



# IMAP Independent Thought Conference 2025

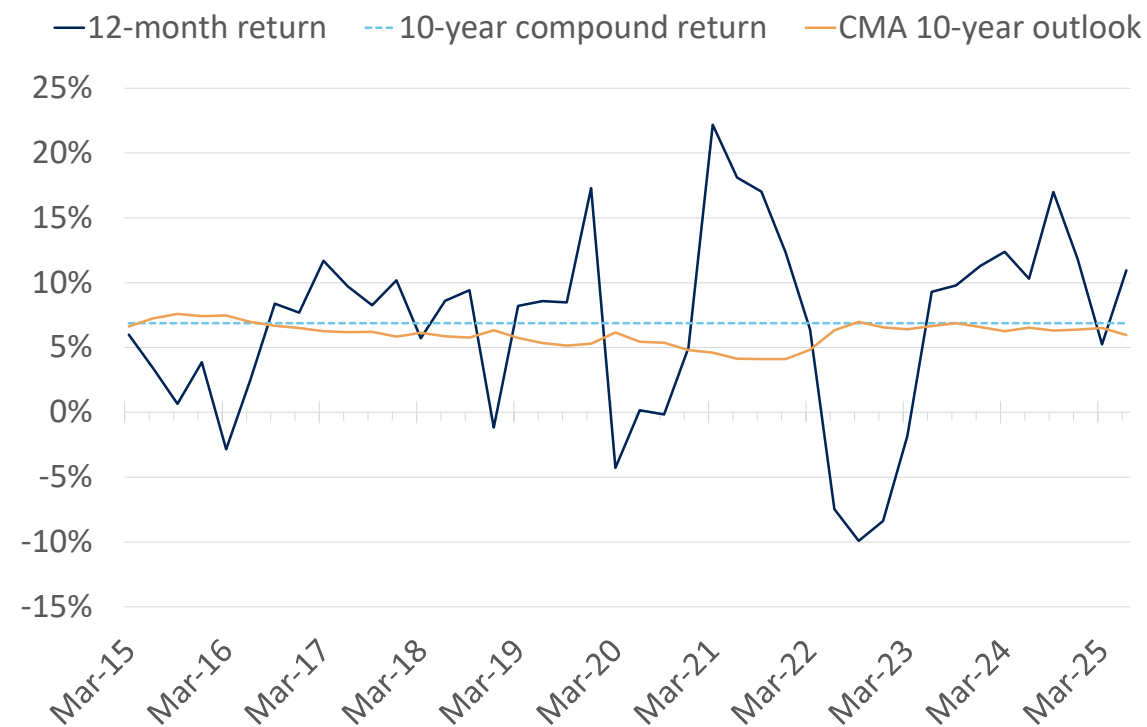
**JANA Investment Advisors**

8 October 2025

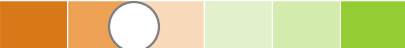
# Historical versus forward looking

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

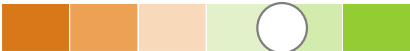
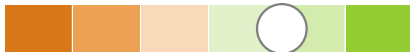
Nominal returns, 2015-2025, 70/30 portfolio



# JANA Asset Class Views

| JANA View                                                                                                                                                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Australian Equities</b><br><br>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.                                                                                                                                                                                                                                                                                                               |
| <b>Developed Market Equities</b><br><br>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. |
| <b>Emerging Market Equities</b><br><br>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.                                                                                                                         |
| <b>Multisector Credit</b><br><br>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                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Australian Fixed Interest</b><br> <p>Very Unattractive      Neutral      Very Attractive</p> | <p>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.</p>      |
| <b>Global Fixed Interest</b><br> <p>Very Unattractive      Neutral      Very Attractive</p>     | <p>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.</p>                       |
| <b>Cash</b><br> <p>Very Unattractive      Neutral      Very Attractive</p>                      | <p>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.</p>                                                                                                               |
| <b>Alternatives</b><br> <p>Very Unattractive      Neutral      Very Attractive</p>            | <p>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.</p>                                                                                        |
| <b>Currency</b><br> <p>Very Unattractive      Neutral      Very Attractive</p>                | <p>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'.</p> |

# 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

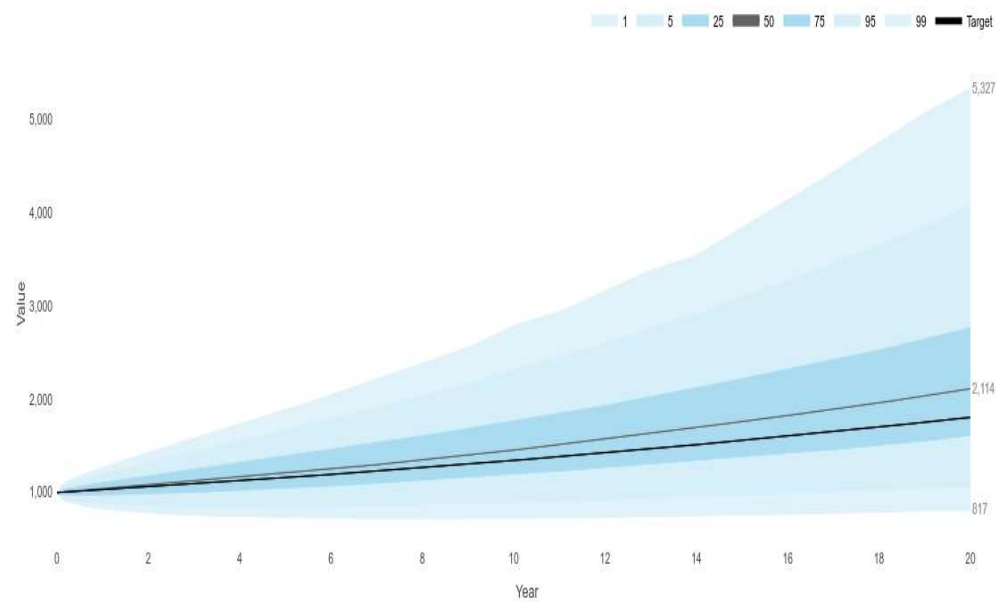
Monte Carlo simulation of portfolio outcomes with JANA CMAs

No “alpha” assumptions

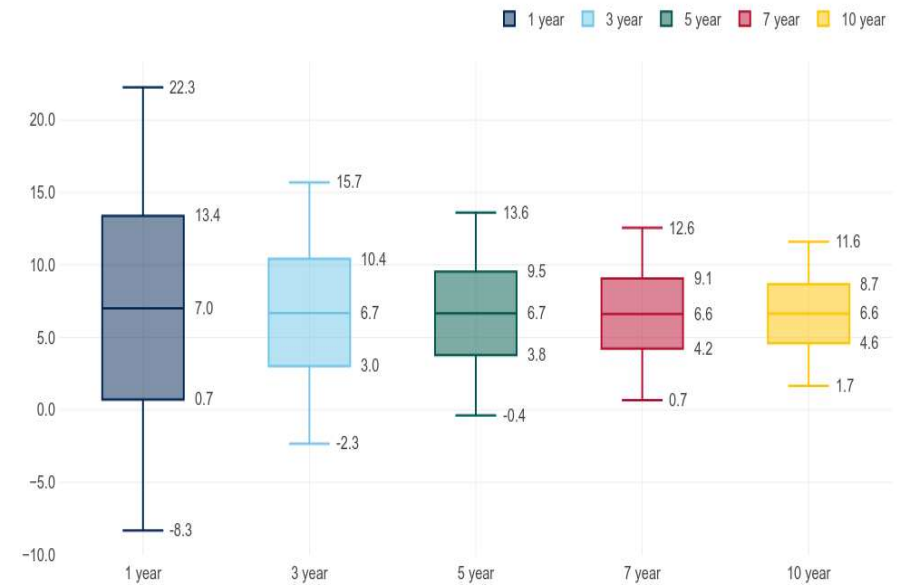
| Market Aware Charity & Pension (Post-Tax): 30-Jun-2025          | JANA "Signature Core" MDA (70:30) | IMAP       |
|-----------------------------------------------------------------|-----------------------------------|------------|
| Growth/Defensive Split                                          |                                   |            |
| 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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