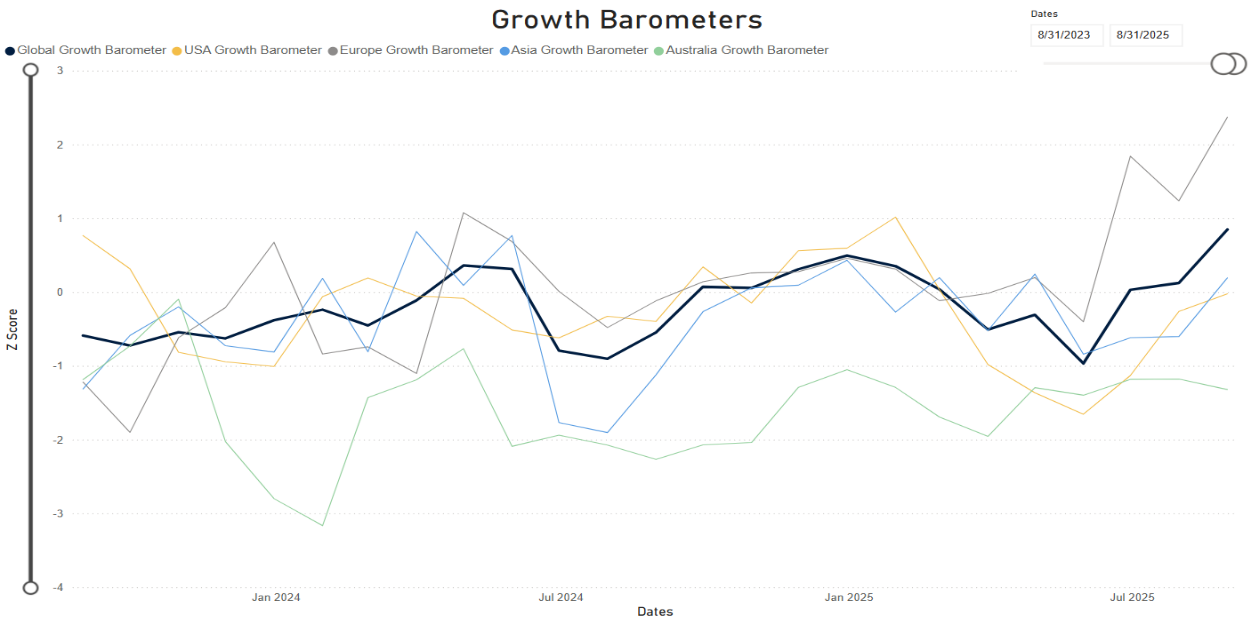
DRUMMOND
CAPITAL PARTNERS

Portfolio Update

16 SEPTEMBER 2025

PORTFOLIO CHANGE AND RATIONALE

With most measures of economic conditions surprisingly good post the uncertainty surrounding the impact of tariffs, our global growth barometers as shown below continue to trend positively. US labour markets have now shown enough weakness for the US Federal Reserve to restart its interest rate cutting cycle as well. Longer term concerns around government debt dynamics and the possibility of higher inflation can, for now, take a back seat. The effects of further rate cuts should be positive given an already reasonable economic backdrop with fiscal stimulus continuing and corporate earnings remaining resilient.



As a result, we continue to adjust the mix of the portfolio to a slightly more positive tilt via adding to existing global small cap manager American Century with rate cuts now coming and tariff uncertainty in the rear-view mirror to a large extent. We are in part funding this increase via adjusting exposure to DNR Australian Equities High Conviction Fund given the uncertain earnings backdrop for large caps in Australia. In addition, after ongoing discussion with the manager around their highly contrarian positioning, we are removing quality focused GQG Global Equity Fund, for a more diversified, risk aware manager in Life Cycle Global Share Fund. Overall following the changes exposure to global equities increases and Australian equities decreases with overall growth assets slightly above neutral.

Life Cycle Global Share Fund

The Life Cycle Global Share Fund provides exposure to a style neutral, benchmark aware, diversified global equity portfolio. Life Cycle Investment Partners was established in 2024 in partnership with Pinnacle Investment Management though many members of the team have applied the same underlying investment strategy since 2014 at previous firms. The business is majority-owned by its investment team, ensuring strong alignment with investors. The investment process focuses on identifying where companies are in their corporate life cycle, then evaluating whether they exhibit superior shareholder wealth creation and attractive valuations. We are particularly impressed by the team's proprietary life cycle framework, disciplined risk management, and balanced approach to portfolio construction.

PORTFOLIO CHANGES

	Change	Dynamic	DS30	DS50	DS70	DS90	DS100	DS100+
Australian Equities			**-1.0%**	**-1.0%**	**-1.0%**	**-1.0%**	**-2.0%**	
iShares Australian Equity Index Fund	▲	2.0%			1.0%	1.0%	1.0%	
DNR Capital Australian Equities High Conviction Fund	▼	-2.0%	-1.0%	-1.0%	-2.0%	-2.0%	-3.0%	
Global Equities		**2.5%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	
Life Cycle Global Share Fund (Hedged)	▲	3.0%	3.0%	3.5%	4.0%	5.5%	5.0%	
American Century Global Small Cap Fund	▲	2.0%	1.0%	1.0%	1.0%	1.5%	2.0%	2.0%
iShares Hedged International Equity Index Fund	▲							3.0%
GQG Partners Global Equity Fund (Hedged)	▼	-2.5%	-2.0%	-2.5%	-3.0%	-5.0%	-5.0%	-5.0%
Government Bonds		**-2.5%**	**-1.0%**	**-1.0%**	**-1.0%**	**-1.0%**		
PIMCO Global Bond Fund	▼	-2.5%	-1.0%	-1.0%	-1.0%	-1.0%		

ASSET CLASS POSITIONING

The table below shows the tactical positioning compared to the SAA upon completion of these changes. Growth assets are slightly above neutral with an overweight to infrastructure and global equities offset by underweight to global alpha and Australian equities. We retain our large overweight to corporate debt and are still underweight government bonds.

	Strong Underweight	Underweight	Neutral	Overweight	Strong Overweight
Australian Equities	○	●	○	○	○
Global Equities	○	○	○	●	○
Property	○	○	●	○	○
Infrastructure	○	○	○	●	○
Global Alpha	○	●	○	○	○
Government Bonds	○	●	○	○	○
Corporate Debt	○	○	○	○	●
Cash	○	○	●	○	○
Total Growth vs Defensive	○	○	○	●	○

DISCLAIMER