CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF (IMLC)

MONTHLY REPORT

30 September 2025

OBJECTIVE

The Fund aims to outperform the S&P/ASX 300 Accumulation Index (after fees and expenses and before taxes) on a rolling four-year basis.

FUND FACTS

APIR	IML1283AU
Inception	01/08/2023
Benchmark	S&P ASX 300
Management fee*	0.993% p.a.
Performance fee*	10.25% of investment returns made in excess of 2% above the Benchmark.
Asset classes	Aust Equities (80-100%) Cash (0-20%)
Investment horizon	4-5 Years
Fund size	$132M
NAV	$4.39
Distributions	Semiannual

**Fees are inclusive of the net effect of GST*

RATINGS

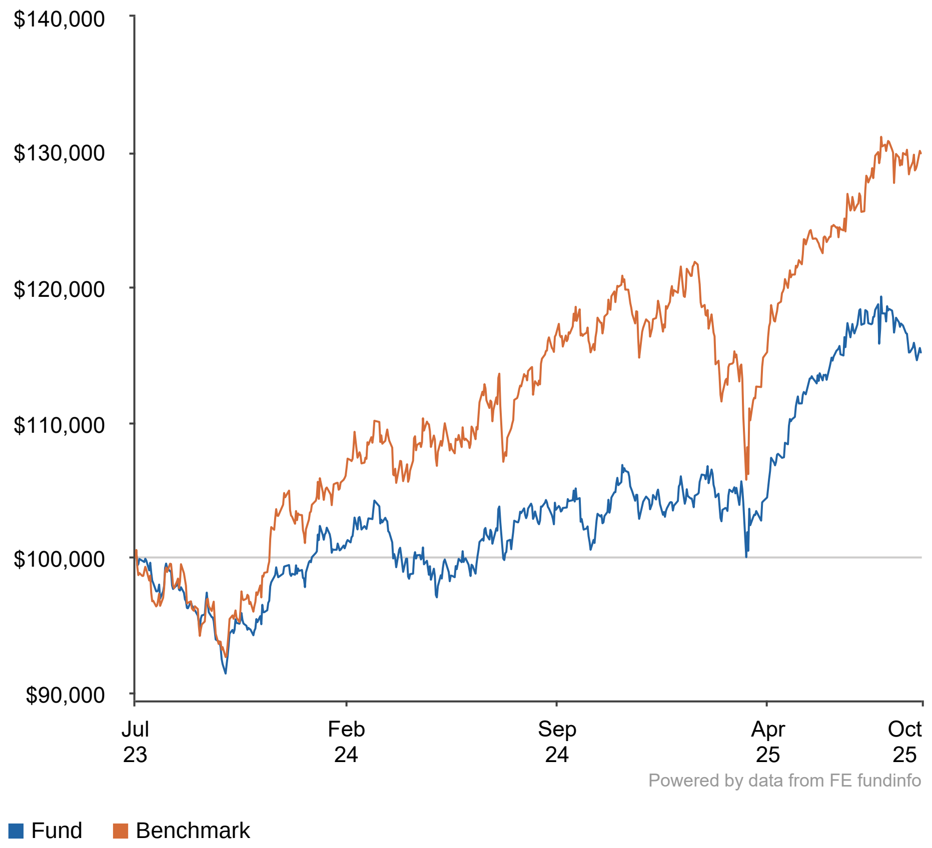
Zenith	Recommended

PERFORMANCE TABLE

	1m	3m	1y p.a.	3y p.a.	5y p.a.	10y p.a.	SI p.a.
Fund*	-2.7%	1.0%	10.9%	-	-	-	6.7%
Benchmark**	-0.7%	5.0%	10.8%	-	-	-	12.8%

*Inception date *Fund returns are calculated net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. **The benchmark for this Fund is the S&P ASX 300*

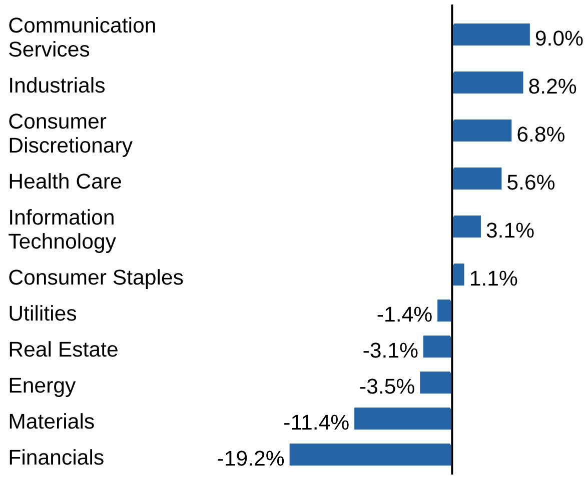
GROWTH OF $100,000 INVESTED AT INCEPTION



TOP 10 HOLDINGS

	Weight %
CSL	11.2%
The Lottery Corporation	8.9%
Brambles	8.2%
Telstra	7.2%
Technology One	6.8%
Orica	6.7%
Steadfast	5.7%
Medibank Private	5.3%
Metcash	4.6%
Chorus	4.5%

ACTIVE SECTOR WEIGHTS



PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
No. of stocks	20	300
Portfolio Turnover	7.50%	

Annual portfolio turnover over the last 12 months is computed by taking the lesser of purchases or sales and dividing by the average monthly net assets. Downside capture is calculated using the geometric average returns since inception.

FRANKING LEVEL (%)

FY25	FY24	FY23	FY22	FY21
79.2%	69.7%	-	-	-

FUND & MARKET COMMENTARY

- The **Concentrated Australian Share Fund – Active ETF** delivered a positive return for the quarter, up +1.0%, however this was well behind the benchmark's gain of +5.0%, which was driven primarily by mining stocks and three of the big banks.

- Global equity markets were strong over the quarter with the MSCI World up +8.1% and all major markets delivering positive returns. The Nasdaq rose sharply +11.4% as excitement over AI-related stocks continued. The rally was also underpinned by strong corporate earnings and expectations that the Federal Reserve would begin cutting interest rates - which it did in mid-September. Markets continued to experience intermittent volatility as trade tensions, geopolitics and weakening economic signals tested sentiment.

- The ASX 300 lagged its global peers, finishing up +5.0% in a very volatile quarter with share prices experiencing extreme reactions during August's reporting season. The gains were driven primarily by the Resources sector up +20.1%, as gold and lithium stocks in particular surged, with Iron Ore stocks also up despite concerns about slowing demand from China. The Consumer Discretionary sector was also strong, up + 9.6% as reporting season results showed a stronger than expected consumer. The Financials sector was up just +1.3% with strong performances from Westpac, NAB and ANZ offset by CBA which was down -8.3% as markets finally recognised its inflated valuation. A number of sectors fell over the quarter, with Healthcare the hardest hit, down -9.7%, followed by Consumer Staples, -1.4% and Energy, -1.0%.

- Many of the Fund's holdings performed well for the quarter including Tabcorp +44.8%, The Lotteries Corp + 11.9%, Chorus, +10.4%, Brambles, +7.2% and Orica, +8.5%, all announcing strong FY25 results. However, CSL had a very challenging quarter, down -16.2%, as the market acted savagely to a minor downgrade to expectations (see more below).

- Over the quarter we built a significant position in Dalrymple Bay Infrastructure, which owns an essential port in QLD with 100% contracted revenues, annual CPI increases, good long-term prospects for growth and a dividend yield over 6% and growing at 3-5% p.a. We also trimmed positions in Telstra and Metcash as they appreciated in value.

STOCKS IN FOCUS

- **The Lotteries Corporation (TLC):** A dominant provider of authorised lottery and keno products in Australia, TLC rose +11.9 during the September quarter. TLC reported a solid earnings result despite a weaker Powerball jackpot sequence in FY25 and once again demonstrated the defensiveness of its core franchise despite a softer consumer environment. The outlook for FY26 is for solid growth, benefitting from double digit price increases across its two largest games Saturday Lotto and Powerball. An extension of its Victorian lotteries license (expiring in 2028) would also be a positive and potentially pave the way for capital management initiatives.

- **CSL (CSL):** A global leader in blood plasma products fell -16.2% for the quarter after delivering a broadly in line earnings result and announcing a A$750m buyback. The company's outlook for FY26 was however weaker than expected and management stepped away from its previously stated gross margin recovery target in FY28. Softer than expected second half revenue growth in its immunoglobulin (IG) products was a disappointment with the loss of two tender contracts to a competitor, leading to questions of whether the industry is facing a period of oversupply and increased competition. Our channel checks continue to indicate industry demand for IG remains robust while the slowing of collection centre openings from key competitors suggests the supply outlook remains rational. At the current share price, CSL is trading well below an average industrial multiple which we think does not reflect the quality of the underlying business and its growth prospects.

- **Brambles (BXB):** The global supply chain leader in pooled pallet solutions, rose +7.3% for the quarter after delivering a very strong first full year result with ~13% EPS uplift underpinned by new business wins, improved free cash flow generation, and the announcement of a further US$400m buy-back program. While fundamentals remain sound with improved margin expectations in the medium term, the stock's performance tempered in September following the announcement of ~250FTE of job cuts and a more challenging revenue outlook. Despite the more challenging environment, BXB remains well placed to continue to grow earnings with margins set to improve on tighter supply chain management and overhead cost reductions.

OUTLOOK

While uncertainty remains around US tariffs and the global economy, markets continued to gain in confidence over the quarter. We maintain a cautious view on the global economy, cognisant that markets appear to be brushing aside the risk of major trade dislocations or a US economic slowdown resulting from tariffs (real or threatened).

Most leading indicators continue to point to economic weakness in the US and many other regions which should impact cyclical company earnings. Despite a poor reporting season, we are carefully navigating the volatility, and our focus on quality businesses with more defensive, recurring earnings positions us well for continued volatility and any slowdown in the global and Australian economies.

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