

Positive tilts towards emerging markets continued to add to returns whilst real estate lagged. Corporate debt managers were strong whilst in equities the more growth orientated managers outperformed those with value tilts.

During the month, we implemented changes based on our 2025 Strategic Asset Allocation Review. The major portfolio change was an increase in Australian equities. With reasonable exposure to domestic large caps already, we have added an allocation Longwave Australian Small Companies. Other changes included replacing Sage Equity Plus with Pendal Australian Share; moving to active infrastructure manager Clearbridge; and marginally reducing the concentrated exposure in DNR and GQG. We also moderately increased the growth exposure of the portfolios given fading growth risks from tariffs (including some offset from Donald Trump's One Big Beautiful Bill) and strong corporate earnings, and the prospect of future interest rate cuts.

Overall, these changes along with increasing equity exposure implemented predominantly through adding domestic and global exposure in the Dynamic Plus Fund brings growth exposure just marginally below neutral and we continue to prefer Australian investment grade credit over bonds.

PORTFOLIO OVERVIEW

This portfolio has a neutral exposure to growth assets of 70% and is suitable for those investors willing to accept significant volatility.

KEY FACTS

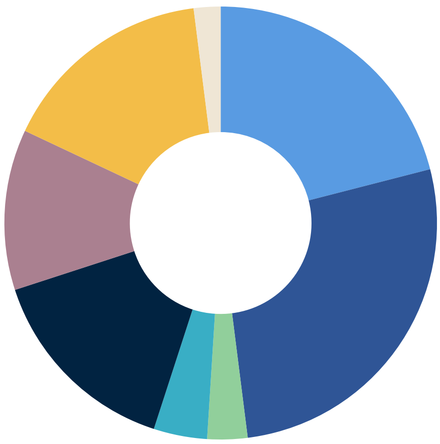
Inception Date	Apr-24
Asset Class	Global Multi Asset
Style	Active
Typical Split	70% Growth / 30% Defense
Investment Horizon	7 years
Benchmark Index	FE AMI Growth
Est. Total Cost Super	0.83% p.a.
Est. Total Cost Pension	0.83% p.a.

TACTICAL TILTS*

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

*Look through asset class exposure including Dynamic Plus Fund

CURRENT ASSET ALLOCATION

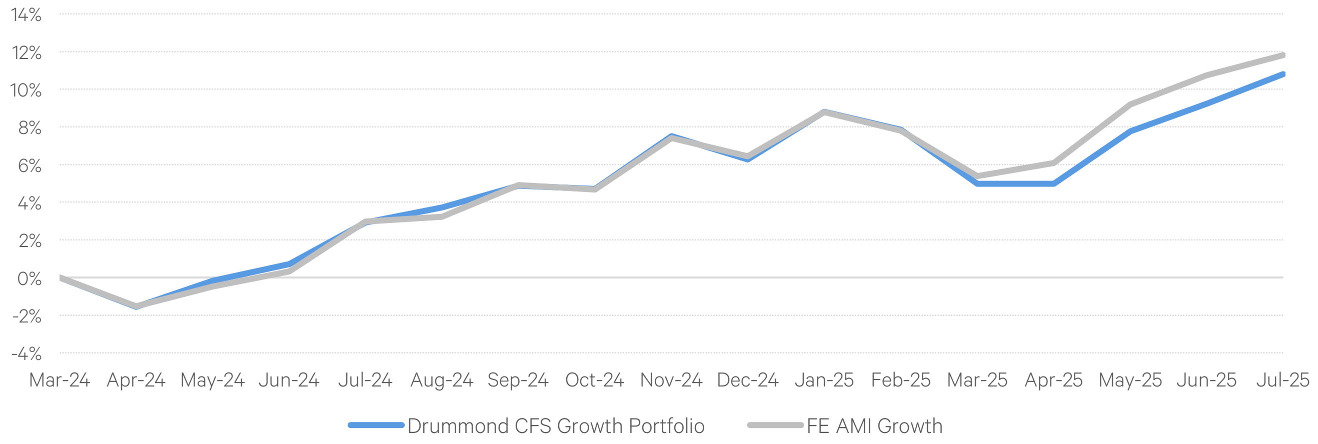


PORTFOLIO PERFORMANCE (Pension)

	1m %	3m %	6m %	1yr %	3yr pa %	S.I%
Drummond CFS Growth Portfolio	1.4	5.5	1.8	7.7		8.2
FE AMI Growth	1.0	5.4	2.8	8.6		8.9
Difference	0.4	0.1	-1.0	-0.9		-0.7

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		15.0
	Drummond Dynamic Plus Fund	15.0
AUSTRALIAN EQUITIES		21.0
	DNR Capital Australian Equities High Conviction Fund	6.0
	Solaris Australian Share Fund	6.0
	Pendal Australian Share Fund	6.0
	Longwave Australian Small Companies Fund	3.0
INTERNATIONAL EQUITIES		27.0
	Colonial First State Wholesale Index Global Share	9.0
	Colonial First State Wholesale Index Global Share - Hedged	7.0
	GQG Partners Global Equity Fund - Hedged	4.0
	Intermede Global Equities	4.0
	Fidelity Asia Fund	3.0
REAL ESTATE		3.0
	Quay Global Real Estate Fund	3.0
INFRASTRUCTURE		4.0
	ClearBridge RARE Infrastructure Value Fund	4.0
CASH		2.0
	CFS Enhanced Cash Fund	2.0
GOVERNMENT BONDS		16.0
	Western Asset Wholesale Australian Bond	11.0
	PIMCO Global Bond Fund	5.0
CORPORATE DEBT		12.0
	Perpetual Wholesale Diversified Income Fund	4.0
	Kapstream Wholesale Absolute Return Income	4.0
	Yarra Enhanced Income Fund	4.0
TOTAL LOOK THROUGH EXPOSURE (inc. Plus Fund)		
	Growth Assets	69.4
	Defensive Assets	30.6