

# Navegar High Growth Portfolio Update - Dec Qtr. 2025

## Portfolio performance

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (%)	2 yrs (%)	Since Inception (%)
Portfolio Total Return	0.4	1.2	6.2	10.7	11.3	11.4
Benchmark*	0.5	1.2	6.9	13.3	14.4	14.2
CPI +4%	1.3	1.9	4.6	7.8	7.0	7.4

\*Navegar High Growth Long-Term Strategic Asset Allocation

Source: BT Panorama & Morningstar Direct. Performance history from 1 January 2023. Net of fees. Performance longer than 1 year is annualised.

\* 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

Global equity markets delivered positive performance over the final quarter of 2025, underpinned by resilient economic data across most major regions. The quarter began with strong sentiment in October as Developed Markets returned 2.7%, buoyed by AI-related technology gains. This was despite a brief spike in volatility following US-China trade rhetoric. November and December saw a more tempered environment with returns more muted, as investors rotated out of "AI darlings" and navigated a 43-day US government shutdown. The total twelve-month return for the MSCI World Index (hedged to AUD) was 19.1%.

US equity markets were stronger, with the S&P 500 returning 2.7% over the quarter. While the AI thematic continued to support large-cap technology stocks, concerns over stretched valuations led to a rotation out of these names in mid-quarter. US macroeconomic data was strong, with Q3 real GDP accelerating to a robust 4.3% annualized pace. The Federal Reserve concluded the year by delivering a widely anticipated 25bp rate cut to 3.75% in December.

European equity market performance was positive, with the MSCI Europe Index (in EUR) returning 5.9% over the quarter. The ECB kept policy rates unchanged at 2% for a fourth consecutive meeting and upgraded its GDP forecasts for the 2025–2028 horizon, helping reinforce confidence in a soft-landing scenario.

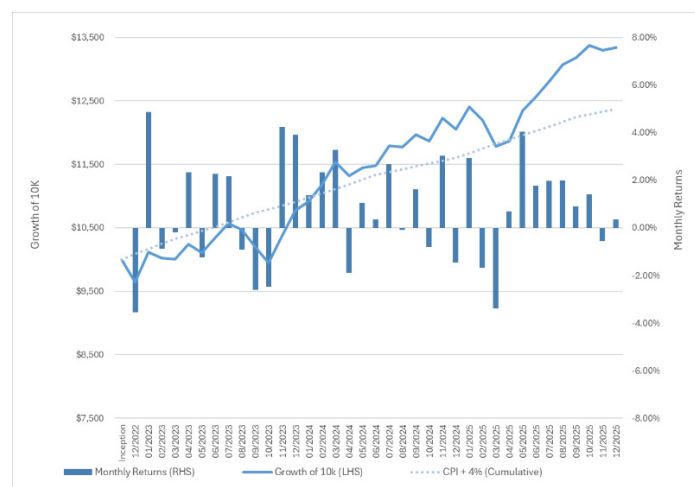
Asian equity market performance was mixed over the quarter. Taiwanese and Korean equity markets delivered very strong gains early in the quarter with double-digit returns (in local currency) in October, driven primarily by the Technology and Industrials sectors. Momentum in semiconductor and AI supply-chain names softened into November amid the global tech rotation, before rebounding sharply in December. Chinese equities were comparatively muted, constrained by lingering concerns around US-China trade dynamics and a weaker relative domestic outlook.

Australian equities delivered a mild negative return for the quarter (-0.9%). The Materials sector was again the strongest, returning 13%, while the Information Technology sector lagged materially (-23.7%). The Reserve Bank of Australia (RBA) maintained a cautious stance, keeping the cash rate unchanged at 3.6% in December due to persistent inflationary pressures and signs of continued tightness in the labour market.

While Global Bond (in AUD) performance was positive (+0.7%) for the quarter, Australian Bond performance was negative (-1.1%). A series of data releases raised concerns that inflation pressures persisted within the Australian economy. Consequently, market expectations shifted toward a potential RBA rate rise over 2026.

The Australian Dollar rose 0.6% relative to the USD for the December quarter. Most major currencies were stronger relative to the USD, with the exception of the Japanese Yen.

## Cumulative performance



Source: Morningstar Direct

## Portfolio Commentary

Over the September quarter, the High Growth portfolio returned 1.2% outperforming its benchmark but underperforming the CPI+4% annual investment objective.

## Performance contributors

### Best 5 Performers (3 mths)

Schroder Global Value Fund (Hedged) - WC	6.4
ATLAS Infrastructure Global Fd AUD Hgd	5.0
Ironbark Robeco Glb Dev Enh kdx Eq H H	3.9
iShares Hedged International Equity kdx	3.5
Arrowstreet Global Equity No.2 Class I	3.2

### Worst 5 Performers (3 mths)

DNR Capital Aus Eq High Conviction R	-3.0
Airlie Australian Share	-2.7
iShares Australian Equity Index	-0.9
Macquarie Core Australian Equity Act ETF	-0.8
FSSA Global Emerg Markets Focus Fund	-0.5

Source: Morningstar Direct

## Portfolio structure

Fund	Weight %
Macquarie Core Australian Equity Act ETF	13.0
iShares Australian Equity Index	12.0
Ironbark Robeco Glb Dev Enh Idx Eq H H	11.0
iShares Hedged International Equity Idx	10.0
JPMorgan Global Rsrch Enh Eqt I	6.0
Airlie Australian Share	5.0
Arrowstreet Global Equity No.2 Class I	5.0
ATLAS Infrastructure Global Fd AUD Hgd	5.0
DNR Capital Aus Eq High Conviction R	5.0
Resolution Capital Global Property Secs	5.0
Alphinity Global Equity	4.0
FSSA Global Emerg Markets Focus Fund	4.0
Macquarie Australian Small Companies	4.0
Smarter Money Long-Short Credit Instl	4.0
Schroder Global Value Fund (Hedged) - WC	3.0
Perpetual Pure Equity Alpha	2.0
iShares Core Cash ETF	1.0
Cash	1.0

## Portfolio changes

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

### Fund Increases

Fund	Action
Macquarie Core Australian Equity Act ETF	Increase
Ironbark Robeco Glb Dev Enh Idx Eq H H	Increase

### Fund Decreases

Fund	Action
Airlie Australian Share	Trim
DNR Capital Aus Eq High Conviction R	Trim
BNP Paribas C WorldWide Global Eq Trust	Exit

Airlie and DNR were trimmed with the weight being allocated to Macquarie during the quarter. This change was carried out to improve the risk characteristics of the Australian equity asset class. Additionally, do to a loss of conviction in C Worldwide, that position was exited with the capital being allocated to Ironbark Robeco. The decision to increase the Ironbark Robeco strategy was to increase hedging with 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)

**Schroders Global Value Fund (Hedged)** - The Fund comfortably outperformed the index and sister Value style index over the final quarter of 2025. This bookends a calendar year of stellar outperformance against both indices, as the manager's focus on cheap names higher up the quality spectrum was rewarded.

### Ironbark Robeco Global Developed Enhanced Index (Hedged)

– The main contributors in the period were our holdings in Cellnex Telecom, Elia Group and RWE AG. The main detractors were Portland General Electric Company, Pinnacle West Capital Corp and Renewables Infrastructure Group Limited.

## Worst contributors to performance (3 mths)

**DNR Capital Australian High Conviction** - Materials (+6.6%) was the best performing sector, with commodity prices continuing their year-end rally (BHP Group (BHP +9.2%), Rio Tinto (RIO +11.0%)). Financials (+3.4%) also outperformed, as the banks recovered some of the performance lost in the November sell-off (Commonwealth Bank of Australia (CBA +5.3%), National Australia Bank (NAB +5.7%)). Information Technology (-8.7%) was the worst performing sector, as concerns regarding their terminal values continue to weigh on share prices in the face of the threat of AI (Xero (XRO -6.7%), WiseTech Global (WTC -6.2%)).

**Airlie Australian Share Fund** - Consumer Discretionary exposures had an overall bad quarter with Premier Investments the worst on profit downgrades due to sluggish Smiggle sales. The Fund's Health Care holdings had a poor quarter with Resmed down on GLP-1 worries – despite reporting an excellent quarterly profit result, and CSL down on profit downgrades and the loss of confidence in management to accurately forecast their business.



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## JANA Investment Advisers

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

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