DEPTH WITH DIFFERENCE

IMAP Independent Thought Conference 2025

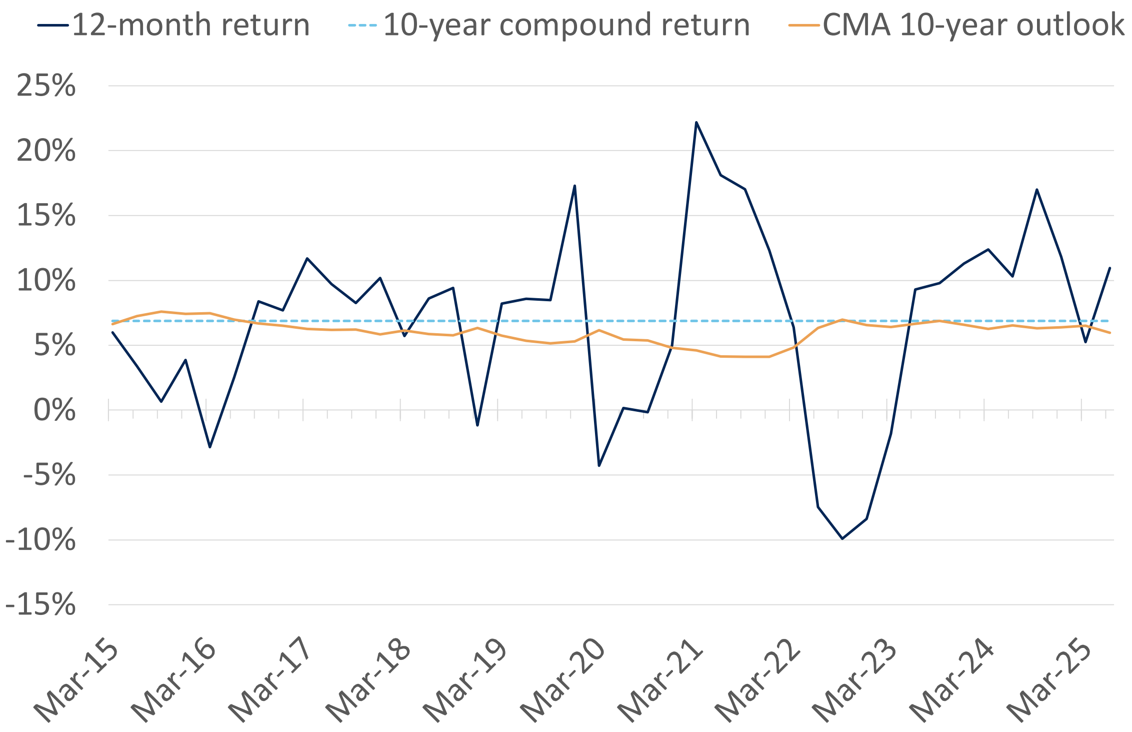
JANA Investment Advisors

8 October 2025

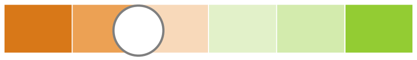
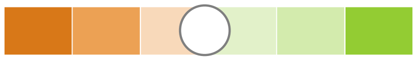
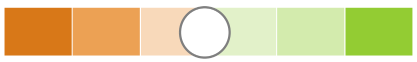
Historical versus forward looking

Last decade has produced solid returns but the forward looking outlook has softened lately

Nominal returns, 2015-2025, 70/30 portfolio



JANA Asset Class Views

JANA View	Comment
Australian Equities  Very Unattractive Neutral Very Attractive	Valuations are moderately expensive across a range of measures while large cap fundamentals outlook is subdued, notably for banks and large cap resources.
Developed Market Equities  Very Unattractive Neutral Very Attractive	Whilst a trade agreement between the US and China has not yet been agreed upon, a material escalation in trade tensions between the USA and other countries looks much less likely. With respect to Fundamentals, consensus estimates still point to solid low double digit EPS growth expectations for Developed Markets for CY26 and CY27. This, along with a supportive liquidity backdrop and strong market Sentiment is expected to be supportive in the near term.
Emerging Market Equities  Very Unattractive Neutral Very Attractive	The de-escalation in trade tensions between China and the USA reduced a major potential risk to Emerging Market Equities. Emerging Market valuations are close to median levels of the past 15 years and trade at a relatively large discount to Developed Markets across a range of metrics. We continue to hold a neutral view on EM equities.
Multisector Credit  Very Unattractive Neutral Very Attractive	We retain the neutral view on Credit overall. High Yield spreads have tightened and are within range of long-term cyclical lows. 'All in' yields of around 7% offer reasonable compensation. In our view, the current environment: low but still positive economic growth and inflation that remains under control – is supportive of credit markets.

JANA Asset Class Views

JANA View	Comment
Australian Fixed Interest Very Unattractive Neutral Very Attractive	We continue to favour Australian bonds over Global bonds for any incremental defensive allocations due to a high Australian real yield, relatively steeper yield curve and positive real yield differential versus other major economies. Australian bonds have historically performed strongly following periods where they have a high real yield relative to the US.
Global Fixed Interest Very Unattractive Neutral Very Attractive	At current yields, bonds offer potential diversification, and protection benefits in some weak growth scenarios. US bonds which represents a meaningful portion of the global bond benchmark, are more exposed to two-sided yield pressures in the near term. We expect continued yield volatility linked to US policy rate and inflation uncertainty.
Cash Very Unattractive Neutral Very Attractive	Whilst current cash yields are relatively attractive, the prospect of rate cuts and less attractive diversification characteristics of cash versus bonds in down markets maintains our rating at Neutral. We expect RBA easing to continue over coming months.
Alternatives Very Unattractive Neutral Very Attractive	The prospect of a more extended period of macro uncertainty with periodic market volatility again highlights the role and importance of Alternatives as diversifiers. We highlight the potential benefits of customised solutions that provide advantages on fees and manager access.
Currency Very Unattractive Neutral Very Attractive	We retain the Moderately Attractive view on AUD. Cheapness has moderated and while some upside remains; the AUD is trading within a wide fair-value range against the USD. Relative fundamentals have improved, with Australia's economic growth projected to outpace other G10 countries over the next 18 months. Market-based measures are generally supportive of 'risk'.

JANA “Signature Core”

Key portfolio differences:
- Growth exposure
- FX exposure
- Alternatives
- Liquidity
- Bias away from AE

Asset Class	JANA "Signature Core" MDA (70:30)	IMAP Average	Difference
Australian Equities	26.0%	24.6%	1.4%
Global Equities (Hedged)	19.8%	8.2%	11.6%
Global Equities (Unhedged)	13.2%	20.4%	-7.2%
Fixed Interest	26.0%	28.2%	-2.2%
Property	2.5%	3.0%	-0.5%
Infrastructure	2.5%	4.5%	-2.0%
Private Equities	0.0%	1.8%	-1.8%
Alternatives	6.0%	3.1%	2.9%
Cash	4.0%	6.0%	-2.0%
Total	100.0%	100.0%	0.0%
AE Split of Equities	44.1%	46.2%	-2.2%
FX Exposure	13.2%	20.4%	-7.2%

JANA Solve Analysis

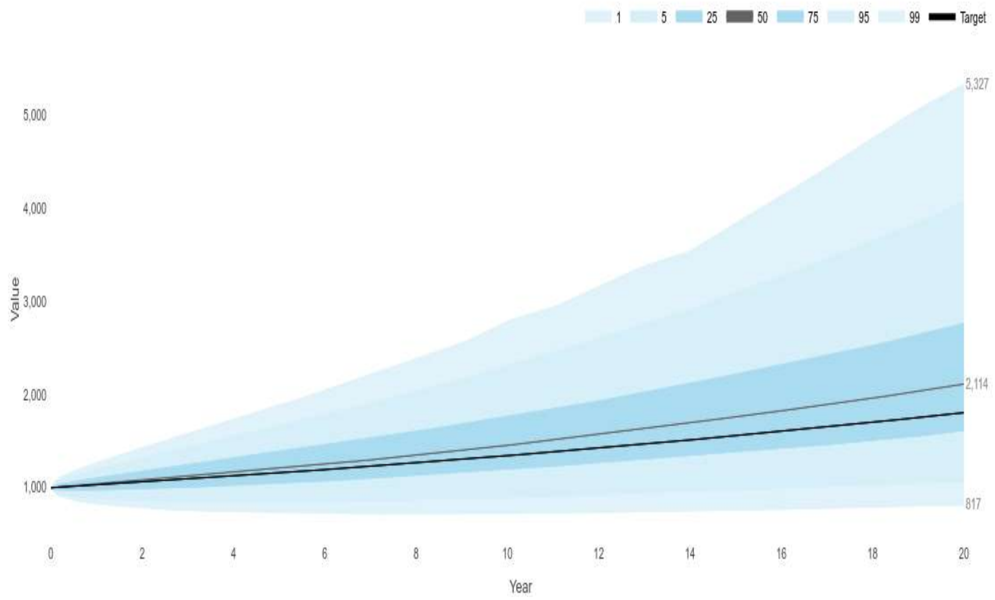
Monte Carlo simulation of portfolio outcomes with JANA CMAs

No "alpha" assumptions

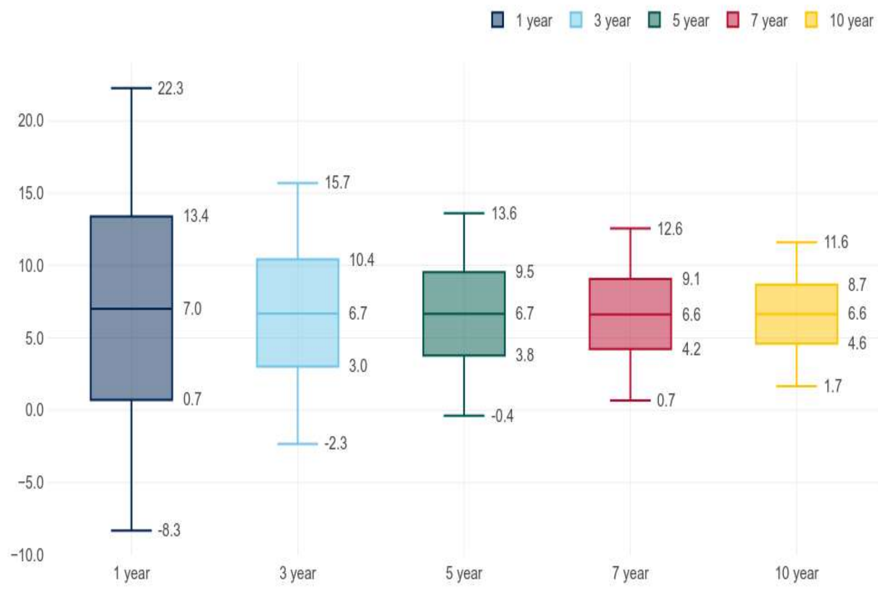
Market Aware Charity & Pension (Post-Tax): 30-Jun-2025	JANA "Signature Core" MDA (70:30)	IMAP
Growth/Defensive Split		
Growth assets	67.0%	64.2%
Defensive assets	33.0%	35.8%
Risk Return		
Expected nominal return, over investment horizon (geometric)	6.6%	6.4%
Expected nominal return, first year (arithmetic)	7.0%	6.7%
Expected volatility/standard deviation	9.3%	8.5%
Sharpe ratio	0.3	0.3
Performance against Objectives		
Investment objective	CPI + 3.0%	CPI + 3.0%
Probability of meeting return objective in the first year	55.4%	55.1%
Probability of meeting return objective over investment horizon	62.1%	60.3%
Expected frequency of returns below objective (x years in 20)	8.9	9.1
Probability of negative returns in the first year	22.4%	21.3%
Probability of negative returns over investment horizon	1.4%	0.8%
Expected frequency of negative annual returns (x years in 20)	4.6	4.3

JANA Solve Analysis

Projected portfolio value ($2025), 3% real target



Compound return distribution, by horizon



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