



Drummond CFS Conservative Portfolio

Super & Pension

Monthly Update - September 2025

MARKET COMMENTARY

Global equity markets extended gains in September, with the MSCI ACWI rising 3.7%. Earnings upgrades broadened, reaching a four-year high following a strong Q2 earnings season. The S&P 500 shrugged off concerns of a potential US government shutdown, posting a second consecutive quarterly gain and its fifth straight monthly gain, as investors continued to weigh in on expectations of further Fed easing following the September rate cut. The Nasdaq Composite gained 5.7%, driven by continued enthusiasm around the AI secular growth theme.

After reaching record highs in August, Australian equities underperformed in September, both on an absolute basis and relative to global peers, declining by 0.8%. Nine out of eleven sectors reported losses led by energy declining 9.8% after OPEC flagged production increases. In contrast, smaller companies continued to demonstrate strong performance, up 2.8%. Australian REITs declined 2.2% amid no material news flow. Emerging markets rose 7.2% led by renewed interest in Chinese equities from both domestic and foreign investors.

Fixed income markets delivered mostly positive returns in September driven by central bank rate cuts. US bonds gained 0.9% and Australian bonds were steady. Credit markets performed reasonably well, with investment grade and high yield returning 1.9% and 0.9% respectively.

The commodity stable was mixed, with crude oil falling by 1.9% on higher expected supply. Gold rallied strongly, gaining 11.4% as investors flocked to its safe-haven status in anticipation of further US rate cuts and fears of a potential government shutdown. The Australian dollar rose 1.0% against the USD, buoyed by more positive risk sentiment.

PORTFOLIO COMMENTARY

The Drummond CFS Conservative Portfolio delivered 0.6% in September. This compares to a return of 0.5% for the FE AMI Moderate Index.

Australian earnings results continue to impact large cap manager performance whilst small caps were again strong. Global equity managers were positive, led by exposure to Asia and hedged global passive equities whilst infrastructure was also strong, especially relative to global real estate. Bond and credit managers were also both positive contributors.

During the month, we sold the GQG Global Equity fund, reallocating this to existing global managers. DNR Australian High Conviction Fund was reduced with some reallocated to Pandal Australian Shares. The net effect being a small reduction in Australian equity exposure in favour of global equities. Overall exposure was brought to marginally overweight via increasing equity exposure within the Dynamic Plus Fund (global small caps and Nasdaq) whilst a small position in gold was also purchased at the beginning of September. We continue to prefer Australian investment grade credit over bonds.

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

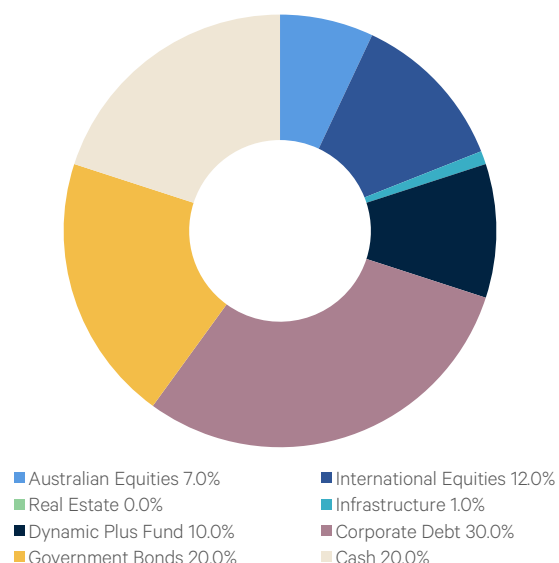
Inception Date	Apr-24
Asset Class	Global Multi Asset
Style	Active
Typical Split	30% Growth / 70% Defense
Investment Horizon	3 years
Benchmark Index	FE AMI Moderate
Est. Total Cost Super	0.77% p.a.
Est. Total Cost Pension	0.77% p.a.

TACTICAL TILTS*

Australian Equities	Underweight
International Equities	Overweight
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

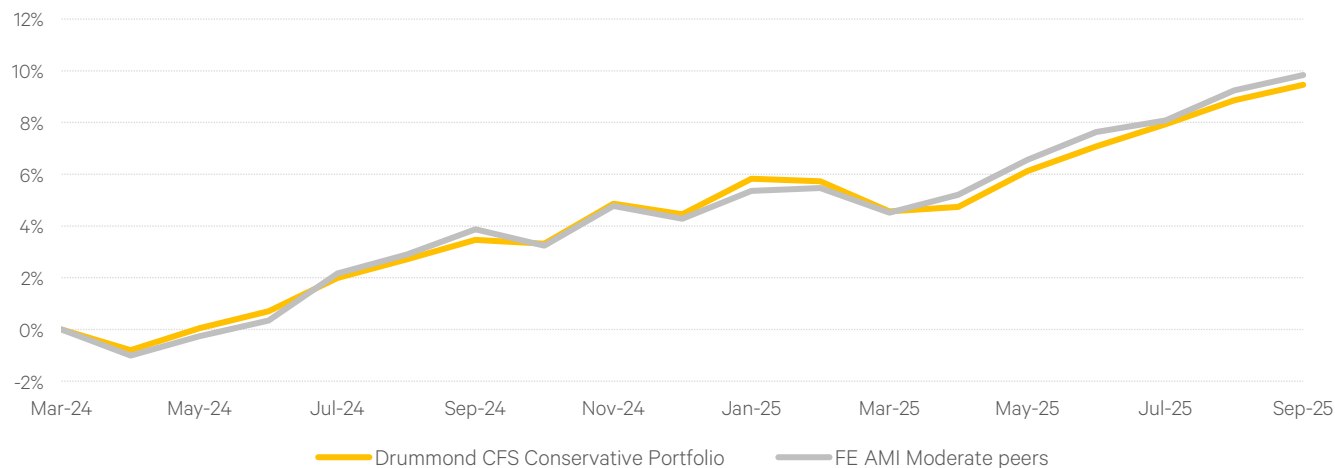


PORTFOLIO PERFORMANCE (Pension)

	1m %	3m %	6m %	1yr %	3yr p.a. %	S.I.%
Drummond CFS Conservative Portfolio	0.6	2.2	4.7	5.8		6.3
FE AMI Moderate	0.5	2.0	5.1	5.7		6.6
Difference	0.1	0.2	-0.4	0.1		-0.3

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
	Pendal Australian Share Fund	4.0
	Solaris Australian Share Fund	3.0
INTERNATIONAL EQUITIES		12.0
	Colonial First State Wholesale Index Global Share - Hedged	8.0
	Fidelity Asia Fund	2.0
	Colonial First State Wholesale Index Global Share	1.0
	Acadian Global Equity	1.0
INFRASTRUCTURE		1.0
	ClearBridge RARE Infrastructure Value Fund	1.0
CASH		20.0
	CFS Enhanced Cash Fund	20.0
GOVERNMENT BONDS		20.0
	PIMCO Global Bond Fund	10.0
	Western Asset Wholesale Australian Bond	10.0
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	30.5
	Defensive Assets	69.5

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