Navegar High Growth Portfolio Update - Jun Qtr. 2025

Portfolio performance

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (%)	2 yrs (%)	Since Inception (%)
Portfolio Total Return	1.8	6.6	4.2	9.2	10.1	11.1
Benchmark*	2.1	7.7	5.9	14.3	13.7	14.1
CPI +4%	0.6	1.7	3.6	6.1	7.0	7.3
*Navegar High Growth Long-Term Strategic Asset Allocation						

Source: BT Panorama & Morningstar Direct. Performance history from 1 January 2023. Net of fees

* The Benchmark is the performance of the Long-Term Strategic Asset Allocation assuming no active management or fees. The Benchmark has been revised as of August and December 2024.

Market review

The second quarter of 2025 was marked by a sharp increase in equity market volatility, earlier in the quarter. There was escalating trade tensions after the Trump administration announced new "reciprocal" tariffs on a range of trading partners. This in turn provoked retaliatory threats between countries, especially between the U.S. and China.

Improving sentiment saw a strong recovery in risk asset performance through May and June, however. Sentiment improved after the announcement of a 90-day pause in US tariffs, and trade tensions gradually cooled thereafter. By June, concerns around rising tensions in the Middle East briefly caused some minor market volatility, but the risks of a broader regional conflict were largely shrugged off following a ceasefire between Israel and Iran. The MSCI World Index (hedged into AUD) returned 9.6% for the quarter.

In the United States, the quarter began with significant equity volatility. Whilst the S&P 500 fell 0.7% in April, it was, at one point down over 10% intra-month. However, momentum sharply reversed as trade tensions cooled. Solid corporate earnings growth also buoyed sentiment. The Federal Reserve kept interest rates on hold throughout the quarter, despite pressure from President Trump to cut rates. Concerns from the Fed around the uncertain impact of tariffs on inflation were the primary motivation for keeping rates on hold.

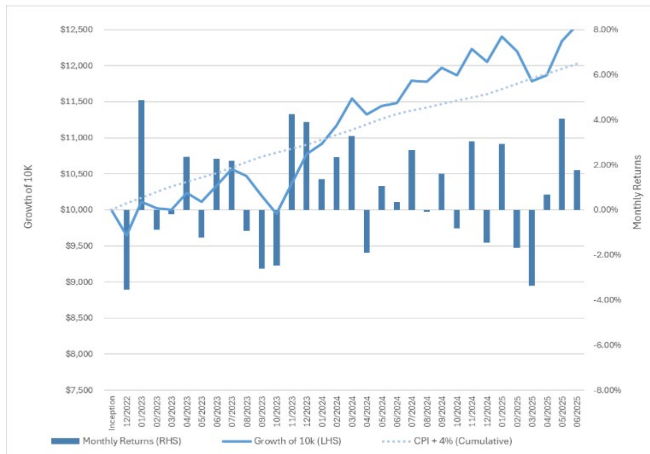
European equities lagged broader Developed Markets over the quarter, with the MSCI Europe Index (in EUR) returning 1.1%. European equity returns are in line with the US equity market calendar year-to-date, however. ECB officials delivered an eighth straight interest rate cut at their June meeting, citing "highly uncertain" global conditions, with persistent trade tensions likely remaining a headwind to the Eurozone economic outlook.

Australian equities performed broadly in line with Developed markets, returning 9.5% for the quarter. The Information Technology sector outperformed materially, returning 26.9%. Reflecting the volatility of returns for the IT sector, performance is much more aligned for IT relative to other sectors year-to-date. The Materials sector was weakest over the quarter, returning -0.4%. Following a decision to cut rates at its May meeting, the RBA surprised the market by electing to keep rates on hold, shortly after quarter end. The RBA cited an uncertain global outlook and relatively strong domestic employment conditions as reasons for maintaining the cash rate at 3.85%.

Fixed interest markets delivered positive returns over the quarter, with Australian bonds up 2.6% and global bonds returning 1.5%. There was some divergence in the movement of 10-year yields between Australia and the USA over the quarter. Australian 10-year yields fell 22bps to 4.16%, while US 10-year yields rose marginally, to 4.23% (+2bps).

There was continued broad-based US Dollar weakness across the quarter. The USD was weighed down by concerns over fiscal sustainability, political uncertainty, and the impact of the Trump administration's trade policy. The AUD appreciated over the quarter (+5.2%), supported by improving risk sentiment, weaker sentiment for the USD, and comparatively steady domestic conditions.

Cumulative performance



Source: Morningstar Direct

Portfolio Commentary

Over the June quarter, the High Growth portfolio returned 6.6% underperforming its benchmark but outperforming the CPI+4% investment objective.

Performance contributors

Best 5 Performers (3 mths)

Ironbark Robeco Glb Dev Enh Idx Eq H H	9.7
Macquarie Core Australian Equity Act ETF	9.6
iShares Hedged International Equity Idx	9.4
Macquarie Australian Small Companies	9.4
iShares Australian Equity Index	9.4

Worst 5 Performers (3 mths)

BNP Paribas C WorldWide Global Eq Trust	0.2
GQG Partners Emerging Markets Equity Z	0.8
Cash	0.9
iShares Core Cash ETF	1.0
Resolution Capital Global Property Secs	1.7

Source: Morningstar Direct

navegar

Portfolio structure

Fund	Weight %
iShares Australian Equity Index	12.0
iShares Hedged International Equity Idx	10.0
Airlie Australian Share	8.0
DNR Capital Aus Eq High Conviction R	8.0
Macquarie Core Australian Equity Act ETF	8.0
Ironbark Robeco Glb Dev Enh Idx Eq H H	7.0
JPMorgan Global Rsrch Enh Eqt I	6.0
Arrow street Global Equity No.2 Class I	5.0
ATLAS Infrastructure Global Fd AUD Hgd	5.0
Alphinity Global Equity	4.0
GQG Partners Emerging Markets Equity Z	4.0
Macquarie Australian Small Companies	4.0
Resolution Capital Global Property Secs	4.0
Smarter Money Long-Short Credit Instl	4.0
BNP Paribas C WorldWide Global Eq Trust	3.0
Schroder Global Value Fund (Hedged) - WC	3.0
Perpetual Pure Equity Alpha	2.0
iShares Core Cash ETF	1.0
Cash	2.0

Portfolio changes

During the March quarter, the following changes were made to the portfolio.

Fund Increases

Fund	Action
iShares Hedged International Equity Idx	Increase
Macquarie Core Australian Equity Act ETF	New Position
Smarter Money Long-Short Credit Instl	Increase
ATLAS Infrastructure Global Fd AUD Hgd	Increase

Fund Decreases

Fund	Action
iShares Australian Equity Index	Trim
Airlie Australian Share	Trim
DNR Capital Aus Eq High Conviction R	Trim
iShares International Equity Index	Exit

The primary rationale for the changes were to add a systematic strategy in Macquarie to the manager line up to control risk from Australian equity manager stock selection decisions.

Additionally, currency hedging was increased within the global equity asset class to protect the fund during a period of global uncertainty.

Smarter Money and ATLAS funds were increased as a reflecting a desire to increase exposure to interest rate sensitive assets within the portfolio.

Portfolio objective

The Portfolio objective is to deliver outperformance of the stated benchmark over rolling three-year periods and to achieve the CPI +4% objective.

Benchmark: Navegar High Growth Long-term Strategic Asset Allocation.

Investment Philosophy

Navegar seeks to deliver outperformance of the benchmark over rolling three-year periods by:

- Robust investment profiles tailored to meet client objectives
- A diversified approach to portfolio construction, with a strong focus on risk
- Skilled active management at a reasonable cost to add value over and above the index to varying degrees in asset sectors
- Blending strategies with low correlations and non-directional strategies to achieve true diversification.

Best contributors to performance (3 mths)

Ironbark Robeco Glb Dev Enh Idx Eq - Analyst Revisions was the strongest factor this quarter, especially shining in the post-Liberation day period quickly adapting to the changing market circumstances. Quality, Momentum and Short-term Signals also contributed positively. Value was a detractor to the performance, albeit only very small.

Macquarie Core Australian Equity ETF – The key contributors to relative performance included overweight positions in Ventia and Service Stream Limited (SSM), and an underweight position in IDP Education. The key detractors from relative performance included and underweight position in Woodside, and overweight positions in Northern Star Resources and South 32.

Worst contributors to performance (3 mths)

C WorldWide Global Eq Trust - Among the biggest contributors to portfolio returns in June were TSMC, Microsoft and Amazon. Negative investor sentiment was alleviated by agreements to reduce mutual tariffs between the U.S. and China. This temporary tariff reduction boosted market confidence and allowed tech stocks to rally after previous losses. The biggest detractors in June were Visa, Nestlé and Progressive.

GQG Partners Emerging Markets Equity - By sector, the portfolio was helped on a relative basis by an underweight to Consumer Discretionary, stock selection in Consumer Discretionary, and an overweight to Industrials. Relative performance was negatively impacted by an underweight to Information Technology, and stock selection in Energy and Financials, especially the underweight to banks.

Important Information

This material is issued by Navegar Portfolio Management Pty Ltd (“Navegar”) as an authorised representative of SGN Financial Pty Ltd AFSL 490523 solely as an information service for investors invested in the strategy via a platform operator.

This material contains general information only. It is not intended to provide you with financial product advice and does not take into account you or your client’s objectives, financial situation or needs. Past performance is no indication of future performance.

Potential investors must read the Financial Services Guide (‘FSG’), target market determination (‘TMD’) and Product Disclosure Statement (‘PDS’), along with any accompanying materials.

This publication is based on information considered to be reliable. Opinions constitute our judgement at the time of issue and are subject to change. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document. Except for liability which cannot be excluded, Navegar, its directors, employees, agents and related bodies corporate disclaim all liability in respect of any error or inaccuracy in, or omission from, this document and any person’s reliance on it.

While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Navegar creates the model portfolios it distributes using the investment research provided by JANA Investment Advisers Pty Ltd (ABN 97 006 717 568, AFSL 230 693)

Please read the following before making any investment decision about any financial product mentioned in this document.

Warnings:

Past performance is not a reliable indicator of future performance. Any express or implied rating or advice presented in this document is limited to general advice and based solely on consideration of the investment merits of the financial product(s) alone, without taking into account the investment objectives, financial situation and particular needs (“financial circumstances”) of any particular person. Before making an investment decision based on the rating or advice, the reader must consider whether it is personally appropriate in light of his or her financial circumstances or should seek independent financial advice on its appropriateness. If the financial advice relates to the acquisition or possible acquisition of a particular financial product, the reader should obtain and consider the Investment Statement or the Product Disclosure Statement for each financial product before making any decision about whether to acquire the financial product.

Disclaimer:

Navegar provides this document for the exclusive use of its clients. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information not verified by Navegar.

The information contained in this document is current as at the date of publication. Financial conclusions and advice are reasonably held at the time of publication but subject to change without notice. Navegar assumes no obligation to update this document following publication.

Except for any liability which cannot be excluded, Navegar, their directors, officers, employees and representatives disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying. This report may also contain third party supplied material that is subject to copyright.

JANA Investment Advisers

JANA is Navegar’s Investment Consultant and provides advice and guidance in relation to investment decisions for the portfolio.

JANA is one of Australia’s leading asset consultants, advising clients with more than $1.6 trillion of investments, and has been providing investment advice since 1987. JANA provides ongoing investment research and advice in relation to asset allocation and the investment managers used in the portfolio.

JANA does not provide advice to retail clients.