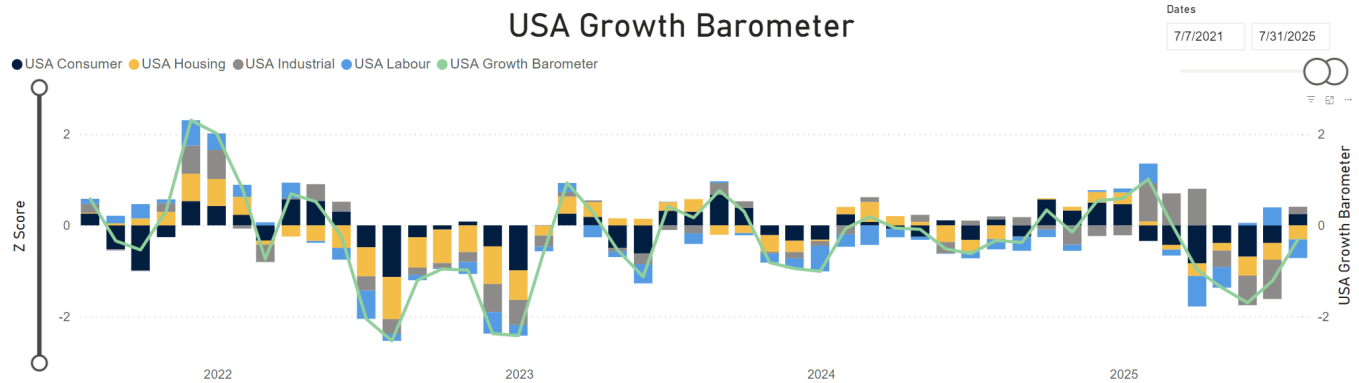


# CFS FirstChoice Portfolio Update

15 AUGUST 2025

Despite ongoing chaos from the Trump administration, the US economy appears to be taking the hit from higher tariffs quite well. After slowing in the first half of the year, our Growth Barometer shows that economic growth in the US seems to have stabilised (albeit at a relatively sluggish rate). A key market concern, that there would be a dramatic pullback in hiring and spending in response to business uncertainty has failed to eventuate. Meanwhile, AI optimism continues, and tech earnings continue to please the market as a whole.



In this month's *Market Insight*, we reviewed the outlook for the second half of the year and came to the conclusion that while growth is expected to remain sluggish, some offset from Fed interest rate cuts and additional fiscal stimulus from the One Big Beautiful Bill will go a long way to offsetting additional tariff drag. As a result, while the outlook for equities isn't spectacular, risks of a meaningful correction due to a recession have faded. As a result, we are slightly increasing growth exposure in the portfolios back to neutral across Australian and global equities as well as infrastructure. These changes will be implemented via the Drummond Dynamic Plus Fund.

In addition, we are switching Intermede Global Equities for the newly available Acadian Global Equity Fund.

## Acadian Global Equity Fund

The Fund provides exposure to a diversified portfolio of 200-400 global stocks, resulting from a systematic, multi-factor investment approach. We have confidence in the team of over 120 investment professionals, who work across Acadian's global investment capabilities. Given the systematic investment approach, there is less reliance on any single portfolio manager, relative to many fundamental peers. The global equity strategy has an extensive performance track record, dating back to 2005, with appropriate enhancements to the process along the way. We believe the strategy is an attractive core exposure in the global equity space, with outperformance of 1.3% p.a. over the benchmark over the past five-year period.

## PORTFOLIO CHANGES

	Change	Conservative	Moderate	Balanced	Growth	High Growth
<b>Global Equities</b>						
Acadian Global Equity Fund	▲	1.0%	2.5%	2.5%	4.0%	5.0%
Intermede Global Equity Fund	▼	-1.0%	-2.5%	-2.5%	-4.0%	-5.0%

## ASSET CLASS POSITIONING

The table below shows the tactical positioning compared to the SAA upon completion of these changes. Growth assets are neutral, and we retain our large overweight to corporate debt and are still underweight government bonds.

	Strong Underweight	Underweight	Neutral	Overweight	Strong Overweight
Australian Equities	○	●	○	○	○
Global Equities	○	○	○	●	○
Property	○	○	●	○	○
Infrastructure	○	○	○	●	○
Government Bonds	○	●	○	○	○
Corporate Debt	○	○	○	○	●
Cash	○	○	●	○	○
<b>Total Growth vs Defensive</b>	○	○	●	○	○

## DISCLAIMER

The information in this document has been provided by Drummond Capital Partners (ABN: 15 622 660 182) AFSL 534213. All the information in this document is general in nature and should not be considered personal advice. This document is not intended for public or third-party use.

To the maximum extent permitted by law, neither Drummond nor any of their associates, related parties, directors, officers, employees, advisers (including financial, accounting and legal advisers) or representatives make any recommendation in relation to the investments, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this document.

This document is intended to provide potential Investors with general information only and does not constitute a product disclosure statement or any other disclosure document under the Corporations Act 2001 (Cth) (Act). This document has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body or regulator.

This information is intended only for persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act), (collectively, Qualifying Investors).

Past performance is not indicative of future performance. Please seek financial advice.