Performance Summary

SA Metropolitan Fire Service Super Scheme – Members

June 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 June 2025

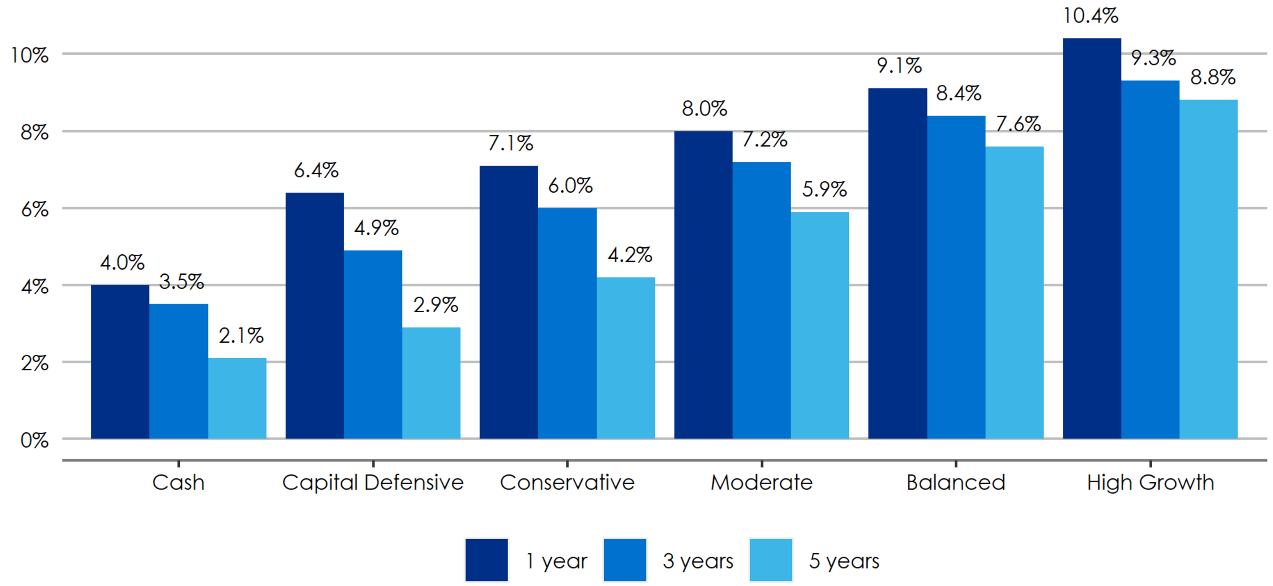
Returns are net of fees and tax

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	4.0	4.0	3.5	2.1	1.9	1.8
Capital Defensive	0.8	2.2	6.4	6.4	4.9	2.9	2.8	3.1
Conservative	1.0	2.9	7.1	7.1	6.0	4.2	3.8	4.1
Moderate	1.2	3.8	8.0	8.0	7.2	5.9	5.0	5.3
Balanced	1.5	4.7	9.1	9.1	8.4	7.6	6.4	6.5
High Growth	1.7	5.4	10.4	10.4	9.3	8.8	7.2	7.6

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 June 2025

Returns are net of fees and tax



Key drivers of performance

- All investment options produced strong, positive returns for the month.
- Most asset classes delivered positive returns, except for the Infrastructure and Defensive Alternatives asset classes that declined marginally.
- The International Equities asset class was the largest contributors to performance, marginally outperforming its benchmark.
- Within the International Equities asset class stock selection added value across the Industrials, Communication Services, Information Technology and Consumer Discretionary sectors.
- While the Australian Equities asset class provided positive performance, the asset class underperformed the benchmark. This was largely due to an overweight to IDP Education (IEL.ASX) which fell by more than 40% during the month after management lowered earnings guidance for coming financial year. An underweight allocation to Financials also detracted from relative performance.
- The Property asset class delivered a positive return for the month of June as valuations started to reflect an improvement in sentiment across all sectors. This was particularly the case for the Office sector which has been a net detractor for some time.

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 June 2025

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	High Growth %
Australian Equities	0.0	5.1	10.1	18.0	25.4	31.3
International Equities	0.0	7.9	15.6	23.6	32.4	39.0
Private Markets	0.0	0.9	2.0	2.8	4.7	6.0
Property	0.0	6.0	5.9	6.3	7.3	7.6
Infrastructure	0.0	10.8	9.8	7.8	7.5	6.4
Alternatives	0.0	1.5	1.9	1.9	1.8	1.0
Credit	0.0	2.9	6.4	6.5	6.0	6.2
Fixed Interest	0.0	46.4	33.7	22.4	9.7	0.0
Cash	100.0	18.6	14.6	10.7	5.2	2.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Foreign Currency	**0.0**	**4.7**	**10.3**	**14.7**	**21.4**	**26.3**
Foreign Currency Hedge*	**0.0**	**3.3**	**5.4**	**8.2**	**11.0**	**11.9**

Notes: 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 June 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	9.5	13.7	13.7	13.3	11.8	8.7	8.8
International Equities	2.6	6.0	18.5	18.5	19.3	14.8	12.8	11.8
Australian Unlisted Property	0.7	1.2	2.2	2.2	-3.3	1.8	1.9	4.9
Credit	1.1	2.5	8.6	8.6	8.7	4.5	3.7	4.3
Global Fixed Interest	0.8	2.1	5.1	5.1	1.8	-2.1	0.9	1.9
Australian Fixed Interest	0.6	2.3	7.5	7.5	5.4	2.2	2.6	2.6
Cash	0.3	1.0	4.4	4.4	3.9	2.3	2.1	2.0
Foreign Currency (AUD v. Developed Markets)	1.3	3.4	-4.7	-4.7	-3.1	-1.8	-2.5	-1.9

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

Financial market commentary

Global financial markets were mostly stronger over the month of June. US equities continued to rise with both the S&P 500 (+5.0% month) and the NASDAQ (+6.6%) hitting record highs. The MSCI All Cap World Index (ACWI) jumped 3.8% driven by US markets and strong gains in China, Japan and Korean equities indices. Europe was the laggard with the major European market indices including the UK, France and Germany all lower by between 0.5% and 1.5%.

Government bond yields declined over the course of the month as investors sought safety after the US inserted itself directly into the Israel – Iran conflict. Middle East instability drove oil prices higher with WTI Crude rising 9.0% in the month to $65 per barrel.

The biggest loser in June was the US dollar. The US dollar index (DXY), a basket of US dollar prices against other key currencies, fell 2.5% in June and is now down 10.7% for the year to 30 June 2025. Investors appear to be questioning the future of the US dollar as a global reserve currency, despite increasing geopolitical risks.

Tariffs remain a concern across the broader markets. No trade deals were consummated by 30 June, leaving only a short period to 9 July, before the 90-day pause on reciprocal tariffs ends.

The US administration introduced the President's reconciliation bill 'The One, Big, Beautiful Bill' into the senate during the month. The proposed bill raised questions on the future size of the US deficit on the back of tax cuts. If passed in July, as expected, this may put upward pressure on government bond yields and cause further US dollar weakness.

Equities

As mentioned, US and Asian equities markets were strong in June. AI and big technology lit up US markets with Nvidia (NVDA.NDX) rising 16.9% and Meta (META.NDX) 14%.

Asian markets rallied, led by South Korea's KOSPI which rose 13.9% after the Democratic Party won office, promising to deliver equities markets regulatory reform. Greater China markets moved higher driven by major banks and Taiwan gained as chipmakers were swept along in the AI thematic. Japan's NIKKEI was up 6.6% in June despite falls in export related companies early in the month. Japanese technology names drove the index higher.

Australia's S&P/ASX 300 rose a modest 1.3% with the Energy and Financials sectors performing strongly. Materials was a drag on the market with the S&P/ASX 300 Resource index falling 1.9%

Fixed Interest and Credit

The pace of Central Bank policy rate cuts slowed in the month with US Federal Reserve, Bank of England, Bank of Japan and several Southeast Asian banks leaving their official rates unchanged. The market still expects two rate cuts of 0.25% from the US Federal Reserve before year end.

The potential impact of proposed US tariffs on global inflation is causing the Central Bank pause. As things stand today, core inflation is decelerating and employment is stable, providing a reasonable basis to cut further. The potential for tariff increases to drive inflation higher is making Central Bankers nervous.

Bond markets didn't appear to be concerned with tariffs in June, with both the US 10-year government treasury bond and the Australian 10-year yields falling in June to 4.23% (-16 basis points) and 4.16% (-11) respectively. The fall in yields helped credit increase in value. Credit spreads remain tight.

Asset allocation

There were no major asset allocation changes during June.