



# Drummond Dynamic Plus Fund

## October 2023

### COMMENTARY

October marked the third consecutive monthly decline for both shares and bonds. Global equities (MSCI ACWI Index) fell -2.7% whilst Australian equities (ASX200) fell -3.8%. Emerging markets were also weaker, down -3.9% for the month. The rise in bond yields during October resulted in a -2.0% loss for Australian Bonds and a -1.2% loss for US Bonds. The broad commodity market was also weaker over the month, down -4.2%, with gold rallying 7.5% on safe haven buying but oil falling -10.1% on a weak demand outlook. The AUD fell -1.7% against the USD.

Markets were buffeted by heightened risk sentiment in October. Geopolitical risks came firmly back on the radar following the attack on Israel by Hamas on October 7th. Markets historically have moved past geopolitical incidents, albeit we are acutely aware of the escalation risks and how a wider conflict could impact energy prices, inflation and global growth. Adding to the market woes, the bond market selloff accelerated in October. Heightened supply amidst a more resilient economy continues to force investors to re-assess the right price for longer term bonds. Given real interest rates have not yet moved high enough to curtail growth significantly and bond yields historically peak at a level around the Fed funds rate, it's not hard to see how more weakness in bonds could be ahead.

The Fund was relatively well-placed heading into October, with low overall exposure to equities and bonds. We took the opportunity to sell the S&P500 exposure early in the month as the bond yield sell-off accelerated, benefitting the Fund relatively as markets fell heavily. Volatility across asset classes remain high and we continue to look for more stability as we head into the seasonally positive months ahead for risk assets.

### FUND PERFORMANCE (NET)

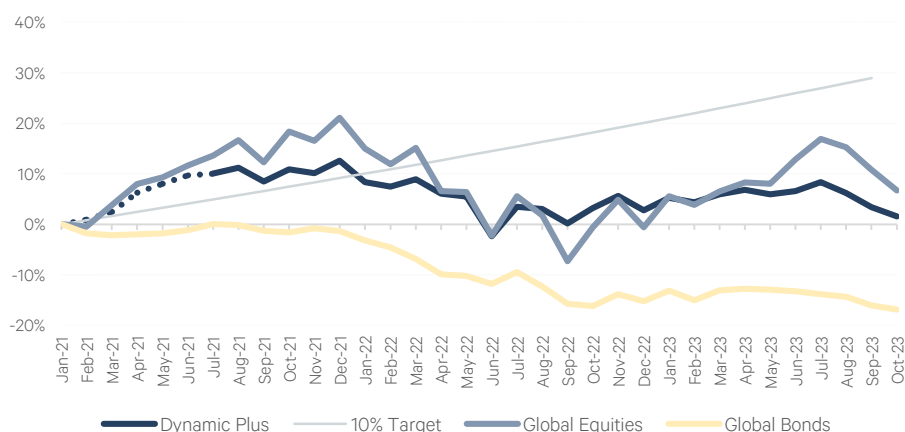
	1m	3m	6m	1yr	2yr pa	Inception pa
Dynamic Plus Fund	-1.8%	-6.2%	-4.9%	-1.6%	-4.3%	0.6%

### 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%	-2.0%	-2.6%	-1.8%			-1.2%

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 – Oct 2023

Australian Equities	19.6%
International Equities	23.9%
Alternative Assets	6.9%
Bonds	16.6%
Credit	18.9%
Gross Exposure	85.9%
FX Hedging	8.3%

### KEY FACTS

Strategy FUM	\$52.5m
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 – October 2023



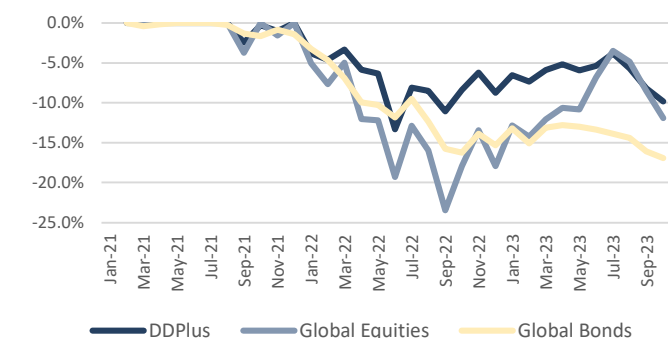
Source: Drummond Capital Partners, Interactive Brokers.

## RISK STATISTICS - October 2023

Std. Dev. (p.a.)	8.9%
Max. Draw (3yr)	-13.3%
Sharpe Ratio (p.a.)	-0.0
Positive Months	54.5%

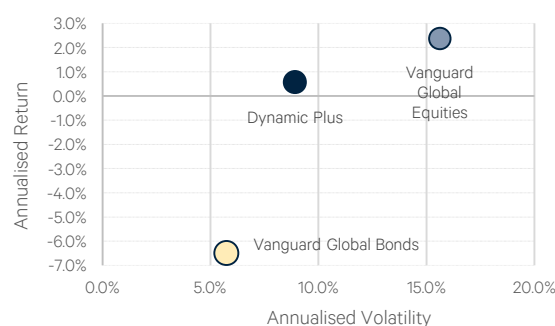
Source: Drummond Capital Partners, Interactive Brokers, Refinitiv

## FUND DRAWDOWN ANALYSIS

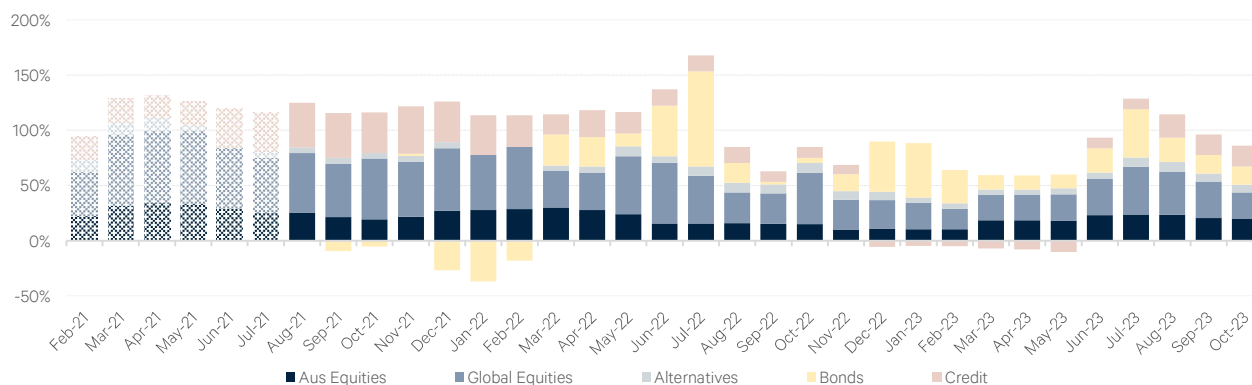


Source: Drummond Capital Partners, Interactive Brokers, Refinitiv

## RISK REWARD COMPARISON



## HISTORICAL PORTFOLIO EXPOSURE



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