



Drummond Dynamic Plus Fund

July 2023

COMMENTARY

Risk on sentiment returned in July. Global equities (MSCI ACWI Index) rose 2.6% in local terms with Australian equities (ASX200) posting similar gains of 2.8% as inflation data came in weaker than expected. Emerging markets were strong as China took small steps towards supporting its flailing economy, rising 4.3%. Bond markets were stable and credit markets continued to strengthen. Commodity markets were strong with the S&P GSCI Commodity Index rising 12.5% for the month led by oil. The AUD rose marginally against the USD.

As earnings have come through broadly above reduced expectations and inflation data below expectations, equity markets were able to rally again in July. This goldilocks outcome has increased expectations that the Federal Reserve has engineered a soft economic landing. While this would be a rare achievement it is no doubt positive relative to the overwhelming expectations last year that a recession would be well entrenched by now. Market breadth has improved markedly over the last couple of months which adds weight to the recovery thesis. The winners list for July included the more maligned parts of the market of late such as regional US banks, Chinese equities, and oil. It still seems too early to rule out a recession given the dire state of so many previously accurate indicators of recessionary conditions (yield curve, ISM manufacturing index, Senior Loan Officer Lending Standards etc.) screaming disaster and tentative signs of job market weakness and rising defaults. But worrying about a recession has been ongoing for a long time and equity markets continue to climb the wall of worry.

During July we added to exposure across bonds and equities whilst also adding a small position in commodities. We continue to remain well within our exposure limits given market positioning and valuations in the US are becoming extreme.

FUND PERFORMANCE (NET)

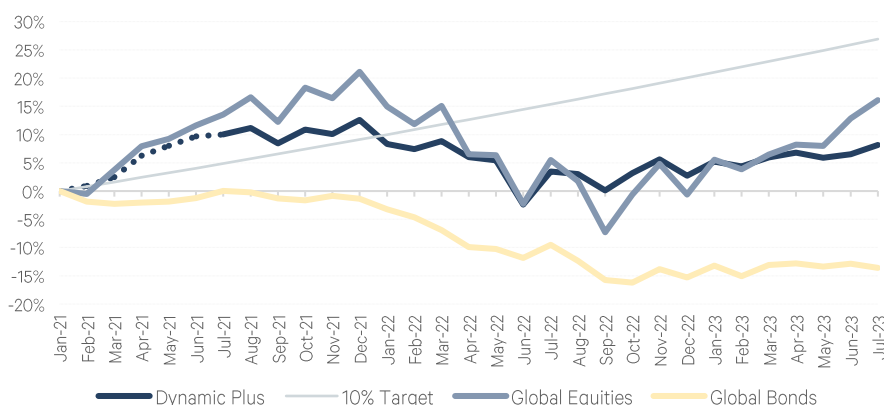
	1m	3m	6m	1yr	2yr pa	Inception pa
Dynamic Plus Fund	1.6%	1.4%	2.9%	4.7%	-0.8%	3.2%

FUND PERFORMANCE BY MONTH (NET)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	0.9%	1.5%	3.7%	1.7%	1.5%	0.3%	1.1%	-2.5%	2.2%	-0.7%	2.3%	12.6%*
2022	-3.8%	-0.8%	1.4%	-2.6%	-0.5%	-7.4%	6.0%	-0.4%	-2.8%	3.0%	2.4%	-2.7%	-8.8%
2023	2.4%	-0.8%	1.5%	0.8%	-0.8%	0.6%	1.6%						5.4%

Source: Drummond Capital Partners, Interactive Brokers. *Performance from 1/2/21 to 31/7/21 is based upon a separate account managed under the same strategy and similar fee structure. The Drummond Dynamic Plus Fund (ABN 69109453831) commenced 1 August 2021 and performance from this date on is based upon fund returns not the separate account. Past performance is not indicative of future performance. Performance reported is net of fees.

PERFORMANCE GROWTH



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FUND DESCRIPTION

The Dynamic Plus Fund is a dynamically managed, global multi-asset fund. The fund seeks to provide investors with an attractive return in a low return world by capturing market beta across growth and defensive asset classes combined with tactical asset allocation processes and risk management across liquid global markets. The fund is suitable for wholesale investors and should be considered over a 5-year horizon.

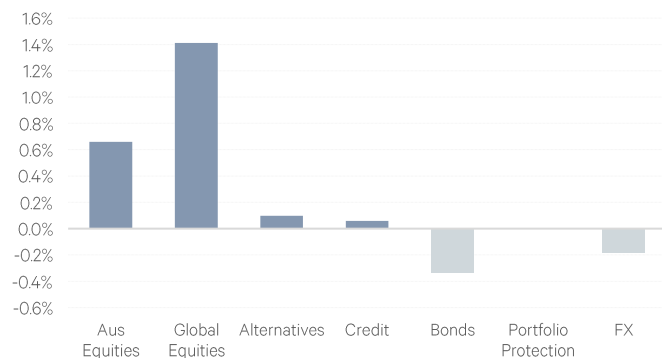
FUND POSITIONING – July 2023

Australian Equities	23.4%
International Equities	43.2%
Alternative Assets	8.6%
Bonds	43.3%
Credit	9.5%
Gross Exposure	128.0%
FX Hedging	16.0%

KEY FACTS

Strategy FUM	\$53.2m
APIR Code	DCP4812AU
Inception Date	Aug-21
Strategy	Multi-Strat
Target	10.0% p.a.
Manager Fees	0.7% p.a.
Perf. Fee	15.0%
Perf. Hurdle	5.0%
High Water Mark	Yes
Liquidity	Monthly
Fund Admin	Apex
Fund Trustee	Evolution
Fund Auditor	E&Y

ASSET CLASS CONTRIBUTION – July 2023



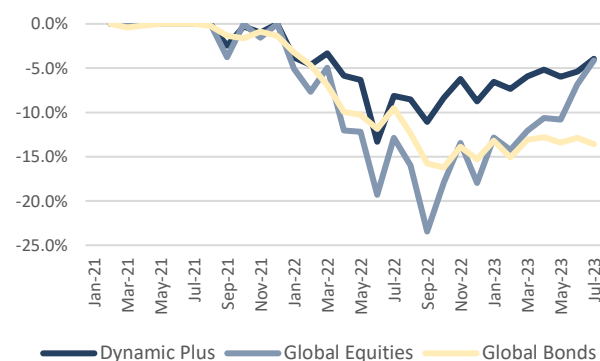
Source: Drummond Capital Partners, Interactive Brokers, Refinitiv.

RISK STATISTICS - July 2023

Std. Dev. (p.a.)	9.0%
Max. Draw (3yr)	-13.3%
Sharpe Ratio (p.a.)	0.2
Positive Months	60.0%

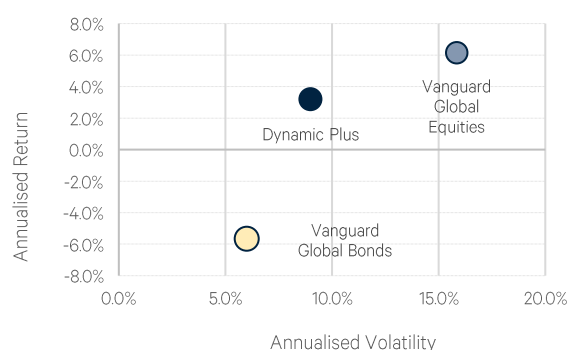
Source: Drummond Capital Partners, Interactive Brokers, Refinitiv

FUND DRAWDOWN ANALYSIS

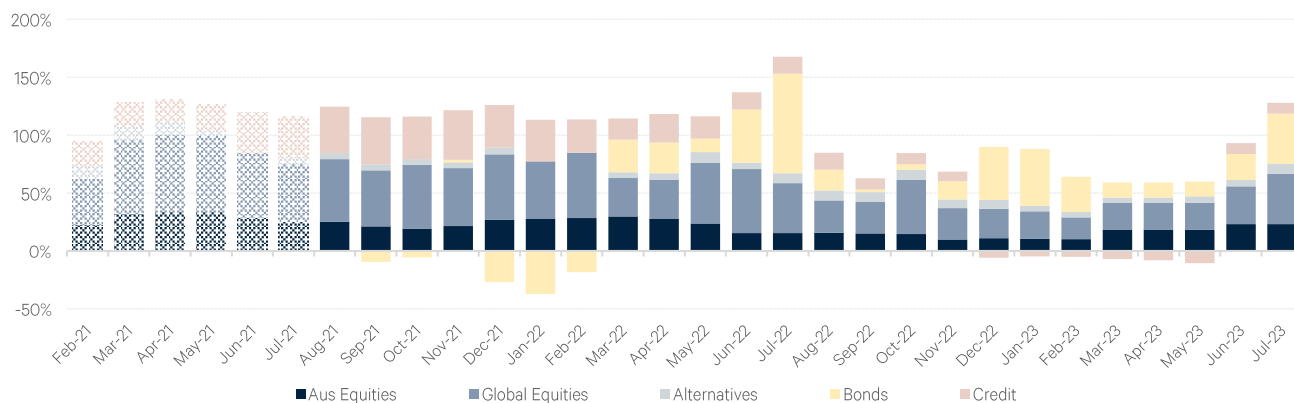


Source: Drummond Capital Partners, Interactive Brokers, Refinitiv

RISK REWARD COMPARISON



HISTORICAL PORTFOLIO EXPOSURE



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