Performance Summary

SA Metropolitan Fire Service Super Scheme – Members

December 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 December 2025

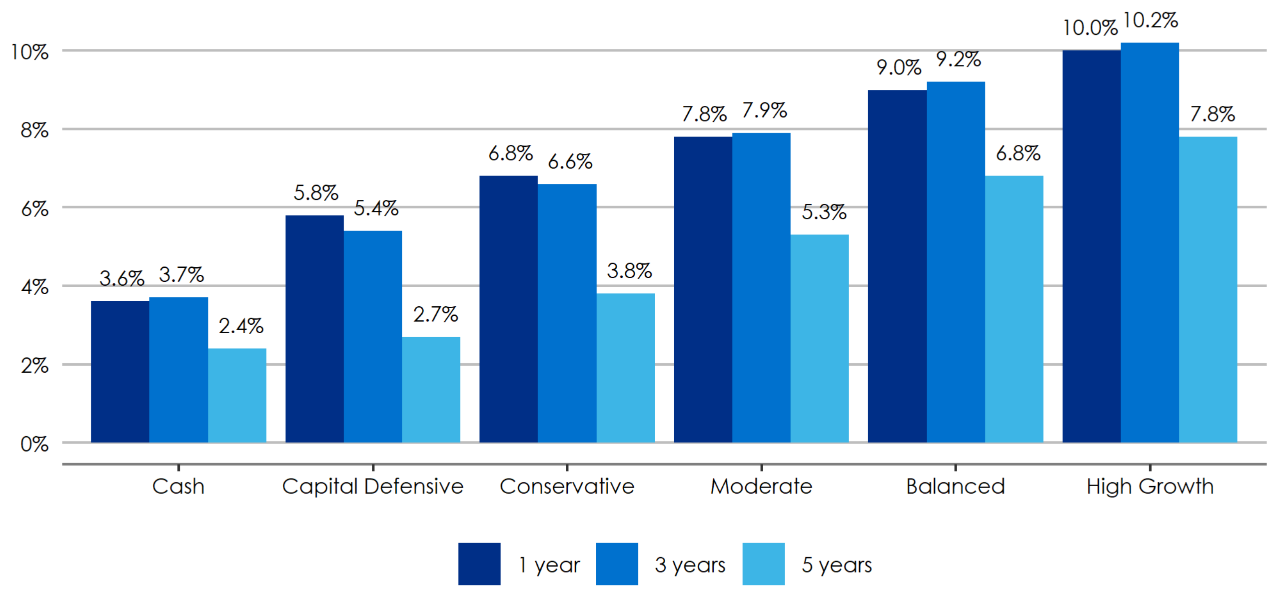
Returns are net of fees and tax

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	0.8	1.7	3.6	3.7	2.4	2.0	1.9
Capital Defensive	0.1	0.9	2.7	5.8	5.4	2.7	3.2	3.3
Conservative	0.1	1.1	3.6	6.8	6.6	3.8	4.5	4.4
Moderate	0.2	1.2	4.3	7.8	7.9	5.3	5.8	5.7
Balanced	0.3	1.4	5.3	9.0	9.2	6.8	7.4	7.0
High Growth	0.4	1.6	6.1	10.0	10.2	7.8	8.5	8.2

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 December 2025

Returns are net of fees and tax



Key drivers of performance

- All investment options produced positive returns for December.
- The Property asset class delivered a positive return for the month. Valuations improved across retail, office and industrial assets. The largest uplift came from Brandon Park in Melbourne, where the redevelopment continues to perform strongly.
- Australian Equities delivered a positive return for the month but underperformed the benchmark. Underweight positioning in Financials and an overweight to Health Care detracted from relative performance, as did an overweight to Communication Services. These effects were partly offset by Information Technology, where both an underweight allocation and strong stock selection added value.
- International Equities outperformed its benchmark despite delivering a negative absolute return. Stock selection was the primary driver of outperformance, led by Information Technology, with Consumer Staples and Industrials also contributing. A sector underweight to Financials marginally detracted. By region, stock selection in the US and overweights to the UK and Taiwan added value, while both an overweight and stock selection in Brazil slightly detracted.
- The Infrastructure asset class delivered a negative return in December. The result was driven largely by a write down in a European renewable energy investment that continues to face regulatory and market headwinds.

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 December 2025

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	High Growth %
Australian Equities	0.0	5.1	10.0	17.8	24.4	31.3
International Equities	0.0	7.4	14.4	22.8	31.4	38.7
Private Markets	0.0	0.9	2.0	2.7	4.4	6.2
Property	0.0	4.6	5.7	5.7	6.7	6.7
Infrastructure	0.0	11.5	10.6	8.3	7.3	6.1
Alternatives	0.0	1.9	3.3	3.5	3.3	2.2
Credit	0.0	8.1	6.9	6.4	6.8	6.6
Fixed Interest	0.0	40.7	32.7	21.3	9.9	0.0
Cash	100.0	19.8	14.4	11.5	5.8	2.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Foreign Currency	**0.0**	**4.4**	**9.6**	**14.7**	**20.5**	**25.2**
Foreign Currency Hedge*	**0.0**	**3.2**	**5.0**	**8.3**	**10.7**	**13.1**

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 December 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	1.4	-0.9	4.1	10.7	11.4	9.8	10.5	9.3
International Equities	-0.7	2.7	9.4	13.7	21.5	14.6	15.0	12.8
Australian Unlisted Property	1.6	2.4	4.4	7.0	-2.4	2.1	1.9	4.6
Credit	0.6	1.1	3.0	6.6	8.6	3.4	4.3	4.8
Global Fixed Interest	-0.5	-0.4	0.0	2.8	3.0	-2.2	0.4	1.5
Australian Fixed Interest	-0.2	-0.5	0.5	4.3	5.1	2.1	2.5	2.5
Cash	0.3	0.9	1.8	4.0	4.1	2.7	2.2	2.1
Foreign Currency (AUD v. Developed Markets)	1.4	0.9	2.2	5.5	-1.6	-3.1	-1.5	-1.3

Note:

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

Equity returns are expressed in AUD.

Financial market commentary

Global equities were mixed in December. The US ended broadly flat, Europe continued to rally as cyclical sectors improved and Asia ex Japan advanced on AI linked chip demand. Australian shares rose, with Materials and Financials offsetting weakness elsewhere. Key themes were the Fed's 25 bp cut alongside ongoing disinflation in the US, a hawkish hold from the RBA, the BOJ's first rate hike in decades, a softer US dollar, and more selective investor positioning around AI beneficiaries. The US dollar index fell 1.2%, gold extended its run of monthly gains (about +2%) and oil posted a fifth consecutive monthly decline.

Equities

The ASX 200 rose 1.2% for the month, led by Materials (+6.62%) and Financials (+3.42%). Information Technology (−8.68%) and Health Care (−7.16%) lagged as a stronger AUD weighed on US facing names including CSL, Telix and ResMed. Standout movers included DroneShield (+55.6%) and Bellevue Gold (+28.7%), while Pro Medicus (−17.1%) and Premier Investments (−23.0%) were weaker after guidance resets. Travel names saw support from M&A activity.

US indices were mixed, with the Dow +0.73%, Nasdaq +0.53% and the S&P 500 slightly lower as Big Tech performance was uneven and rotation favoured cyclicals. Sentiment reflected the Federal Reserve's 25 bp rate cut in December and ongoing signs of disinflation, alongside resilient holiday spending and mixed labour data. Investors turned more selective on AI-linked stocks after several companies reset guidance. Financials and Materials were firmer, while Utilities, Real Estate and selected Staples underperformed.

European shares rose into year end, with the STOXX Europe 600 up +2.73% for the month. Gains were led by the Banks and Basic Resources sectors, while defensives underperformed as easing inflation and stabilising yields supported cyclicals. The FTSE 100 also finished higher over December.

Asia ex Japan advanced, with the MSCI Asia Pacific ex Japan index up +2.7%. South Korea's KOSPI gained +9.6% and Taiwan's TAIEX +4.9% on strong demand for AI linked semiconductors, while Hong Kong's Hang Seng slipped −1.0%. Japan's Nikkei 225 was broadly flat as the BOJ's move toward more normal policy and higher JGB yields capped gains.

Fixed Interest and Credit

Government bond markets were mixed. In the United States the curve steepened as long-dated Treasury yields rose more than short-dated after the Federal Reserve cut the policy rate by 25 bp. Across Asia, Japanese Government Bond yields reached multi-decade highs after the Bank of Japan raised its key rate by 25 bp to 0.75%. In Europe, bond yields edged up as central banks largely endorsed steady policy paths into 2026.

In Australia, the RBA held the cash rate at 3.60% and flagged upside inflation risks. Three year and ten-year yields rose to 4.13% and 4.75% respectively and the AUD strengthened by 1.9% against the USD. Credit conditions were stable with cyclical equity strength and firmer commodity prices supporting sentiment.