



Drummond CFS Moderate 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 Moderate Portfolio returned 0.6% in September. This compares to a return of 1.1% for the FE AMI Balanced 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 Pendal 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 50% and is suitable for those investors with balanced tolerance for risk, seeking less volatile returns.

KEY FACTS

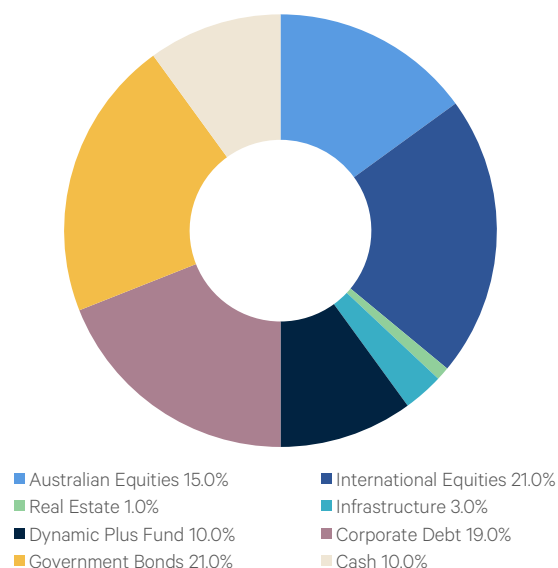
Inception Date	Apr-24
Asset Class	Global Multi Asset
Style	Active
Typical Split	50% Growth / 50% Defense
Investment Horizon	5 years
Benchmark Index	FE AMI Balanced
Est. Total Cost Super	0.79% p.a.
Est. Total Cost Pension	0.79% p.a.

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

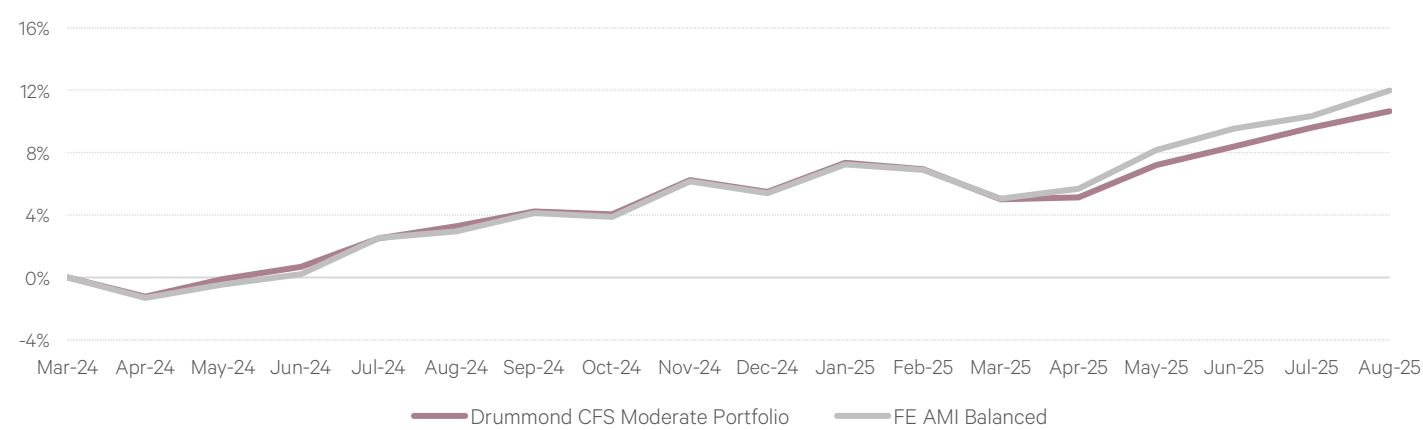


PORTFOLIO PERFORMANCE
 (Pension)

	1m %	3m %	6m %	1yr %	3yr pa %	S.I%
Drummond CFS Moderate Portfolio	0.6	2.7	6.0	6.8		7.6
FE AMI Balanced	1.1	3.3	7.8	8.7		8.8
Difference	-0.5	-0.6	-1.8	-1.9		-1.2

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		15.0
	Pendal Australian Share Fund	6.0
	Solaris Australian Share Fund	5.0
	DNR Capital Australian Equities High Conviction Fund	2.0
	Longwave Australian Small Companies Fund	2.0
INTERNATIONAL EQUITIES		21.0
	Colonial First State Wholesale Index Global Share - Hedged	8.5
	Colonial First State Wholesale Index Global Share	7.5
	Acadian Global Equity	2.5
	Fidelity Asia Fund	2.5
REAL ESTATE		1.0
	Quay Global Real Estate Fund	1.0
INFRASTRUCTURE		3.0
	ClearBridge RARE Infrastructure Value Fund	3.0
CASH		10.0
	CFS Enhanced Cash Fund	10.0
GOVERNMENT BONDS		21.0
	Western Asset Wholesale Australian Bond	14.0
	PIMCO Global Bond Fund	7.0
CORPORATE DEBT		19.0
	Kapstream Wholesale Absolute Return Income	7.0
	Yarra Enhanced Income Fund	7.0
	Perpetual Wholesale Diversified Income Fund	5.0
TOTAL LOOK THROUGH EXPOSURE (inc. Plus Fund)		
	Growth Assets	50.5
	Defensive Assets	49.5

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