

Contact Australian Ex-50 Fund

ARSN: 639 574 708 | APIR Code: EVO4741AU

MONTHLY REPORT: MARCH 2021



FUND DESCRIPTION

The Contact Australian Ex-50 Fund (the Fund) balances growth and income to provide access to a portfolio of quality Australian companies that sit outside the S&P/ASX 50 Index. This strategy seeks to find long term investments in tomorrow's leaders.

The Fund's investment objective is to seek a total return in excess of 10% per annum, after deduction of Management Fees and expenses, through a concentrated portfolio of high quality small to medium sized ASX listed companies.

The Fund is managed by Contact Asset Management, which is a research driven, active equities manager, investing for the long term. We seek profitable, well-managed companies that offer a sustainable yield and are attractively priced.

FUND OVERVIEW

Portfolio Managers	Will Culbert and Tom Millner
Targeted return	10% per annum (net of fees)
Fund size	\$3.1 million
Number of stocks	24
NAV Unit Price	\$1.2262
Management Fee*	0.60% per annum (excluding GST)
Performance Fee	Nil

Performance to 31 March 2021	1 Month	3 Months	6 Months	1 Year	Since Inception [#]
Contact Australian Ex-50 Fund	3.1%	0.8%	7.9%	25.5%	23.2%
Targeted return of 10% per annum				10.0%	10.0%

Performance is reported net of all fees and assumes reinvestment of distributions. Past performance is not a reliable indicator of future returns. # Inception date is 17 March 2020. Performance figures may be subject to rounding. Numbers greater than one year are annualised.

FUND COMMENTARY

The Australian market consolidated gains in March after a better-than-expected reporting season. Returns were boosted as dividends started to trickle in. The Fund increased by 3.1% for the month.

The Fund was established on 17 March 2020 amidst the depths of the COVID-19 panic selling. At the time, we wrote in our Monthly Report: "While we appreciate that this is a volatile period for the Australian stock market and broader economy, we believe this is an opportune time to launch the Fund. We believe there are now several opportunities to begin buying high quality, income producing businesses managed by capable people." As such, we are pleased with our first year's performance of 25.5%. We have remained true to label and have not chased any concept stocks or expensive IT names that do not generate a profit. Our investment approach is premised on the belief that achieving good returns in stocks requires keeping a long-term focus and a disciplined investment strategy. We believe we have been true to that approach over our inaugural year, and we look forward with optimism for the prospects of our holdings.

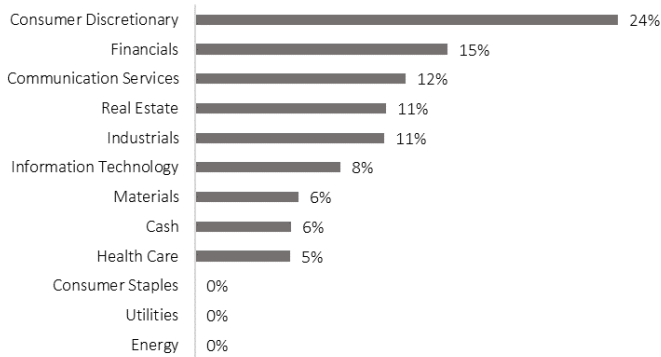
Following a busy period of results in February, there was less company specific news in March. Of note, **ARB Limited (ARB)** made two important announcements. Firstly, ARB announced the acquisition of Auto Styling Truckman Group, one of the UK's leading manufacturers and suppliers of accessories, for \$39 million. The acquisition, which is expected to be immediately accretive, will be funded from existing cash reserves. Secondly, ARB announced a strategic collaboration with Ford Bronco in the US to develop a full suite of premium, aftermarket

products. The two groups have been working hand-in-hand for several years to ensure that ARB products are fully integrated into vehicle design. The full suite of Bronco accessories from ARB will be available through over 1,000 Ford dealerships and ARB retailers. The Ford collaboration is an important development for ARB and will help the company achieve critical mass in the US, which is a huge market opportunity.

TPG Telecom (TPG) noted that Chairman David Teoh had announced his intention to resign from the company. While the timing of the announcement was a surprise, Mr Teoh noted that following TPG's merger with Vodafone last year, the two businesses had come together "better and faster than expected". TPG/Vodafone has been making sound progress with its strategy of cross-selling mobile rather than taking share with lower prices. Mr Teoh controls 17% of TPG and his shares are in escrow until June 2022.

REA Group (REA) announced the expansion of its real estate empire through the acquisition of Mortgage Choice, increasing its exposure to mortgage broking. The \$250 million acquisition is small in the scheme of REA's \$18 billion market cap. The acquisition, which is EPS accretive will triple REA's share in the mortgage broking channel (from 2% to 7%) and enable the business to stream leads generated from the REA platform to a business that is fully owned. With house prices continuing to increase, it is anticipated that we will see a material uptick in listings in the coming months.

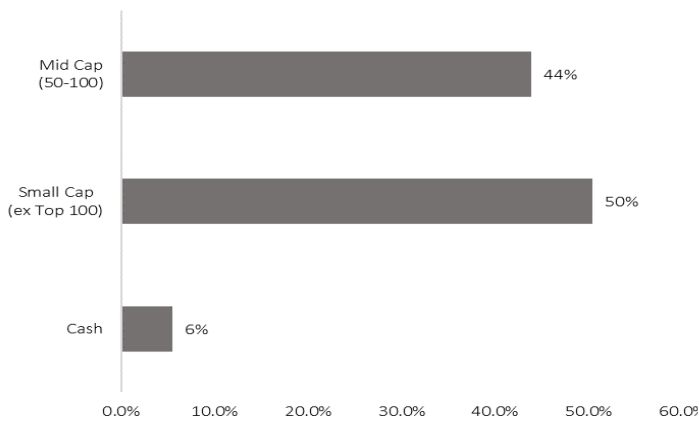
PORTFOLIO CHARACTERISTICS



TOP 10 POSITIONS

1	Harvey Norman Holdings
2	IPH Limited
3	ARB Corporation
4	Nine Entertainment Holdings
5	EQT Holdings Limited
6	ResMed Inc
7	Reece Limited
8	Magellan Financial Group
9	Charter Hall Group
10	PWR Holdings Limited

CAPITALISATION EXPOSURE



QUALITY & VALUATION RATIOS

	The Fund
Return on Capital Employed	16.6%
Operating Margin	22.4%
Gearing	24.8%
EPS Growth (FY1e)	17.6%
P/E Ratio (FY1e)	22.8x
Yield (FY1e)	3.1%

Source: Factset, Contact Asset Management estimates

MONTHLY CONTRIBUTION TO ABSOLUTE RETURN

Company Name	Contribution	Company Name	Detraction
Harvey Norman Holdings	0.94%	EQT Holdings Limited	-0.34%
JB Hi-Fi Limited	0.65%	TPG Telecom Limited	-0.24%
IPH Limited	0.45%	Northern Star Resources	-0.22%
Charter Hall Group	0.39%	Carsales.Com Limited	-0.11%
Link Administration Holdings	0.23%	Nine Entertainment Company	-0.09%

The Contact Australian Ex-50 Fund Product Disclosure Statement (PDS), Reference Guide and Investor Handbook is available at <https://contactam.com.au/ex-50-fund-overview/>

* Management fee* 0.60% per annum (excluding GST) of the net asset value of the Fund (after any current accrued Management Fees and expenses). The material contained within this Report (The Report) has been prepared by Contact Asset Management Pty Limited (ABN 54 614 316 595, AFSL 494045)(Contact). It is issued by the Responsible Entity of the Fund, Evolution Trustees Limited (ABN 29 611 839 519, AFSL 486217)(Evolution). Figures referred to in The Report are unaudited. The NAV Unit Price has been used for performance reporting, however if an investor is to come out of the fund that would be done at the exit price. The Report is not intended to provide advice to investors or take into account an individual's financial circumstances or investment objectives. This is general investment advice only and does not constitute advice to any person. Neither Evolution nor Contact guarantee repayment of capital or any particular rate of return from the Fund. Neither Evolution nor Contact gives any representation or warranty as to the reliability, completeness or accuracy of the information contained in this Report. Investors should consult their financial adviser in relation to any material within this document. Past performance is not a reliable indicator of future performance. Investors should consider the PDS and Reference Guide and any other material published by Contact or Evolution in deciding whether to acquire units in the Fund. This information is available at www.contactam.com.au