BLACKMORE CAPITAL
EQUITY INVESTORS

BLENDED AUSTRALIAN EQUITIES PORTFOLIO

Monthly Update | November 2025

November marked a clear inflection point for Australian equities. The ASX 200 fell by 2.7% during the month, pulling back from its record high in mid-October and marking its largest drop since the tariff correction last April. While markets stabilised toward month end, elevated valuations and a reassessment of the interest rate outlook weighed on sentiment.

The pullback was led by banks and technology stocks. Commonwealth Bank shares fell 11%, as its valuation compressed from a peak of roughly 29.5x earnings in June 2025 to below 25x by the end of November. Across the major banks, average P/E multiples declined from above 20x to roughly 18.8x. A renewed upside surprise in inflation increased the likelihood that further interest rate cuts may be deferred, and this combination of stretched valuations and reduced rate support triggered a sharp derating in financials.

In contrast, Healthcare and Materials were the strongest performing sectors. Healthcare benefited from a stabilisation in CSL's share price and a better than expected update from Ramsay Health Care, particularly within its Australian hospital operations. Materials were supported by continued strength in gold prices and a broader improvement in commodity markets, which lifted resource equities. Importantly, the improved commodity backdrop has flowed through to earnings expectations, with ASX 200 earnings growth now forecast to approach ~8% in FY26, marking a welcome turnaround after three consecutive years of negative earnings growth.

Source: MST Strategy

From a valuation perspective, the ASX 200 entered 2025 trading at around 18x earnings, peaked near 19.9x in October, and had retraced to approximately 18.1x by the end of November. While valuations have moderated, they remain elevated relative to history, compared with a 10 year average P/E of ~16x and a long term average of ~14.8x. Dividend yields also remain compressed, with the market yielding approximately 3.4%, below the long term average of 4.3%. On both earnings and income metrics, the market continues to screen expensive, reinforcing the importance of a sustained recovery in economic conditions and corporate earnings.

PORTFOLIO OBJECTIVE

The portfolio seeks to generate long-term capital appreciation by investing in Australian listed equities. The portfolio aims to do so with lower volatility and greater downside protection relative to the S&P/ASX 200 Accumulation Index benchmark.

PORTFOLIO DETAILS

Inception date:	Feb 2014
Investment minimum:	$25,000
Investment time horizon:	5+ years
Management fee:	0.6%
Maximum holding limit:	12%
Number of stocks:	20 - 40
Gross Dividend Yield	5.09%*
Net Dividend Yield	3.90%

** Forecast gross yield inc franking for the next 12 months*

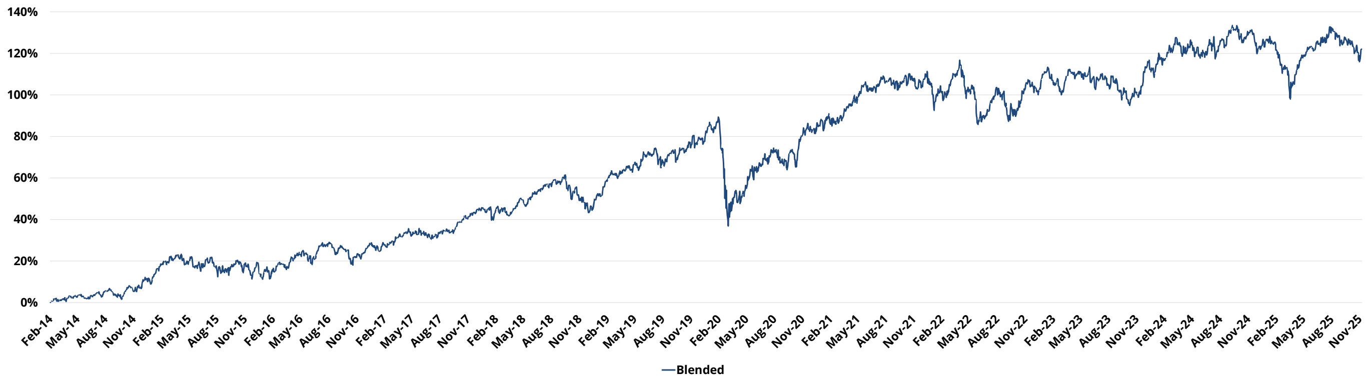
Portfolio performance reflected these dynamics. In both the Blended and Income portfolios, Northern Star Resources, Ramsay Health Care and Orica were key positive contributors, benefiting from exposure to gold, healthcare recovery and improved industrial momentum. These gains were partially offset by weakness in financials, with Commonwealth Bank (Income portfolio) and National Australia Bank detracting from returns, alongside BHP Group amid broader market volatility.

During the month, I attended the Goldman Sachs Carbonomics Conference in the UK, which provided timely insight into the energy transition and the rapid expansion of AI driven data centre infrastructure. The dominant message was clear: global power demand is entering a non cyclical, multi decade growth phase, driven by electrification, artificial intelligence and data centre build out.

Utilities and policymakers have materially underestimated the pace of data centre demand, creating emerging capacity constraints across grids globally. Energy security and access to reliable power are increasingly strategic priorities, and importantly, the transition will require all energy sources, not renewables alone. Gas remains a cornerstone of the system as firm, dispatchable power, while grid infrastructure and permitting constraints point to a prolonged and capital intensive investment cycle.

Taken together, the convergence of AI, electrification and infrastructure investment is driving a step change in global energy demand. With rising barriers to entry across grids, supply chains and regulation, the backdrop remains supportive for medium to long term earnings growth across resources, energy and utilities, despite near term market volatility.

CUMULATIVE RETURN FROM INCEPTION



PORTFOLIO RETURNS

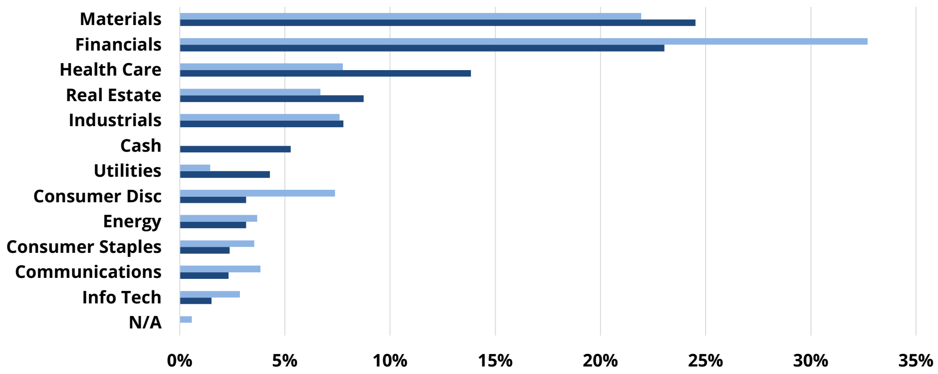
	1 month	3 months	6 months	FYTD	1 year	3 years	5 years	7 years	10 years	Inception p.a	Since inception
Portfolio performance	-0.5%	-3.7%	0.7%	-0.5%	-3.8%	2.5%	4.2%	5.9%	6.6%	7.0%	122.1%
ASX 200 Accum Index	-2.7%	-3.0%	3.8%	2.3%	5.5%	9.7%	9.9%	10.2%	9.5%	8.3%	156.7%

** Returns are net of management fees. Performance includes reinvestment of all dividends and excludes franking credits.*

TOP 5 HOLDINGS

Stock	Weight
BHP	7.7%
NST	5.6%
NAB	5.2%
WBC	4.6%
SOL	4.6%

RELATIVE SECTOR WEIGHTS - NOVEMBER 2025



PLATFORM AVAILABILITY

MACQUARIE

præmium

North

BT Panorama

SECTOR RETURNS - NOVEMBER 2025