

Colonial  
First State

# CFS Dynamic

Managed Portfolios

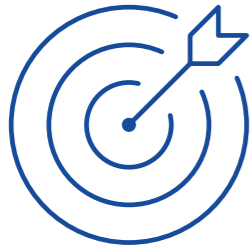


CFS's 'best ideas' managed account offers sophistication without complexity.

CFS Dynamic is guided by a hands-on, purposeful approach to portfolio construction, ensuring that portfolios are fit for an ever-changing world.

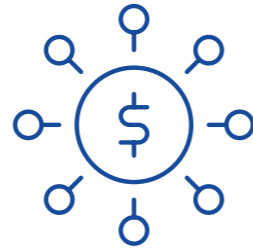
With access to a full toolkit of asset classes and investment vehicles, including direct shares, managed funds and ETFs, exposures are carefully selected to balance the need for performance, simplicity and efficiency.

# Why CFS Dynamic?



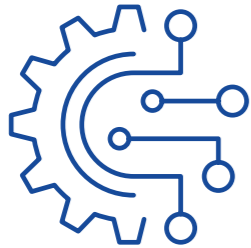
## Institutional investment expertise

The CFS Investment team delivers institutional-grade investment strategies through their extensive scale and experience.



## Dynamic and purposeful asset allocation

Our dynamic and purposeful approach to portfolio construction ensures they're fit for a constantly evolving landscape.



## Comprehensive investment toolkit

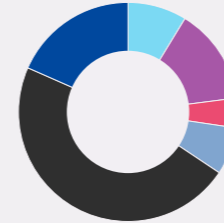
Clients get the benefits of owning direct shares, ETFs and funds across active, passive and enhanced strategies.



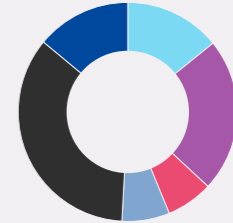
## Exceptional value

With competitive management and admin fees through CFS Edge Accelerate 100, CFS Dynamic stands out as a high-value choice.

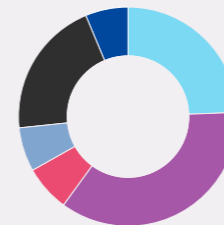
# CFS Dynamic Portfolios



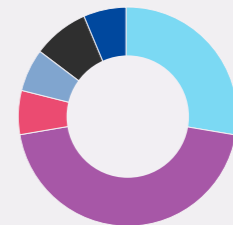
**CFS Dynamic 30**  
30/70 | 0.642% | 3 years<sup>1</sup>



**CFS Dynamic 50**  
50/50 | 0.679% | 5 years<sup>1</sup>



**CFS Dynamic 70**  
70/30 | 0.724% | 5 years<sup>1</sup>



**CFS Dynamic 85**  
85/15 | 0.739% | 7 years<sup>1</sup>

- Australian shares
- Global shares
- Property
- Infrastructure
- Fixed income
- Cash



<sup>1</sup> Growth/Defensive ratio | Total ongoing fees & costs (pa) | Minimum suggested timeframe. This fee is GST inclusive, net of any input tax credits (including reduced input tax credits). Refer to the CFS Managed Account PDS dated 1 November 2024 for more information.

# Institutional investment expertise

The CFS Investments team is a leader in the industry, boasting a deep and diverse team of over 25 investment professionals, a rarity in Australia's managed accounts landscape.

Under the leadership of Chief Investment Officer Jonathan Armitage, the team manages over \$76 billion in funds, showcasing their extensive expertise and capability.

Our greatest strength lies in our diversity, with top-down asset allocation experts, specialist investment manager selection professionals, currency and derivative specialists, dedicated investment risk analytics experts, and responsible investments and operational/fund services professionals.

This diversity is reflected in our portfolio construction, where in-house research and collaboration between teams lead to innovative and effective investment strategies. Our proven track record of navigating market cycles and delivering strong performance underscores our commitment to achieving superior outcomes for clients.

 <p><b>25+</b> investment professionals</p>	 <p><b>\$76+</b> billion of funds under management</p>	 <p><b>#1</b> <b>Strong performance</b></p> <ul style="list-style-type: none"> <li>a. CFS placed #1 and #2 by SuperRatings in the best performing MySuper Lifecycle investment options.<sup>2</sup></li> <li>b. Chant West placed CFS equal first in the Top 10 Performing Growth Funds.<sup>3</sup></li> </ul>
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## CFS Dynamic Portfolio managers



**Al Clark**  
Head of Investments



**Ritesh Prasad, CFA**  
Multi Sector Portfolio Manager



Learn more about  
the CFS Investment team

<sup>1</sup> CFS Thrive+ Sustainable Growth fund. Learn more about the certification at [responsiblereturns.com.au](https://responsiblereturns.com.au)

<sup>2</sup> FirstChoice Essential Super Growth option (MySuper Lifestage 1975-79) was the best performing MySuper Lifecycle option in FY24, delivering a 14.4% return, followed by FirstChoice Employer Super growth option (MySuper Lifestage 1975-79), which ranked second with a 14.3% return. As rated by research house SuperRatings.

<sup>3</sup> Chant West Top 10 Performing Growth Funds (year to June 2024) – CFS FirstChoice Growth.

## Dynamic and purposeful asset allocation

Our portfolio construction process is designed to be dynamic and purposeful, ensuring that every investment decision is carefully considered and integrated to deliver the best possible outcomes.

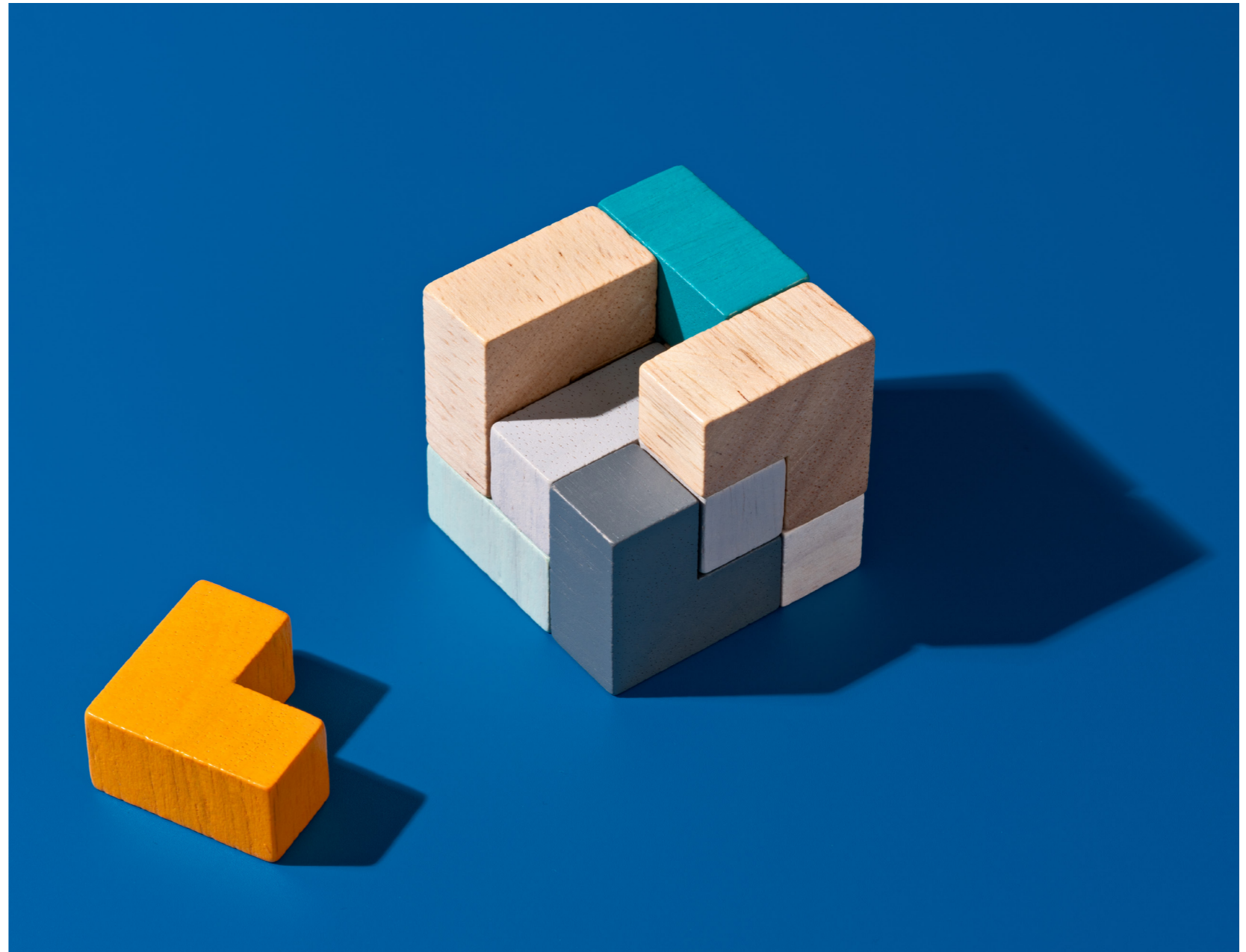
In addition to investment vehicles and strategies, characteristics such as asset class, manager styles and approach to risk management are also considered holistically, not in isolation.

Our approach is akin to solving a three-dimensional puzzle, as opposed to ticking off a simple checklist.

We appreciate that every decision changes the dynamics of the portfolio, and that the impact of each change needs to be carefully assessed before being implemented. This multi-dimensional approach ensures that each building block serves multiple roles, making our portfolios both sophisticated and efficient.

For example, our choice of a particular global equity manager brings not only growth and momentum tilts, but also risk control, sector rotation, and currency hedging. These characteristics are considered and measured against other pieces of the portfolio to ensure a strong, well-rounded investment solution.

This approach is underpinned by systematic and independent analysis at each step of the process, including idea generation, modelling, stress tests, custom scenario analysis, and portfolio optimisation. The team utilises MSCI BarraOne, a leading multi-asset risk system, to facilitate risk controls and processes, ensuring portfolios are managed within risk limits.



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## Comprehensive investment toolkit

At CFS, we leverage a diverse array of investment vehicles, strategies and managers to craft sophisticated portfolios that aim to balance performance, flexibility, efficiency, risk and cost.

With direct shares, ETFs and funds in our toolkit, we ensure that each portfolio is meticulously tailored to deliver superior outcomes. Furthermore, the use of active, enhanced and passive strategies provides the additional flexibility and control needed to make dynamic adjustments while keeping costs low.

This approach allows us to not only optimise performance, risk and cost, but also offer improved liquidity, transparency, income, franking credit and taxation outcomes to investors.

### Everything we do is active

At CFS, we don't subscribe to the traditional 'active versus passive' debate that dominates the industry.

All of our portfolios are inherently active because the common thread uniting them is active asset allocation. Each building block, whether active or passive, plays a crucial role in our sophisticated and dynamic portfolio construction process.

For example, enhanced or passive approaches often produce better client outcomes in certain segments, such as large-cap Australian equities. We may leverage lower-cost passive securities for this segment and use the remaining budget to reduce management fees and/or access complementary investment options.

## Exceptional value

CFS Dynamic not only represents one of the industry's most progressive managed account solutions, but does so at a highly competitive price point.

### Low management fees

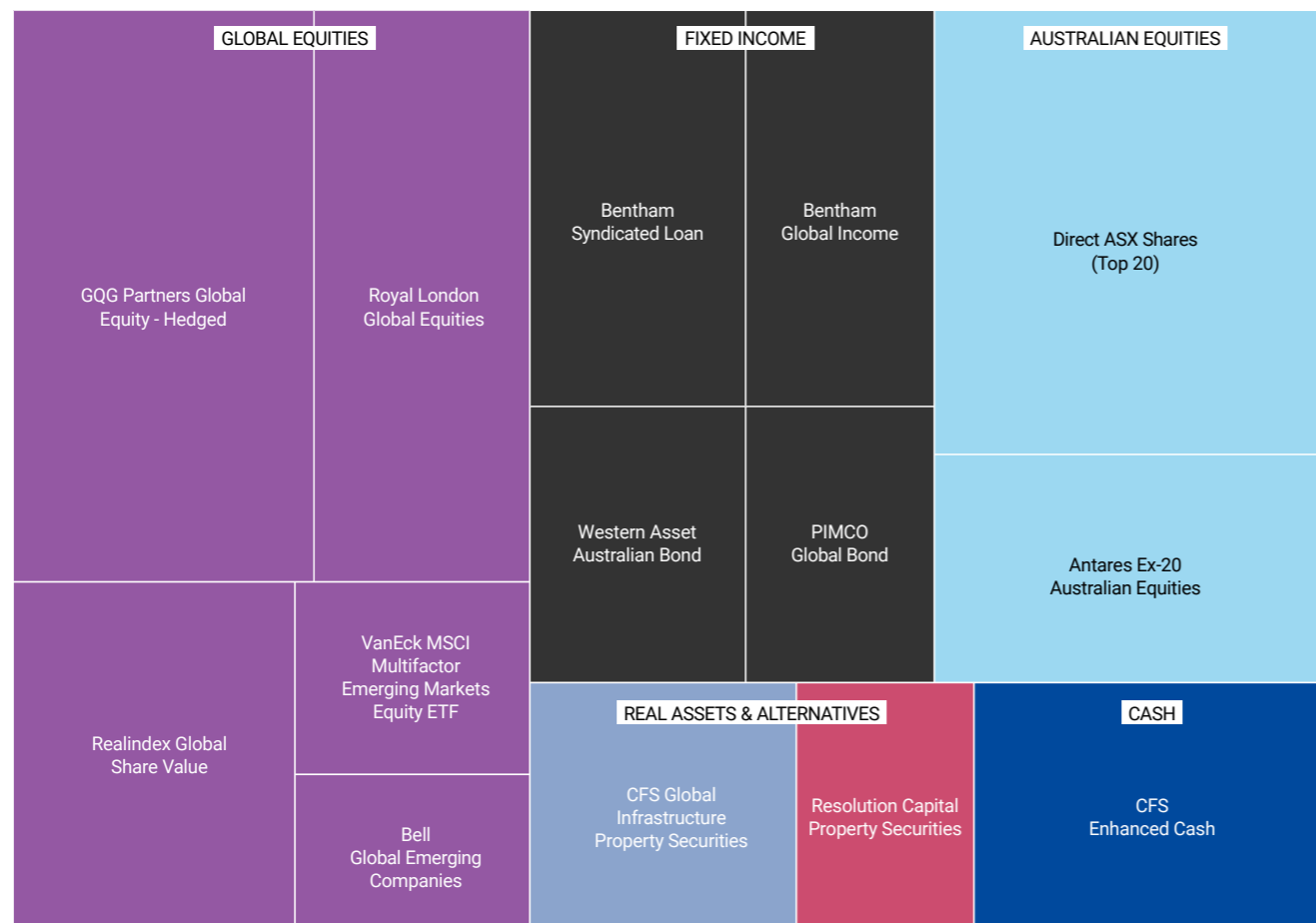
CFS Dynamic takes a contemporary approach to investing, using active asset allocation across passive, enhanced and active building blocks. The strategic use of lower-cost passive and enhanced securities allows us to pass savings on to investors, while maintaining a strong focus on performance.

### CFS Edge Accelerate Series

Harnessing CFS's asset management scale, the CFS Edge Accelerate Series combines reduced investment fees with discounted administration fees to deliver ultra-competitive managed account solutions.

A managed account made up of 100% Accelerate Funds – including CFS Dynamic Portfolio – attracts a 100% administration fee discount, which further reduces the total cost of investing for the client.

# How do we build our portfolios?



Portfolio is indicative only and is subject to change. Excludes platform cash.

## Global Equities

Global Equities is a varied and complex asset class. Our approach is more multi-dimensional than one centred around styles such as 'Growth' or 'Value'.

We go beyond these traditional dimensions, looking at fundamental versus systematic, considering market cap biases, the level of active risk, and currency exposure. This means each building block doesn't just fulfill one or two roles, but several.

## Real Assets & Alternatives

The range of suitable alternative assets is typically lower for managed accounts given their illiquid or unlisted attributes. So we take a creative approach by synthetically proxying elements of real return funds in the portfolios rather than investing in an off-the-shelf dedicated alternatives or real return fund.

For instance, alternative and/or derivatives exposures are embedded in select fixed income managers. In addition, we manage the dynamic asset allocation aspect ourselves, ensuring greater consistency across the portfolio. The result is a more targeted, cost-effective, and simpler-to-explain combination of exposures that do a similar job to an off-the-shelf alternatives strategy.

## Fixed Income

We foresee an environment where inflation is likely to be higher and more volatile than it has been in the past few decades. Against this backdrop, investors need to think more deeply about what makes an asset 'defensive'.

Finding the balance between protecting against equity selloffs and protecting against inflation is key, and may mean that bonds are not the mainstay of the defensive bucket that they used to be. By taking a more purposeful approach here, we can ensure our defensive allocations continue to provide consistent returns and downside protection.

## Australian Equities

Delivering on our 'best ideas' promise doesn't always equate to using active building blocks. For example, the top 20 Australian stocks are fertile ground for investors, offering relatively high dividends by global standards and the majority of franking credits available in the Australian market.

However, our research shows that Australian Equities managers struggle to consistently add value in the top 20 stocks. Our solution is to enable investors to hold the top 20 stocks directly, broadly at index weights. We believe this combination allows advisers to deliver better 'after-tax, after-fee' outcome for their clients.

## Additional tools and resources

- [Product Disclosure Statement](#)
- [Tools and resources](#)
- [CFS Investment team](#)

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## Find out more

To find out more about CFS Dynamic Portfolio, please contact your local [Business Development Manager](#), call Adviser Services on **13 18 36** (8:30am to 6pm Sydney time) or visit [cfs.com.au/investments](https://cfs.com.au/investments)

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