

CFS Thrive+ Sustainable Growth



Quarterly Report – September 2025

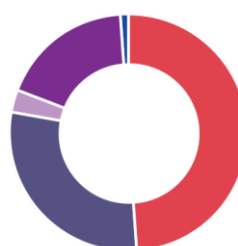
FS Thrive+ Sustainable Growth (CFS Thrive+) is our multi-asset sustainable investment fund that aims to make a positive contribution to people and environment. The fund encourages investment in companies with a sustainable business and strong environment, social and governance characteristics. The investment criteria are 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 September quarter Thrive+ appointed Acadian Asset Management to manage part of the global share allocation focussed on a sustainability objective. Acadian is an experienced systematic manager with a commitment to ESG innovation, leveraging proprietary empirical research and expertise in machine learning, data science, and alternative data to create forward-looking ESG signals that enhance risk-adjusted returns.

The managers that we've partnered with include Generation Investment Management (Generation), Igneo Infrastructure Partners (Igneo), Acadian Asset Management (Acadian), 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 September 2025. Allocations have been rounded to nearest percentage.



49% ■ Global shares and private equity (range: 35–55%)

Generation Global Share (Unhedged)
Climate Asset Fund
Acadian Sustainable Global Share

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	71.24 million	30 September 2025

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

Performance returns¹

Financial performance	3 months (%)	6 Months (%)	1 Year (%)	3 Year (p.a.%)	Since Inception (p.a.) ²
Portfolio net returns	3.96	11.15	7.93	13.48	11.60
Composite benchmark returns ³	5.20	12.65	14.24	16.25	14.53
Excess returns	-1.24	-1.50	-6.31	-2.77	-2.93

1. Figures shown are for CFS Thrive+ Sustainable Growth Class A fund to 30 September 2025. Past performance is no indication of future performance.

2. 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.

3. Composite benchmark at 30 September 2025: 1.0% Bloomberg AusBond Bank Bill Index, 12.0% Bloomberg AusBond Composite 0+Yr Index, 3.4% Bloomberg Global Aggregate Index (AUD hedged), 3% Bloomberg Global Aggregate Corporate Index (AUD hedged), 21.5% MSCI World ex Australia Net Index Hedged AUD, 27.5% MSCI World ex Australia Net Index, 29.0% S&P/ASX 300 Accumulation Index, 2.6% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile).

Performance commentary

The September quarter delivered a good return driven predominantly by the strength of global share markets. Despite being much calmer than the previous quarter there were plenty of developments. The quarter started with the passage of the One Big Beautiful Bill in the US which had morphed into a far more stimulatory version of its original form. Despite political pressure, inflation and unemployment concerns, the Fed delivered its first interest rate cut for 2025. The higher inflation and slower growth that was expected to be seen in the US after its tariff increases has not yet materialised. Whilst some companies began to report an impact to their earnings due to the tariffs, these were far outweighed by the earnings announcements from the major tech hyperscalers.

Country level performance was broadly positive although emerging markets led developed markets. Whilst the US and Japan were notable for strong returns, it was China that remains on track for a strong year. There continued to be a significant dispersion in sector returns with information technology leading across both developed and emerging markets whilst materials were a top performer in emerging markets, lifted by gold stocks. By contrast, the consumer staples sector was the worst performer across both developed and emerging markets.

The Australian share market followed with moderate gains by the end of the quarter. The financial and resources sector showed resilience in the volatility of global economic uncertainty, while technology and consumer discretionary shares experienced declines.

The bond markets also reacted to the evolving economic conditions, with Australian government bond yields rising on a strong jobs market and cautious Reserve Bank approach to ongoing inflation. Globally it was a mixed picture, with paused rate hikes in the US and the European Central Bank facing slow growth and high inflation.

While the Thrive+ portfolio delivered positive returns, its performance lagged the benchmark during the period. Above benchmark results from allocations to bonds, private equity, and infrastructure were offset by weaker outcomes from share allocations.

Over the quarter, the global share managers captured most of the absolute returns with strong performance continuing to come from positioning in the information technology sector. This included companies positioned to benefit from the increasing needs of AI infrastructure, such as electrical and digital infrastructure specialist Legrand. The healthcare sector continues to perform weaker due to healthcare reform uncertainty in the US, but ageing populations globally are likely to demand more medical interventions.

Within Australian shares, the manager achieved market returns, with underweights to the energy and materials sectors and stock selection having a modest positive effect on performance. A notable detractor was from not owning BHP, but RIO and Fortescue continue to be top holdings in the portfolio.

The fixed interest managers delivered slightly 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 Australian and global share markets. Whilst unhedged global shares delivered stronger results than hedged for the calendar year, this trend was reversed across the financial year. The global share managers did not fully capture the strong performance due to their stock selection within the financials, consumer staples and communication services sectors.

Note that our global manager line up changed during this period and Acadian only contributed to performance for one month.

ESG measures⁴

	Portfolio	Benchmark
ESG score	7.23	6.94
Environmental score	6.11	5.72
Social score	5.14	4.96
Governance score	6.21	6.26

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

⁴ For listed share allocation of portfolio only

As expected, the fund's ESG and climate characteristics align with, or surpass, those of 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: [ESG Ratings | MSCI](#)

Climate measures

Weighted Average Carbon Intensity (WACI)

Share allocation of portfolio	Portfolio (tons CO ₂ e/\$M sales)	Benchmark (tons CO ₂ e/\$M sales)
Scope 1 + 2	64.88	123.96

As at 30 September 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)	2.50	2.90

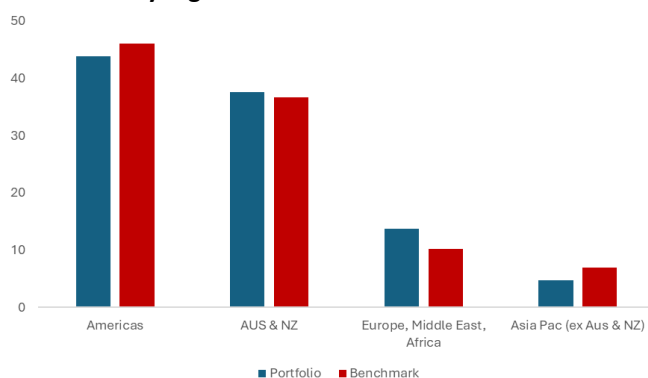
As at 30 September 2025. Source: MSCI ESG Manager, Barra Portfolio Manager.

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

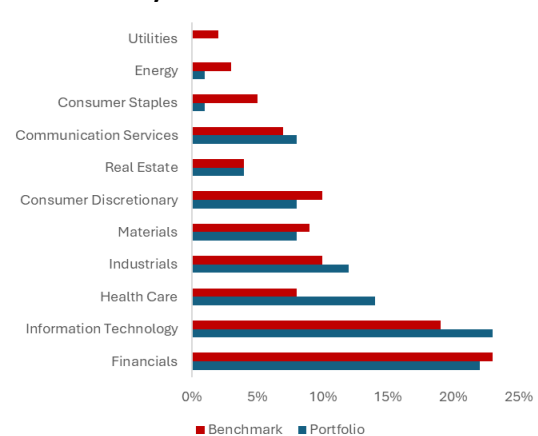
The share portion of the portfolio is invested in the following regions and sectors.

Investment by region



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

Investment by sector



Source: CFS, MSCI BPM. As at 30 September 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
Nvidia Corp	Information Technology
Apple Inc	Information Technology
Amazon Com Inc	Consumer Discretionary
Meta Platforms Inc	Consumer Services

As at 30 September 2025.

Sustainability highlights over the quarter

Landmark climate opinion

The United Nations' highest court, the International Court of Justice (ICJ) issued a historic advisory opinion in July. It stated that countries must comply with international agreements to reduce greenhouse-gas emissions and can be held liable for failure to curb climate pollution. The presiding judge said countries must cooperate to achieve concrete emission-reduction targets and that failure to meet "stringent obligations" constitutes a breach of international law. The court noted that states are also responsible for the actions of companies under their jurisdiction. Small island states hailed the opinion as a step towards holding major emitters accountable.

Although non-binding the court opinion will carry legal and political weight at a time when scepticism over climate change is spreading in some countries.

Climate week NYC 2025

Despite the challenging environment that is currently being experienced in the US, the recent Climate Week event that took place in New York city was the biggest yet. Businesses, nonprofits and local governments attended and showcased net-zero commitments and a push for international cooperation. The central theme to emerge from many speakers was to step away from "the disaster avoidance business" and towards "the better lives business".

Australian Government Climate Target

The Albanese government set a 2035 emissions reduction target of 62–70% below 2005 levels, building on its 2030 goal of 43% emissions reduction, 82% renewables, and net zero by 2050. This range was based on Climate Change Authority advice and CSIRO modelling.

The Net Zero Plan updates existing programs and allocates ~\$8.2bn in new funding, including \$5bn for industrial decarbonisation and \$2bn for clean energy investments.

The energy sector will receive an extra \$2 billion through the Clean Energy Finance Corporation, and \$5 billion was added to the National Reconstruction Fund to help large industry decarbonise.

Sector plans cover electricity & energy, agriculture & land, built environment, industry, resources, and transport. Notable investments include \$40m for EV kerbside charging and \$1.1bn for clean fuels. The safeguard mechanism review is scheduled for 2026.

Company Spotlight 1

Taiwan Semiconductor Manufacturing Co

Who they are

Taiwan Semiconductor Manufacturing Company (TSMC) is a Taiwanese multinational semiconductor contract manufacturing and design company.

What they do

The company is essential to the development of computing capability and is a notable beneficiary of the investment in artificial intelligence.

Why we invest

- Continued accelerating demand for high-performance computing chips and ongoing supply constraints in leading-edge nodes.
- As an outcome, the company reported very strong results during the quarter with revenue growing by 44% in US dollar terms, an acceleration, with high performance computing (including AI chips) a notable driver.
- TSMC has increased its production plans in the US in an effort to de-risk Taiwan concentration
- It was the first semiconductor company to obtain Platinum level certification by the Alliance for Water Stewardship for the responsible use of water resources.
- 2030 Sustainability Goals for the company include targets for reduction of water usage, effluent standards, renewable energy and energy efficiency
- TSMC's capital discipline and technological leadership are viewed as a key competitive advantage.

Source. Thrive+ global share manager, TSMC ESG - Sustainability report 2024.

Company Spotlight 2

Legrand SA

Who they are

Legrand S.A. is a French industrial group that is committed to sustainable development and invests heavily in research and development to deliver reliable, high-quality products that support modern living and working environments.

What they do

Legrand operates in nearly 180 countries and is recognised for its commitment to delivering quality, reliable low voltage products. While part of a global group they proudly support local manufacturing, and within Australia, 70% of products are locally manufactured.

Why we invest

- The group has expanded its product range in sustainable development and energy saving technologies and has developed new products for EV charging/electric vehicles, lighting control and data centres.
- Legrand has been significantly expanding their presence in data centres, which now represent approximately 20% of revenue
- Signatory to the EcoWatt charter of the French Electricity Transmission Network (RTE) through which it has committed to implement strategies to reduce its energy consumption and promote the efficient use of energy by individuals.
- The company dedicates 5% of sales to research and development every year.

Source: Thrive+ global share manager and Legrand public website.

Find out more

For financial advisers:

If you would like to learn more about [Thrive+ | Colonial First State](#) please [Speak to a BDM](#)

For investors:

Thrive+, please, call us on 13 13 36 (8:30am to 6pm Sydney time) or visit [CFS Thrive+ - Our Sustainable Investment Option](#)

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

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