



## Key Information

**Date of the Fact Sheet** 31 December 2025

**Inception Date** 1 October 2025

**Asset Class** Diversified

**Benchmark** Morningstar AUS Growth Tgt Alloc NR AUD

**Number of Underlying Holdings** 15

**Minimum Investment Amount** \$25,000

**Minimum Investment Timeframe** 7 Years

**Ongoing costs to clients\*** 0.67% p.a.

**Platform availabilities** BT Panorama | Hub24 | Netwealth | North CFS Edge | Expand

## Investment Objectives

The Salita G70 Retiree Portfolio aims to achieve a return in excess of CPI + 2.5% p.a. over a rolling 7-year period, after fees. The portfolio is actively managed within allowable ranges and contains exposure to approximately 30% defensive assets and 70% growth assets.

## About the manager

Salita Portfolio Services Pty Ltd (Salita) is a wholly owned subsidiary of Entireti Limited, and a Corporate Authorised Representative of Personal Financial Services ABN 26 098 725 145, AFSL 234459 ("Licensee"). Salita conducts professional investment research and investment management services including constructing and managing portfolios and/or investment strategies for model portfolios, managed accounts/ separately managed accounts (SMA) or other similar constructs.

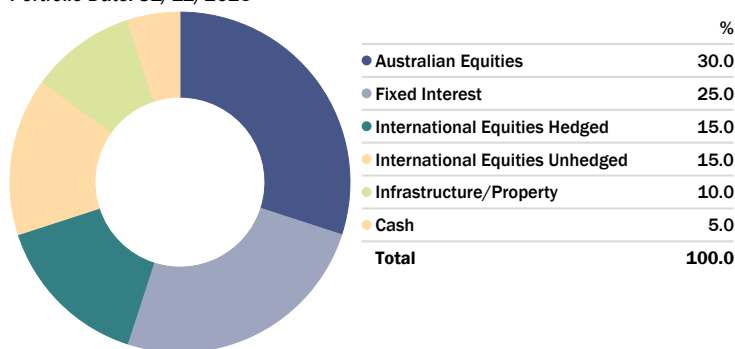
## Trailing Returns

As of Date: 31/12/2025

	1 Mth (%)	2 Mths (%)	3 Mths (%)
Salita G70 Retiree	0.26	0.24	1.33
Morningstar AUS Growth Tgt Alloc NR AUD	0.27	-0.47	0.98
Excess Return	0.00	0.71	0.34

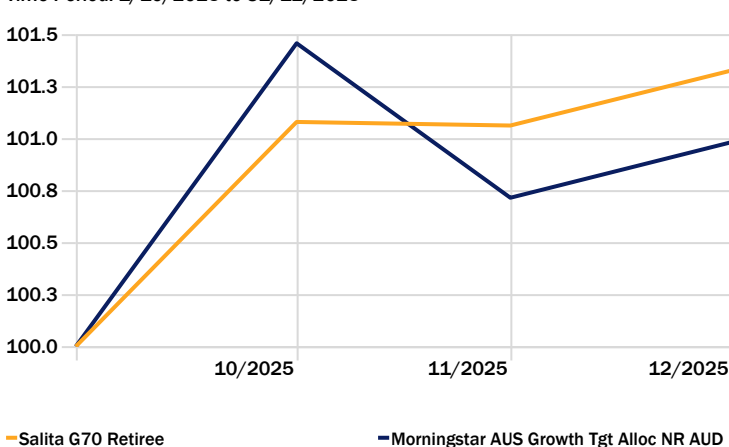
## Asset Allocation

Portfolio Date: 31/12/2025



## Investment Growth

Time Period: 1/10/2025 to 31/12/2025



\*Fees disclosed are indicative only. Please note that the fees do not include GST (where applicable), platform administration fees, and transactions costs. Please refer to the relevant PDS for full details of fees. Investment performance calculated from Model Portfolio's inception date of 1st October 2025. Portfolio performance is after investment manager fees and performance fees and before portfolio management, administration and platform fees. The Morningstar AUS Growth Target Allocation Index has 70% of its investments in growth assets and is compiled by Morningstar Inc. These figures represent historical performance only. Past performance should not be taken as an indication of future performance. Excess returns may differ due to rounding.

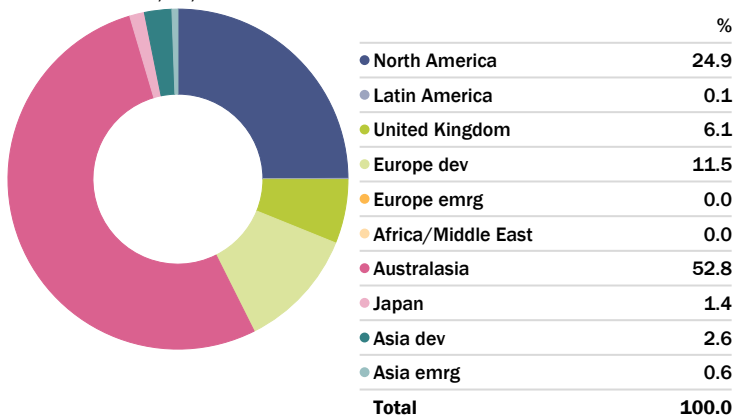
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Source: Morningstar Direct

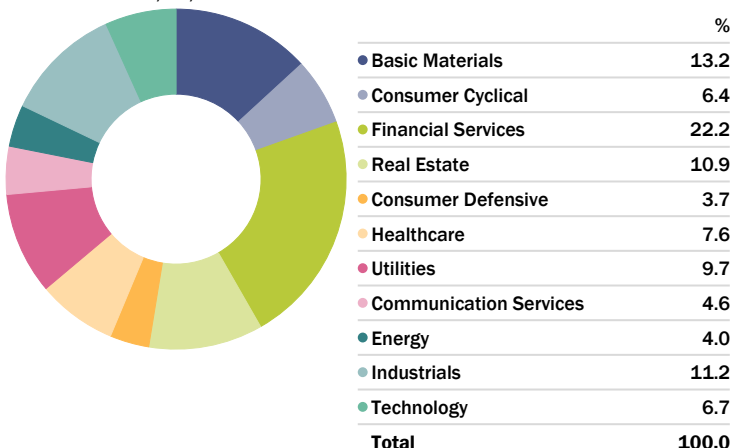
## Equity Regional Exposure

Portfolio Date: 31/12/2025



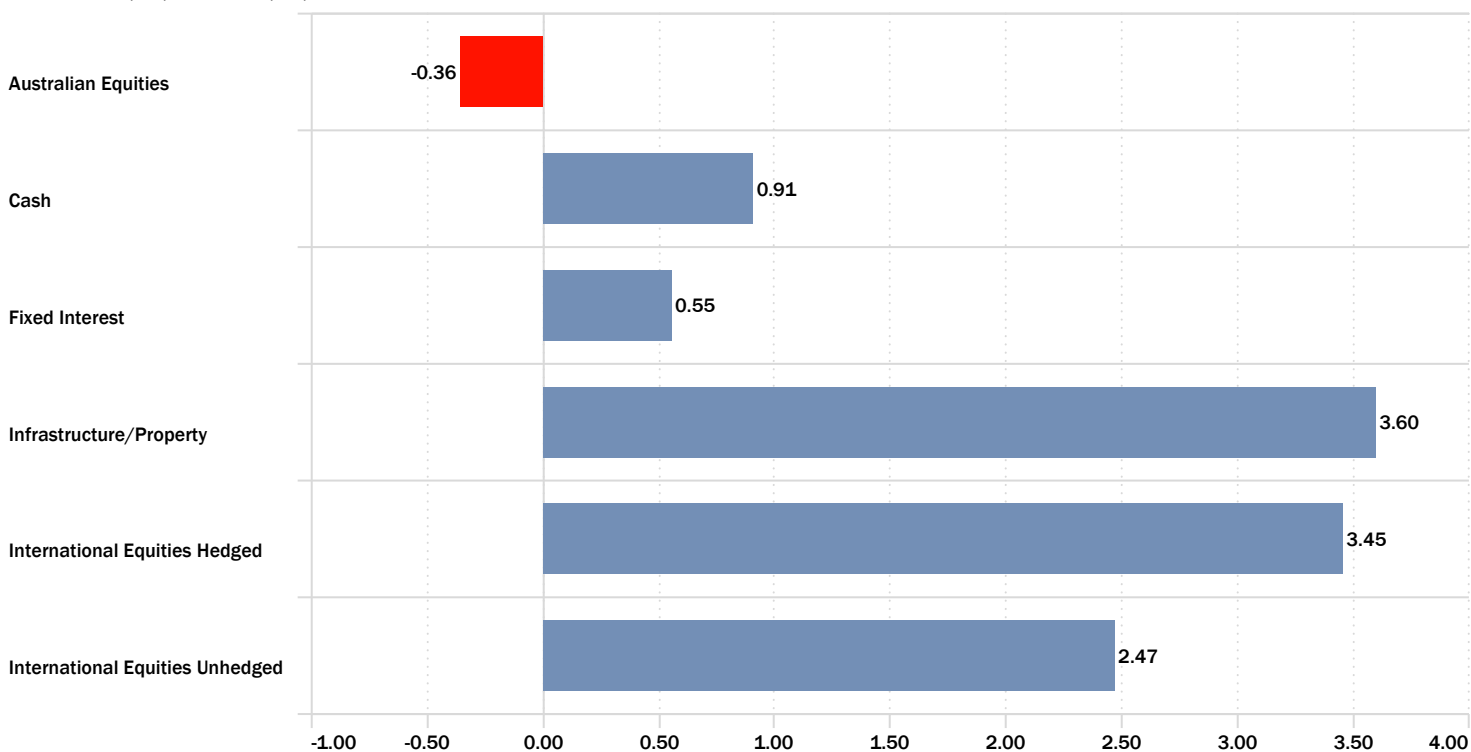
## Equity Sectors (Morningstar)

Portfolio Date: 31/12/2025



## Portfolio Asset Class Return

Time Period: 1/10/2025 to 31/12/2025



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## Portfolio Position

Portfolio Date: 31/12/2025

	Portfolio Weighting %	1 Mth (%)	2 Mths (%)	3 Mths (%)
<b>Australian Equities</b>	<b>30.00</b>	—	—	—
iShares Core S&P/ASX 200 ETF	9.00	1.36	-1.34	-0.96
Pendal Imputation	9.00	0.82	-1.84	-2.16
Ausbil Active Dividend Income Active ETF	8.00	2.67	0.49	0.13
Firetrail Australian Small Companies A	4.00	1.88	1.21	4.09
<b>Fixed Interest</b>	<b>25.00</b>	—	—	—
Schroder Absolute Return Income Fund -WC	8.00	0.40	0.65	0.90
Daintree High Income Trust AUD Unit CI	6.00	0.62	0.82	1.12
Western Asset Aus Bd A	6.00	-0.60	-1.54	-1.16
PIMCO Global Bond W	5.00	0.03	0.29	1.38
<b>International Equities Hedged</b>	<b>15.00</b>	—	—	—
iShares Hedged International Equity Idx	15.00	0.50	0.81	3.45
<b>International Equities Unhedged</b>	<b>15.00</b>	—	—	—
Capital Group World Div Growers (AU)	9.00	-1.96	0.51	2.22
Epoch Gbl Eq Shldr Yld Fd Uhgd	6.00	-0.75	0.99	2.85
<b>Infrastructure/Property</b>	<b>10.00</b>	—	—	—
Lazard Global Listed Infrastructure	7.00	-0.70	2.23	5.27
CBRE Global Property Securities	3.00	-1.82	-0.09	-0.31
<b>Cash</b>	<b>5.00</b>	—	—	—
UBS Cash Fund	3.00	0.33	0.60	0.89
Platform Cash	2.00	0.31	0.61	0.92

## Portfolio Changes

There were no changes to the portfolio during December.

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Source: Morningstar Direct



## Market Commentary and Outlook (31 December 2025)

### Summary

- **Global risk assets** ended December mixed amidst the view that **policy easing in 2026** may be slower and more uneven.
- US Fed delivered a third **25 basis points** rate cut. Signalled **higher bar** for future easing.
- **Australian headline CPI 3.4% YoY**, still above target.
- **Australian equities** modestly higher led by Materials and Resources; Tech & Healthcare lagged.
- **Stronger AUD** reduced **unhedged global equity gains**; Europe and Emerging Markets stronger.
- **Bond yields**: Australian yields rose limiting December returns.
- **Gold** continues to hover at **record highs**.

### Global Market Overview

Global risk assets ended December mixed, as investors weighed diverging central bank paths and the prospect that policy easing in 2026 may be slower and more uneven than previously hoped. The US Federal Reserve delivered a 25 basis point rate cut to take the target range to 3.50%-3.75%. The European Central Bank held rates for a fourth meeting, with a modest growth outlook. The Bank of England mirrored the USFed with a 25 basis point cut. Global ex-US equities generally outperformed.

### Australia

As widely expected, The RBA kept the cash rate at 3.60% in December, noting that whilst inflation has fallen substantially from the 2022 peak, recent data showed a pickup and risks “tilted to the upside”. Data released in early January showed headline CPI at 3.4% year on year in November, down from 3.8% in October, suggesting some relief but the trimmed mean of 3.2% year on year still above the 2-3% target band.

- **S&P/ASX 200** rose **1.3%**, led by Materials (6.65%) and Resources (5.82%). Tech (-8.68%) and Healthcare (-7.14%) lagged.
- Small caps rose **1.42%**, modestly outperforming large caps for the month but finished the year much stronger with the S&P/ASX Small Ordinaries up 24.96% compared to the 10.32% of the S&P/ASX 200.

### Global Equities

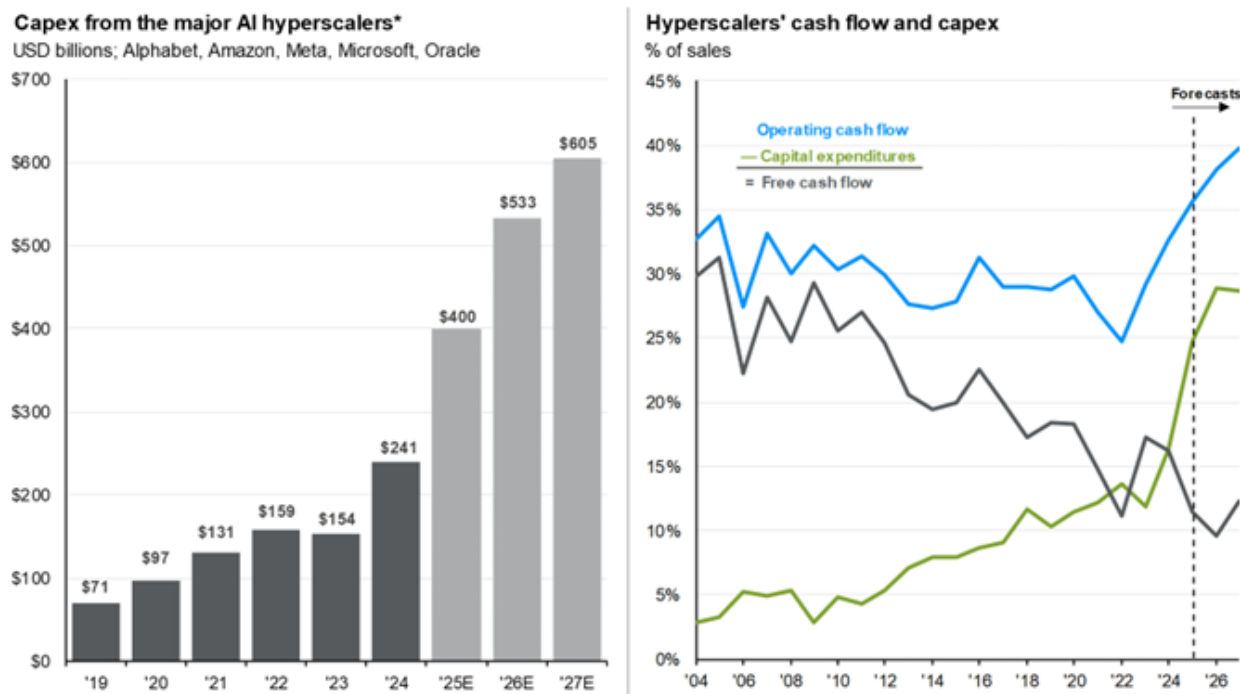
The S&P 500 was largely flat for December but had a strong year in USD terms (17.88%). In unhedged AUD terms this translated to a 9.45% return.

- On balance developed **ex-US and Emerging Markets** outperformed the US in December. The MSCI ACWI ex-US outpaced the US for 2025, aided by Europe’s policy stability and a softer US late in the year.
- **NASDAQ** dipped for the month amid renewed scrutiny of AI-capex and stretched mega cap valuations.

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## Artificial Intelligence: Hyperscaler investment



Source: J.P.Morgan Guide to the Markets, Bloomberg, J.P. Morgan Asset Management. Data are as of December 31, 2025.

The chart above looks at the capital investment driving AI infrastructure, and how it's being financed. On the left-hand side, we show capital spending by the major AI hyperscalers, which has surged in recent years and is expected to continue rising in the years ahead. Unlike historical infrastructure booms, the AI wave is primarily being financed via cash flows. On the right, the chart shows the breakdown of operating cash flows and capital expenditures for these businesses, netting out to free cash flow, all as a share of current sales. Despite significant capex upgrades, operating cash flows has risen a commensurate degree, as the hyperscalers have benefitted from rising cloud service revenue and AI-led productivity gains.

## Fixed Income & Commodities

December saw a mild bear-steepening locally and modest firmness in U.S. yields:

- **Australia:** The 10-year Commonwealth yield finished near 4.76% (31 Dec), up on the month as markets priced a more cautious RBA. The Bloomberg AusBond Composite ended 2025 with a mid-single-digit total return, though December returns were constrained by the late-month rise in yields
- **United States:** The 10-year Treasury ended December at 4.18%, slightly higher into the close after better-than-expected jobless claims, but below early-year levels after the US Fed's second half of the year cuts.
- **Gold** finished the year at US\$4,325/oz; Bitcoin (iShares Bitcoin ETF) finished the year -7.08% in USD.

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## Outlook and Positioning

Rate hikes in Australia are now widely predicted by economists with the big 4 bank economists evenly split on a hold or 25 basis point rise in February. In the US, Fed independence continues to be an issue as the administration presses for further cuts. We start 2026 continuing the debate over the AI led market. Geopolitical and policy issues are much more in the spotlight with markets cautious.

We continue to favour a diversified approach to global equities, with a dedicated emerging market exposure. With the potential for policy divergence we maintain our preference for active management in fixed interest with a bias towards Australian fixed interest. There is cause for optimism in 2026 but staying diversified and cautious continues to be the order of the day.

## Salita G70 Retiree Portfolio Commentary (Q4 - 31 December 2025)

The first three months of portfolio performance was positive outperforming the benchmark by 0.34%.

The Australian bond index had a negative quarter with Western Asset Australian Bond performing in line with the index. Schroder Absolute Return Income had a positive quarter matching the RBA Cash Rate. Daintree High Income outperformed the benchmark with coupons and credit spreads contributing to performance. Pimco Global Bond outperformed the benchmark with an overweight exposure to the US and agency mortgage back securities adding value. Pleasingly our allocation to active management overall assisted the portfolio.

The ASX 200 had a negative quarter dragged down by IT and Healthcare sectors. Ausbil Active Dividend Income had a slightly positive quarter with overweights in Materials and Communication services adding value. Pandal Imputation had a poor quarter, dragged down by stock selection. Firetrail Australian Small Companies had a strong quarter with gold and lithium stocks being positive contributors.

The hedged global equity index was positive for the quarter. Capital Group World Dividend Growers performed largely in line with the index. Epoch Global Equity Shareholder Yield also performed largely in line with the benchmark, with communications services, real estate, materials holdings underperforming.

Lazard Global Listed Infrastructure had a strong quarter with Spanish and Italian stocks adding value. CBRE Global Property Securities performed largely in line with the benchmark which was slightly negative.

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