

Performance Summary



SA Metropolitan Fire Service Super Scheme – Members

August 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 31 August 2025

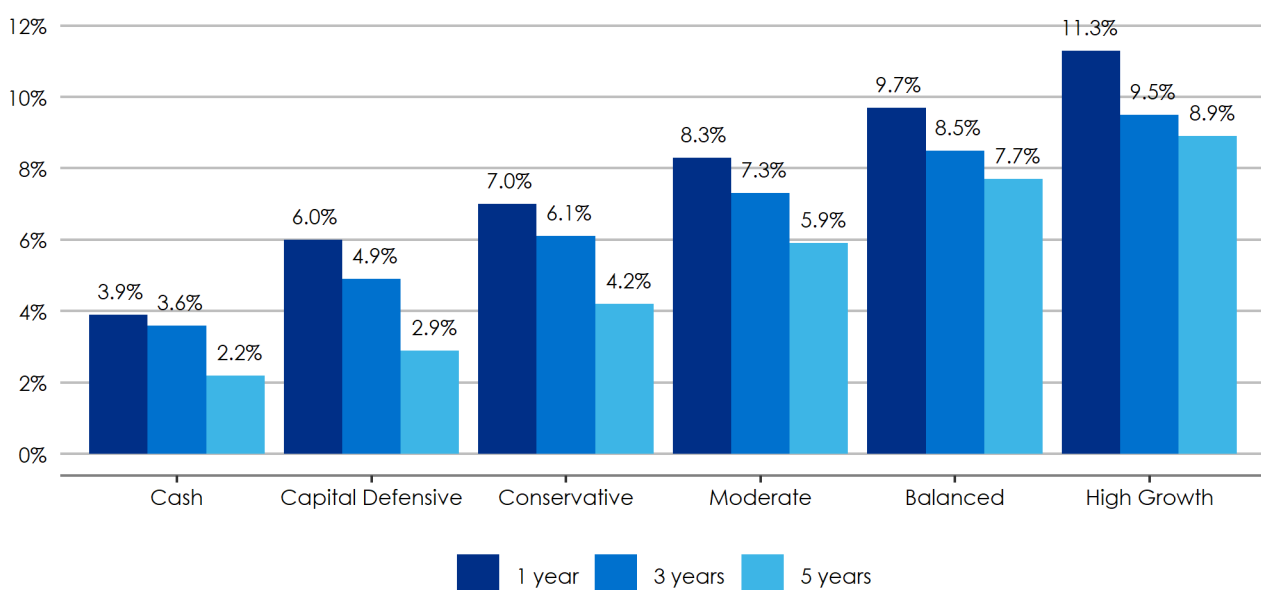
Returns are net of fees and tax

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	0.9	0.6	3.9	3.6	2.2	1.9	1.9
Capital Defensive	0.8	2.1	1.3	6.0	4.9	2.9	3.0	3.2
Conservative	1.0	2.9	1.8	7.0	6.1	4.2	4.0	4.3
Moderate	1.2	3.7	2.4	8.3	7.3	5.9	5.2	5.6
Balanced	1.5	4.5	3.0	9.7	8.5	7.7	6.6	6.9
High Growth	1.7	5.3	3.5	11.3	9.5	8.9	7.3	8.1

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 31 August 2025

Returns are net of fees and tax



Key drivers of performance

- All investment options positive in August and performed strongly relative to their benchmarks.
- All asset classes achieved positive absolute returns in August.
- Private Markets was the standout asset class delivering monthly performance of more than 3.4% in August. Technology focussed private equity strategies, US small and mid-markets exposures and a meaningful valuation uplift in a waste handling investment were the key performance drivers.
- Australian Equities contributed strongly to investment option performance, returning over 2.6% for the month. Positive contributions came from lithium producers Pilbara and IGO, and IDP Education. However, the asset class lagged the benchmark by 0.6% over the period. due mostly to positions in healthcare and industrials.
- International Equities outperformed the benchmark by 0.3%, with sector positioning adding value, in particular an overweight to communication services and an underweight to IT.
- Infrastructure delivered positive returns for month driven by valuation increases across several portfolio assets. A key contributor the continued uplift in the valuations of data centre assets as demand for data storage and processing capacity continues to grow as artificial intelligence applications continue to expand.
- Fixed Interest and Credit also delivered positive returns across the board in August, supported by a combination of income earned, credit spread tightening and falls in in yields.

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 31 August 2025

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	High Growth %
Australian Equities	0.0	5.3	10.6	18.6	25.5	31.4
International Equities	0.0	7.4	14.6	22.8	31.1	38.3
Private Markets	0.0	0.9	2.0	2.7	4.6	5.8
Property	0.0	5.4	6.0	6.1	7.2	7.1
Infrastructure	0.0	11.4	10.5	8.5	7.4	6.1
Alternatives	0.0	2.4	4.0	3.9	3.6	1.9
Credit	0.0	7.5	6.1	6.3	6.8	6.0
Fixed Interest	0.0	41.0	32.4	21.4	8.6	0.0
Cash	100.0	18.8	13.9	9.7	5.1	3.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Foreign Currency	0.0	4.5	9.4	14.7	20.7	26.1
Foreign Currency Hedge*	0.0	3.1	5.4	8.3	10.9	12.4

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 31 August 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	3.2	7.2	5.7	14.9	12.8	12.2	9.2	9.9
International Equities	0.8	6.7	4.0	20.2	19.6	14.8	12.4	12.0
Australian Unlisted Property	0.3	1.5	0.8	2.5	-3.2	1.9	1.8	4.8
Credit	0.7	2.4	1.4	7.3	8.1	4.0	3.8	4.5
Global Fixed Interest	0.3	0.8	0.1	1.9	1.8	-2.0	0.8	1.6
Australian Fixed Interest	0.6	1.5	0.9	6.1	5.4	2.3	2.7	2.6
Cash	0.3	0.9	0.6	4.3	4.0	2.5	2.1	2.1
Foreign Currency (AUD v. Developed Markets)	1.1	1.4	0.0	-4.7	-3.2	-2.9	-2.2	-1.1

Note:

Returns hedged to the Australian Dollar: Global Fixed Interest, Credit.

Equity returns are expressed in AUD.

Financial market commentary

Investor focus shifted in August from US trade tensions to the growing likelihood of US policy rate cuts, following softer economic data. This caused a sharp decline in US Treasury yields, particularly at the short end of the curve.

In contrast, global equities rose, supported by a strong earnings season in the US and Europe. The MSCI ACWI gained 1.9%, with several developed market indices reaching new highs.

Equities

Asia and the US led global equity gains. In Asia, standout performers included China's CSI 300 (+8.0%), Japan's Nikkei (+4.0%), and Australia's S&P/ASX 300 (+2.7%). In the US, major indices posted solid returns: the Dow Jones (+3.2%), S&P 500 (+1.9%), NASDAQ (+1.6%), and the Russell 2000 (+7.0%).

The S&P 500 and NASDAQ reached new all-time highs, while the Russell 2000 recorded its best monthly performance since November 2024. Key drivers included strength in healthcare, materials, communication services, and consumer discretionary. Q2 earnings were a tailwind, with S&P 500 companies delivering nearly 12% year-on-year EPS growth—well above expectations.

In Australia, earnings season dominated market performance. Consumer discretionary stocks led gains, while healthcare lagged. Materials also contributed positively, driven by strong performances from gold and lithium companies.

Asian markets benefited from renewed optimism around domestic technology in China and AI-driven momentum in Korea and Taiwan.

Europe's STOXX 600 rose 0.7%, and the FTSE 100 (+0.6%) hit a record high. Sector performance was mixed, with autos, basic resources, and healthcare leading. However, Q2 earnings disappointed relative to the US. Political uncertainty in France and fiscal challenges in the UK added to volatility, with trade tariffs remaining a concern.

Fixed Interest and Credit

US Treasury yields fell in August, with the 2-year yield down 32 basis points, driven by weaker employment data and dovish Fed commentary. The 10-year yield declined 14 basis points to 4.2%. The Bank of England cut its key rate by 25 basis points to 4.0%, while the ECB held steady. Political instability in France and fiscal concerns in the UK pushed local government bond yields higher.

In Australia, yields dipped early on dovish central bank signals but rebounded after stronger-than-expected inflation data. The 10-year government bond yield ended the month 2 basis points higher at 4.3%. Several regional central banks—including Australia, New Zealand, Indonesia, Thailand, and the Philippines—cut policy rates by 25 basis points to support growth. Major credit indices rose, with corporate bond spreads tightening relative to government bonds. The Bloomberg Global High Yield index gained 0.7%, supported by strong US Q2 earnings.

Asset allocation

There were no major asset allocation shifts during the period.

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