

CFS Thrive+ Sustainable Growth

Quarterly Report — June 2025

CFS Thrive+ Sustainable Growth (CFS Thrive+) is our multi-asset sustainable investment fund that aims to make a positive contribution to people and environment.

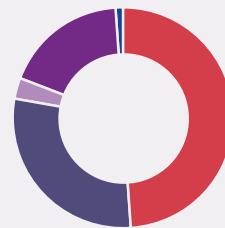
The fund encourages investment in companies with a sustainable business and strong environment, social and governance characteristics. The investment criteria is governed by the [Thrive+ Sustainable Investment Charter](#).

Asset and manager allocation

Since the launch of Thrive+, the portfolio has allocated 80% of investments to growth assets such as Australian and global shares to provide the potential for capital growth, and 20% to defensive assets such as fixed interest and cash. However, we continue to expand the asset classes that we may have exposure to, such as investments in property and infrastructure, as shown in the graph. During the June quarter Thrive+ appointed Pental to manage the Australian shares allocation focussed on a sustainability objective. Pental has been managing Australian shares sustainable portfolios since 2006. At the same time there were some business and staffing concerns at the Australian shares incumbent manager, Melior, which we believed may have a detrimental impact on our portfolio. We consequently made a change of managers whilst maintaining the same level of Australian shares allocation.

The managers that we've partnered with include Generation Investment Management (Generation), Igneo Infrastructure Partners (Igneo), Impax Asset Management (Impax), Just Climate (JC), MetLife Investment Management (formerly Affirmative Investment Management), MLC Asset Management (MLC) and Pental Group (Pental).

Actual asset allocations are shown as at 30 June 2025. Allocations have been rounded to nearest percentage.



49% ■ Global shares and private equity (range: 35–55%)
Generation Global Share (Unhedged)
Climate Asset Fund
Impax Global Opportunities (Hedged by CFS Investment team)

29% ■ Australian shares (range: 25–45%)
Pental Sustainable Australian Share

0% ■ Property (range: 0–15%)

3% ■ Infrastructure (range: 0–15%)
Igneo Infrastructure Partners

18% ■ Fixed Interest (range: 0–20%)
Metlife Global Bond
MLC Reinsurance Investment
Pental Sustainable Australian Fixed Interest

1% ■ Cash (range: 0–10%)
Colonial First State

CFS Thrive+ Sustainable Growth update

	Funds under management	As at date
CFS Thrive+ Sustainable Growth	\$63.63 million	30 June 2025

This represents total funds under management for the CFS Thrive+ Sustainable Growth fund across all offerings.

Performance returns¹

Financial performance	3 month (%)	6 months (%)	1 year (%)	2 year (%)	Since inception (p.a.) ²
Portfolio net returns	6.92	3.71	9.98	10.29	11.15
Composite benchmark returns ²	7.08	5.42	13.83	13.86	13.85
Excess returns	-0.17	-1.70	-3.85	-3.58	-2.70

- 1 Figures shown are for CFS Thrive+ Sustainable Growth Class A fund to 30 June 2025. Past performance is no indication of future performance. Inception date 19 September 2022. The since inception return is calculated on a cumulative year-on-year basis which is then annualised. For returns with periods of less than one year, they are actual performance and not annualised. Calculations are based on exit price to exit price with distributions reinvested, after ongoing fees and expenses.
- 2 Composite benchmark at 30 June 2025: 1.0% Bloomberg AusBond Bank Bill Index, 8.0% Bloomberg AusBond Composite 0+Yr Index, 6.0% Bloomberg Global Aggregate Index (AUD hedged), 3% Bloomberg Global Aggregate Corporate Index (AUD hedged), 4.0% MSCI All Country World ex Australia Net Index, 18.0% MSCI All Country CFS Thrive+ Sustainable Growth2 World ex Australia Net Index Hedged AUD, 19.0% MSCI World ex Australia Net Index, 5.0% MSCI Emerging Markets Index, 4.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 28.0% S&P/ASX 300 Accumulation Index, 4.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).

Performance commentary

The June quarter delivered a strong return driven predominantly by the strength of the global shares markets. This was despite the extreme volatility experienced over the quarter. The quarter started with a violent whipsaw in shares and bond markets followed by the Trump administration's "liberation day" announcement on unexpected levels of reciprocal tariffs. However, the pause on tariff implementation for 90 days lead to a relatively steady decline in volatility in May and June. Trade and tariff developments, escalating conflict in the Middle East and the impending passage of the One Big Beautiful Bill in the US (that was finally passed in July) continued to drive swings in broader risk sentiment over the quarter. Within global equity markets, all regions performed well. However, there was significant dispersion in sector returns with information technology and communications performing strongly and the healthcare and energy sectors the worst performers.

The Australian shares market followed with strong gains. Only the Materials sector delivered slightly negative returns as concerns over the impact of trade disruptions to China weighed on several key commodity prices including iron ore.

The bond markets were also challenged with government bond yields initially falling and credit spreads widening with escalation of the Trump administration's trade war fuelling global growth

fears. However, the bond markets retraced along with the share markets from a risk off mode and calmed down. The focus has now turned back to economic data and upcoming US tariffs deadline. In Australia, the bond markets performed well with inflation near the lower end of the RBA's target band and a rate cut in May.

Over the quarter, the global share managers captured most of the returns with strong performance coming from positioning in the information technology sector though with some weakness from allocation in healthcare and stock selection within financials. The healthcare sector has been weaker due to proposed healthcare reforms in the US, which some investors believe may lead to a slower pace of spending on drug discovery. Within Australian equities, the manager captured the strong market returns with stock selection contributing to returns. The notable contribution was from not owning BHP with the market cautious on the outlook for Chinese steel production. As mentioned earlier, in the month of May there was a change in the management of the Thrive+ Australian shares exposure.

The fixed interest managers delivered marginally better than benchmark returns with their positioning in interest rates and credit holdings.

Over the financial year the strong performance was again delivered by the global share markets. Despite the weakness in the US dollar observed in the calendar year, over the financial year unhedged global share delivered much stronger returns than hedged equity markets. The global share managers did not fully capture the strong performance due to their stock selection within the financials, industrials and information technology sectors. Further, their overweight positioning in the healthcare sector has been detrimental for most of the year.

The global fixed interest portfolio captured the strong performance in bond markets and outperformed through interest rate management. Further, in July, the Climate Bonds Initiative, an international organization working to mobilise global capital for climate action and resilience, also confirmed that the total volume of green, social, sustainability, and sustainability-linked bonds tipped over USD 6 trillion in issuance, growing from only USD 2 billion 15 years ago. This has continued to provide investment opportunities for the global fixed interest manager.

ESG measures²

	Portfolio	Benchmark
ESG score	7.55	6.93
Environmental score	6.17	5.82
Social score	5.17	4.84
Governance score	6.54	6.24

Source: MSCI ESG Manager, CFS. As at 30 June 2025.

² For listed shares allocation of portfolio only.

As expected, the fund's ESG and climate characteristics were superior when compared to the benchmark. These measures look at Environmental, Social, Governance and combined ESG ratings, and the carbon emissions of companies held. To learn more about MSCI ESG ratings you can [watch this short video](#).

Climate measures

Weighted Average Carbon Intensity (WACI)

Share allocation of portfolio	Portfolio (tons CO2e/ \$M sales)	Benchmark (tons CO2e/ \$M sales)
Scope 1+2	72.57	115.51

As at 30 June 2025.

Source: MSCI ESG Manager, Barra Portfolio Manager.

WACI measures the carbon emissions of a company against its sales and is a measure of the intensity of the carbon emissions, rather than a simple total carbon emissions figure. This means that all companies, large or small, can be compared using this measure. Greenhouse Gas Protocol provides standards and tools that help countries and cities track progress toward climate goals. It divides emissions into 3 scopes for reporting. Scope 1 is direct emissions (e.g. produced onsite) whilst Scope 2 is indirect emissions such as power used by a company. As there is little robust disclosure of scope 3 now, we do not include this metric in our reporting yet.

As expected, the portfolio's exposure to carbon intensive companies is much lower than the benchmark, but it is important for us to measure this to ensure our managers are decarbonising the portfolio over time. We have no specific target for Thrive+ portfolio with regards to its carbon footprint. However, given the philosophy of the individual managers and the type of investments they focus on, we would expect the carbon footprint to be significantly lower than the benchmark.

Implied Temperature Rise (ITR)

Share allocation of portfolio	Thrive+	Benchmark
MSCI Implied Temperature Rise (Celsius)	2.40	2.90

As at 30 June 2025.

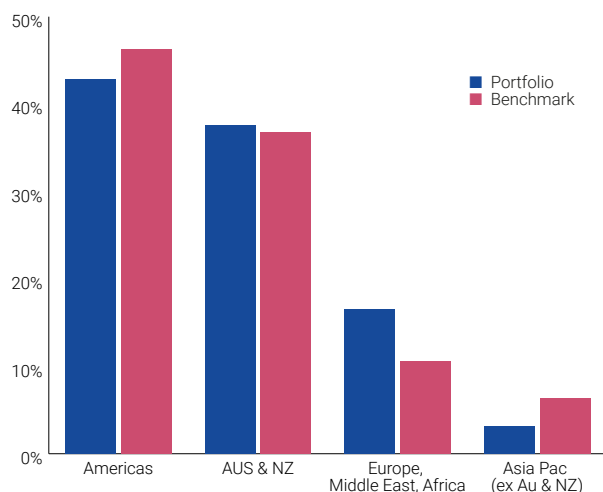
Source: MSCI ESG Manager, Barra Portfolio Manager.

Implied Temperature Rise from MSCI ESG Research is an intuitive, forward-looking metric, expressed in degrees Celsius, designed to show the temperature alignment of companies, portfolios and funds with global temperature goals. The portfolio's ITR is lower than the benchmark.

CFS Thrive+ Sustainable Growth portfolio composition

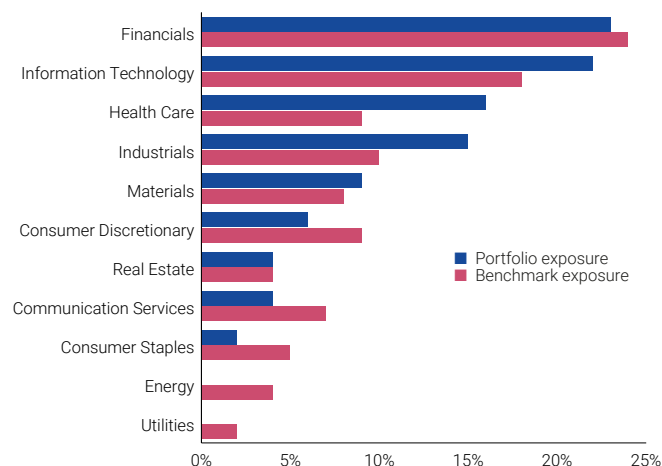
The equity portion of the portfolio is invested in the following regions and sectors.

Investment by region



Source: CFS, MSCI BarraOne. As at 30 June 2025.

Investment by sector



Source: CFS, MSCI BPM. As at 30 June 2025.

Largest holdings by weight

Australian equities

Company	Sector
Commonwealth Bank Of Australia	Financials
CSL LTD	Health Care
National Australia Bank Ltd	Financials
Telstra Group Ltd	Communication Services
Rio Tinto Limited	Materials

Global equities

Company	Sector
Microsoft Corp	Information Technology
Danaher Corp	Health Care
Charles Schwab Corp	Financials
Mercadolibre Inc	Consumer Discretionary
Legrand SA	Industrials

As at 30 June 2025.

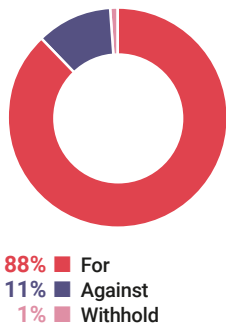
Proxy Voting Data

To assist us with our proxy voting, CFS has appointed a third party stewardship provider, EOS at Federated Hermes, to collate votes on company resolutions and to provide voting recommendations for most of the non-Australian listed companies we invest in. This enables us to provide transparency and improve the consistency of how CFS is voting for most of the non-Australian listed companies held. Our managers continue to vote on our behalf for all Australian share holdings.

For the full Financial Year ending 30th June 2025, 95% the proposals voted upon were raised by management, and the rest only 5% were raised by shareholder. Further, Management proposals were largely supported, with 12% voted against.

The following chart highlights the overall voting direction on management proposals.

Management Proposals

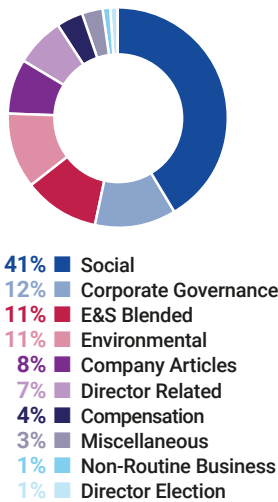


The votes against management proposals were primarily related to pay and remuneration or director related that covered predominantly the election or re-election of company board members.

The chart below highlights the categories for shareholder proposals over the same period.

Shareholder proposals covered several different topics, with social being the most common.

Shareholder Proposal categories



A large portion of the shareholder proposals were related to social issues including use of Artificial Intelligence (AI) generated misinformation and human rights risks of AI. Some others included pay gap and human rights working conditions. A smaller number were on Environmental issues such as reducing plastic waste.

Sustainability highlights over the quarter

Australia launches sustainable finance taxonomy

In 2023, the Australian treasury department launched its Sustainable Finance Roadmap, a key part of which was producing a Sustainable Finance Taxonomy. This taxonomy is a voluntary framework for classifying and guiding investment into green and transition focused economic activities. This will provide investors with clear criteria to determine how an investment will align to climate and sustainability objectives.

It broadly aligns to other taxonomies that have recently been launched in the EU, UK, Singapore, Hong Kong, Canada and India.

Responsible Investment Association Australasia (RIAA) Annual Conference

Guneet Rana, Portfolio Manager for Thrive+ Sustainable Growth, served as the moderator for a panel at this two-day event, which covers various responsible investment themes. The panel focused on the topic of climate transition investing and concluded with a broad consensus on the urgency of addressing climate transition and potential investment opportunities.

Launch of Human Rights investor toolkit

At the RIAA conference in May there was the launch of the "Investor Toolkit: Human Rights in Global Value Chains". This offers a highly practical and action-oriented guide for asset owners and managers, to help them to engage constructively with companies on managing human rights risks across operations, supply chains and broader value chains.

CFS contributed to the development of this toolkit and is acknowledged as a contributor within the document, which we consider essential for assisting investors in progressing from mere disclosure to accountability and fostering more resilient sustainable portfolios.

Company Spotlight 1

Continuum Green Energy

Who they are

Continuum Green Energy (Continuum) is one of the leading renewable energy groups in India. Thrive+ is invested in Continuum through its private equity investment in Climate Asset Fund managed by Just Climate.

What they do

Continuum is focused on helping commercial and industrial consumers decarbonise by providing wind-solar-hybrid renewables. Its ambition is to provide 'round the clock' renewables by adding energy storage projects to its offering.

Why we invest

- Approximately 23% of global GHG emissions come from electricity generation. India generated 1.2 gigatonnes of CO₂ from the production of electricity because approximately 72% of India's electricity currently comes from coal.
- The Indian Government has an ambitious target of 500 GW of installed electric capacity from non-fossil sources by 2030 but the lack of adequate equity capital is a significant barrier to the roll-out of additional renewable power.
- Just Climate has partnered with Continuum because of the quality of its assets, its differentiated business model, its track-record in working with institutional capital, the quality and strength of its founders, and an aligned approach to governance.

Source. Just Climate June 2025, Systems Change Lab, International Energy Agency

Company Spotlight 2

June 2025

Assa Abloy

Who they are

Swedish security solutions company formed in 1994 by merging Sweden's ASSA and Finland's Abloy with roots tracing back to 1645, its products secure everything from ordinary homes to high-security sites making it a trusted name in keeping cities safe.

What they do

Supply the full suite of 'opening solutions' - mechanical and electromechanical locks, entrance automation systems such as sliding doors, and security doors, hardware and identity technologies, they evolved from a pure hardware supplier into a comprehensive solutions provider that designs and implements centralised access control systems for buildings and work directly with clients on security planning and system management.

Why we invest

- Secular growth tailwind: Long term growth, well-positioned to benefit from the global shift from analogue to digital access control, driving strong organic growth as industries upgrade to smart locks and connected entry systems,
- Dominant market position: Access solutions command a leading share in "low price, high cost-of-failure" industry, meaning customers often choose Assa Abloy's trusted brand for critical security needs. It is roughly 2 to 4 times larger than its nearest competitors,
- Future-focused and sustainable: Management reinvests heavily in innovation, many of these innovations such as battery-free smart locks, smartphone-based keys, AI-optimized doors that reduce energy loss directly address sustainability challenges. The company has also set science-based climate targets and engages suppliers to reduce carbon footprint.

Source: Thrive+ global share manager

Find out more

For financial advisers:

If you would like to [learn more about Thrive+](#), please contact your local [Business Development Manager](#).

Visit our [Responsible Investing page](#) to find out what else CFS is doing across a range of environmental, social, governance (ESG) and climate factors.

For investors:

Thrive+, please, call us on 13 13 36 (8:30am to 6pm Sydney time) or visit cfs.com.au/investments

Avanteos Investments Limited ABN 20 096 259 979 AFSL 245531 is the trustee of the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 and issuer of FirstChoice range of super and pension products. AIL is the trustee of Commonwealth Essential Super ABN 56 601 925 435. Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 ('CFSIL', 'the Responsible Entity' (RE)) is the responsible entity and issuer of products made available under FirstChoice Investments and FirstChoice Wholesale Investments and other managed investment schemes including CFS Thrive+ Sustainable Growth – Class A. This information may include general advice and does not take into account your individual objectives, financial situation, needs or tax circumstances. You can find the Target Market Determinations (TMD) for our financial products at www.cfs.com.au/tmd, which include a description of who a financial product might suit. You should read the relevant Product Disclosure Statement (PDS), Reference Guides and Financial Services Guide (FSG) carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. You can get the FirstChoice PDSs and the FSG from www.cfs.com.au or by calling us on 13 13 36, download the Essential Super PDS and Reference Guides from www.commbank.com.au/essentialinfo or call us on 13 40 74. This information is based on current requirements and laws as at the date of publication. Published as at June 2025. Past performance is no indication of future performance. 31060/FS8065/0825