

CONCENTRATED AUSTRALIAN SHARE FUND - ACTIVE ETF (IMLC)

QUARTERLY REPORT



30 September 2026

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
ASX code	IMLC
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	\$61m
NAV	\$3.85
Distributions	Semi-annual

*Fees are inclusive of the net effect of GST

RATINGS

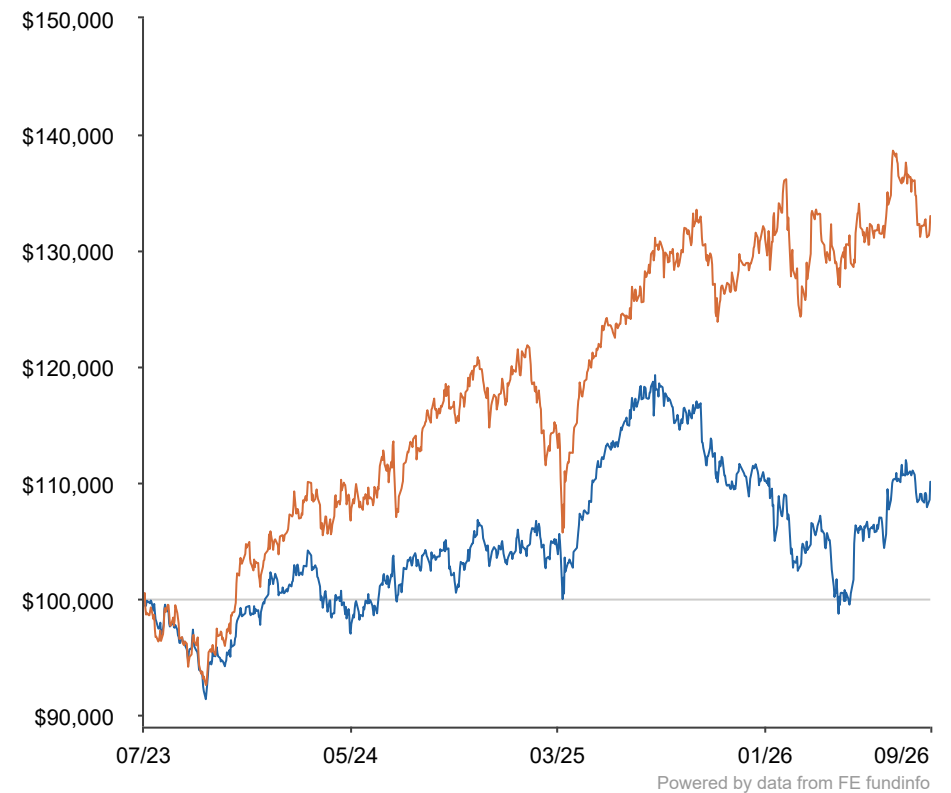
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PERFORMANCE TABLE

	1m	3m	1y p.a.	3y p.a.	5y p.a.	10y p.a.	SI p.a.
Fund*	-0.8%	3.7%	-4.4%	4.6%	-	-	3.1%
Benchmark**	-2.4%	1.3%	2.4%	11.3%	-	-	9.4%

Quoted unit class inception date 01/08/2023 The unlisted unit class commenced on 01/09/2010. *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



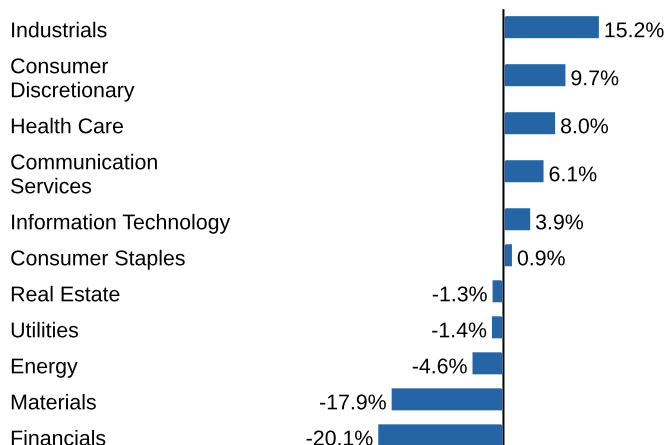
■ Fund ■ Benchmark

Past performance is not a reliable indicator of future performance.

TOP 10 HOLDINGS

	Weight %
CSL	8.9%
Dalrymple Bay Infrastructure	8.1%
Brambles	7.4%
The Lottery Corporation	7.4%
Orica	6.1%
Technology One	6.1%
Medibank Private	4.9%
Metcash	4.7%
Light & Wonder	4.4%
Charter Hall Retail REIT	4.2%

ACTIVE SECTOR WEIGHTS



PORTFOLIO CHARACTERISTICS

	Fund	Benchmark
No. of stocks	24	300
Portfolio Turnover (%)	10.00	
Annualised standard deviation (%)	9.60	10.50
Downside capture ratio (%)	78.70	
Portfolio Beta	0.66	1.00

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. Annualised standard deviation, Downside capture ratio and Portfolio beta are all reported since the fund's inception. Downside capture is calculated using the geometric average returns.

FRANKING LEVEL (%)

FY26	FY25	FY24	FY23	FY22
40.6%	79.2%	69.7%	-	-

FUND & MARKET COMMENTARY

- The **Concentrated Australian Share Fund – Active ETF (IMLC)** had a strong quarter, up +3.7%, ahead of the benchmark's +1.3%.
- Global equity market performance was uneven over the September quarter with rising interest rates, bond yields climbing to multi-decade highs, and continued conflict in the Middle East all contributing to high market volatility. The MSCI World rose +1.3%, and the S&P 500 and Nasdaq were both up more than 2%, mostly due to strong performance from US-based megacap tech stocks. The positive AI effect did not extend to other markets however, with Emerging Markets falling -2.8% and the Nikkei -4.1%, mostly due to investor concerns their AI-related memory and semiconductor stocks were now valued too highly after incredible gains in the first half of the year.
- The ASX 300 was up +1.3% for the quarter as resources stocks turned in another strong performance, rising +6.9%, and the Healthcare sector soared +25.4% off the back of a strong rebound from CSL. ASX 300 Resources are now up +33.0% for the 12 months to September, while the ASX 300 Industrials has fallen -6.5% over the same period. The Consumer Discretionary sector fell -9.3% over the quarter as rising interest rates weighed on discretionary spending and Real Estate fell -8.7% due to concerns about the impact of rising rates on asset valuations.
- Many of the Fund's holdings performed well for the quarter including CSL +62.5, Resmed +11.0% and Tabcorp +9.1%. Steadfast +15.3% and Cleanaway +11.7% were also up strongly due to takeover activity. The Lottery Corporation was disappointing, dropping -14.0% as a highly unusual lack of large lottery jackpots reduced its yearly profit. We are confident that the longer-term prospects and strong monopoly licence position remain unchanged.
- Over the quarter we trimmed our positions in CSL, Orica, Tabcorp and Steadfast as they appreciated in value, as well as Aurizon and Medibank earlier in the quarter. We also opened two new positions over the quarter: Seven Group Holdings, a high-quality diversified industrial company, which owns WesTrac & Boral with an excellent management team, trading at an attractive price; and CAR Group, which owns several leading online classified car selling platforms, in Australia and globally, which we believe has been unfairly marked down by the market due to the potential for AI disruption.

STOCKS IN FOCUS

CSL (CSL), the global biotech company, saw its share price rebound +62.5% over the September quarter. This appears to be driven by a reversal of the significant negative sentiment around the company which saw its share price drop to well below our view of fundamental value. During the period, the company reported an in-line FY26 earnings result, but pleasingly it was driven by the higher-quality plasma division where its core IG products returned to solid revenue growth in the second half.

Cleanaway (CWY), the waste management company, was up +11.7% for the quarter after EQT Infrastructure made a \$3.13 cash per share takeover bid in August, a 32% premium to prior close, which the board intends to recommend. We purchased Cleanaway this calendar year as we thought the business's recurring earnings and irreplaceable land fill assets and transfer stations were undervalued by the market. The bid price, while not outstanding, is strong enough for us to accept and redeploy the proceeds into other opportunities.

Sigma Healthcare (SIG), the pharmaceutical wholesaler and owner of Chemist Warehouse and other retail brands, had a weak quarter, down -5.1%, as it fell in line with a broader sell down of consumer stocks as the RBA lifted the cash rate to 4.60% in September. Sigma's FY26 result saw strong momentum in the business with sales up 15% and profits up 22%, as it continues to win market share and roll out its Chemist Warehouse stores in Australia and internationally.

OUTLOOK

The war in the Middle East is unpredictable and continues to evolve. Inflation and interest rates are heading higher in many parts of the world and the longer-term damage to the global economy continues to climb while the conflict remains unresolved. Meanwhile, concerns remain around US tariffs and the impact of AI.

In Australia, higher persistent inflation and a resilient economy has led the RBA to raise rates four times this year already, with further rises still possible this year. Our focus on quality businesses with more defensive, recurring earnings positions us well for any continued volatility or slowdown in the global and Australian economies. We have also seen the share prices of many high-quality growth stocks drop significantly, and we are assessing them as potential additions to our portfolios.


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