Drummond CFS Conservative Portfolio
Super & Pension
Monthly Update - November 2025

MARKET COMMENTARY

Global equities were largely unchanged over the month, with the MSCI ACWI edging up 0.1%. Market conditions were volatile, driven initially by profit-taking in the technology sector, amid growing concerns the AI-led momentum had been running at an unsustainably rapid pace. Markets recovered late in the month as expectations were firmed that the U.S Federal Reserve may cut interest rates faster than anticipated on softer labor market indicators. This was supported by several central bank official remarks signalling a willingness to ease policy settings. The S&P 500 finished 0.3% higher, with the index's concentration in the top 10 U.S companies by market capitalisation spilling over 40%.

Australian equities underperformed global markets, declining 2.7% for the month. Investor sentiment was dampened by renewed concerns around elevated technology company valuations and persistent inflation pressures. The technology and financial sectors led the market lower, falling 7.9% and 7.3% respectively. A higher-than-expected trimmed mean inflation print of 3.3% over 12 months to October 2025, reduced the likelihood of any immediate rate cuts. Emerging markets also softened, declining 2.5% over the month, with AI-linked shares tracking similar sector weakness in the U.S.

Expectations for a December rate cut by the U.S Federal Reserve placed downward pressure on U.S Treasury yields resulting in a 0.6% rise in U.S bond markets. In contrast, Australian bonds fell 1.1%, weighed down by a surprise uptick in the latest inflation print pushing domestic yields higher. High yield and investment grade credit rose 0.8% and 0.9% respectively, with widening risk premiums signalling a slight increase in market caution.

Commodities were mixed, with oil down 5.1% on potential Ukraine-Russia peace talks and gold rose 5.6% on concerns about a slowing U.S economy in 2026. The Australian dollar slipped 0.3% against the greenback and saw a recovery late in the month on a stronger inflation print decreasing the likelihood of interest rate cuts in the near term.

PORTFOLIO COMMENTARY

The Drummond CFS Conservative Portfolio delivered -0.3% in November. This compares to a return of -0.3% for the FE AMI Growth Index.

Australian equity managers broadly underperformed following a surprise inflation uptick that tempered rate cut expectations and triggered a sharp pullback in domestic equities. Global equity managers' performance was mixed, driven by regional positioning. Asia lagged while U.S exposure delivered a modest gain amid a volatile month capped by a late rally on rising expectations of U.S policy easing.

The infrastructure manager delivered a strong return for the month, while bond and credit managers were largely flat despite the upside inflation surprise domestically and softer U.S. labor-market data on the international front. No changes were made to the portfolio over the course of the month.

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

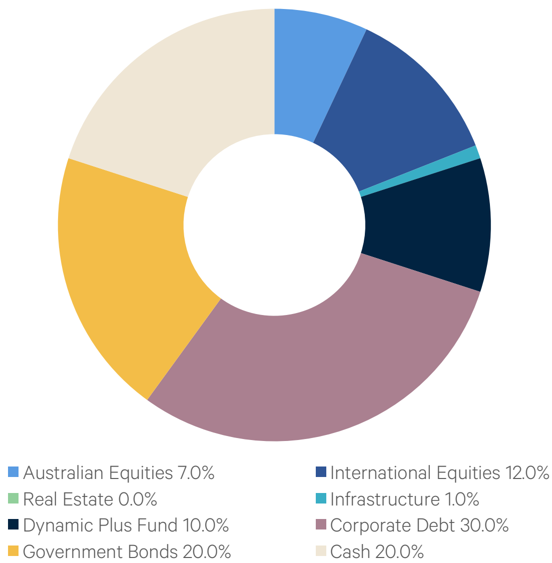
Inception Date	Apr-24
Asset Class	Global Multi Asset
Style	Active
Typical Split	30% Growth / 70% Defense
Investment Horizon	3 years
Benchmark Index	FE AMI Moderate
Est. Total Cost Super	0.77% p.a.
Est. Total Cost Pension	0.77% p.a.

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

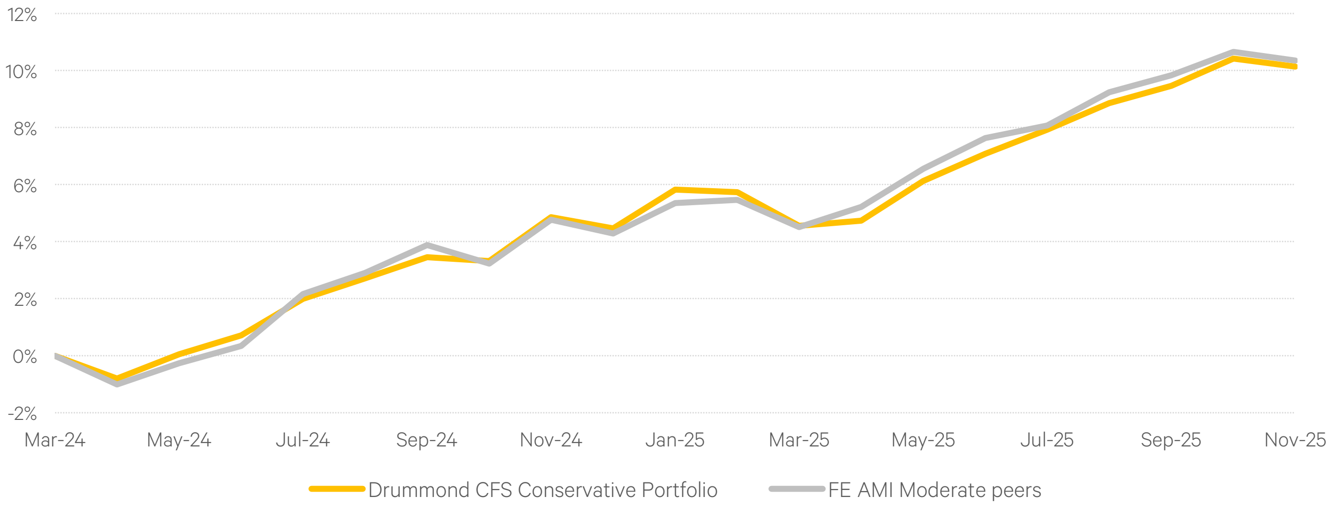


PORTFOLIO PERFORMANCE (Pension)

	1m %	3m %	6m %	1yr %	3yr p.a. %	S.I%
Drummond CFS Conservative Portfolio	-0.3	1.2	3.8	5.0		6.1
FE AMI Moderate	-0.3	1.0	3.6	5.3		6.2
Difference	0.0	0.2	0.2	-0.3		-0.1

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		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	31.5
	Defensive Assets	68.5