

Contact Australian Ex-50 Fund

ARSN: 639 574 708 | APIR Code: EVO4741AU

MONTHLY REPORT: APRIL 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 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 | 30 |
| NAV Unit Price | \$1.09 |
| 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

Global equity markets continue to navigate a complex landscape shaped by a convergence of macroeconomic and geopolitical factors. Trade tensions, particularly those involving tariffs and the economic relationship between the United States and China, remain a significant source of uncertainty. This was highlighted in April, proving to be a month of significant market upheaval which was largely driven by President Trump's "Liberation Day" announcement of a new reciprocal tariff strategy, championed as a critical step towards American economic independence.

It was a volatile month. At its lowest point, the Australian Equities market (S&P/ASX 300) was down almost 9%. It staged a remarkable rally to end the month up 3.6%. Small caps lagged slightly, closing April 1.8% higher.

We had a higher-than-average holding in cash early in the month and took the opportunity to add to several holdings including HUB24, Ampol, GQG Partners and Lovisa among others. This moved our cash weighting from c. 8% to 4%.

We hold several companies with US exposure in the Fund. The heightened uncertainty stemming from the tariff announcements has contributed to volatile share prices. Flight Centre tempered earnings expectations citing a notable decline in USA corporate travel of late. ARB Limited, Reece Limited and Reliance Worldwide have also weakened amid the unpredictable nature of Trump policies. We see a likely opportunity and bought some of these names during the month.

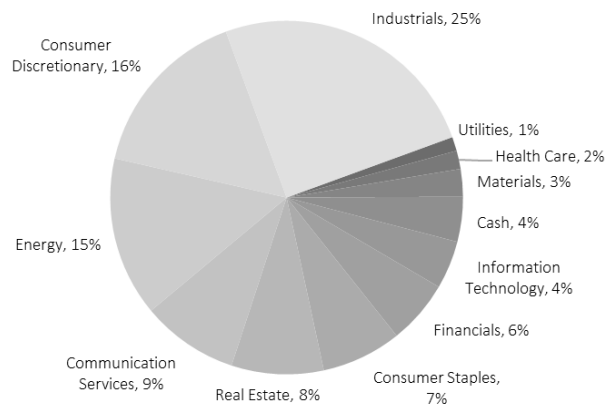
In addition, our performance in recent months has been hampered by our exposure to the Energy sector, which has fared poorly and declined

by 24% in 2025 to date. Oil prices have suffered due to geopolitical consequences and coal prices have been under pressure from high port inventories in China and expectations of declining global coal demand. Prices in early May are hovering around US\$98/t. This compares to an average price of US\$150/t in 2024 and US\$400/t in late 2022. Of interest, the coal companies in our portfolio continue to generate solid free cash flow and offer attractive dividend yields. We are willing to be patient as we remain very optimistic on the long-term demand / supply equation. The recent blackouts in Spain and Portugal are a stark reminder that renewable energy still has some way to go to completely replace coal. Elsewhere in Energy, it appears that downward pressure on refinery margins is finally letting up for Ampol. An improvement will have a meaningful impact on Ampol's earnings and complement its Convenience business, which has been performing very well.

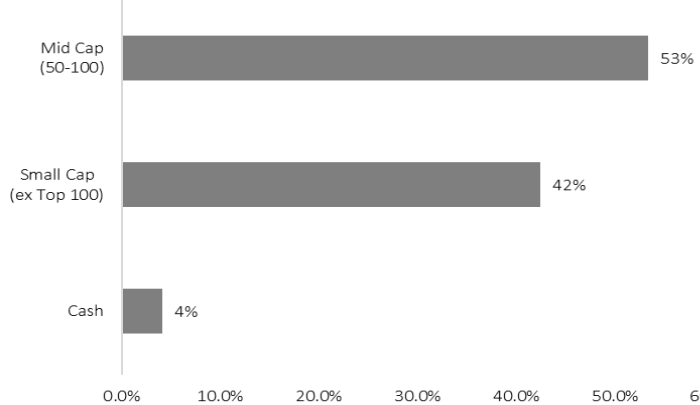
The Real Estate sector performed well in April and looks relatively well positioned to benefit from continued RBA rate cuts in 2025. Vicinity Centres recently increased its earnings guidance to the upper end of their range, highlighting strength in operating metrics. Charter Hall (CHC) noted that Australian and global investors are underweight real estate and with a weaker Australian dollar, CHC expects an increase in unlisted real estate inflows. CHC said recent volatility had seen a rotation of capital away from the US and into Australia.

We expect markets will continue to be volatile in the near term and very reactionary to Trump policies. We have maintained a broadly similar portfolio in recent months and have added to holdings when the opportunity has allowed. We believe that focusing on quality companies remains the most prudent approach in this environment.

PORTFOLIO CHARACTERISTICS



CAPITALISATION EXPOSURE



TOP 10 POSITIONS

| | |
|----|----------------------|
| 1 | Metcash Limited |
| 2 | Ampol Limited |
| 3 | Harvey Norman |
| 4 | REA Group |
| 5 | IPH Limited |
| 6 | Hansen Technologies |
| 7 | Vicinity Centres |
| 8 | Whitehaven Coal |
| 9 | Charter Hall Group |
| 10 | Flight Centre Travel |

QUALITY & VALUATION RATIOS

| | |
|------------------------------------|-------|
| Return on Capital Employed | 17.9% |
| Operating Margin | 20.4% |
| P/E Ratio (FY1e) | 14.3x |
| EPS Growth | 13.9% |
| Historical Net Distribution Yield* | 5.2% |

Source: Factset, Contact Asset Management estimates. *The Distribution Yield is based on June 2024 and December 2024 distributions totalling 5.7cpu and 30 April NAV price of \$1.09

| Performance to 30 April 2025 | 1 Month | 1 Year | 3 Years (p.a.)# | Since Inception (p.a.)# |
|----------------------------------|---------|--------|-----------------|-------------------------|
| Contact Australian Ex-50 Fund | 1.6% | -10.4% | -2.1% | 4.8% |
| S&P/ASX Small Ordinaries Index | 1.8% | 3.8% | 0.3% | 9.7% |
| S&P/ASX Mid-cap 50 Index | 3.4% | 8.1% | 5.9% | 16.2% |
| Targeted return of 10% per annum | | 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/>

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