

Contact Australian Ex-50 Fund

ARSN: 639 574 708 | APIR Code: EVO4741AU

MONTHLY REPORT: FEBRUARY 2025



INVESTMENT STRATEGY

The Contact Australian Ex-50 Fund invests in a concentrated portfolio of quality Australian companies that sit outside the S&P/ASX 50 Index, with a focus on Founder-led businesses and tomorrow's leaders.

The Fund's investment objective is to seek to a total return in excess of 10% per annum, after deduction of management fees and expenses. We invest in quality companies that are profitable, pay dividends, generate attractive returns on capital and are managed by capable people. Our investment process builds on a legacy that has been honed for five generations.

Our management fees are low. Contact Asset Management's founders are aligned through co-investment in the Fund and we pride ourselves on taking a sensible and long-term approach to investing.

CONTACT EX-50 FUND OVERVIEW

Portfolio Managers	Will Culbert and Tom Millner
Targeted Return	10% per annum (net of fees)
Number of Stocks	28
NAV Unit Price	\$1.14
Management Fee*	0.60% per annum (excluding GST)
Performance Fee	Nil
Platform Availability	AMP North, BT Panorama, Hub24, Macquarie Wrap and Netwealth

A Proven Track Record

We have over 80 years combined investment experience, running a variety of very successful portfolio strategies.

Robust Investment Process

We invest in Quality companies for the long-term using a process and philosophy that has been honed for generations.

Founder Led Alignment

We aim to invest in founder-led businesses. Founder-led businesses tend to outperform significantly over the long-term.

Industry low Fees

Our fees are among the lowest in the Australian market. Low fees boost the ability to effectively compound capital over time.

FUND COMMENTARY

February 2025 proved to be a volatile month for global equity markets, with a mixed bag of economic data and corporate earnings releases contributing to uncertainty. Geopolitical risks, including the conflict in Ukraine and tensions between the US and China, continued to cast a shadow over markets. Investors remained cautious, as these risks could potentially disrupt global supply chains and economic activity.

February also marked the conclusion of the ASX reporting season, which revealed mixed sector and stock performance. While earnings beats slightly exceeded misses, overall earnings growth for FY25 turned negative. A striking feature of this reporting season was the record stock price volatility witnessed on result day, with average intraday swings of 7%. This unprecedented volatility is attributed to multiple factors, including the rise of passive investing, liquidity dynamics and potentially stale earnings estimates.

We were generally pleased with the operating performance delivered by our major holdings, although the extreme volatility during February meant that the short-term share price performance was sometimes disappointing. The Ampol (ALD) result was highlighted by strong growth in Convenience Retail and NZ operations, however the overall earnings were negatively impacted by a challenging refining market. We remain optimistic on the long-term industry demand/supply dynamics, which will underpin earnings growth. There are significant barriers to entry in the industry. ALD sells a quarter of Australia's fuel and continues to generate strong growth in its retail business. We believe that the stock is compelling value at current prices.

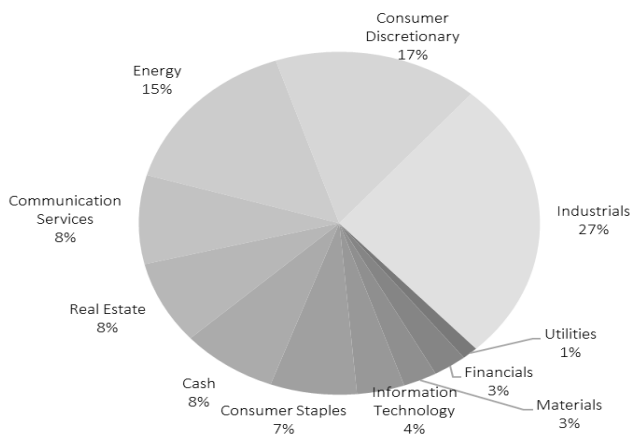
Harvey Norman (HVN) reported a solid result and noted that the robust trading conditions have continued into early 2025. The result was underpinned by Property revaluations, which is a critical aspect of the HVN investment case. The HVN board increased the dividend by 20% which was pleasing.

IPH Limited reported a solid update which demonstrated that the company is now integrating its recent acquisitions well as it builds market share. While patent filing volumes were mixed globally, the business has improved operating momentum which flowed into impressive cash generation. We consider that IPH is also trading well below its intrinsic value. The business has annuity style long-term revenues and global growth prospects. The company has a buyback in place and we expect this will be complemented by an attractive dividend stream and paydown of debt.

Both Charter Hall and REA Group delivered very strong results, which reinforced the dominant competitive position of both companies. This was reinforced by solid trading updates.

It has been a volatile period for equities investors more recently. This follows a period of strong growth where momentum carried markets higher. While P/E multiples for the market appear elevated, there are still opportunities within sectors and certainly for stock pickers. We believe that Quality companies with strong fundamentals, capable management and attractive end markets remains the best place to focus.

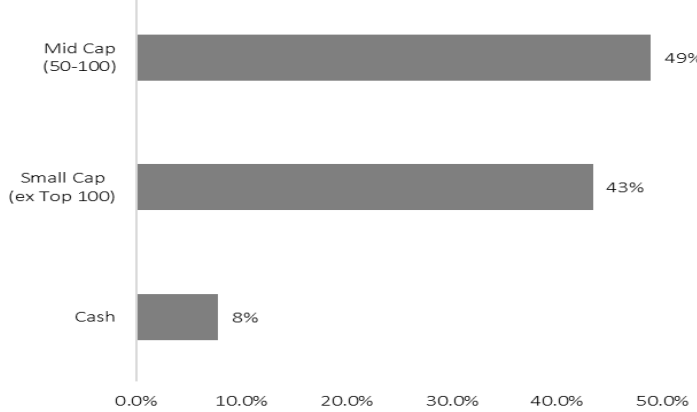
PORTFOLIO CHARACTERISTICS



TOP 10 POSITIONS

1	Metcash Limited
2	Ampol Limited
3	Harvey Norman
4	IPH Limited
5	REA Group
6	Whitehaven Coal
7	Yancoal Australia
8	Flight Centre Travel
9	ARB Corporation
10	Charter Hall Group

CAPITALISATION EXPOSURE



QUALITY & VALUATION RATIOS

Return on Capital Employed	17.4%
Operating Margin	19.3%
P/E Ratio (FY1e)	14.5x
EPS Growth	15.2%
Historical Net Distribution Yield*	5.0%

Source: Factset, Contact Asset Management estimates. *The Distribution Yield is based on June 2024 and December 2024 distributions totalling 5.7cpu and 31 January NAV price of \$1.21

Performance to 28 February 2025	1 Month	1 Year	2 Years (p.a.)#	3 Years (p.a.)#	Since Inception (p.a.)#
Contact Australian Ex-50 Fund	-5.5%	-6.0%	3.2%	0.3%	6.0%
S&P/ASX Small Ordinaries Index	-2.8%	7.3%	7.6%	2.1%	10.4%
S&P/ASX Mid-cap 50 Index	-4.7%	9.8%	9.0%	7.9%	16.9%
Targeted return of 10% per annum		10.0%	10.0%	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. The reference to the blended Mid cap/Small cap index is for information only. There are no performance fees or hurdles tied to this index.

The Contact Australian Ex-50 Fund Product Disclosure Statement (PDS), Reference Guide and Target Market Determination (TMD) is available at

<https://contactam.com.au/ex-50-fund-overview/>

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, Reference Guide, TMD 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 * Management fee 0.60% per annum (excluding GST) of the net asset value of the Fund (after any current accrued Management Fees and expenses).