



Drummond CFS Moderate Portfolio

FirstChoice - Super & Pension

Monthly Update - March 2026

MARKET COMMENTARY

Volatility intensified during the month amid the war in Iran, triggering a sell-off across most asset classes. The conflict has caused major disruption to global energy markets. Although Iran produces around 4% of global oil supply, its military has largely closed the Strait of Hormuz, through which 20% of global oil production is transported.

Declines were broad, with the MSCI ACWI down 6.2%, and the S&P 500 down 5.0%, while energy was among the few sectors to post gains, rising 7.1%. Basic resources and industrials were the largest decliners, 16.7% and 10.8% respectively, due to threats posed to global supply chains and impacts of rising energy costs. Markets recovered some losses late in the month, with the S&P 500 rallying ~3.0% after the U.S indicated it may withdraw from the region without a plan to reopen the Strait of Hormuz, while Iran expressed willingness to end the war, signalling both sides are seeking a resolution lowering the risk of a protracted war.

There was no let up for Australian equities, declining 7.2% with most sectors in the red, including basic resources down 13.3%, however the annual gain for this sector remains strong at 39.3%. The energy sector rose strongly, up 20.3% on higher oil and gas prices. Higher bond yields lift the required return on property assets, which saw Australian REITs fall 10.4%. Emerging markets pared back recent strength, down 13.0%, whilst European equities declined 8.3%, with both regions more sensitive to elevated energy prices relative to the U.S.

U.S and Australian bond prices declined 1.8% and 1.6% respectively on escalating geopolitical tensions and rising inflation concerns linked to the conflict. Investment grade and high-yield credit followed suit down 2.1% and 1.0% respectively, as spreads widened on risk aversion.

Commodities saw significant gains borne out of the conflict, with oil a particular beneficiary rising 53.6% over the month, while gold failed to maintain its safe-haven status, down 12.0%. The Australian dollar fell 3.9% against the U.S dollar as investors turned to the USD as a safe haven.

PORTFOLIO COMMENTARY

The Drummond CFS Moderate Portfolio delivered -3.9% in March. This compares to a return of -3.4% for the FE AMI Balanced Index.

With a broad-based sell off across most asset classes during the month, opportunities for positive returns were limited, with the energy sector a notable exception as prices surged amid the escalation of conflict in Iran. Australian equity managers Solaris and Longwave delivered outperformance relative to their respective benchmarks, while international equity managers lagged theirs on a relative basis. Heightened inflation concerns linked to the conflict weighed on interest rate sensitive sectors, with the REIT sector seeing heavy falls. Within defensive allocations, credit managers fared relatively better than their fixed income counterparts.

No portfolio changes were made during the month.

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% Defence
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.

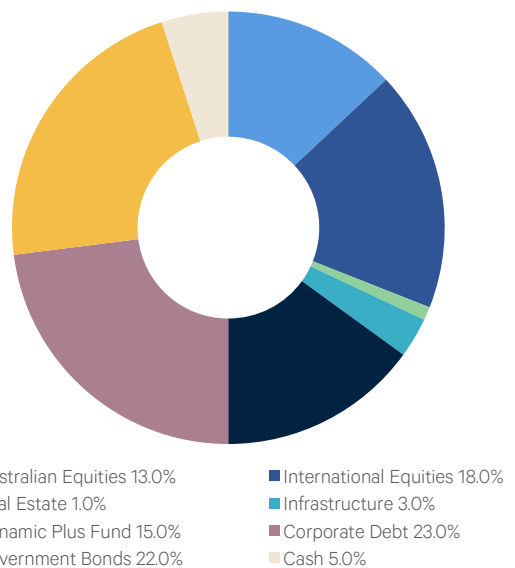
*Fees represent total administration fees, investment fees and costs, and exclude transaction costs.

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



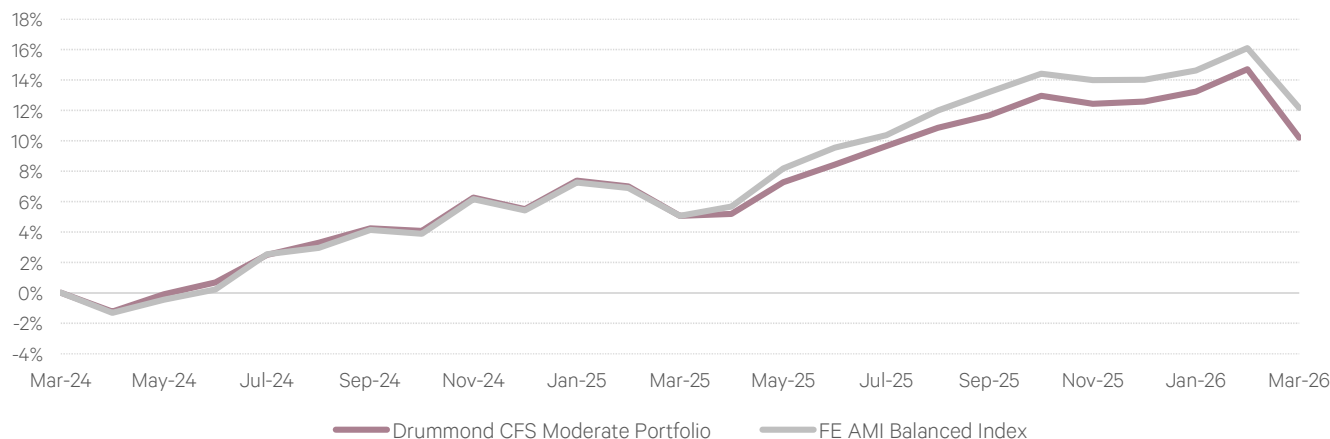
PORTFOLIO PERFORMANCE – MARCH 2026 (Pension)

	1m %	3m %	6m %	1yr %	3yr p.a. %	S.I p.a. %
Drummond CFS Moderate Portfolio	-3.9	-2.1	-1.3	4.9		5.0
FE AMI Balanced Index	-3.4	-1.6	-0.9	6.8		6.0
Difference	-0.5	-0.5	-0.4	-1.9		-1.0

Note: Past performance is not a reliable indicator of future performance.

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		15.0
	Drummond Dynamic Plus Fund	15.0
AUSTRALIAN EQUITIES		13.0
	Solaris Australian Share Fund	5.0
	Pendal Australian Share Fund	4.0
	DNR Capital Australian Equities High Conviction Fund	2.0
	Longwave Australian Small Companies Fund	2.0
INTERNATIONAL EQUITIES		18.0
	Colonial First State Wholesale Index Global Share Fund - Hedged	5.5
	Colonial First State Wholesale Index Global Share Fund	5.5
	Acadian Global Equity Fund	2.5
	Fidelity Asia Fund	2.5
	Yarra Global Small Companies Fund	2.0
REAL ESTATE		1.0
	Quay Global Real Estate Fund	1.0
INFRASTRUCTURE		3.0
	ClearBridge RARE Infrastructure Value Fund	3.0
CASH		5.0
	CFS Enhanced Cash Fund	5.0
GOVERNMENT BONDS		22.0
	Western Asset Wholesale Australian Bond Fund	15.0
	PIMCO Global Bond Fund	7.0
CORPORATE DEBT		23.0
	Kapstream Wholesale Absolute Return Income Fund	11.0
	Yarra Enhanced Income Fund	7.0
	Perpetual Wholesale Diversified Income Fund	5.0
TOTAL LOOK THROUGH EXPOSURE (inc. Plus Fund)		
	Growth Assets	53.0
	Defensive Assets	47.0

IMPORTANT NOTICE

This information is based on the latest available data provided by the underlying investment managers. Returns greater than one year are annualised. Performance is shown net of underlying fund manager fees and gross of model management fees and is calculated from the model portfolio within CFS FirstChoice. Actual client performance may differ over time. Peers represent a composite of institutional multi-asset funds.

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