

Macquarie Evolve Income Multi Asset Portfolio

Monthly report – 30 September 2025

Model portfolio performance to 30 September 2025

	Total model portfolio return (gross)	Income	Growth	Franking	Returns grossed up for franking	Total model portfolio return (net)
1 month (%)	-0.98	0.38	-1.41	0.07	-0.91	-1.03
3 months (%)	3.09	0.95	1.98	0.19	3.28	2.92
1 year (%)	13.84	3.88	9.25	0.62	14.46	13.14
2 years (% pa)	17.19	3.46	13.00	0.69	17.88	16.46
3 years (% pa)	13.19	3.30	9.17	0.71	13.90	12.47
Since inception (% pa)	7.60	3.06	3.86	0.73	8.33	6.92

Model portfolio details

Investment objective	Aims to provide regular income, including franked dividends, above the RBA Cash Rate, through exposure to a mix of assets and direct Australian equity holdings.
Inception date	30 June 2021

*Read the Product Disclosure Statement for more details on fees and costs.



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.

Past performance is not a reliable indicator of future performance.

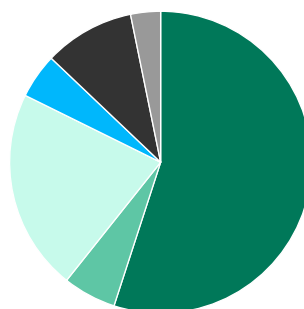
Gross returns are quoted prior to the deduction of all fees and expenses. Net returns are quoted after the deduction of the management fee and indirect costs. The management fee is 0.282% pa (inclusive of GST), the highest management fee applicable for an SMA managed in accordance with the Macquarie Evolve Income Multi Asset Portfolio. Indirect costs include the net fees of the underlying investments, such as managed funds, held by the model 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 and fees, expenses or other costs charged by the operator of an investor's managed account), the net returns of an individual investor may differ from the net returns quoted above.

Top 10 portfolio holdings

Security	%
Dynamic Active Core	49.6
Commonwealth Bank of Australia	5.1
Westpac Banking Corporation Corp	2.9
Coles Group Ltd	2.4
Telstra Group Ltd	2.3
National Australia Bank Ltd	2.1
Brambles Ltd	2.1
ANZ Group Holdings Ltd	2.1
QBE Insurance Group Ltd	2.0
Qantas Airways Ltd	1.9

Look through portfolio holdings



- Australian Equities 55.0%
- International Equities 5.7%
- Investment grade credit 21.6%
- High yield credit / EMD 4.8%
- Cash and government bonds 9.7%
- Other 3.2%

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Model Portfolio highlights

The Model Portfolio delivered a negative return over the month, which was driven by the Model Portfolio's growth asset exposures.

Sector performance and asset allocation changes

In September, market sentiment remained positive. During the month, hedged international equities and Australian equities increased by +3.3% and decreased by -0.7%, respectively. The domestic fixed-interest sector and global fixed-interest sector delivered +0.2% and 0.7%, respectively.

Within our direct Australian equity holdings, at the sector level, the top performing sectors were Utilities and Communication Services. The worst performing sectors were Financial and Industrials. At the individual stock level Harvey Norman (HVN), National Australian Bank (NAB) and Downer EDI (DOW) were the best performing companies, whilst Centuria Capital, (CNI), Netwealth (NWL), and QBE Insurance (QBE) were the worst performing.

Equity markets maintained a positive sentiment throughout September, with relatively low volatility driven by rising risk appetite. This optimism was further supported by monetary policy easing in the United States. However, the Trump administration continued to announce various tariff measures—such as 100% tariffs on imported pharmaceuticals, 25% on heavy-duty trucks, and 50% on cabinets—which served as a reminder to market participants and business investors that uncertainties related to trade policies remain unresolved.

In Australia, the monthly CPI surprised to the upside, rising to 3.0% YoY, primarily due to higher electricity prices. Excluding volatile items such as electricity, fuel, fruit and vegetables, and travel, the YoY CPI was 2.6%, up from 2.5%. As a result, several economists revised their forecasts, now expecting the Reserve Bank of Australia to remain on hold for the rest of the year.

In the United States, the US Federal Reserve (Fed) reduced interest rates by 0.25%, bringing the rate to 4 - 4.25%, in line with expectations. The post-meeting statement noted that “downside risks to employment have risen,” even as inflation “has moved up.” The committee maintains a view of a terminal rate at 3.125%, and with the current rate remaining ‘moderately restrictive,’ further downside risks to the Fed funds rate are suggested.

Our portfolio continues to reflect an overweight bias toward growth assets, balancing optimism with an awareness of the risks and opportunities ahead. The projected decline in cash rates helps alleviate recession concerns, while the stimulatory effects of fiscal and monetary policies, combined with ongoing enthusiasm for artificial intelligence investments, reinforce our view that risk assets are well-positioned to deliver strong returns in the near term, despite elevated valuations.

Asset allocation strategy and outlook

From an asset allocation perspective, we have proactively adjusted our portfolio over the past 12 months in anticipation of monetary easing. As the easing cycle unfolds, we have shifted our stance from neutral to modestly overweight and expect to maintain this position in the short to medium term. This adjustment reflects our belief in the positive implications of the anticipated shift in monetary policy and expansionary fiscal measures. However, as equity valuations continue to rise, the rationale for maintaining an overweight position in growth assets is gradually diminishing. While we still believe the current environment warrants an overweight bias, we may begin to consider reducing this bias should equity valuations continue to increase.

In recent months, three major developments have emerged that we believe will significantly influence our investment decisions. First, trade policies from the Trump administration could potentially disrupt the global trade order. Second, there are growing concerns over the unsustainable rise in the US fiscal deficit. Third, the potential impact of the "One Big Beautiful Bill" remains an important factor. We anticipate these factors will continue to affect economic growth, asset prices, and the correlations between asset classes, thereby guiding our investment decisions and portfolio returns over the medium term. Overall, we expect these developments to have a favourable impact on our portfolio in the short to medium term. However, the ongoing deterioration of the US fiscal position poses significant long-term challenges for nearly all asset classes. For now, near-term risks associated with the US fiscal deficit appear contained, and thus only limited adjustments to portfolio positioning are warranted.

More recently, we have observed potential signs of weakness in the US labour market, described as a ‘no firing, no hiring’ environment. While the slowdown in labour demand warrants careful monitoring, US consumption data remains robust, indicating a generally healthy level of economic activity. There is little debate that economic activity in the US is weaker than it was 12 months ago. Nonetheless, we believe that less restrictive monetary policy (lower cash rates) and the "Big and Beautiful Bill" will help offset the slowdown in economic activity. As a result, the outlook remains uncertain, but we are cautiously optimistic.

Overall, the shift towards a less restrictive US monetary policy and expansionary fiscal policy is positive. Therefore, maintaining a modest overweight position in growth assets appears reasonable. In addition, stimulus efforts from the Chinese government, combined with global central bank monetary easing and market-friendly policies from President Trump, reinforce our confidence in the medium to long-term performance of growth assets, despite elevated valuations. As such, we are comfortable maintaining a modest overweight position in growth assets for now. However, should valuations continue to rise, we will consider moderating our allocation to growth assets in the coming months.

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Monthly report – 30 September 2025

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Monthly report – 30 September 2025

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

For any investment related queries, call us on 1800 814 523 or email mam.clientservice@macquarie.com

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Market indices for asset classes

Australian bonds: Bloomberg AusBond Composite 0+ Yr Index; **Global government bonds:** JPM Government Bond Index; Australian equities: ASX 200 Accumulation Index and ASX 300 Accumulation Index; **International equities:** MSCI World ex-Australia ex-Tobacco Index; **International equities (hedged):** MSCI World ex-Australia ex-Tobacco Hedged Net Total Return Index; **Global real estate:** FTSE EPRA Nareit Developed Net Total Return Index (in AUD (unhedged)); **Global real estate (hedged):** FTSE EPRA Nareit Developed Index Net Total Return Index (hedged in AUD); **Global infrastructure:** S&P Global Infrastructure Index (Net Total Return in \$A); **Global infrastructure (hedged):** S&P Global Infrastructure Index (Net Total Return \$A Hedged).