Navegar Australian Equity Mid/Small Cap Portfolio

Portfolio performance - September 2025

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (% pa)	S.I. (% pa)
Portfolio Total Return	0.57	12.22	22.59	20.94	7.42
Benchmark*	1.84	12.78	23.52	19.43	8.49

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

* The Benchmark is the performance of the S&P/ASX Mid-Small Cap Index

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.

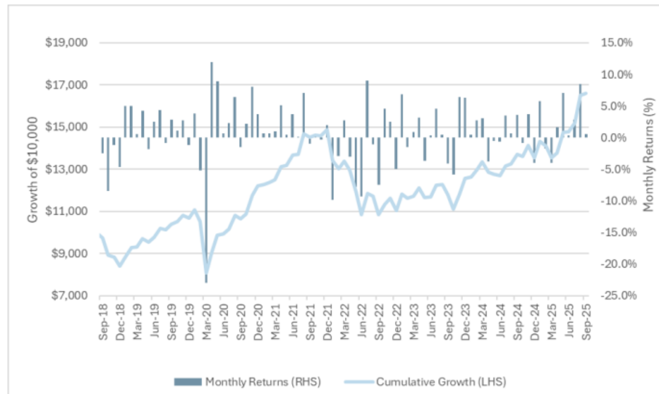
Australian shares advanced, with the S&P/ASX 200 Index rising +4.7% over the three months to September. Confidence strengthened early in the period following the Reserve Bank of Australia's (RBA) August rate cut and accommodative guidance, which boosted demand for rate-sensitive and domestically focused 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
Ausbil Australian SmallCap	4.05%
Eley Griffiths Group Mid Cap B	3.14%
Yarra Australian Smaller Companies	3.12%
First Sentier Australian MidCap Fd	2.08%

Portfolio Commentary

Australian shares delivered positive results during the quarter, with the small cap segment showing particularly strong performance. **Ausbil Australian SmallCap (+19.6%)** benefited from strong performance across smaller industrial and technology companies, supported by ongoing investor appetite for domestic growth exposures.

First Sentier Australian MidCap (+8.7%) underperformed as strength in selected education and materials holdings was offset by weaker results from underweight positions in higher-growth technology and resources stocks that led mid-cap market gains. **Eley Griffiths Group Mid Cap (+12.6%)** saw strength in resources offset by weakness across technology, consumer, and financials amid macro uncertainty and cost pressures.

Yarra Australian Smaller Companies (+10.8%) delivered a strong absolute return as robust gains from consumer discretionary and materials holdings supported performance, though results lagged the broader small-cap market due to weaker outcomes in select industrial and financial names.

Portfolio structure

Fund	Weight %
Yarra Australian Smaller Companies	29.00%
Ausbil Australian SmallCap	20.00%
Eley Griffiths Group Mid Cap B	24.75%
First Sentier Australian MidCap Fd	25.00%
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 five year periods, net of indirect fees

Benchmark: S&P/ASX Mid-Small Cap Index.

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.

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 Evidentia Group Pty Ltd ABN 39 626 048 520 ('Evidentia'), an Australian Financial Services Authorised Representative of Evidentia Financial Services Pty Ltd ABN 97 664 546 525 AFSL 546217.

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.

Evidentia Group

Evidentia is Navegar's asset consultant and provides advice and guidance in relation to investment decisions for the portfolio.

Evidentia is a boutique asset consultant that works with select private wealth practices to design, build, implement and manage tailored investment portfolios. The portfolios are tailored to meet advice strategies. Evidentia's investment team is experienced across all major asset classes.

Evidentia does not provide personal advice to retail clients.

Morningstar