

Contact Australian Ex-50 Fund

ARSN: 639 574 708 | APIR Code: EVO4741AU

MONTHLY REPORT: MAY 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	25
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

In May, the Australian market sustained its rebound from April's volatility, driven by easing concerns over Trump's tariff policies and supportive domestic economic conditions. The S&P/ASX 300 Accumulation Index increased by 4.2% in May and was led higher by small and mid-cap stocks. The Fund increased by 3.9%.

The RBA's mid-May rate cut to 3.85%, coupled with a dovish outlook forecasting further cuts in August, November and February boosted equity valuations. In addition, a resilient domestic labour market with unemployment steady at 4.1% and wages growth of 3.4% underpinned stability. Nevertheless, market valuations are now elevated, with the Price/Earnings multiple for the S&P/ASX 300 approaching 20 times.

One contributor to the Fund's performance over the past twelve months, which has lagged, has been investor's tendency to reward momentum and growth. This is highlighted by the strong sector performance of Information Technology, which increased by c.20% in May following an already strong run. According to Macquarie Research, the P/E multiple for the Technology sector is currently 95.7x and the dividend yield is close to zero. Hence, with our Quality, Income and Value tilt, we are finding it difficult to find companies to buy in this sector. On the flipside, we remain optimistic on Energy on a long-term basis and note that the sector is trading on 14.5x P/E and almost 5% dividend yield (again source: Macquarie Equities).

Our three largest holdings have been relatively unchanged for some time now and we see considerable upside in each. Metcash Limited (MTS.ASX) remains our largest position and we remain optimistic based on an expectation of resilient operating performance and valuation

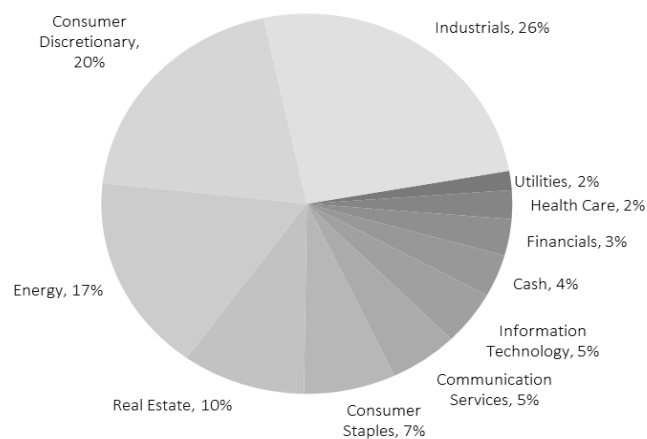
support. MTS is a wholesale distribution company specialising in food, liquor and hardware; it is a critical partner to independent retailers and supports over 1,600 supermarkets, 90% of independent bottle shops and 700 hardware stores. MTS end customer will benefit from further interest rate cuts and a robust housing market. The stock is trading on a P/E of 13x next year's earnings, which is a significant discount to peers (Coles, Woolworths and Wesfarmers all trading at 25-35 times) suggesting room for a re-rating.

We believe that if IPH Limited (IPH.ASX) delivers a reasonable result in August, then the stock has the potential to increase significantly. Earnings expectations have been extremely resilient; we just need to see evidence of management bedding down acquisitions rather than issuing more equity to pursue growth. IPH has strong market position in the niche intellectual property segment. It is a high recurring revenue business with solid margins. Over the past ten years, IPH has traded on an average P/E of 19x. It is currently priced at 10x.

Ampol (ALD.ASX) is Australia's largest fuel distributor and benefits from scale and a strategic infrastructure network. The stock has suffered from short-term negativity linked to refining margins. This is now showing signs of recovery, which will be an earnings tailwind. The Convenience store business continues to perform ahead of expectations. Management has done a good job on cost-out and earnings will increase materially with more favourable conditions.

We expect volatility to continue to be a feature in the coming months. We remain committed to Quality, Income and Value and believe that our patience will soon be rewarded.

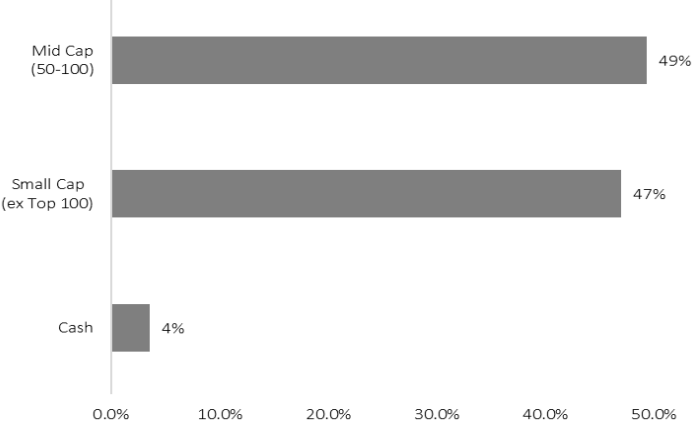
PORTFOLIO CHARACTERISTICS



TOP 10 POSITIONS

1	Metcash Limited
2	IPH Limited
3	Ampol Limited
4	Harvey Norman Holdings
5	Whitehaven Coal
6	Flight Centre Travel
7	REA Group
8	Hansen Technologies
9	ARB Corporation
10	Lovisa Holdings

CAPITALISATION EXPOSURE



QUALITY & VALUATION RATIOS

Return on Capital Employed	15.5%
Operating Margin	16.8%
P/E Ratio (FY1e)	15.1x
EPS Growth	14.3%
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 May 2025 NAV price of \$1.14

Performance to 31 May 2025	1 Month	1 Year	3 Years (p.a.)	5 Years (p.a.)
Contact Australian Ex-50 Fund	3.9%	-5.8%	1.0%	3.6%
S&P/ASX Small Ordinaries Index	5.7%	9.8%	4.7%	6.8%
S&P/ASX Mid-cap 50 Index	6.0%	14.0%	9.2%	13.4%
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/>

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). The sector splits are based on classifications from Factset.