Navegar Australian Equity Large Cap Portfolio (PROC01LGE)

Portfolio performance - June 2026

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (% pa)	S.I. (% pa)
Portfolio Total Return	1.6	5.3	2.4	5.8	6.4
Benchmark*	0.7	4.1	2.4	6.1	8.3

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 share markets rebounded strongly over the June quarter as investor confidence recovered following the March sell-off. Resilient corporate earnings and renewed enthusiasm for artificial intelligence drove a broad recovery in risk assets, while easing geopolitical tensions in the Middle East helped improve sentiment. Late in the quarter, a tentative US-Iran memorandum of understanding reduced concerns around energy supply disruptions, contributing to a sharp fall in oil prices. While this supported market sentiment, the agreement remained fragile, and uncertainty persisted around shipping routes and regional energy infrastructure. Against this backdrop, easing inflation concerns and interest rate expectations remained important drivers of market performance.

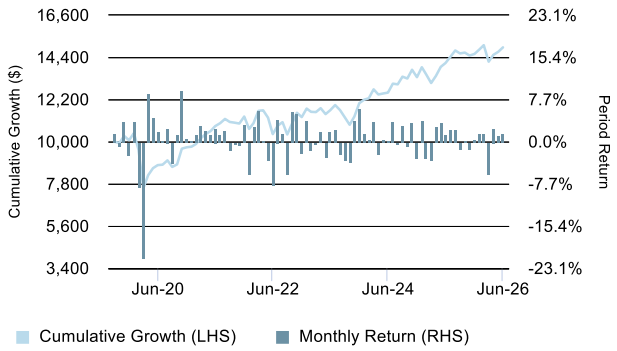
Australian shares delivered positive returns but lagged major global markets, with the S&P/ASX 200 Index rising +4.0%. Improving investor confidence supported broad gains across the market, led by consumer discretionary, information technology and materials, while industrials and real estate also recorded solid gains. In contrast, the sharp decline in oil prices weighed heavily on the energy sector, while healthcare also detracted following weaker sector earnings. Smaller companies participated in the recovery but slightly underperformed larger peers, with the S&P/ASX Small Ordinaries Index rising +3.3%.

International shares delivered exceptional gains, with the MSCI All Country World Index rising +13.6% unhedged and +14.9% hedged. US shares advanced strongly as robust corporate earnings and renewed optimism surrounding AI supported technology and growth sectors. European markets also delivered strong returns as easing energy prices and improving economic confidence lifted investor sentiment, while Japan benefited from a weaker yen, AI enthusiasm and resilient domestic conditions. Emerging markets outperformed developed markets, with the MSCI Emerging Markets Index rising +22.6%, driven by exceptional gains across Asia, particularly Korea and Taiwan. China was a notable exception, declining over the quarter amid ongoing concerns about its economic outlook. Global small companies also rebounded strongly, with the MSCI World ex Australia Small Cap Index rising +14.0%.

Property and infrastructure delivered positive returns over the quarter. Global listed property performed well, with the FTSE EPRA NAREIT Developed Index (hedged) up +8.8%, supported by improving sentiment towards interest rate-sensitive assets and lower bond yield volatility. Infrastructure also advanced, with the FTSE Global Core Infrastructure 50/50 Index (hedged) rising +2.6%, underpinned by its defensive earnings profile and continued demand for essential infrastructure assets.

Fixed interest markets delivered positive returns over the quarter. Australian fixed interest outperformed global peers, with the Bloomberg AusBond Composite 0+ Yr Index rising +2.6% as domestic bond yields declined. Global fixed interest also advanced, with the Bloomberg Global Aggregate Bond Index (hedged) up +1.5%, despite US Treasury yields finishing slightly higher over the quarter. Credit markets also delivered positive returns, with high-yield credit outperforming investment grade markets as resilient corporate fundamentals and tightening credit spreads supported investor demand for higher-yielding assets.

Cumulative performance



Performance contribution (3 Months)

Leading Contributors

	3 Months
Airlie Australian Share	2.14%
BetaShares Australia 200 ETF	0.99%
Merlon Concentrated Australian Share I	0.83%
Chester High Conviction I	0.82%
Acadian Aust Equity Long Short	0.56%

Leading Detractors

None

Performance contribution measures the absolute contribution of each constituent asset class to the total performance of the portfolio.

We strongly recommend that potential investors read the product disclosure statement or investment statement.

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Portfolio Commentary

Australian shares delivered solid gains over the quarter, with all holdings contributing positively. **Betashares Australia 200 ETF (+4.1%)** tracked the broader market in line with the S&P/ASX 200's quarterly advance. **Chester High Conviction (+4.1%)** posted a solid gain driven by strength in select resources and agricultural chemical exposures. **Merlon Concentrated Australian Share (+4.1%)** benefited from concentrated positions in undervalued financial, industrial and resource companies as value-oriented shares advanced.

Acadian Australian Equity Long Short (+4.0%) benefited from favourable stock selection in industrials, materials and health care. **Airlie Australian Share (+10.6%)** was the standout performer, delivering a very strong gain led by gaming, materials and resources holdings.

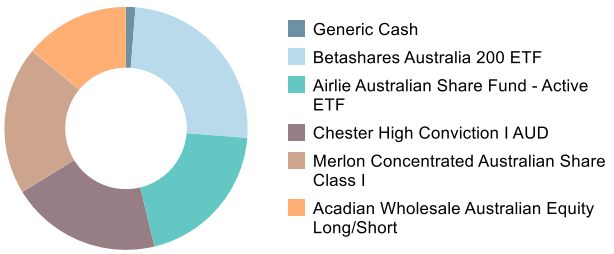
Portfolio structure

Holding	Weight
Australian Shares	**98.8%**
Acadian Aust Equity Long Short	13.9%
Airlie Australian Share	20.3%
BetaShares Australia 200 ETF	24.5%
Chester High Conviction I	20.0%
Merlon Concentrated Australian Share I	20.2%
Cash	**1.2%**
BT Platform Cash	1.2%

Portfolio changes

No changes were made to the portfolio during the quarter.

Asset allocation breakdown



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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