



Drummond CFS Moderate Portfolio

Super & Pension

Monthly Update - October 2025

MARKET COMMENTARY

Global equity markets rose for a fifth consecutive month in October, with the MSCI ACWI Index advancing 2.8%. Markets were optimistic in the lead up to the meeting between the presidents of both the US and China, set to cover a broad agenda including trade, tariffs, rare earths and potential pathways to end Moscow's war in Ukraine. The S&P 500 remained resilient, buoyed by the US Federal Reserve electing to cut interest rates and was mostly unphased by the US government shutdown. Meanwhile, strong earnings from technology companies and a surge in AI deal related activity saw the Nasdaq deliver a strong 4.7% gain.

Australian equities edged higher by 0.4%, however volatility remained steadfast. A surprise inflation uptick dampened market expectations for further rate cuts this year, despite September's unemployment figure rising to 4.5%. Although Australian REITs finished marginally higher by 0.4%, the rate sensitive sector saw a sell off late in the month driven by shifting monetary policy expectations. Emerging markets rose 4.2%, supported by improved sentiment around US-China trade tensions and continued strength in technology names, particularly semiconductor manufacturers benefiting from AI-driven growth.

Fixed income markets delivered positive returns in a volatile month amid renewed caution from Federal Reserve officials, with bonds rising 0.7%. Australian bonds gained 0.4% amid a narrowing window for further rate cuts. High yield credit was flat, while investment grade credit declined by 0.2% as spreads remained tight with sustained demand for yield.

Within commodities, oil declined 2.3% and gold rose 3.8%, despite gold's intra-month sell-off with markets questioning the sustainability of price increases. The Australian dollar declined 0.8% against the US dollar as markets priced in easing tensions between the US and China.

PORTFOLIO COMMENTARY

The Drummond CFS Moderate Portfolio returned 1.1% in October. This compares to a return of 1.1% for the FE AMI Balanced Index.

During the month, performance across Australian equity managers was mixed, with the small-cap manager outperforming mid to large-cap peers. International equity managers were generally stronger on a relative basis, supported by technology sector gains in both the US and emerging markets. Infrastructure also delivered solid gains amid rising AI-related capital investment, while bond and credit managers contributed positively across the board for the month.

In October, we switched some global real estate exposure to domestic real estate via the Pendal Property Securities Fund. Our overall real estate exposure from an asset class allocation perspective remains unchanged. In addition, we have increased the global equity exposure within the Dynamic Plus Fund in line with changes across the portfolio suite as we take a more positive view on Japanese equities.

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

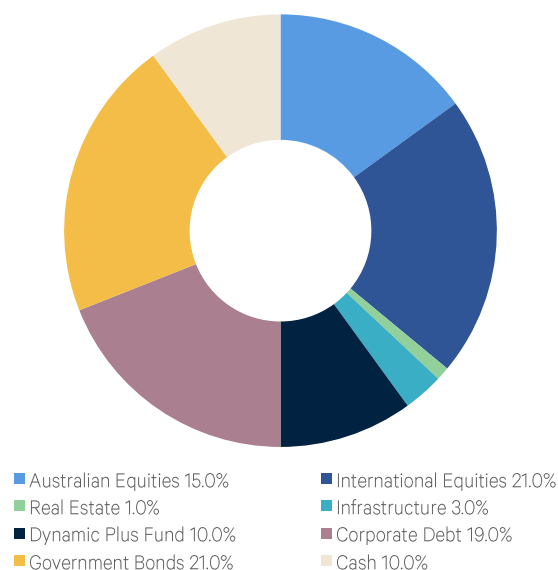
Inception Date	Apr-24
Asset Class	Global Multi Asset
Style	Active
Typical Split	50% Growth / 50% Defense
Investment Horizon	5 years
Benchmark Index	FE AMI Balanced
Est. Total Cost Super	0.79% p.a.
Est. Total Cost Pension	0.79% p.a.

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

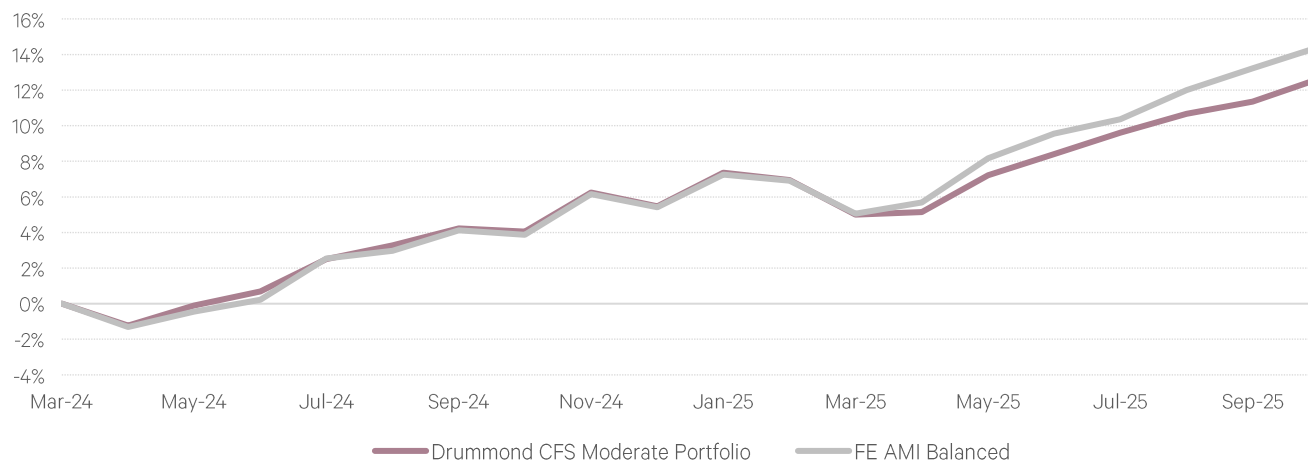


PORTFOLIO PERFORMANCE (Pension)

	1m %	3m %	6m %	1yr %	3yr pa %	S.I%
Drummond CFS Moderate Portfolio	1.1	2.8	7.1	8.2		7.9
FE AMI Balanced	1.1	3.7	8.3	10.1		9.0
Difference	0.0	-0.9	-1.2	-1.9		-1.1

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	51.5
	Defensive Assets	48.5

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