Macquarie Core Australian Equity Strategy

Monthly report – 30 September 2025

Model portfolio details

Investment objective	Aims to outperform the S&P/ASX 200 Accumulation Index before fees and costs over a rolling five-year period
Inception date	30 April 2004

The performance information and commentary is based on a model portfolio. The information does not take into account differences between the model portfolio and the actual portfolio implemented by the operator of your managed account or any fees, expenses or other costs charged by the operator of your managed account.

The performance of your managed account will differ to that of the model portfolio (and may differ significantly) due to factors including an incomplete implementation of all trades, the timing of trades, the individual circumstances of an investor as well as the fees, expenses and other costs charged by the operator of your managed account.

All references to selling, investing, participating, positioning or similar are references to the model portfolio only and may not reflect the holdings in your actual portfolio.

Please contact the operator of your managed account for further information.

Model Portfolio performance to 30 September 2025

	Total model portfolio return (gross)	Total model portfolio return (net)	Benchmark return	Total excess return (net)
1 month (%)	0.29	0.24	-0.78	1.02
3 months (%)	6.01	5.85	4.71	1.14
1 year (%)	15.24	14.54	10.56	3.98
3 years (% pa)	16.21	15.51	15.17	0.34
5 years (% pa)	13.58	12.89	12.98	-0.09
10 years (% pa)	10.79	10.12	10.11	0.01
Since inception (% pa)	10.90	10.23	9.06	1.17

Past performance is not a reliable indicator of future performance.

Gross returns are quoted prior to the deduction of all fees and expenses. Net returns are quoted after the deduction of the management fee of 0.615% (inclusive of GST), the highest management fee applicable for a managed account managed in accordance with the Macquarie Core Australian Equity Portfolio. Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions. Due to individual investor circumstances (including different management fees), the net returns may differ from the net returns quoted above.

From 18 December 2017, the model portfolio (previously managed with a fundamental approach) was restructured so that it is managed with a quantitative, systematic investment approach.

Top 5 overweight positions (alphabetical)

ANZ Bank
Aristocrat Leisure Limited
Evolution Mining Limited
Stockland
Vault Minerals Ltd

Top 3 stock attribution (alphabetical)

Evolution Mining Limited
Vault Minerals Ltd
Washington H Soul Pattinson & Company Limited

*Italics denotes underweight

Bottom 3 stock attribution (alphabetical)

National Aust. Bank
Netwealth Group Ltd
Rio Tinto

*Italics denotes underweight

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Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Energy	0.00	3.50
Materials	21.28	20.26
Industrials	8.49	7.34
Consumer Discretionary	10.23	8.11
Consumer Staples	2.01	3.40
Health Care	7.58	7.82
Financials	35.70	33.99
Information Technology	5.63	3.46
Communication	1.88	3.92
Utilities	0.00	1.43
Real Estate	4.74	6.78
Cash	2.47	0.00

Model portfolio highlights

The Fund returned 0.29% (pre-fees) for the month of September, outperforming the benchmark which returned -0.78%.

The key contributors to relative performance included overweight positions in Vault Minerals (VAU) and Evolution Mining (EVN) and an underweight in Washington H Soul Pattinson (SOL). Vault Minerals and Evolution Mining were up over 20% for the month, with physical gold up 10.2% for the month after renewed Fed easing and increased concerns about Fed independence. Soul Pattinson shares sold off once the merger with Brickworks became legally effective mid-September.

The key detractors from relative performance included overweight positions in RTIO Tinto (RIO), Netwealth Group (NWL) and Qantas Airways (QAN). Qantas traded lower in September after it was announced in the media that the airline is considering closing its bases in Hobart, Canberra and Mildura with the aim of improving reliability and reducing inefficiencies. Rio Tinto benefitted from the rally in gold and copper in September which saw the share price up 7% in the month.

Market overview

After five monthly increases the Australian equities market slipped in September, with the ASX 200 declining by -0.78%. Inflation risk reappeared in September across both Australia and the US, with domestic CPI rising to 3.0% p.a. in August from 2.8% p.a. in July. This led to the RBA holding rates at the end of September, and flagging that rates may need to stay on hold if inflation continues to surprise to the upside. Market pricing now suggests no further rate cuts in Australia this year.

In Australia, the best performing sector in September was Materials (+6.5%), driven by a broad rally in precious metals with gold (+10.2%), silver (+14.5%) and platinum (+17.2%) all up strongly for the month. Gold stocks were the best performers again, up +25.4% after a +20.1% gain in August. Energy was the worst performer, with a fall of -9.1%. This was partly due to lower oil prices but also due to the fall in Santos (-13.6%) after the Abu-Dhabi led consortium withdrew their takeover offer. All other sectors were in negative territory for the month.

Globally, the S&P 500 rose in September, gaining +3.7% as US stocks benefited from renewed cuts by the Federal Reserve and on the back of a strong activity in the AI space, especially Nvidia and Oracle. Nvidia and OpenAI announced a USD $100 billion partnership to build data centres around the chipmaker's AI processors. Also in September, Oracle and OpenAI signed a USD$300 billion, five-year cloud computing deal where Oracle will provide the necessary computing power for OpenAI's artificial intelligence development. Developed Markets were also in positive territory, up +2.03% for the month.

In the bond market, Australian yields remained steady through September. On September 30, the Reserve Bank of Australia left the cash rate unchanged at 3.60% following mixed signals of a softening labour market combined with an uptick in inflation to its highest level in a year. In the US, the Federal Reserve cut the cash rate by 0.25% in line with expectations and is the first cut since last December. Weakening economic data in the US, particularly in the labour market, is paving the way for further rate cuts.

The Australian dollar ended September less than half a cent higher against the US Dollar and about two pence higher against the Sterling. In addition to continued momentum in precious metals (primarily silver and gold), copper also had a strong month.

From a factor perspective, size (small caps) led the way with mid-caps and momentum also strong contributors. Value and quality both contributed, however dividend yield and growth underperformed.

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Model portfolio changes

Stock	Action
Capstone Copper Corp CDI (CSC)	Trimmed -0.3%
Coles Group Limited (COL)	New 2.1%
Northern Star Resources Ltd (NST)	Exited -2.8%
Regis Resources Limited (RRL)	New 2.1%
Yancoal Australia Ltd (YAL)	Exited -0.9%

Outlook

With August earnings season behind us and the RBA now seemingly on hold for the rest of the year, global influences are likely to be the key market drivers for Australian equities in Q4. The evolution of sentiment toward incredibly vast capital expenditure by key US AI players, the strong momentum in the price of gold, developments in both the Middle East and Russia/Ukraine war theatres, and the nature of the resolution to the current US Government shutdown will all be a key focus for investors. Nevertheless, global liquidity remains strong and the US Federal Reserve appears to remain open to further cuts, which may help to dampen the impact of emerging volatility.

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For queries regarding your managed account, please contact your adviser or the managed account provider.
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