

Navegar Australian Equity Large Cap Portfolio

Portfolio performance - September 2025

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (% pa)	S.I. (% pa)
Portfolio Total Return	-1.06	3.54	11.82	9.04	6.82
Benchmark*	-0.78	4.71	14.66	10.56	8.95

Source: BT. Performance history from 1 September 2018. Net of fund manager fees

* The Benchmark is the performance of the S&P/ASX 200 TR AUD

Market review

Global markets extended their gains through the September quarter, supported by resilient corporate earnings, moderating inflation, and growing confidence that major central banks are shifting toward a more accommodative stance. Investor sentiment remained broadly positive despite intermittent volatility stemming from geopolitical tensions and trade uncertainty. The US Federal Reserve's (Fed) first rate cut of the year reinforced expectations that inflation is easing without derailing economic growth, while ongoing policy support across other major economies further underpinned optimism across global markets.

Australian shares advanced, with the S&P/ASX 200 Index rising +4.7% over the three months to September. Confidence strengthened early in the period following the Reserve Bank of Australia's (RBA) August rate cut and accommodative guidance, which boosted demand for rate-sensitive and domestically focused sectors. Gains were led by resources, consumer discretionary, and financials, while energy and healthcare softened later in the quarter. Momentum eased in September as the market reassessed the outlook for further near-term easing. Smaller companies outperformed, with the S&P/ASX Small Ordinaries Index advancing +15.3%, supported by investor demand for resources.

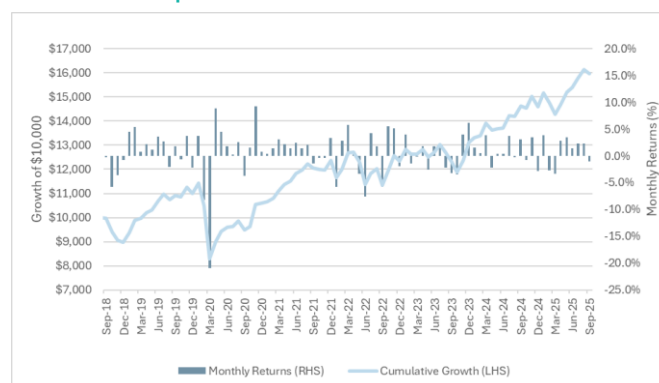
International shares delivered strong results, with the MSCI All Country World Index rising +8.0% (hedged) and +6.4% (unhedged). The US market led gains, supported by resilient corporate earnings, cooling inflation, and sustained enthusiasm for technology and artificial intelligence, which continued to drive market leadership. European markets advanced as cost pressures eased, while Japan benefited from firm domestic demand and a weaker yen. Emerging markets outperformed, with the MSCI Emerging Markets Index (unhedged) up +9.4% as policy measures in China and a softer US dollar improved sentiment across Asia. Global small-caps also gained, with the MSCI World ex Australia Small Cap Index up +7.1%, though momentum eased toward quarter-end as valuations became more demanding.

Property and infrastructure produced positive returns as investors sought defensive, income-generating assets in a more supportive rate environment. The FTSE EPRA Nareit Developed Index (hedged) rose +4.3%, supported by improved valuations and stable cash flows. The FTSE Global Core Infrastructure 50/50 Index (hedged) gained +4.0%, underpinned by steady performance

across utilities and transport sectors and sustained demand for reliable income exposures.

Fixed interest markets delivered modest but positive returns. US Treasury yields trended lower, supporting global bond returns, with the Bloomberg Global Aggregate Bond Index (hedged) rising +1.0%. Australian fixed interest delivered smaller gains, with the Bloomberg AusBond Composite 0+ Yr Index up +0.4% as firmer local inflation late in the quarter reduced expectations of near-term RBA easing. Credit markets remained well-supported, with spreads tightening across investment-grade and high-yield sectors.

Cumulative performance



Source: Morningstar

Performance contribution (3 Months)

	3 Months
BetaShares Australia 200 ETF	1.15%
Chester High Conviction I	1.00%
Perpetual SHARE-PLUS Long-Short S	0.85%
Merlon Concentrated Australian Share I	0.43%
Airlie Australian Share	0.28%

Portfolio Commentary

Australian shares delivered positive returns across the quarter, with resources and value-oriented sectors outperforming. **Perpetual SHARE-PLUS Long-Short (+6.0%)** outperformed the broader market, with strong performance driven by successful overweight positions in select consumer and industrial names. Active stock selection and a constructive stance toward undervalued cyclical opportunities supported these results. **Chester High Conviction (+4.9%)** rose in line with the broader market, with performance bolstered by strength in mining holdings. **BetaShares Australia 200 ETF (+4.5%)** tracked the local market as expected.

Merlon Concentrated Australian Share (+2.2%) rose modestly, supported by solid contributions from financials and industrials, while elevated exposure to consumer sectors and defensive positioning limited participation in the broader market strength. **Airlie Australian Share (+1.4%)** underperformed in the market rally as

disappointing earnings results and elevated momentum-driven valuations in stocks not held weighed on returns, despite strong contributions from select consumer and property-related holdings.

Portfolio structure

Fund	Weight %
BetaShares Australia 200 ETF	25.00%
Perpetual Share Plus Long Short S	14.00%
Airlie Australian Share	20.00%
Merlon Concentrated Australian Share Class I	19.75%
Chester High Conviction Class I	20.00%
Platform Cash	1.25%

Portfolio changes

No changes were made to the portfolio during the quarter.

Investment strategy/objective

Portfolio objective

To deliver outperformance of the benchmark over rolling three-year periods, net of indirect fees.

Benchmark: S&P/ASX 200 TR Index AUD.

Investment Philosophy

- The guiding principles underpinning the portfolio management process are:
- **Evidence-based investing** — We are investors, not speculators. Making investment decisions based on fundamental analysis and empirical evidence rather than short-term noise delivers better long-term investment outcomes.
- **Valuation is important** — Markets can experience inefficiency and mispricing. The entry price of an investment is a key determinant of long-term returns and the risk of financial loss.
- **Risk management is multi-dimensional** — We invest in an environment of uncertainty where economic, geo-political and market developments can materially change the investment landscape. We seek to create portfolios that are robust to a range of environmental scenarios and assess risk from a broad set of metrics that consider liquidity, country, sector, style, credit, environmental, social and governance risks.
- **Diversification** — Diversification is spreading investments across fund managers within different asset classes. Diversification cannot eliminate the risk of loss, but it is a powerful tool for managing risk.
- **Simplicity and transparency** — The security of our investors' wealth is paramount. We will only invest in the highest quality underlying fund managers and securities and will not accept overly complex or opaque investments.
- **Fees and taxes matter** — We only allocate fees to active fund managers where we believe — with a high degree of conviction — investors will benefit from paying a higher fee. Where appropriate, we will also utilise low-cost passive fund managers. We also consider the tax consequences of underlying portfolio strategies.

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