Performance Summary

SA Metropolitan Fire Service Super Scheme – Members

April 2025

Funds SA is responsible for investing the assets of the SA Metropolitan Fire Service Superannuation Scheme. In this summary, Funds SA provides an overview of the performance of the investment options offered under the Scheme.

Performance

The table and chart below show Funds SA's Taxable investment option returns based on the post-tax unit pricing model.

Table 1: Taxable investment option returns to 30 April 2025

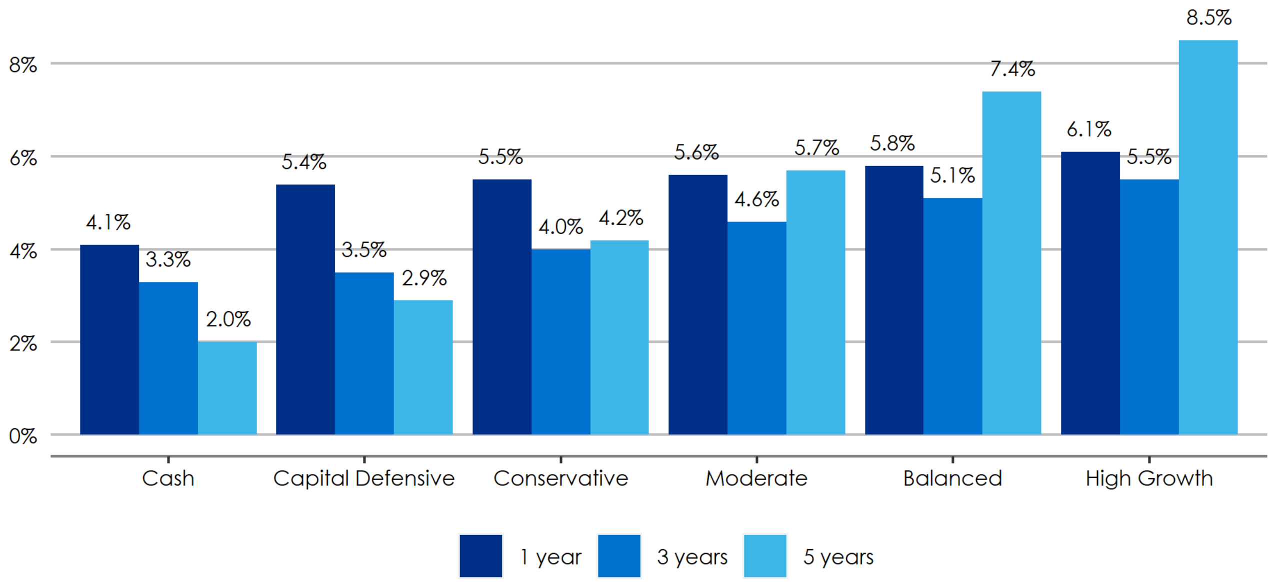
Returns are net of fees and tax

Investment option	1 month %	3 months %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.
Cash	0.3	1.0	3.4	4.1	3.3	2.0	1.8	1.8
Capital Defensive	0.5	0.5	4.5	5.4	3.5	2.9	2.7	2.8
Conservative	0.4	-0.6	4.5	5.5	4.0	4.2	3.6	3.8
Moderate	0.4	-1.8	4.5	5.6	4.6	5.7	4.7	4.8
Balanced	0.3	-3.0	4.5	5.8	5.1	7.4	6.0	5.9
High Growth	0.3	-4.0	4.9	6.1	5.5	8.5	6.7	6.9

Note: The Taxable investment options were established in March 2005, with the exception of the Moderate investment option (established in June 2006).

Chart 1: Taxable investment options annualised returns to 30 April 2025

Returns are net of fees and tax



Key drivers of performance:

- All investment options produced positive returns over the month.
- Most asset classes gained in April, except for International Equities and Defensive Alternatives.
- The largest contributors to option performance were Australian Equities, and Fixed Interest asset classes.
- International Equities was the primary detractor from option performance.
- Australian Equites rose more the 2.7% in April, performance was driven by the Materials sector, in particular gold producer Evolution Mining (ASX: EVN), and rare earths processor Lynas Resources (ASX: LYC). An overweight position relative to benchmark in the best performing sector, Communications Services, sector was also a major positive contributor.
- The Australian Equities asset class underperformed its benchmark by 0.9%. Detractors included an underweight to the Financials sector and specifically Commonwealth Bank and exposure to the Consumer Discretionary which was hurt by a fall in Breville (ASX: BRG) on concerns of the impact of US tariff with significant product sales into the US market but sourced from China.
- International Equities fell 2.0% in April and underperformed the benchmark by 0.2%. Performance was negatively impacted by US Healthcare sector and China equities exposures. The persistent underweight to large cap US technology companies also detracted. Positives included exposure to the Brazilian Financials sector and UK Consumer Staples. Global entertainment names such as Nintendo (TPX: 7974), Netflix (NDQ: NFLX) and Spotify (NYSE: SPOT) performed well.
- Overall, Fixed Interest delivered strong performance in April led by the Inflation-Linked Securities and Long-Term Fixed Interest asset classes which rose 1.7% and 1.5% respectively. Short-Term Fixed Interest rose 1.1%.

Effective asset allocation

The effective asset allocation of the Funds SA Taxable investment options is shown in the table below.

Table 2: Effective asset allocation as at 30 April 2025

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	High Growth %
Australian Equities	0.0	4.9	9.9	17.8	25.5	31.4
International Equities	0.0	7.7	15.1	23.1	32.1	38.8
Private Markets	0.0	1.0	2.1	2.9	5.0	6.4
Property	0.0	6.1	6.2	6.8	7.6	9.1
Infrastructure	0.0	9.4	8.6	7.7	7.7	6.7
Alternatives	0.0	3.1	3.1	2.6	1.3	0.0
Credit	0.0	3.0	6.5	6.9	5.3	6.6
Fixed Interest	0.0	47.0	34.2	23.0	10.1	0.0
Cash	100.0	17.7	14.4	9.2	5.4	1.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Foreign Currency	**0.0**	**4.6**	**9.8**	**14.1**	**20.4**	**25.8**
Foreign Currency Hedge*	**0.0**	**3.2**	**5.4**	**8.3**	**10.7**	**12.1**

Note: Due to rounding, the sum of the individual numbers within the table may not equal the totals quoted.

* The partial foreign currency hedge is the exposure converted back into Australian Dollars from investing in International Equities to achieve the Foreign Currency strategic allocation.

All other asset classes that have international investments are typically fully currency hedged.

Financial market snapshot

The table below summarises broad financial market performance.

Table 3: Major market index returns to 30 April 2025

Market Index	1 month %	3 months %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.
Australian Equities	3.6	-3.7	7.6	9.5	6.8	12.1	8.5	7.7
International Equities	-1.8	-6.1	9.8	13.6	14.3	13.6	11.8	11.0
Australian Unlisted Property	0.1	0.9	1.1	-3.4	-3.0	1.4	2.2	4.9
Credit	-0.1	-0.2	5.8	7.4	5.4	5.3	3.2	4.0
Global Fixed Interest	1.5	2.3	4.5	6.0	0.6	-2.2	1.0	1.6
Australian Fixed Interest	1.1	2.2	6.3	7.3	4.6	2.0	2.6	2.5
Cash	0.4	1.0	3.7	4.5	3.7	2.2	2.0	2.0
Foreign Currency (AUD v. Developed Markets)	1.4	0.5	-6.5	-3.9	-4.6	-1.3	-2.9	-2.3

Note: Returns hedged to the Australian Dollar: Global Fixed Interest, Credit. Equity returns are expressed in AUD.

Financial market commentary

Unsurprisingly, tariffs, big technology and United States trade and politics all continued to have an out-sized influence on global financial markets this month. President Trump announced his reciprocal tariffs early in the month which included a baseline 10% tax on all imports from all countries, an additional 34% tariff on all Chinese goods, 20% on European imports and 25% on all auto imports. China and Europe announced retaliatory measures, before Trump announced a 90-day pause for negotiations. The pause excluded China who received another tariff hike, this time to 145%. China retaliated with 125% tax on the US. The back and forth sent financial markets into a tailspin and volatility skyrocketed.

Adding fuel to the tariff fire were comments by the US President around the remaining tenure of Federal Reserve Chairman, Jerome Powell, raising questions on the independence of the Fed under the current US administration.

Global equites declined overall as evidenced by the MSCI All Cap. World Index (MSCI ACWI) falling 0.5% in the month. Key developed markets including the US, UK, and France, along with China and China-related markets (Hong Kong and Taiwan) all declined.

Government bonds fell (prices rose) as investors sought out "safe" assets, while high yield and credit indices fell indices as the risk premia on corporate debt increased due to the economic uncertainty. Gold continued to surge, hitting an all-time high of $3.5K oz. The US dollar was weaker against all the major crosses as fears increased that its "reserve currency" status may be waning.

Equities

Overall, listed equities markets were lower in April driven by falls in major developed market benchmarks including the key US benchmarks S&P500 (-0.8%), the Dow Jones Industrials Index (-3.2%) and the broad-based Russell 200 Index (-2.4%). S&P500 sectors Energy, Financials, Materials and Real Estate all fell while defensive sectors such as Information Technology, Consumer Staples, Consumer Discretionary posted small gains.

European markets also fell. The MSCI AC Europe index dropped by 1.2% led by steeps falls in the key markets such as the UK (FTSE 100 -1.0%), and France (CAC 40 -2.5%). Germany was the outlier, with the DAX index rising 1.5%. Ongoing macroeconomic weakness across the region promoted the European Central Bank to reduce the policy rate for the 7th time. Ultimately it was the prospect of US tariffs exacerbating further weakness in the region that caused markets to fall.

Asia Pacific equities markets were mixed. China equities were weak (Shanghai Composite -1.7%) as were the North Asia markets including Taiwan (TAIEX -2.2%), and Hong Kong (Hang Seng -4.3%). On the flip side, India (SENSEX +3.7%), Japan (Nikkei 225 +1.2%) and South Korea (KOSPI +3.0%) posted strong gains as did most Southeast Asia indices. Several Asian central banks cut their policy rates during the month, perhaps an indication of the macroeconomic caution required to navigate the economic risks posed by US tariffs.

Fixed Interest

Government bonds strengthened (yields fell) over the period. The US 10-year government Treasury bond finished the month at 4.16% (yield 0.05% lower month-on-month) and the Australian Government 10-year bond 4.12% (yield 0.27% lower). Credit indices fell slightly over the period as the economic uncertainty around US trade policy saw investors pull back their risker positions.

Asset allocation

There were no changes to the asset allocation strategy over the month. Funds SA’s investment team continues to analyse portfolio risk and seek out opportunities to diversify the growth drivers within Funds SA’s asset classes.