



oracle  
advisory  
group

# QUARTERLY UPDATE

ISSUE 44 - Q2 2025



QUARTER 2 IN REVIEW >>



PORTFOLIOS >>

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# Oracle Q2 2025 Market Update

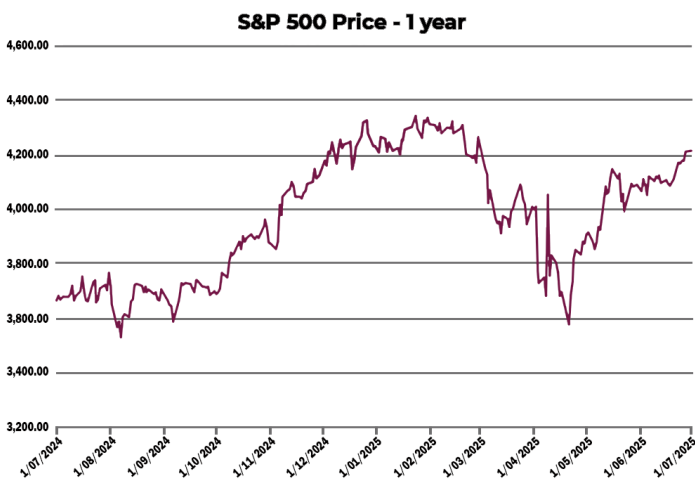
**By Peter Durbin**  
Chief Investment Officer

If you went on a four month holiday from the end of February to the end of June and you looked at the S&P500 index at the start of your holiday and the end of your holiday, you would see that it fell 1.1% for the period – nothing spectacular but far from a disaster. The 1 year chart would look something like the below, with the blue section representing the time you were on holiday.



Source: FactSet

But zoom in and you see that what is hidden was a large drawdown of 16%, followed by an aggressive bounce. Arguably one of the more volatile 4-month periods in history: the tariff tantrum. By early July, US and Australian markets were both hitting all time highs again.



April 2025 began with US President Donald Trump surprising the world by imposing more aggressive tariffs than almost all watchers expected. The S&P 500 fell 4.8% on the day, then a further 6.0% the day after.

But a few days later, Trump walked back the vast majority of these tariffs with a 90-day reprieve to enable America's trading partners time to negotiate fresh trade agreements with the largest consumer market in the world. The market recouped 9.5% in a single session.

9.5%!

The market is now hitting all-time highs again, delivering yet another lesson in how futile it is to try and time the market.

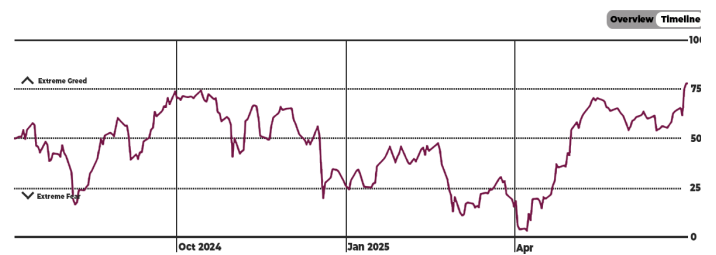
We like to monitor CNN's fear and greed index, and we noted in the quarterly update that it had bottomed out at the level of 4, implying peak pessimism.

Not a perfect indicator, but peak pessimism tends to be a good buying opportunity, and this turned out to be the case in April.

The index has swiftly moved from this "Extreme Fear" level to "Extreme Greed", a level of 78, implying markets are now much more positive on the future direction of markets as incremental announcements have shown good progress regarding trade talks.

## Fear & Greed Index

What emotion is driving the market now?  
[Learn more about the index](#)



Source: CNN

Interestingly, we don't believe the stock market rout was the reason for Trump's 180-degree turn, as he has made clear he is not concerned about that. The bond market is another story. The US 10-year bond yield rose about 50 basis points following his announcement (meaning traders sold bonds). Normally, in a stock market fall, there would be a flight to safety, and US government bonds are regarded as one of the safest assets money can buy. This has two impacts. The first one is that it sent a signal to the Trump administration that the market had little faith that the current actions would be good for the country. Secondly, higher bond yields will make it more expensive for the US to issue future debt. Interest payments on debt are already one of the largest budget items for the US government, higher than the military, so this, rightly, caused Trump to rethink his actions.

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For the quarter to June, the Nasdaq Composite was one of the strongest index performers with a gain of 17.7%, with Korea's KOSPI Composite (23.8%), Germany's DAX (31.1%) and Hong Kong's Hang Seng (35.9%). This return by the Nasdaq is a stark difference to the S&P 500, which returned "only" 10.6% for the quarter, demonstrating that the rally was driven by technology companies.

The Australian market was also a good performer, with the All Ordinaries advancing 9.5%. What drove the ASX market was a mixed bag. Information Technology rebounded hard after bearing the brunt of the late February and March sell-off. The sector as a whole was up 28.4% for the quarter. The other big contributors were financials (+14.5%), Communications (+14.1%), and Real Estate (+12.4%), while Materials, which is a large sector on the ASX, fell almost 1%.

The market strength mostly occurred through May, which was the strongest May in over 25 years. However, most interestingly is we only have to go back to November 2023 to see a stronger month for the Nasdaq.

The market strength in the second half of the quarter was in large part thanks to de-escalation in tariff talks between China and the US and the ruling by the US Court of International Trade that Trump is not able to effectively use the emergency powers to impose tariffs as he has, as that power remains with Congress. A Federal appeals court soon after allowed the tariffs to be collected while the case was litigated by both sides.

Undeterred and frustrated with slow progress in negotiations with Europe, President Trump threatened a 50% tariff on the EU starting 1st of June, but this was swiftly paused until the 9th of July after EU President Ursula von der Leyen agreed to accelerate their trade talks.

What happens as we approach this date and the time thereafter is anyone's guess, but the two most likely scenarios are either that Trump goes through with the "Liberation Day" tariffs or that trade agreements will have been finalised. I think the latter is more likely, as it does genuinely seem like most countries have come to the negotiating table. What remains unclear is just what these countries will be giving up to reduce the tariffs on the goods shipped to the US. As I discussed in the last two quarterly newsletters, this could relate to currency, as one of the outcomes we believe Trump wants is for a weaker US dollar to make their exports more competitive. A lot remains to be seen, and because of this uncertainty, the market remains on edge.

The other big news out of the US was the passage of Donald Trump's "One Big Beautiful Bill Act". This Act extends and expands the tax cuts that Trump introduced during his first term in office.

However, the bill is quite wide ranging and also includes items such as eliminating taxes on tips and overtime, introducing work requirements to gain access to Medicaid, ending credits for purchasers of electric vehicles, improving border security, introducing fees for those wishing to migrate to the US, and raising the debt ceiling by \$4 trillion to \$40 trillion.

Most of these will have a net effect of reducing spending for the government, however, the biggest item on the Bill was the extension and expansion of the tax cuts that Trump introduced in his first term which far outweigh the benefits from the reduction in spending by about \$2.4 trillion (hence the increase in the debt ceiling).

Trump came to office this year promising fiscal austerity, promising to fix the budget with his new Department of Government Efficiency (DOGE), headed by Elon Musk. While it seems like Musk found budget savings by closing down departments or significantly minimising their workforce (controversially, such as USAID), it appears that this was just grandstanding, as any savings DOGE may have unearthed will be significantly overshadowed by the cost of the Big Beautiful Bill. This only adds concern to the growing amount of debt issued by the United States, a topic that is finding more and more mainstream coverage and support.

It seems that of Trump and Musk, who spearheaded DOGE, the only one who took the task of reducing the fiscal deficit seriously was Musk, who has in early July, announced he will be founding the America Party in direct response to the Big Beautiful Bill.

This concern is shared by ratings agency Moody's, which, through the month, cut the US credit rating from Aaa to Aa1 (the second highest rating), specifically citing large fiscal deficits and rising interest costs. Moody's is the last of the 3 major credit ratings houses to do so, with Fitch having already downgraded the US from the top notch in 2023 and S&P Global having done so back in 2011. The immediate response was an uptick of 5bps in the yield in 10-year US Treasuries (meaning bonds sold off slightly, pricing in more risk). Just like with individual or business loans, if an entity is considered riskier to lend to, the bank (or, in the case of the government, investors) will require a higher interest rate to account for this risk.

There was plenty to talk about this quarter, and there will be in the coming months ahead as well. Our portfolios were not immune to the recent sell-down, and results year to date have given back some of the excellent performance that has been achieved over the last few years. Unfortunately, in some cases, we captured more of the downside and less of the rebound, and this is something we are actively addressing.



## Oracle Executive Series of Model Portfolios

**Ashley Cox**  
Portfolio Manager

With the RBA forecast to cut rates over the coming 12 months, we have added exposure to domestic Property in the Executive Series portfolios, as this asset class is one of the largest beneficiaries of a declining rate environment. This change came with a decrease in exposure to cash and fixed interest within the portfolio. This has seen the exposure to growth assets increase and defensive assets decrease by quarter end. Still substantive exposure to defensive assets, but slightly higher exposure to growth assets with the addition of property.

For the quarter, the Oracle Executive Series portfolios underperformed their relative benchmarks, particularly in the higher growth end of the spectrum. Our 10% exposure to alternative assets, gold and silver, while up during the quarter, underperformed the market. Funds within our Australian and Global equities sleeves underperformed their relative indexes which also contributed to performance. Our Fixed Interest and Property funds were positive alpha contributors during the quarter.

As markets appear to have shaken off the tariff induced weakness, and risk assets back at or near record highs, we remain constructive on the outlook going forward. Further rate cut expectations and tight credit spreads both domestically and offshore lend support to our view, turning more positive. Since quarter end, we have subsequently reduced our defensive overweight across all portfolios in favour of growth.

Manager changes during the quarter were :

### **BOUGHT**

**Australian Eagle Australian Equity Fund**

**Fairview Equity Partners Emerging Companies Fund**

### **SOLD**

**DNR Capital Australian Equities High Conviction Fund**

**Longwave Australian Small Companies Fund**

**Metrics Direct Income Fund**

# Capital Stable Portfolio

The **Executive Series Capital Stable Portfolio** is a conservatively managed model portfolio focusing on investments that have modest to low capital risk and returns which are typically higher than fixed interest only investments.

It suits investors seeking a diversified portfolio that has a large exposure to interest-bearing securities (which provide a higher yield, but higher risk than cash investments) and a smaller exposure to capital at-risk sectors such as equities, property & infrastructure.

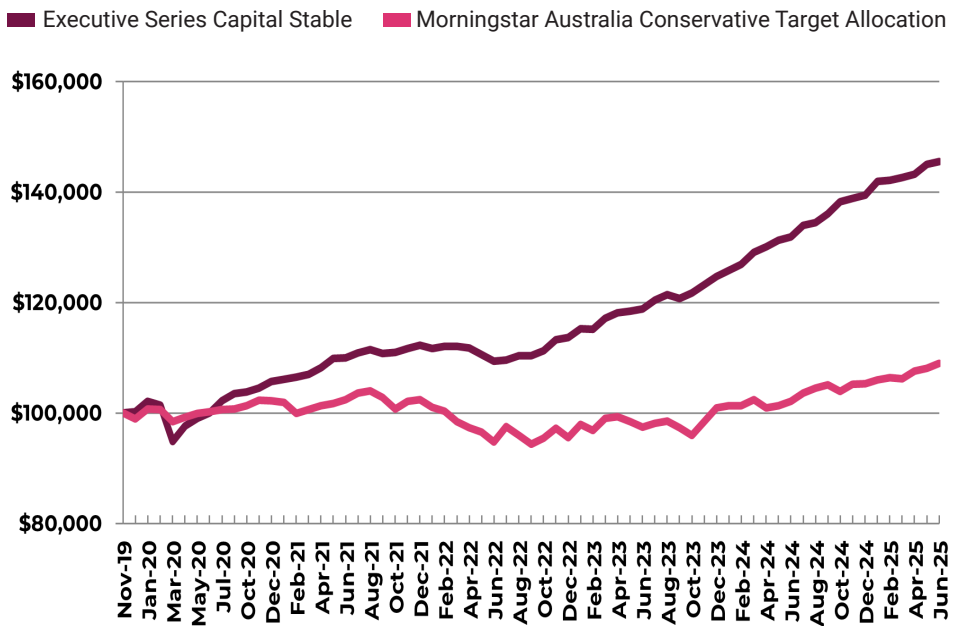
Asset Class	Actual
Cash	8%
Fixed Interest	68%
Aus Real Estate	0%
Int'l Real Estate and Infrastructure	0%
Aus Shares	11%
Emerging Equities	0%
Int'l Shares	3%
Alt Assets	10%

## Portfolio Performance

Rolling	Executive Series Capital Stable	Benchmark (Morningstar Australia Conservative Target Allocation)	Comparative Performance
1 month	0.41%	2.62%	-0.58%
3 month	2.19%	2.62%	-0.43%
Inception p.a.	5.74%	5.73%	0.01%

## Comparative Performance

### Executive Series Capital Stable vs Morningstar Australia Moderate Target Allocation



Historic performance prior to February 2025 is based on backtested data using the holdings as at January 2025 as if they had been held for 5 years. Performance after this date is derived from BT Panorama Shadow Portfolio performance for the portfolio.

## Conservative Portfolio

The **Executive Series Conservative Portfolio** aims to achieve steady and defensive investment returns with an emphasis on income and a modest level of capital growth.

It suits investors seeking a diversified portfolio that has a large exposure to interest-bearing securities and a smaller exposure to real estate, and Australian and international shares.

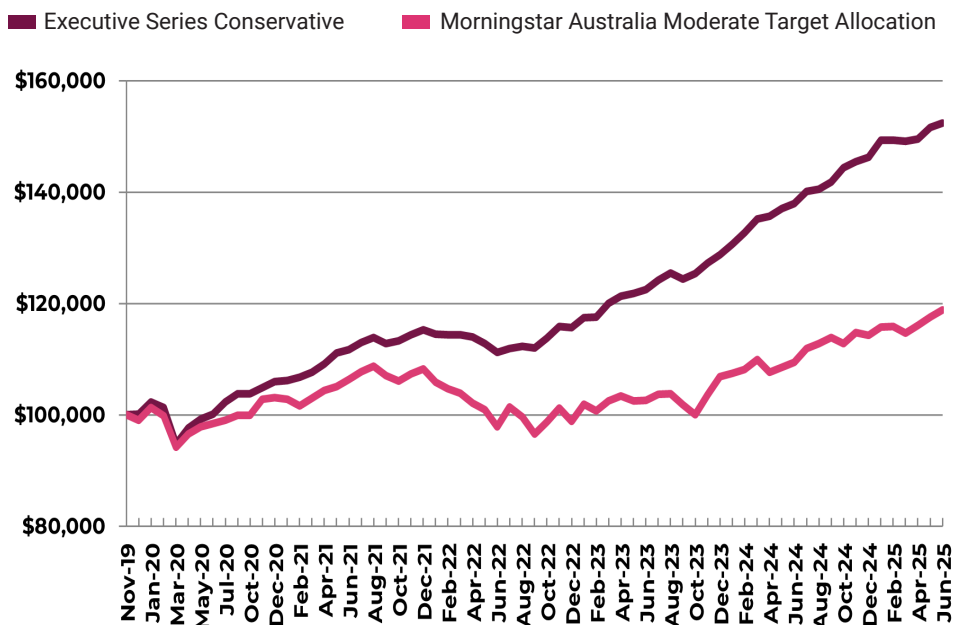
Asset Class	Actual
Cash	6%
Fixed Interest	60%
Aus Real Estate	0%
Int'l Real Estate and Infrastructure	0%
Aus Shares	11%
Emerging Equities	0%
Int'l Shares	10%
Alt Assets	13%

## Portfolio Performance

Rolling	Executive Series Conservative	Benchmark (Morningstar Australia Moderate Target Allocation)	Comparative Performance
1 month	0.51%	1.07%	-0.56%
3 month	2.14%	3.59%	-1.45%
Inception p.a.	5.46%	5.39%	0.07%

## Comparative Performance

### Executive Series Conservative vs Morningstar Australia Moderate Target Allocation



Historic performance prior to February 2025 is based on backtested data using the holdings as at January 2025 as if they had been held for 5 years. Performance after this date is derived from BT Panorama Shadow Portfolio performance for the portfolio.

# Balanced Portfolio

The **Executive Series Balanced Portfolio** aims to combine elements of capital growth and income. The portfolio maintains a balanced risk profile by allocating 60% of its holdings to growth assets (such as shares and property) and 40% to defensive assets (such as bonds and cash).

It suits investors with a balanced risk profile, who do not require a high level of income from investments and are comfortable taking a moderate level of risk to achieve longer term capital growth.

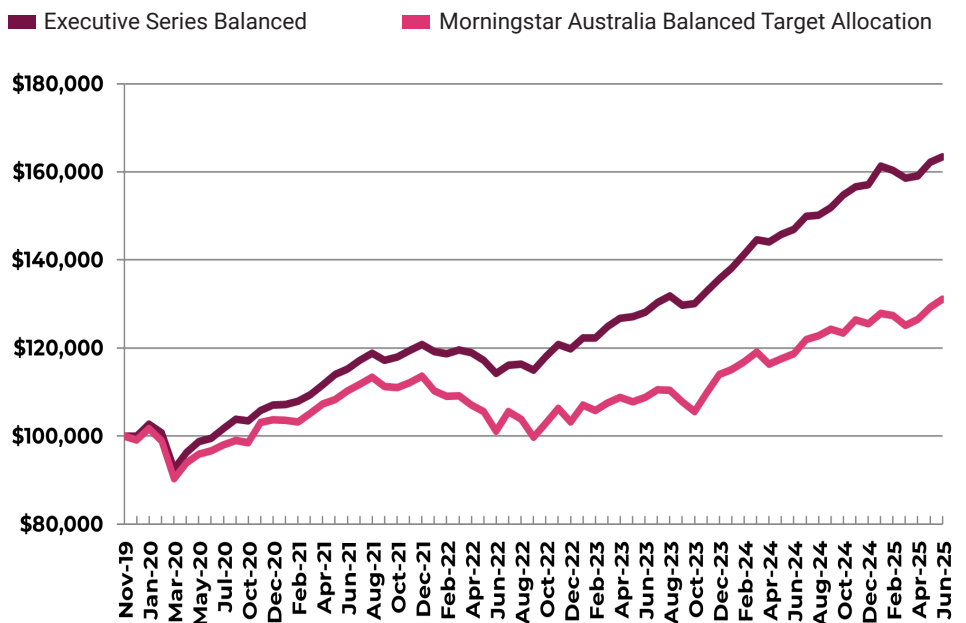
Asset Class	Actual
Cash	2%
Fixed Interest	49%
Aus Real Estate	2%
Int'l Real Estate and Infrastructure	0%
Aus Shares	14%
Emerging Equities	2%
Int'l Shares	15%
Alt Assets	16%

## Portfolio Performance

Rolling	Executive Series Balanced	Benchmark (Morningstar Australia Balanced Target Allocation)	Comparative Performance
1 month	0.74%	1.41%	-0.67%
3 month	3.08%	4.77%	-1.69%
Inception p.a.	7.35%	7.72%	-0.37%

## Comparative Performance

### Executive Series Balanced vs Morningstar Australia Balanced Target Allocation



Historic performance prior to January 2025 is based on backtested data using the holdings as at January 2025 as if they had been held for 5 years. Performance after this date is derived from BT Panorama Shadow Portfolio performance for the portfolio.

Growth Portfolio

The **Executive Series Growth Portfolio** is an investment model portfolio with a higher weighting towards growth assets such as property and listed equities, and a lower weighting towards defensive assets such as bonds and cash. The portfolio maintains a modest weighting to interest bearing investments.

It suits investors who are comfortable accepting a higher level of volatility with lower liquidity requirements for potential higher returns.

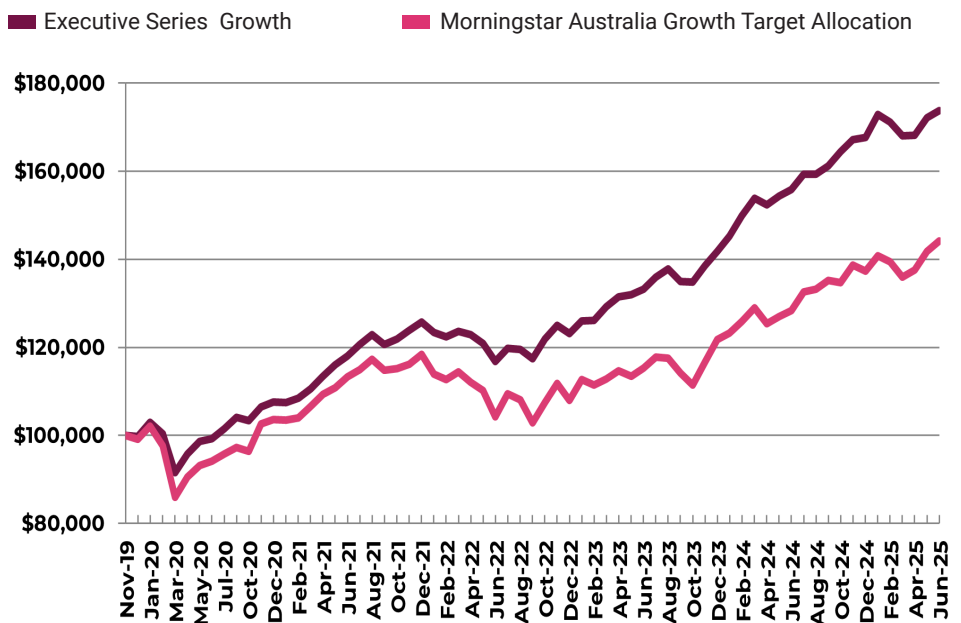
Asset Class	Actual
Cash	2%
Fixed Interest	34%
Aus Real Estate	2%
Int'l Real Estate and Infrastructure	0%
Aus Shares	15%
Emerging Equities	4%
Int'l Shares	25%
Alt Assets	18%

Portfolio Performance

Rolling	Executive Series Growth	Benchmark (Morningstar Australia Growth Target Allocation)	Comparative Performance
1 month	0.92%	1.67%	-0.75%
3 month	3.61%	6.03%	-2.42%
Inception p.a.	1.67%	4.73%	-3.07%

Comparative Performance

Executive Series Growth vs Morningstar Australia Growth Target Allocation



Historic performance prior to February 2025 is based on backtested data using the holdings as at January 2025 as if they had been held for 5 years. Performance after this date is derived from BT Panorama Shadow Portfolio performance for the portfolio.

# High Growth Portfolio

The **Executive Series High Growth Portfolio** is an investment model portfolio predominately consisting of growth assets such as shares and property. The portfolio has a minimal allocation to defensive assets that produce income such as bonds and cash.

It suits investors with a low requirement for income from their investments, whose goal is to achieve capital growth over the long term, and are willing to accept a higher level of volatility to achieve these goals.

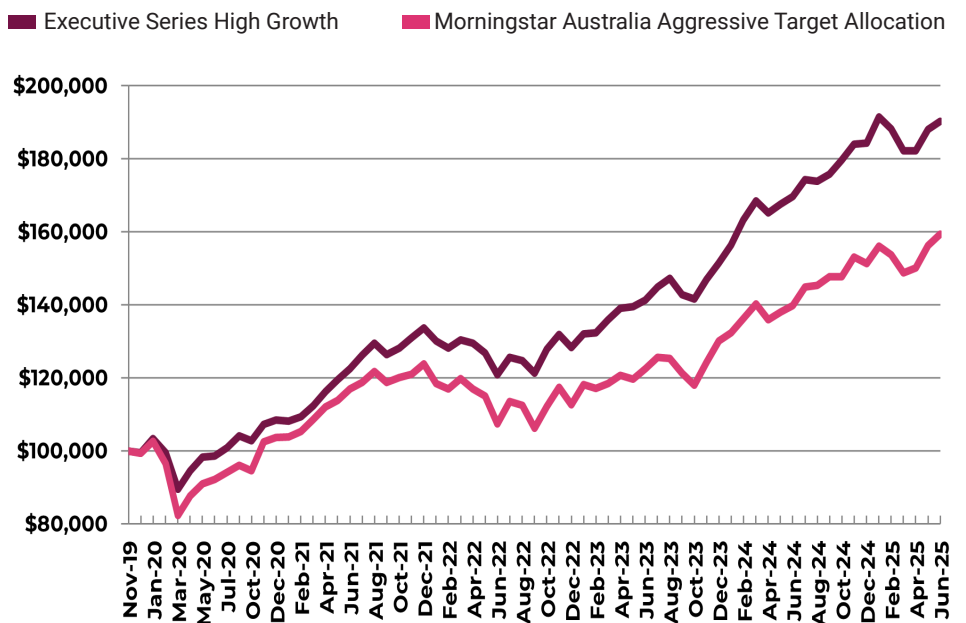
Asset Class	Actual
Cash	2%
Fixed Interest	11%
Aus Real Estate	3%
Int'l Real Estate and Infrastructure	0%
Aus Shares	19%
Emerging Equities	7%
Int'l Shares	39%
Alt Assets	20%

## Portfolio Performance

Rolling	Executive Series High Growth	Benchmark (Morningstar Australia Aggressive Target Allocation)	Comparative Performance
1 month	1.18%	2.00%	-0.82%
3 month	4.57%	7.13%	-2.42%
Inception p.a.	-0.67%	4.20%	-4.87%

## Comparative Performance

### Executive Series High Growth vs Morningstar Australia Aggressive Target Allocation



Historic performance prior to February 2025 is based on backtested data using the holdings as at January 2025 as if they had been held for 5 years. Performance after this date is derived from BT Panorama Shadow Portfolio performance for the portfolio.



**Johan Snyman**  
Portfolio Manager

# Oracle Global Equities Portfolio

The Global Equities Portfolio finished the second quarter of 2025 with an absolute gain of 4.5%, compared to the benchmark (MSCI ACWI ex Australia in A\$) that delivered 6.2%. On a 12-month basis, the relative underperformance is 240bps.

It is worth highlighting the two-year performance, with a 18.1% p.a. return, against the benchmark's 17.5% p.a. return. The Global portfolio is also tracking ahead of the Benchmark based on the three-year performance, which was NOT the case in June 2023 or June 2024.

To the end of May 2025, the Global portfolio on a rolling 12-month basis was 70bps ahead of the Benchmark, with the fortunes reversed in June 2025 and the Global portfolio closing 237bps below the Benchmark, and the major distractors in June 2025 being Zoetis, Costco, Mastercard, Visa and Berkshire Hathaway.

The impending retirement of Warren Buffett and Greg Abel's succession raised concerns about the deployment of Berkshire Hathaway's cash hoard – approximately US\$350 billion at the end of March 2025. It was also in the first quarter of 2025 that operating earnings declined 14% YoY, with insurance underwriting and manufacturing, services and retailing as a business segment the two culprits. The end of an (Warren Buffett) era and operational challenges, which in our view could result in modest future stock performance, were two key considerations we decided to exit the Berkshire Hathaway position in the Global portfolio.

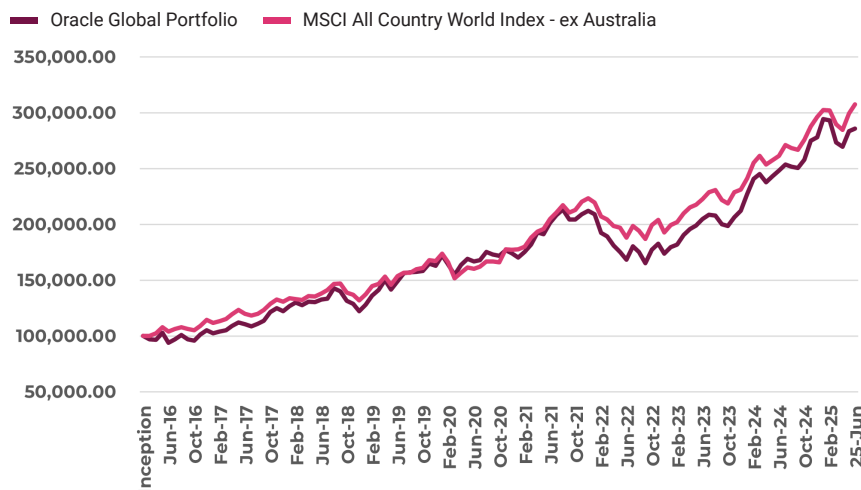
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## Portfolio Performance

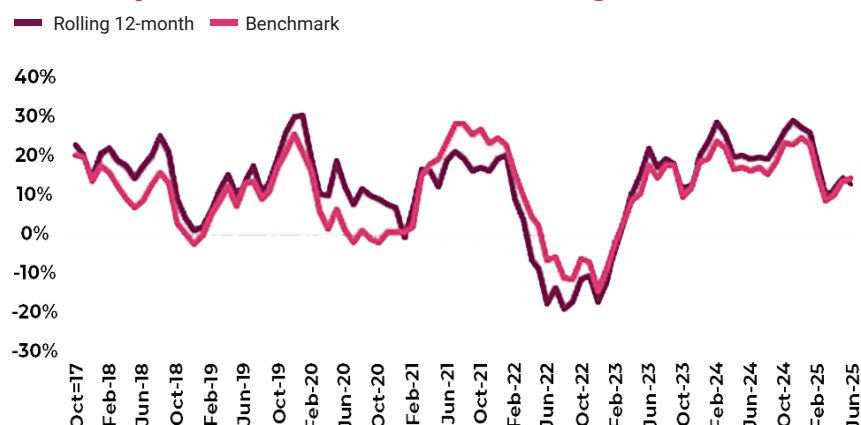
Rolling	Global Equities Portfolio	Benchmark (MSCI All Country World Index - ex Australia)	Outperformance
3 month	4.52%	6.16%	-1.64%
6 month	2.75%	3.71%	-0.96%
1 year	15.17%	17.54%	-2.37%
2 year p.a.	18.06%	17.47%	0.59%
3 year p.a.	19.23%	17.74%	1.49%
5 year p.a.	11.38%	13.89%	-2.51%
Since Inception p.a (1 March 2016)	<b>11.91%</b>	<b>12.79%</b>	<b>-0.88%</b>

## Comparative Performance

Global Equities vs MSCI All Country World (since inception)



## Global portfolio 12-month Rolling Basis



Please see the Important Information disclaimer on the back page.

# Oracle Global Equities Portfolio

The introduction of the GENIUS ACT in the US, providing regulatory clarity for Stablecoins, caused the sell-off of Mastercard and Visa in June 2025, with the two Card processing companies accounting for 35% of the relative underperformance.

The two other major detractors – Costco and Zoetis – accounted for 18% and 16% of the relative underperformance, respectively.

Notable contributors to the Global portfolio’s performance in the Quarter under review, from an attribution perspective, were **Nvidia**, **Flutter**, **Microsoft**, **Nintendo** and **GE Aerospace**, the last three stocks almost equal attributions respectively.

**Nvidia** in the quarter under review was the top performer, followed by **Nintendo** and **Microsoft**.

Despite China challenges and related 1Q26 impairment charges of US\$4.5bn and quarter run-rate of US\$8bn in China revenue evaporating, for now at least, **Nvidia** remains the dominant force in the AI race in semiconductors, and its proprietary software platform (Cuda) not only enables the company to enjoy a wide moat, but generate superior margins and returns compared to other players such as Broadcom, AMD and Intel, to name a few. A massive opportunity in AI, 2x the size today, and the winners and losers of the next phase are starting to become clear – Nvidia is one of the winners, in our view at least.

The launch of the **Nintendo** Switch 2 at the beginning of June 2025 has set new records, and sales for Switch 2 have already exceeded its predecessor’s first-month performance. The consensus revenue estimates for the current fiscal year are already more than two per cent higher than a month or two ago, and we expect positive momentum to continue.

The rally in the stock price of **Microsoft** over the last few weeks has pushed the current earnings multiple to a 45% premium based on data for the last five years.

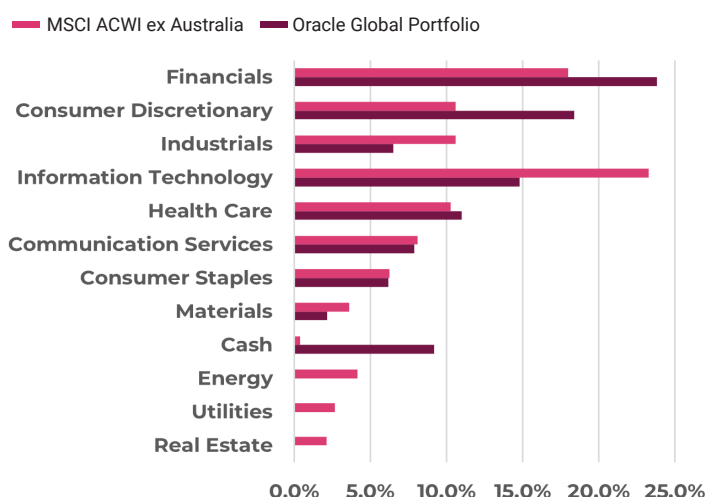
During the quarter, we initiated two new positions in **Motorola Solutions (MSI)** and **Prosus (PRX)**, with the tally of stocks in the Global portfolio at 28, inclusive of the sells of Deere & Co and EQT AB, and then further SELLS of Adobe and Berkshire Hathaway.

No different to Corpay, we believe **Motorola Solutions** is in excellent hands, and a rare occurrence to find a good operator and solid capital allocator in the current CEO, Greg Brown.

He was appointed chairman and CEO of Motorola Solutions in 2008, prior to the corporate activity which resulted in the former mobile devices and home businesses spun off as a separate company (Motorola Mobility Holdings) in January 2011, with the surviving company (MSI) carrying on Motorola’s almost 100-year history of innovation in public and enterprise Command, Control and Communications (CCC) business. Since he was appointed CEO, MSI’s stock price has appreciated 11x, compared to 4.5x in the case of the S&P 500 index. What a significant outperformance, and we believe the compounding could continue and the stock outperforming the broader indices over the longer term.

At the time we identified **Prosus** for inclusion in the Global portfolio, the company had a market capitalisation that was ~US\$27bn less than its 24% equity stake in Tencent. This means if we buy Prosus stock, we effectively buy Tencent stock for 19% less than its direct market value. Translating the 19% discount to a P/E ratio, it was like buying Tencent for 16.8x TTM EPS, rather than 20.7x TTM EPS. However, if we also consider the value of Prosus’ other investments, using a sum-of-the-parts (SoTP) approach, the discount can stretch up to estimates around 35%. Then, we are only buying Tencent for 13x earnings. In the case of Adobe, we became uncomfortable with the investment thesis of Adobe already at the start of 2024, and instead of a trim, we should have sold out fully. Although attractive from a valuation perspective, the disruption by AI in content creation and the emergence of new players such as Figma and Canva are disrupting the business model of Adobe by offering more affordable, simpler and more collaborative design tools, particularly for non-professional users and SMEs.

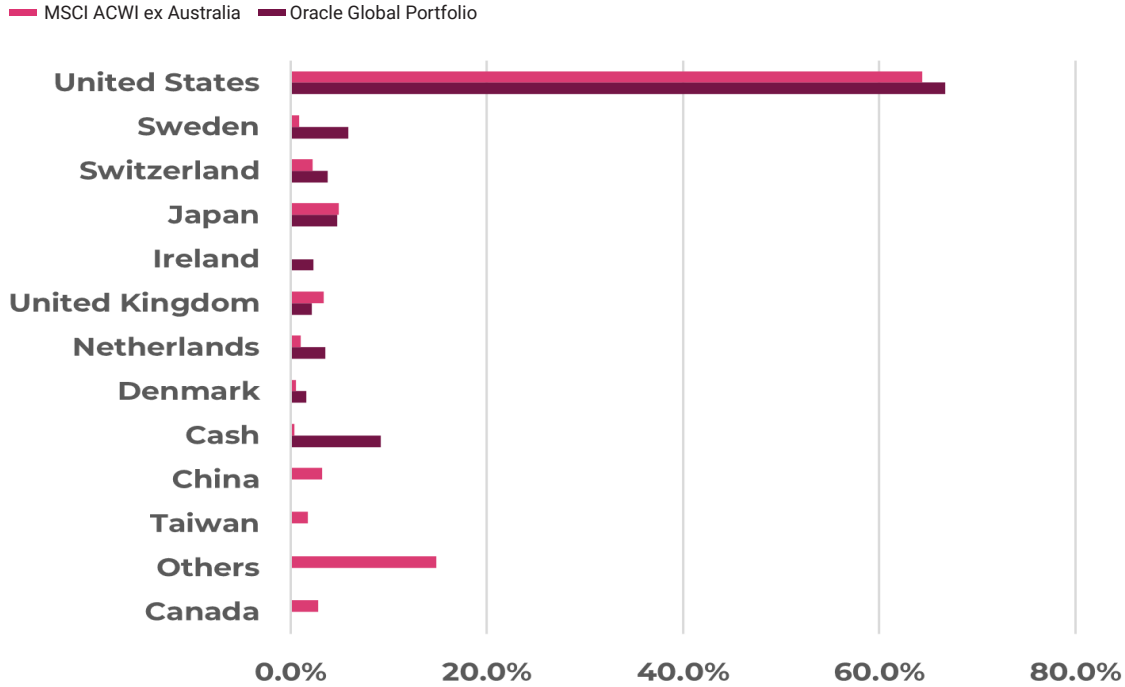
## Market Segments



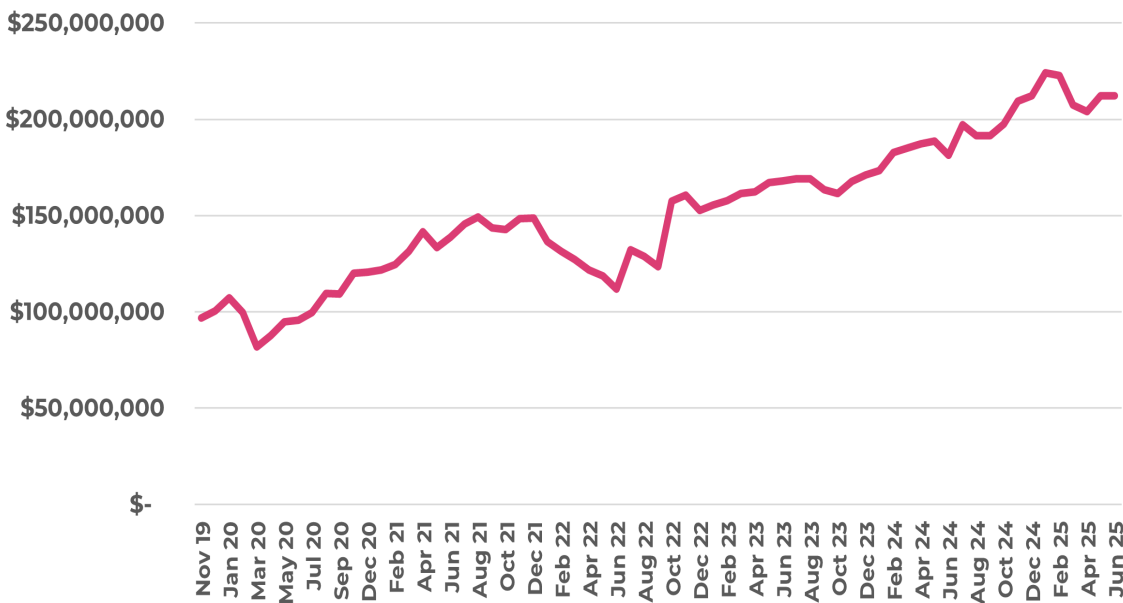
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# Oracle Global Equities Portfolio

## Geographic Exposure



## Funds Under Management (since inception)



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## Oracle Global Equities Portfolio

Top 10 Performers	Portfolio Position	3 month Performance
Nvidia	4.56%	38.4%
Nintendo	3.18%	36.4%
Microsoft	4.32%	26.0%
Flutter	5.96%	22.9%
GE Aerospace	4.47%	22.1%
Block	2.39%	18.7%
Veeva Systems	2.25%	18.0%
ASML	2.13%	15.9%
Carrier Global	2.86%	9.9%
Amazon	5.45%	9.5%

Portfolio Characteristics	Portfolio	Index
Historical - EPS growth - 3 years	18.5%	15.8%
Forward - EPS Growth	15.4%	14.2%
Price/Earnings Forward - 1 year	24.8	18.5
PEG Ratio (Median)	1.6	1.3
Dividend Yield	1.1%	2.0%
Return on Equity (Median)	19.1%	14.0%
Return on Invested Capital (Median)	15.0%	7.0%
Operating Margin (Median)	19.5%	13.8%
Gearing (Debt/Equity)	49.3	134.2
Beta	1.01	1.05
Number of Holdings	28	2,480

Portfolio Overview	
Investment Manager	Oracle Investment Management Pty Ltd
Investment Objective	To provide investors with long-term capital growth and tax effective income. The portfolio aims to outperform its benchmark over a rolling 7-year period.
Investment Strategy	To use active bottom up stock selection, focusing on buying quality securities at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
Benchmark	MSCI ACWI ex Australia in A\$ (unhedged)
Investment Universe	Primarily large cap international securities listed on major international exchanges. Portfolio may invest in listed ETFs.
Recommended Investment Period	3 - 5 years
Minimum Initial Investment	\$50,000
Inception Date	1 March 2016

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# Oracle Australian Equities Portfolio



**George Kurian**  
Portfolio Manager

*Predicting the markets – That’s the domain of fortune tellers.*

While in the first quarter the ASX100 fell nearly 2.6%, in the second quarter it was up about 9.8%. This shows the futility of predicting which way the market is going to go. In the first quarter, markets were worried about a Trump discount, now the same markets pretend as if nothing happened. Buying value has worked in most markets and selling fear has worked in almost none. And the first quarter and the early part of last quarter were no exception. But why still very few who do it? Fear is contagious, and it always seems that the world would end.

In the second quarter, the ASX technology sector provided the best return with nearly 29% total return. This was no surprise as tech is high beta and would rally in a market recovery. Financials were the second best with a 15.8% return. While certain financials like financial platforms are high growth and would rally with the market, the surprise was with the big banks, specifically Commonwealth Bank. CBA rallied 22.4% for the quarter. This takes the total return for CBA from the end of 2023 to about 77.7% compared to 20.9% from ASX100. So, essentially, you have a scenario where the big banks rally hard if the markets go up and would still rally if the markets come down. This is almost a perfect stock behaviour. Going by the financial history, we are happy to bet against such behaviours – and leave the timing of unravelling to providence.

The Materials sector was down 0.58% and the worst performing during the quarter. The iron ore dynamics continue to deteriorate, with the massive Guinea mine, Simandaou, expected to come online towards the end of the year.

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*Please see the Important Information disclaimer on the back page.*

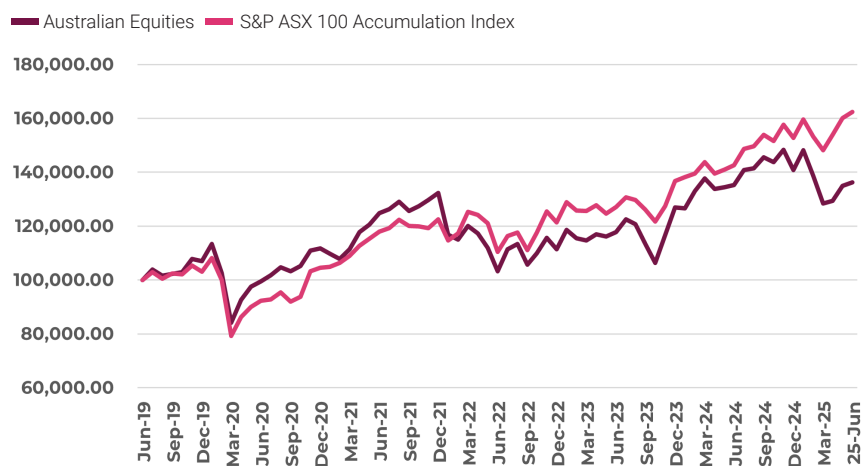
## Portfolio Performance

Rolling	Australian Equities Portfolio	Benchmark (S&P ASX 100 Accumulation Index)	Outperformance
3 month	6.18%	9.59%	-3.41%
6 month	-3.25%	6.35%	-9.60%
1 year	0.69%	13.90%	-13.21%
2 year p.a.	7.56%	13.07%	-5.51%
3 year p.a.	9.72%	13.75%	-4.03%
5 year p.a.	6.49%	11.96%	-5.47%
Since Inception p.a (1 July 2019)	<b>5.29%</b>	<b>8.42%</b>	<b>-3.13%</b>

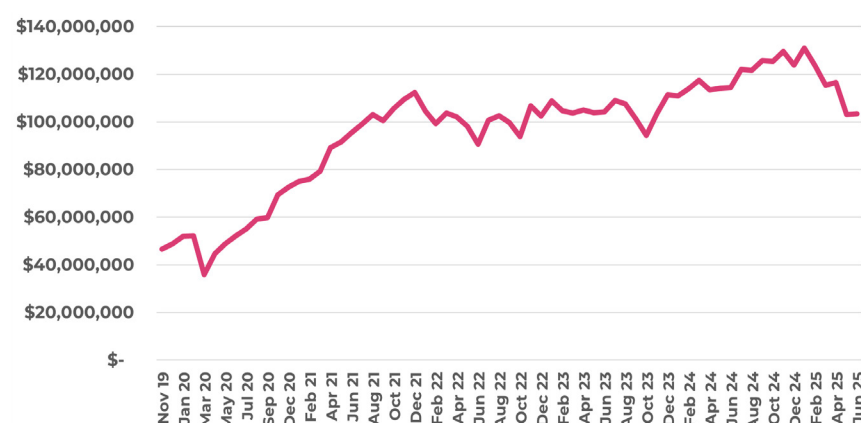
Benchmark data is S&P/ASX200 Accumulation Index prior to 1/7/2022.

## Comparative Performance

**Australian Equities vs S&P ASX 100 Accumu Index** (since inception)



## Funds Under Management

 (since inception)


## Oracle Australian Equities Portfolio

Gold stocks continued to do well, led by Newmont, the largest gold miner in the world. Utilities also performed poorly with only 0.03% return during the quarter, as the market switched to a risk on mode.

The portfolio underperformed the benchmark this quarter. While we captured strong upside from Life 360 (92 bps), BHP Group (88bps) and NextDC (67bps), those were overshadowed by some stock specific issues. IDP Education had a profit warning, and even though we had waited nearly 18 months for the bad news to finish, events proved that we still didn't wait long enough. In these circumstances, we can afford to take a long view as the stock is well below its normalised profit levels. Another detractor was Treasury Wine Estates, the maker of Penfolds wine. The stock sold off due to the macro-economic concerns in the US. Meanwhile, China's opening thesis has started to play out well. This is the case where we just have to weigh out the turbulence. When CBA is 12% of the benchmark, and when it rallies 22.4%, having zero exposure hurts the portfolio. But overall, all these issues are largely temporary, and we remain confident in our stocks and in our portfolio construction to weather the storms.

The top 5 winners for the quarter were **Life 360, Pro Medicus, WiseTech, NextDC** and **Soul Patts**.

### Life 360 (360)

Life 360 surged this quarter due to strong 1HFY25 results. It reported a strong first quarter with revenues up 32% year on year to \$103.6m, and Global Monthly Active Users (MAU) up 26% y/y. Adjusted EBITDA increased nearly 4x from \$4.3m a year ago to \$15.9m. The earnings per share turned positive to \$0.05 from negative a year ago.

### Pro Medicus (PME)

Pro Medicus won yet another contract – this time with Colorado based UC Health, a 10-year contract totalling A\$170m. It also signed another 5-year contract renewal and a new Visage 7 Open Archive contract with the Louisiana-based Franciscan Missionaries of Our Lady Health Systems. That contract has a minimum value of A\$20m.

These contracts came on top of a 5-year A\$20m contract from the University of Iowa Health Care. The contract is for the Full ProMedicus stack (Visage 7 Viewer, Visage 7 Workflow and Visage 7 Open Archive). Hence, the contract momentum continues solid at ProMedicus.

### WiseTech (WTC)

WiseTech bounced with the ongoing tech rally. It also announced the acquisition of E2Open for \$2.1bn. E2Open specialises in supply chain management. Its cloud-based platform connects close to half a million customers across manufacturing and logistics, and distribution. The stock bottomed close to \$75 in early April and has been on the ascent since. At the recent price of \$113.6, that is nearly a 52% move, underscoring the importance of a contrarian buying of growth stocks when it becomes cheaper.

### NextDC (NXT)

NextDC also rallied as its pro forma contracted utilisation increased by 52 MW (30%) to 228 MW, since 31st December 2024. This upside was mostly driven by large AI deployments at its Victorian data centres, where the contracted utilisation at 31st March 2025 stands at 114 MW. As a result of these contract wins, the pro forma order book at 31st March 2025 has increased by 45MW to 127MW. NXT also announced in June that its contracted utilisation further increased by 16MW to 244 MW. This was primarily due to increased contract utilisation (10MW) at its Kuala Lumpur, Malaysia facilities.

### Soul Patts (SOL)

A great example of what sharp management can do. Soul Patts used its overvalued shares to acquire undervalued Brickworks at the bottom of the property cycle, just as the interest rates have begun to fall. Soul Patts will merge with Brickworks, unwinding the crossholding held since 1969 (Soul Patts has a 43% shareholding in Brickworks and Brickworks has a 26% holding in Soul Patts). A new holding company with a working title of "TopCo" would be created, and Soul Patts Shareholders, Brickworks Shareholders and new "TopCo" Shareholders would receive about 72%, 19% and 9% of the TopCo shares, respectively. One TopCo share for every One Soul Patts share held at the Record date, and 0.82 TopCo shares for every 1 Brickworks share held as at the Record Date. TopCo would be capitalised by at least 34m new TopCo shares (which at the recent SOL price of \$39.78 works out to \$1.35bn). FY25 fully franked Final Dividend to be paid by Soul Patts in the ordinary.

The top 5 detractors for the quarter were **IDP Education (IEL), Domino's Pizza (DMP), Treasury Wine (TWE), Perpetual (PPT)** and **Lendlease (LLC)**.

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# Oracle Australian Equities Portfolio

## IDP Education (IEL)

IDP mentioned in its trading update that in FY25, its student placement volumes are expected to decrease by 28-30%, and its language testing volumes are expected to decrease by 18-20% compared to FY24. The impact on revenue is to be partially mitigated by an increase in fee growth. IDP now expects its Adjusted FY25 EBIT for FY25 to be in the range of \$115-125m. The Adjusted Overhead costs for H2 FY25 would be about 5% below H2 FY24. For the first three quarters of FY25, aggregate international student volumes are down 28% vs. the same period last year.

IDP's profit warning is clearly disappointing, but the market's 50%-mark down is equally silly. First of all, this is a stock that peaked in October 2021 at about \$37.5. It has been on a slippery slope for now 3 ½ years. While we were clearly wrong that the bad news was all priced in, when a stock gets crushed like this, it is not trading based on fundamentals, but pure emotion. Hence, it pays to take a contrarian view and look for upside in this sea of pessimism.

## Domino's Pizza (DMP)

Domino's was hit hard in the quarter, thanks to its exposure to the weak consumer spending under tough macroeconomic conditions. In Japan and France, the turnaround continues. However, after the end of the quarter, Domino's announced that the CEO would be stepping down in December. This caused a further sell off. However, the stock is now trading at a 10-year low. We have been thoroughly tested by this stock, but as there is value in this stock, we remain confident.

## Treasury Wine (TWE)

TWE sold off largely due to the tough macroeconomic backdrop in the US. The half-yearly results were decent, especially considering the difficult macro environment. Penfolds saved the day with an increase in prices as well as a strong uptick in volumes. The volumes to China have shown strong upside, which validates the thesis. We expect the Chinese volumes to grow strongly over the next two years, and as per TWE, most of the margin expansion is likely to occur in FY26 and into FY27. While TWE lowered the FY26 modestly to low to mid double digits, the market, in my view, has correctly ignored this news, as the stock is currently depressed and has strong catalysts ahead. The company has also announced 5% stock buyback, which would be highly earnings accretive.

## Perpetual (PPT)

Perpetual was supposed to sell its Wealth Management and Corporate Trust business to Kohlberg Kravis Roberts (KKR) for about A\$2.175bn in cash. The thesis then was that after the sale, there would be an asset management business with A\$227bn in AUM, which was operating at an operating margin of 22.3% which was less than half the operating margin of peers like Platinum or about a third of leaders like GQG or Magellan. Given Perpetual was trading at a total market cap of A\$2.5bn, the thesis seemed attractive at the time as the Market cap to FUM was only 1.1%, compared to Magellan and Platinum at more than 4%.

However, the tax office threw a major spanner in the demerger works. Perpetual had guided towards \$106-227m tax bill. However, as per the ATO, the actual tax bill would be between \$493-\$529m. This meant that the cash proceeds to shareholders would have dropped to between \$5.74-\$6.42 per share, instead of the earlier \$8.38-\$9.82 per share. *As a result, Perpetual has now called off the deal with KKR.* Perpetual would now look to keep the corporate trust division and sell the wealth management division separately. With the demerger thesis gone, we exited the stock.

Top 10 Performers	Portfolio Position	3 month Performance
Life 360	2.51%	57.6%
Pro Medicus	1.83%	42.7%
WiseTech Global	3.37%	34.2%
NextDC	4.44%	28.2%
Soul Patts	3.73%	22.6%
Goodman	1.72%	21.0%
Charter Hall	5.25%	20.1%
CAR Group	1.03%	18.8%
Block	3.90%	18.7%
Macquarie	3.29%	18.5%

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## Oracle Australian Equities Portfolio

### BOUGHT

#### Life 360 (360)

We transferred this from the emerging companies' portfolio. Life 360 returned about 60% during the quarter.

#### CSL Ltd (CSL)

CSL reported good 1H FY25 results. The growth rate of CSL Behring, which is now growing at 10% should stabilise at the current levels. The Behring margins are set to improve from FY26 onwards. This is due to cost per litre reduction from optimised donor fees, RIKK blood collection programs and other centre efficiencies. This, coupled with new high margin products like Hemgenix, ASP mix shift and IG yield improvements, would also facilitate improvements in gross margins.

The negative 10% revenue growth at Seqirus for the first half of FY25 was not the trend rate. The growth rate would improve in the second half of the year with the change in season. Overall, this division is likely to show a low to mid-single-digit growth rate. CSL Vifor grew 5%, but this growth rate should improve from here, thanks to the multiple launches of Iron and Nephrology products globally. Overall, this division should grow at a mid to high single-digit rate. The stock was attractively priced in the high \$240s, and hence, we topped up the stock.

#### Goodman Group (GMG)

Goodman's results, as well as NextDC's most recent update, allayed the concerns among market participants about the growth prospects for the sector since the arrival of DeepSeek. McKinsey has forecast that data centres would require \$6.7 trillion in investment due to demand for AI, while Nvidia's Jensen Huang is projecting data centre spending to double to \$2 trillion within the next five years. Meanwhile, we have seen evidence that the project sizes of both NextDC and Goodman are getting progressively bigger. All this largely confirms the view of the long-term growth in the sector. Hence, we increased the weights in the same.

#### ANZ Group (ANZ), Woolworths (WOW), Westpac (WBC), BHP plc (BHP), Sonic Health Care (SHL), HUB24 (HUB), Commonwealth Bank (CBA), Endeavour (EDV)

We took positions in all of these stocks to reduce the divergence from the benchmark. We are still underweight all these themes. For example, CBA has only about 5% portfolio weight now, whereas the Benchmark weight is about 12%.

### SOLD

#### Aristocrat Leisure (ALL)

We trimmed some Aristocrat as the stock had re-rated significantly from the \$40 levels we bought a year ago. We still have about 1.8% and are largely in line with the benchmark.

#### Fisher Paykel (FPH)

We sold out of Fisher Paykel, thanks to our concerns about Trump's tariffs on Mexico, China and New Zealand. FPH has all its manufacturing facilities outside of US, and so it is especially vulnerable. In hindsight, this was a timely move as the stock fell significantly after FPH announced that it would be impacted by the tariffs.

#### Atlas Arteria (ALX), Charter Hall (CHC), ResMed (RMD), GQG (0.7%)

We sold all these positions to raise 10% cash in April, as the worries about the global trade war escalated.

#### Perpetual (PPT)

As discussed above, we sold Perpetual as the demerger thesis didn't play out as we expected.

#### GQG (GQG), Charter Hall (CHC), NextDC (NXT), Block (XYZ), Lendlease (LLC), Dexus (DXS), Dyno Nobel (DNL)

We trimmed all of these to raise cash to reduce the divergence from the benchmark as part of our risk management process.

*Continued over the page*

## Oracle Australian Equities Portfolio

Portfolio Overview	
<b>Investment Manager</b>	Oracle Investment Management Pty Ltd
<b>Investment Objective</b>	To provide investors with tax effective income, dividends and capital growth. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
<b>Investment Strategy</b>	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of a high return on equity, growth potential and their ability to consistently deliver dividends to investors.
<b>Benchmark</b>	S&P/ASX 100 Accumulation Index
<b>Investment Universe</b>	Companies listed on the ASX that have a market capitalisation similar to those in the S&P/ASX 100 Accumulation Index.
<b>Recommended Investment Period</b>	3 - 5 years
<b>Minimum Initial Investment</b>	\$25,000
<b>Inception Date</b>	1 July 2019

Portfolio Characteristics	Portfolio	Index
<b>Historical - EPS growth - 3 years</b>	17.6%	5.5%
<b>Forward - EPS Growth</b>	8.3%	8.8%
<b>Price/Earnings Forward - 1 year</b>	19.7	19
<b>PEG Ratio (Median)</b>	2.2	5.1
<b>Dividend Yield</b>	2.9%	3.4%
<b>Return on Equity (Median)</b>	11.1%	8.7%
<b>Return on Invested Capital (Median)</b>	8.6%	7.6%
<b>Operating Margin (Median)</b>	20.8%	14.4%
<b>Gearing (Debt/EBITDA)</b>	0.68	1
<b>Beta</b>	1.11	1.01
<b>Number of Holdings</b>	35	203

# Oracle Emerging Companies Portfolio



**Jack Magann**  
Portfolio Manager

The second quarter of 2025 started with severe global uncertainty as Trump announced the initial tariffs for each country on what he termed “Liberation Day.” Despite an initial sell-off by equity markets, share prices have continued to move higher during the quarter. Small-cap markets rebounded strongly in May following tariff-related concerns in early April, with the portfolio gaining 4.88% during that month. This led to the portfolio being up by 7.48% during the quarter, compared to the benchmark, which returned 8.62%.

A standout performer during the quarter and since we took our initial position was **Catapult Group International**, which delivered a 70% return during the quarter, driven by its robust FY25 results announced in May. As a global leader in sports analytics, serving over 4,400 teams across 40 sports, Catapult reported a 16% revenue increase to US\$116.5 million and a near-doubling of free cash flow to US\$8.45 million. Wearables revenue grew 16% to US\$66.1 million, while video solutions rose 18% to US\$32.6 million, with new video product revenue (post-2021 SBG acquisition) surging 42%. Cross-selling was a key driver, with 741 teams (up 53%) now using both products, boosting average team contract values by 12% to US\$26,800. With a low churn rate of 4.3% and a net cash position of US\$7 million, Catapult is well-positioned to scale efficiently and maintain its competitive edge.

Another key holding, **News Corp**, continues to exceed expectations. Despite a doubling of its share price over the past two years, we remain bullish, particularly on its Dow Jones division, which includes high-quality assets like The Wall Street Journal, Barron’s, and B2B data businesses. Dow Jones reported a 9% increase in circulation and subscription revenue, with total subscribers across WSJ and Barron’s up 44% since 2021.

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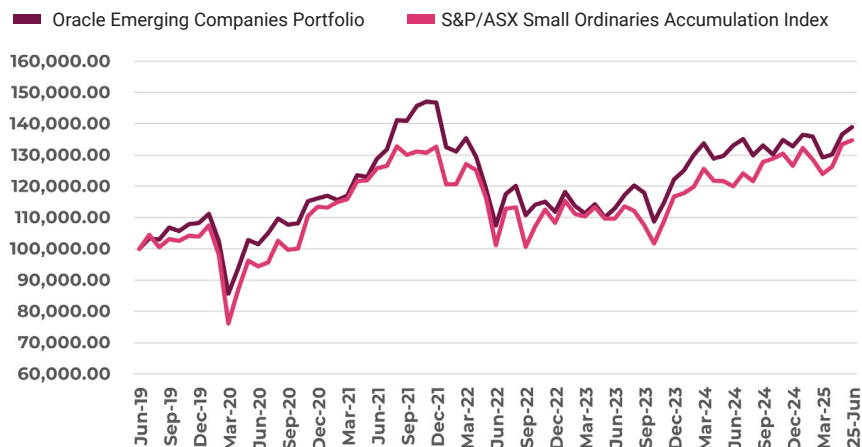
*Please see the Important Information disclaimer on the back page.*

## Portfolio Performance

Rolling	Emerging Companies Portfolio	Benchmark S&P ASX Small Ordinaries Accumulation Index	Outperformance
3 month	7.48%	8.62%	-1.14%
6 month	4.58%	6.45%	-1.87%
1 year	4.43%	12.26%	-7.83%
2 year p.a.	10.95%	10.79%	0.16%
3 year p.a.	8.95%	10.00%	-1.05%
5 year p.a.	6.49%	7.37%	-0.88%
Since Inception p.a (1 July 2019)	5.63%	5.08%	0.55%

## Comparative Performance

Emerging Companies vs S&P ASX Small Ordinaries (since inception)



## Funds Under Management (since inception)



## Oracle Emerging Companies Portfolio

The B2B segment grew revenues by 6%, with Risk & Compliance and Dow Jones Energy up 12% and 10%, respectively, and margins improving to 23%. The sale of Foxtel to DAZN for AU\$3.4 billion, slightly above our estimates, has strengthened News Corp’s balance sheet, shifting it to a net cash position and earning credit rating upgrades to investment grade. The company’s \$1 billion stock buyback program, with \$750 million already repurchased, enhances earnings growth. Additionally, the Murdoch family’s public dispute over control adds intrigue, with activists pushing for a spin-off of News Corp’s 61% REA Group stake to unlock value. Our sum-of-the-parts valuation of \$67.80 suggests further upside, reinforcing our positive outlook.

Two portfolio companies, **Smartpay Holdings** and **Abacus Storage King**, received takeover offers, signalling strong market interest in our holdings. Abacus Storage King is discussed in detail in our Property Portfolio commentary, and we encourage you to refer there for further insights.

**Smartpay Holdings** attracted significant attention in the payments sector. In March, Tyro Payments offered NZ\$1.00 per share (AU\$0.90), comprising a mix of cash and scrip. Concurrently, media reports highlighted a competing offer from a U.S.-based strategic player, later confirmed as Shift4. On April 25, Shift4 raised its conditional, non-binding offer to NZ\$1.20 (AU\$1.10) per share in cash, valuing Smartpay at approximately AU\$271 million. The Smartpay board granted Shift4 a three-week exclusivity period for due diligence, with a subsequent two-week window to consider superior competing proposals. At the end of June Smartpay announced that they had entered into a Scheme Implementation Agreement (SIA) with Shift4. As at writing the share price now trades at A\$1.03, compared to the implied takeover price of A\$1.10. With the deal, subject to shareholder approval, expected to close in October/November we continue to hold our position to take advantage of the takeover price arbitrage. The key risk to returns moving forward is currency movements, as the takeover offer is in NZD.

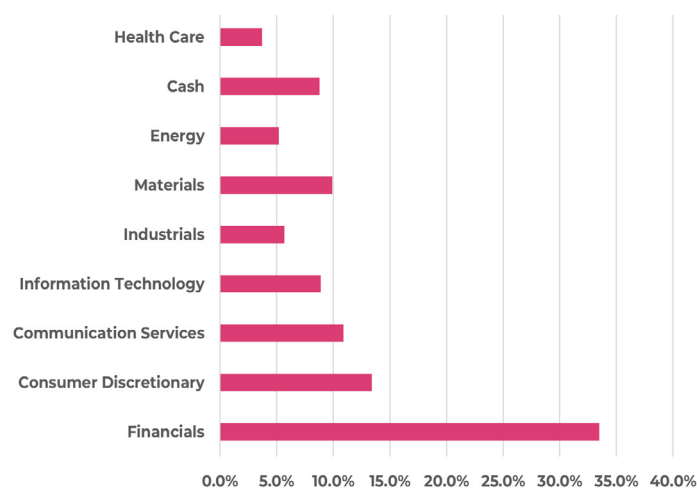
With uncertain times globally, we have increased our exposure to gold and currently have a 10% weighting towards the precious metal. Please refer to the section of the newsletter where we discuss our buys during the quarter for further information on our gold holdings.

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Top 10 Performers	Portfolio Position	3 month Performance
Catapult Group International	1.85%	69.4%
Smartpay Holdings Ltd.	2.05%	35.1%
Lovisa Holdings Ltd.	2.87%	32.0%
Netwealth Group Ltd.	2.60%	31.5%
EVT Ltd.	4.76%	25.1%
Abacus Storage King	Sold	22.6%
Karoon Energy Ltd.	2.02%	21.9%
EML Payments Ltd.	2.55%	20.7%
Centrepoint Alliance Ltd.	1.10%	20.3%
Neuren Pharmaceuticals Ltd.	0.60%	18.3%

### Sector Breakdown

Oracle Emerging Companies Portfolio



## Oracle Emerging Companies Portfolio

### BOUGHT

#### Smartpay Holdings - Add 1%

In May, we increased our position in Smartpay, trading at a 20% discount to Shift4's NZ\$1.20 per share offer. The potential for a higher competing bid and Shift4's clear intent to enter the ANZ payments market supported our decision to add to this position.

#### Baby Bunting - Add 1.2%

Under new CEO leadership, Baby Bunting has made significant strides, including store refurbishments and a new smaller-format store rollout in high-traffic areas. These initiatives, alongside efforts to restore gross profit margins to >40%, position the company for a positive outlook after recent challenges.

#### Genesis Minerals - Add 2.65%

Our bullish stance on gold prices, driven by global uncertainties, underpins our investment in Genesis Minerals, now a 5% portfolio position. With a strong balance sheet and plans to increase production, Genesis is well-positioned to benefit from elevated gold prices.

#### Vault Minerals - Add 2%

Similar to Genesis, Vault Minerals benefits from our positive gold price outlook. Despite trading at a discount due to its hedge book, which expires by 2026, Vault's strong management and cash flow potential make it an attractive holding as the valuation gap narrows.

#### Meeka Metals - Buy 0.80%

We participated in a capital raise from Meeka Metals during the quarter. The management team has done well to move into production and we believe the company is undervalued if they can deliver on their FY26 production targets.

### SOLD

#### Abacus Storage King - Full Sell

Sold following a takeover offer, as detailed in our Property Securities Portfolio commentary.

#### Helloworld - Full Sell

We exited Helloworld in April to increase our cash position amid market volatility. Concerns about recession risks impacting the travel sector and misaligned financial incentives for the husband-and-wife CEO and COO drove this decision.

#### Myer - Full Sell

Inherited through Premier's sale of its Apparel brands business, Myer was sold due to the structural decline of the department store model. Despite confidence in the new CEO, Olivia Wurth, we believe the business's challenging economics outweigh her turnaround potential.

#### Pexa - Full Sell

While PEXA's Australian business is a strong monopoly generating solid cash flows, its UK expansion has been slow, costly, and uncertain, with repeated delays and limited traction. The company is also considering further expansion into other jurisdictions, such as Canada, raising concerns about continued capital outlay without near-term investor returns. The Australian business is considered fully valued, and further gains depend on uncertain international success, which is the reason for our sale.

#### EVT - Trim -2%

After a 40% gain since the start of the year, driven by strong earnings and the recovery of the cinema business, we decided to reduce our position in EVT. The original investment thesis was based on the undervaluation of its property portfolio, but with the share price now above \$16, matching our DCF valuation, much of the upside is seen as realised. Further upside could come from the company exploring a potential property sale in George Street, Sydney and issuing a special dividend, so we haven't fully exited the position.

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## Oracle Emerging Companies Portfolio

Portfolio Overview	
<b>Investment Manager</b>	Oracle Investment Management Pty Ltd
<b>Investment Objective</b>	To provide investors with long-term capital growth and tax effective income. The Portfolio aims to outperform its benchmark over a rolling 3 to 5 year period.
<b>Investment Strategy</b>	To use active stock selection to invest in quality businesses. The businesses are assessed as meeting our investment criteria of high return on equity and earnings growth and as likely to provide attractive returns to investors.
<b>Benchmark</b>	S&P/ASX Small Ordinaries Accumulation Index
<b>Investment Universe</b>	All companies listed on the ASX plus managed funds. The Portfolio will include a range of mid-sized capitalization companies.
<b>Recommended Investment Period</b>	3 - 5 years
<b>Minimum Initial Investment</b>	\$10,000
<b>Inception Date</b>	1 July 2019

Portfolio Characteristics	Portfolio	Index
Historical - EPS growth - 3 years	28.3%	5.3%
Forward - EPS Growth	9.7%	8.0%
Price/Earnings Forward - 1 year	16.8	16.9
PEG Ratio (Median)	1.40	0.6
Dividend Yield	2.8%	3.4%
Return on Equity (Median)	9.0%	2.6%
Return on Invested Capital (Median)	6.4%	5.2%
Operating Margin (Median)	10.6%	6.8%
Gearing (Debt/EBITDA)	1.0	0.9
Beta	0.86	1.01
Number of Holdings	35	200



**Ashley Cox**  
Portfolio Manager

# Oracle Fixed Interest Fund

The June quarter of 2025 was marked by heightened volatility across global fixed income markets, with bond yields and credit spreads reacting sharply to geopolitical headlines, central bank actions, and shifting inflation data. Against this backdrop, the Oracle Fixed Interest Fund delivered a 1.29% total return for the quarter, versus the benchmark's stronger 2.31%. For the full financial year to 30 June 2025, the fund returned a pleasing 7.88%, slightly outperforming the benchmark return of 7.76%.

### Bond Markets: Sharp Repricing on Policy Uncertainty

April saw the sharpest volatility, as President Trump's "Liberation Day" tariffs disrupted global markets. US Treasury yields initially dropped on safe-haven buying, only to rebound sharply (+0.60% on the 10-year yield) after the tariff measures were revealed to be broader than expected. By month-end, despite a temporary policy delay, the US 10-year yield finished largely flat at 4.16%, reflecting ongoing stagflation concerns and a hawkish Federal Reserve stance.

In May, bond yields pushed higher in response to stronger global economic data and early successes in trade negotiations between the US and key partners, including the UK and China. Sentiment was also shaped by the US fiscal debate over the "One Big Beautiful Bill," prompting fears of rising deficits. The US 10-year yield rose as high as 4.60% before easing to 4.40% at month-end. Australia's bond market followed a similar trajectory: the 10-year bond yield peaked at 4.53% before closing May at 4.26%, supported by strong employment and inflation data early in the month. The Reserve Bank of Australia (RBA) surprised markets on 20 May with a 0.25% rate cut to 3.85%, softening yield pressures in the second half of the month.

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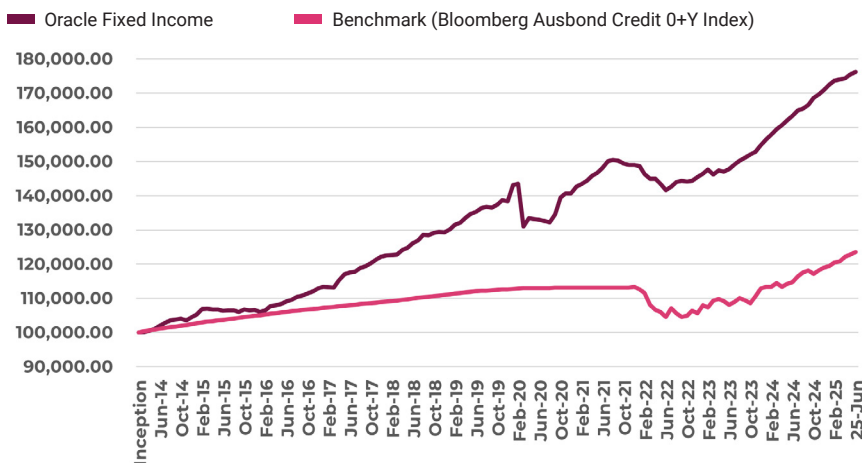
## Portfolio Performance

Rolling	Fixed Interest Fund	Benchmark (Bloomberg Ausbond Credit 0+Y Index)	Outperformance
3 month	1.29%	2.31%	-1.02%
6 month	3.07%	3.87%	-0.80%
1 year	7.88%	7.76%	0.12%
2 year p.a.	9.19%	6.95%	2.24%
3 year p.a.	7.55%	5.72%	1.83%
*Since Inception (1 Dec 2021)	4.81%	2.51%	2.30%

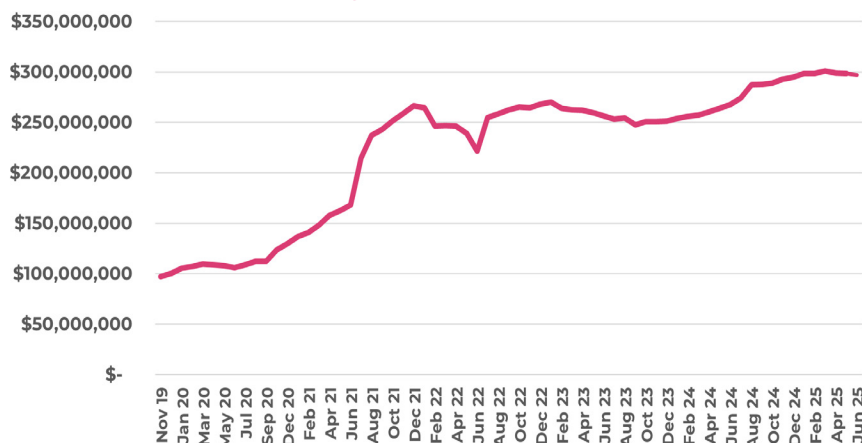
\*The Fixed Interest Fund performance data is from 1 December 2021

## Comparative Performance

Fixed Income vs Bloomberg Ausbond Credit 0+Y Index (since inception)



## Funds Under Management



## Oracle Fixed Interest Fund

In June, yields reversed course. Softer inflation prints in both the US and Australia, along with weaker Australian employment data, saw yields fall sharply. The Australian 10-year government bond ended the quarter at 4.17%, 0.22% below March levels. This significant fall in yields helped the benchmark, which has a longer duration bias, outperform floating-rate portfolios such as the Oracle Fixed Interest Fund.

### Credit Markets: Wide Swings, But Stability by Quarter-End

Credit spreads were also volatile but ultimately resilient over the quarter. In April, the tariff shock and broader market risk aversion drove Australian major bank Tier 2 bond spreads sharply wider (+0.25%–0.30%), with spreads peaking near +2.05%, levels not seen since late 2023. Despite this initial weakness, spreads retraced somewhat by month-end as markets stabilised.

May brought renewed optimism, as risk assets recovered from April's sell-off. Strong demand for corporate credit saw spreads tighten materially, particularly in Australian major bank senior and subordinated paper. This recovery helped support positive returns for the Oracle Fixed Interest Fund.

June began with some widening in credit spreads amid heavy new issuance. However, as supply tapered off mid-month and risk sentiment improved, spreads retraced toward early June levels. Despite equity markets closing at record highs, credit spreads remained slightly wider than their mid-March lows prior to the Liberation Day shock.

### Portfolio Positioning and Outlook

Throughout the quarter, the Oracle Fixed Interest Fund maintained its cautious stance on duration, retaining a floating rate bias given concerns about fiscal deficits and rising government borrowing requirements. This positioning tempered the Fund's performance relative to the benchmark, which benefited from falling bond yields.

The Fund's credit allocation generated solid income, offsetting most of the mark-to-market losses experienced during April's volatility. No major portfolio changes were made during the quarter, with the investment team choosing to remain patient through the market's uncertain backdrop.

Looking ahead, market pricing at quarter-end implied a further 3.5 rate cuts from the RBA, taking the terminal cash rate to just under 3.00%. While this has improved sentiment, Oracle remains cautious on the sustainability of current valuations, particularly given lingering geopolitical risks and fiscal concerns.

Pleasingly, Morningstar has awarded the Oracle Fixed Interest Fund a five-star rating, placing it in the top 10% of all funds in its peer group. Oracle was placed in the top quartile of all bond funds over the past one and three-year periods.

### BOUGHT

- ◆ We bought the new **MyState 21 May 35 (Call 21 May 30) Subordinated Floating Rate Note (Tier 2)**, paying a coupon of 3 months BBSW + 2.75% (6.48% p.a first coupon).
- ◆ We bought the new **People First Bank (Heritage and People's Choice) 23 May 35 (25 May 30) Subordinated Floating Rate Note (Tier 2)**, paying a coupon of 3 months BBSW + 2.50% (6.22% p.a first coupon).
- ◆ We bought the new Senior Secured fixed rate bond from **Magnetic Rail Group 27 May 2030** (callable 27 May 2028). This pays a fixed coupon of 9.25
- ◆ We bought the new **Macquarie Bank 29 Nov 2035 (Call 29 Nov 2030) Subordinated Floating Rate Note (Tier 2)**, paying a coupon of 3-month BBSW + 1.85% (5.58% p.a. first coupon).

### SOLD

- ◆ We sold our **Macquarie Bank 01 Mar 2034** (call 01 Mar 2029) Subordinated Floating Rate Note (Tier 2), taking advantage of the above mentioned new issue to lengthen our maturity profile with the issuer.
- ◆ We reduced our holdings in **Liberty Financial 08 Mar 2029 Senior Floating Rate Notes**, **Westpac and ANZ 2035 Subordinated Floating Rate Notes**, taking profits at attractive levels.
- ◆ We took advantage of strong price action in our **Macquarie Capital Notes (MQGPG)** to reduce our position.

We made a final distribution of 1.078 Cents Per Unit for the month. Accordingly, the unit price will decrease by the same amount. This will be offset by a 1.078 cents per unit credit to holders' cash accounts.

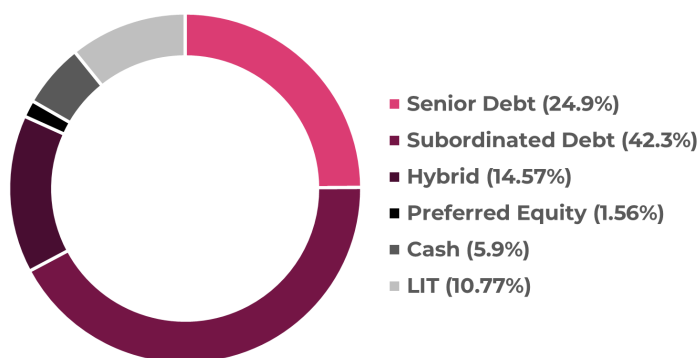
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# Oracle Fixed Interest Fund

Portfolio Overview	
<b>Investment Manager</b>	Oracle Investment Management Pty Ltd
<b>Issuer</b>	One Managed Investment Funds Limited
<b>ARSN</b>	650 401 004
<b>Investment Objective</b>	To provide a return comprised of a secure and predictable income stream with moderate capital growth. The Portfolio aims to outperform the Bloomberg AusBond Bank Bill Index on an annual basis.
<b>Investment Strategy</b>	To invest in credit securities from companies with strong management, and balance sheets that display characteristics such as sufficient liquidity and low levels of gearing. Diversification is achieved mainly through investment in securities across a range of industries.
<b>Investment Universe</b>	The Portfolio will primarily comprise of Australian Fixed Income including corporate bonds, listed sub-debt, listed hybrids, term deposits and cash. Dependent on market conditions the Portfolio may also invest in international corporate bonds and government bonds.
<b>Recommended Investment Period</b>	3 years
<b>Minimum Initial Investment</b>	\$25,000
<b>Inception Date</b>	1 December 2021

Top 10 Holdings	Weight
Scentre Group 31 Mar 2055 FRN (Call 30 Sep 2031)	4.64%
Metrics Master income Trust	4.31%
Macquarie Bank Ltd 20 Feb 35 FRN (Call 20 Feb 30) Sub	3.90%
Gryphon Capital Income Trust	3.84%
Avanti 22 Feb 26 FRN (Call 22 Feb 24) Senior Sec	3.67%
AMP Bank Ltd 07 Oct 32 FRN (Call 07 Oct 27) Sub	3.49%
Newcastle Coal Infrastructure Group (NCIG)	3.32%
BNP Paribas 23 Aug 34 FRN (Call 23 Aug 29) Sub	3.26%
ANZ Perpetual FRN (Call 18 Oct 30) Sub	3.18%
HSBC 11 Mar 35 FRN (Call 11 Mar 30) Sub	3.14%

## Bond Type by Weight



Please see the Important Information disclaimer on the back page.

# Oracle Property Securities Portfolio



**Jack Magann**  
Portfolio Manager

The Oracle Property Securities Portfolio returned **12.91%** for the second quarter of 2025, compared to the benchmark, the ASX 300 Property Trust Index, which returned **13.40%**. An extremely positive quarter for the property sector.

**Abacus Storage King** (ASX: ASK), a leading self-storage operator in Australia and New Zealand, was a standout performer, gaining 26.0% following an unsolicited, conditional, and non-binding takeover offer from a consortium of Ki Corporation and US-based Public Storage (NYSE: PSA). Announced on April 7, the offer of A\$1.47 per security represented a 26.7% premium to the prior day's closing price but was notably below ASK's half-year 2025 net tangible assets (NTA) of A\$1.60 per share. The consortium, with Ki Corporation already holding a 59.39% stake (direct and indirect through Abacus Group), aims to split ownership equally post-acquisition. Complicating matters, National Storage REIT (NSR) acquired a 4.78% stake in ASK on April 28, potentially to influence or block the deal, with analysts suggesting a 10% stake could disrupt the transaction. Despite the premium, the offer's discount to NTA and uncertainties around due diligence led us to exit our position in ASK, locking in profits for our investors. We view this as a prudent move, given the risk of a share price decline if the offer is withdrawn.

A key addition to the portfolio was **Stockland**, which aligns with our high FFO/EPS growth strategy. Stockland's off-balance sheet investment approach, including partnerships like the \$800 million logistics portfolio with M&G Real Estate and KKR, and the Stockland Supalai Residential Communities Partnership, enables growth in high-potential sectors like logistics and residential development without increasing on-balance sheet debt.

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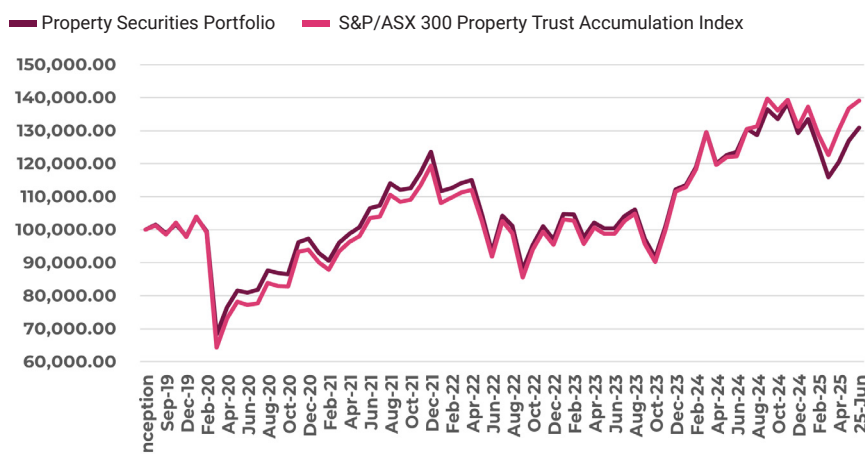
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## Portfolio Performance

Rolling	Property Securities Portfolio	Benchmark (S&P/ASX 300 Property Trust Accum Index)	Outperformance
3 month	12.91%	13.40%	-0.49%
6 month	1.20%	5.98%	-4.78%
1 year	5.87%	13.75%	-7.88%
2 year p.a.	14.15%	18.67%	-4.52%
3 year p.a.	11.97%	14.82%	-2.85%
5 year p.a.	10.07%	12.47%	-2.40%
Since Inception p.a (1 August 2019)	4.65%	5.73%	-1.08%

## Comparative Performance

Property Securities vs S&P/ASX 300 Property Trust Accum Index (since inception)



## Funds Under Management (since inception)



## Oracle Property Securities Fund

The \$1.3 billion acquisition of 12 masterplanned community projects from Lendlease, funded through these joint ventures, strengthens Stockland's residential pipeline while maintaining gearing at 24% within its 20–30% target. This disciplined approach supports steady cash flows and positions Stockland as a core holding for sustained growth.

There were a number of trades made during the quarter as we realigned our portfolio to our strategy of investing in the companies/REITS with the highest outlook in EPS or FFO growth.

Our strategic realignment toward companies with strong FFO and EPS growth outlooks positions the portfolio for improved performance in a recovering property market.

### BOUGHT

#### Goodman Group - Add +6.5%

Added to align with our focus on high FFO/EPS growth, leveraging Goodman's strong logistics and industrial property portfolio.

#### Stockland - Buy +7.5%

A new position reflecting Stockland's off-balance sheet strategy, robust balance sheet, and growth in logistics and residential sectors.

#### National Storage REIT - Add +1.94%

Increased exposure following NSR's strategic 4.78% stake in Abacus Storage King, signalling potential for further value creation in the self-storage sector.

#### Aspen Group Limited - Add +1.71%

Added for its strong FFO/EPS growth outlook and diversified property portfolio.

#### HMC Capital Limited - Add +2.83%

Increased position to capitalise on its high-growth potential in alternative real estate investments.

While the data centre sector faced challenges in 2025, positive developments like NextDC's growing order book reinforce our long-term optimism for AI-driven demand. Stockland's disciplined off-balance sheet strategy and increases to positions like Goodman Group and National Storage REIT enhance our exposure to high-growth sectors like logistics, residential, and self-storage. We remain vigilant in monitoring tariff-related volatility and other macroeconomic risks, but are confident that our focus on fundamentally strong, growth-oriented companies will deliver superior risk-adjusted returns.

### SOLD

#### Abacus Storage King REIT - Full Sell

Exited in April following the takeover offer at A\$1.47 per share, which was below NTA and subject to due diligence risks. The sale secured profits amid uncertainty.

#### Scentre Group - Trim -1.90%

Reduced exposure to realign with a high FFO/EPS growth focus, given slower growth prospects in retail property.

#### Dexus - Trim -4.45%

Trimmed to reduce exposure to office properties, which face near-term challenges.

#### HomeCo Daily Needs REIT - Trim -1.86%

Reduced position to prioritise higher-growth opportunities.

#### Lendlease Group - Trim -3.01%

Trimmed due to weaker FFO/EPS growth relative to new portfolio additions.

#### Rural Funds Group - Trim -1.90%

Reduced exposure to agricultural assets to focus on higher-growth sectors.

#### DigiCo Infrastructure REIT - Full Sell

Exited due to underperformance and misalignment with our high FFO/EPS growth strategy.

# Oracle Property Securities Fund

Top 10 Performers	Portfolio Position	3 month Performance
Aspen Group	5.51%	43.4%
Abacus Storage King	0.09%	33.3%
NextDC Ltd	3.34%	28.2%
Goodman Group	43.38%	21.0%
Charter Hall Group	7.93%	20.1%
Digico REIT	SOLD	10.0%
Arena REIT	4.61%	8.8%
HomeCo Daily Needs REIT	0.09%	8.2%
National Storage REIT	5.85%	6.1%
Scentre Group	10.95%	6.0%

Portfolio Characteristics	Portfolio	Index
Historical - EPS growth - 3 years	28.3%	5.3%
Forward - EPS Growth	9.7%	8.0%
Price/Earnings Forward - 1 year	17.3	16.9
PEG Ratio (Median)	1.9	9.6
Dividend Yield	3.3%	3.7%
Return on Equity (Median)	29.3%	8.0%
Return on Invested Capital (Median)	9.0%	7.6%
Operating Margin (Median)	24.5%	13.6%
Gearing (Debt/EBITDA)	3.1	1.5
Beta	1.07	1.01
Number of Holdings	15	204

Portfolio Overview	
<b>Investment Manager</b>	Oracle Investment Management Pty Ltd
<b>Investment Objective</b>	To provide investors with long-term capital growth and income. The portfolio aims to outperform its benchmark over a rolling 3 year period.
<b>Investment Strategy</b>	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The securities are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
<b>Benchmark</b>	S&P/ASX 300 Property Trust Accumulation Index
<b>Investment Universe</b>	Listed ASX Securities that invest in and or Manage Property Investments. Portfolio may invest in listed ETFs.
<b>Recommended Investment Period</b>	3-5 years
<b>Minimum Initial Investment</b>	\$25,000
<b>Inception Date</b>	1 August 2019

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# Capital Stable Portfolio

The Capital Stable Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are forgoing the potential for higher returns over the long term for relative security.

Asset Class	Neutral
Cash	6.9%
Fixed Interest	67.7%
Property Securities	0%
Emerging Companies	0%
Australian Equities	9.2%
Gold	9.1%
Silver	2.0%
Global Equities	5.1%

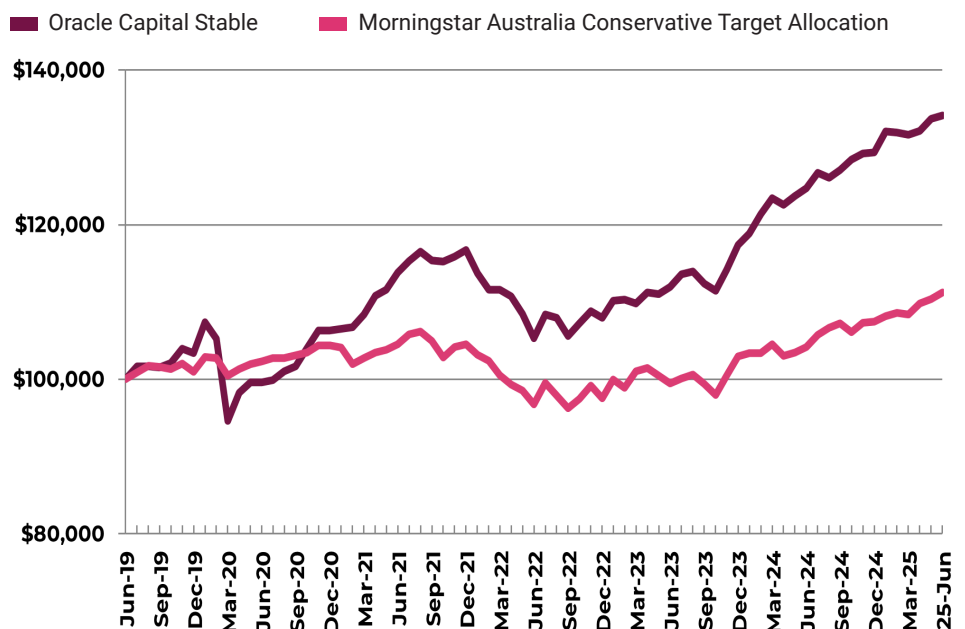
Investment Fee (% per annum)	
Capital Stable Portfolio	0.6%

## Portfolio Performance

Rolling	Oracle Capital Stable	Benchmark (Morningstar Australia Conservative Target Allocation)	Comparative Performance
3 month	1.90%	2.62%	-0.72%
6 month	3.68%	3.50%	0.18%
1 year	7.58%	6.73%	0.85%
2 year p.a.	9.47%	5.74%	3.73%
3 year p.a.	8.39%	4.75%	3.64%
5 year p.a.	6.13%	1.67%	4.46%
Inception p.a. (1 July 2019)	5.02%	1.78%	3.24%

## Comparative Performance

Oracle Capital Stable vs Morningstar Aus Conservative (since inception)



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# Conservative Portfolio

The Conservative Portfolio suits investors seeking a diversified portfolio that invests primarily in defensive assets with low volatility, reliable yield and a focus on capital preservation.

Investors in this portfolio are foregoing the potential for higher returns over the long term.

Asset Class	Neutral
Cash	7%
Fixed Interest	57.2%
Property Securities	0%
Emerging Companies	0%
Australian Equities	10.2%
Gold	9.9%
Silver	3.0%
Global Equities	12.9%

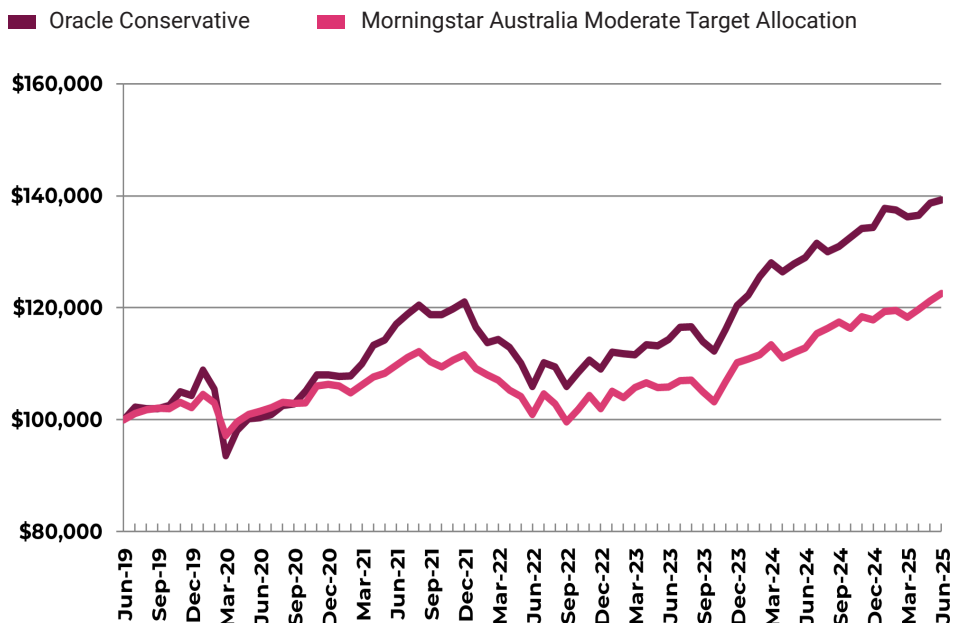
Investment Fee (% per annum)	
Conservative Portfolio	0.65%

## Portfolio Performance

Rolling	Oracle Conservative	Benchmark (Morningstar Australia Moderate Target Allocation)	Comparative Performance
3 month	2.23%	3.59%	-1.36%
6 month	3.66%	3.98%	-0.32%
1 year	7.99%	8.57%	-0.58%
2 year p.a.	10.35%	7.61%	2.74%
3 year p.a.	9.54%	6.67%	2.87%
5 year p.a.	6.78%	3.84%	2.94%
Inception p.a. (1 July 2019)	5.68%	3.45%	2.23%

## Comparative Performance

Oracle Conservative vs Morningstar Aus Moderate (since inception)



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## Balanced Portfolio

The Balanced Portfolio suits investors who require a balanced portfolio, diversified across all major asset classes, seek capital growth over the medium to long term with a moderate level of income, accept a moderate degree of volatility associated with a relatively higher exposure to growth assets and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	1.6%
Fixed Interest	47.5%
Property Securities	1.8%
Emerging Companies	2.7%
Australian Equities	13.8%
Gold	9.9%
Silver	3.0%
Global Equities	19.9%

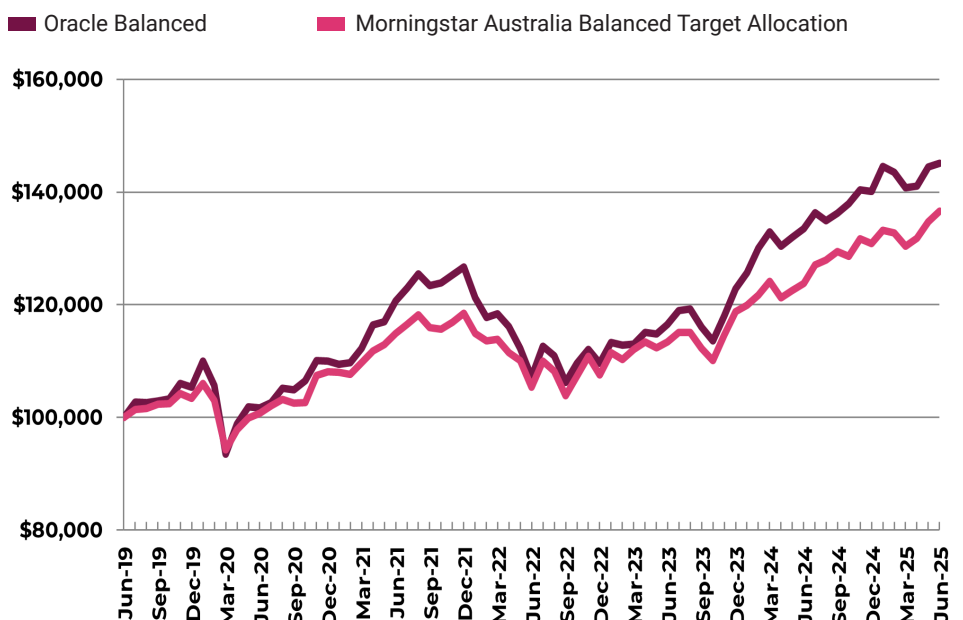
Investment Fee (% per annum)	
Balanced Portfolio	0.7%

### Portfolio Performance

Rolling	Oracle Balanced	Benchmark (Morningstar Australia Balanced Target Allocation)	Comparative Performance
3 month	3.14%	4.77%	-1.63%
6 month	3.61%	4.43%	-0.82%
1 year	8.77%	10.39%	-1.62%
2 year p.a.	11.63%	9.78%	1.85%
3 year p.a.	10.64%	9.04%	1.60%
5 year p.a.	7.38%	6.29%	1.09%
Inception p.a. (1 July 2019)	6.41%	5.34%	1.07%

### Comparative Performance

Oracle Balanced vs Morningstar Aus Balanced (since inception)



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Growth Portfolio

The Growth Portfolio suits investors who seek the potential for a relatively high level of growth and a modest level of income, accept a higher level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	1.5%
Fixed Interest	34.9%
Property Securities	2.7%
Emerging Companies	3.7%
Australian Equities	15.4%
Gold	9.9%
Silver	3.0%
Global Equities	29.0%

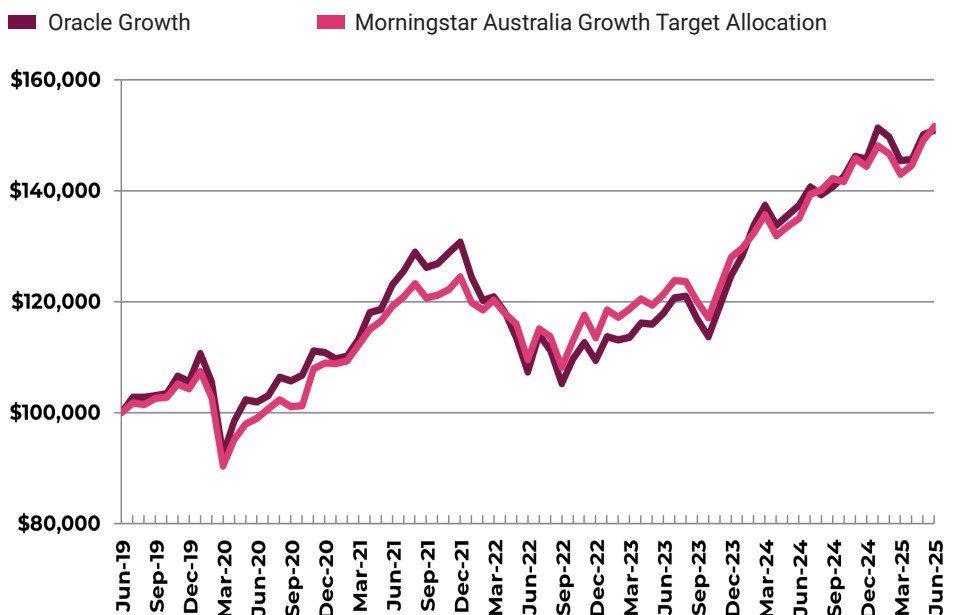
Investment Fee (% per annum)	
Growth Portfolio	0.75%

Portfolio Performance

Rolling	Oracle Growth	Benchmark (Morningstar Australia Growth Target Allocation)	Comparative Performance
3 month	3.74%	6.03%	-2.29%
6 month	3.58%	4.97%	-1.39%
1 year	9.85%	12.26%	-2.41%
2 year p.a.	13.15%	11.80%	1.35%
3 year p.a.	12.02%	11.43%	0.59%
5 year p.a.	8.17%	8.90%	-0.73%
Inception p.a. (1 July 2019)	7.10%	7.17%	-0.07%

Comparative Performance

Oracle Growth vs Morningstar Aus Growth (since inception)



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# High Growth Portfolio

The High Growth Portfolio suits investors who seek a relatively high level of growth on investment capital, accept a high level of short-medium term capital volatility as a trade-off for long-term capital growth and are prepared to invest for the minimum investment timeframe.

Asset Class	Neutral
Cash	1.7%
Fixed Interest	10.6%
Property Securities	3.8%
Emerging Companies	7.6%
Australian Equities	20.7%
Gold	9.9%
Silver	3.0%
Global Equities	42.8%

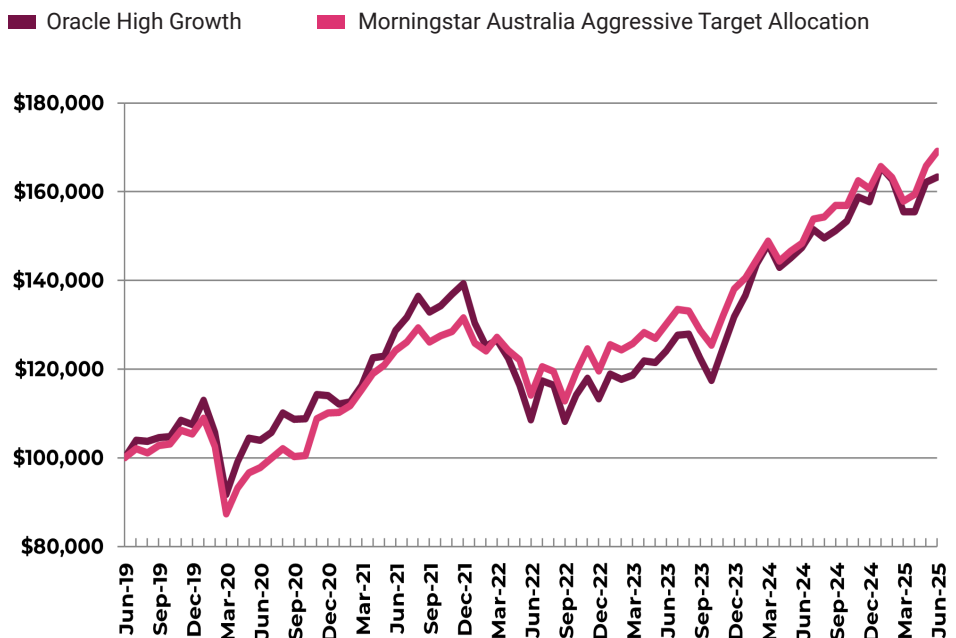
Investment Fee (% per annum)	
High Growth Portfolio	0.85%

## Portfolio Performance

Rolling	Oracle High Growth	Benchmark (Morningstar Australia Aggressive Target Allocation)	Comparative Performance
3 month	5.02%	7.13%	-2.11%
6 month	3.50%	5.30%	-1.80%
1 year	10.75%	13.99%	-3.24%
2 year p.a.	14.73%	14.02%	0.71%
3 year p.a.	14.57%	14.02%	0.55%
5 year p.a.	9.47%	11.57%	-2.10%
Inception p.a. (1 July 2019)	8.52%	9.16%	-0.64%

## Comparative Performance

Oracle High Growth vs Morningstar Aus Aggressive (since inception)



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oracle  
advisory  
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## Investment Manager

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## Responsible Entity – Oracle Fixed Interest Fund

One Managed Investment Funds Limited  
ACN 117 400 987 | AFSL 297042

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## Responsible Entity & Issuer - Oracle Managed Accounts

The Trust Company (RE Services) Limited  
ABN 45 003 278 831 | AFS Licence 235150

## Promoter

Margaret Street Promoter Services Pty Ltd  
ABN 23 153 446 210 | AFS Licence 420274

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