MELIOR AUSTRALIAN IMPACT FUND

Monthly report | July 2025

PERFORMANCE SUMMARY

	1 Month (%)	Quarter (%)	6 months (%)	1 Year (%)	3 Years (% p.a)	5 Years (% p.a)	Since Inception* (% p.a)
Melior Australian Impact Fund (net of fees)	2.9%	9.4%	3.0%	8.8%	9.2%	9.9%	8.4%
S&P/ASX 300 Total Return Index	2.4%	8.2%	4.3%	11.9%	12.1%	12.2%	8.6%
Outperformance/(Underperformance)	+0.5%	+1.1%	-1.3%	-3.1%	-2.9%	-2.3%	-0.1%

*Inception 1st July 2019. **Past performance is not a reliable indicator of future performance.** Total returns shown for the Fund have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. The Melior Australian Impact Fund (Fund) has a long-term outperformance horizon of seven years. This Fund is likely to be appropriate for investors with "High" or "Very High" risk and return profiles. A suitable investor for this Fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the Product Disclosure Statement (**PDS**) for further information.

MARKET COMMENTARY

Australian shares advanced 2.4% over the month of July, hitting new all-time high levels in tandem with the US S&P 500 Index. The positive sentiment was carried by announcements that the US had signed key trade agreements with the European Union and Japan. Notably they include both a step up in the tariff applied to imported goods, as well as a financial investment into US local industry from those trading partners. US Federal Reserve Chairman Powell has been withstanding calls from President Trump to lower interest rates, citing the need to observe economic data once tariffs start to feed through to inflation and demand.

Locally, the RBA surprised market participants by keeping the cash rate on hold at its July meeting, wanting to get confirmation that inflation is staying within its target range on a sustainable basis. China's plans to build a sizable hydroelectric dam triggered bullish sentiment on the ASX, with hopes this type of infrastructure investment will bolster demand for our country's natural resources. Iron Ore mining stocks have underperformed over the past few years, in particular relative to the other heavyweight ASX sector – Banks.

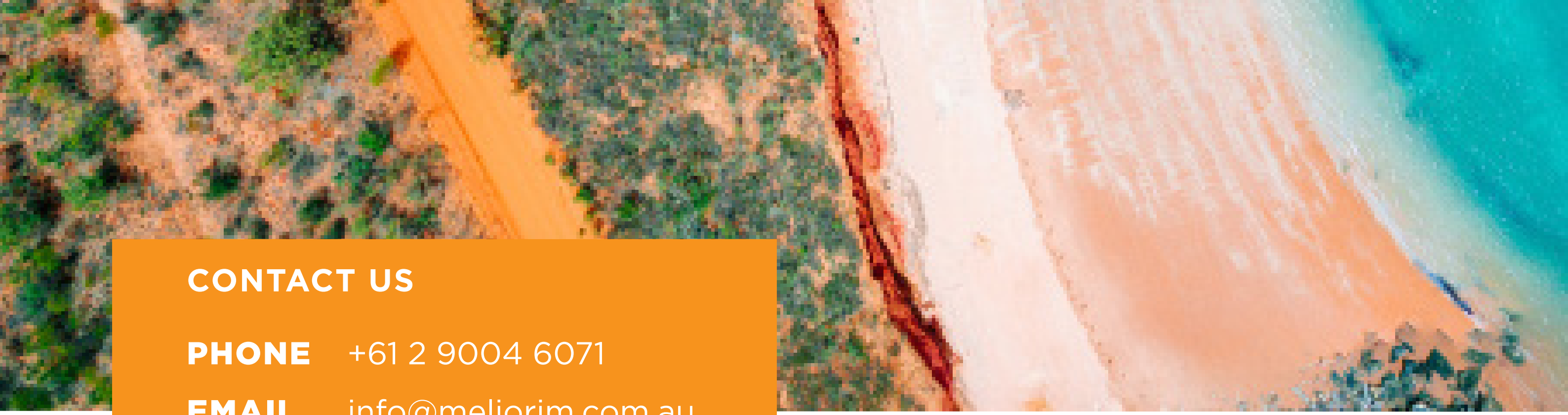
Health Care (+8.7%) was the best performing sector on the ASX in July, catching up after lagging for the past quarter and year, and Energy was the next best (+5.4%). The laggard sectors were Financials (-1.0%) and Consumer Staples (+0.7%).

PORTFOLIO UPDATE

The Fund returned +2.9% (after fees) in July, outperforming the benchmark S&P/ASX 300 Index by 0.5%. The largest positive contributor came from the Health Care sector, which is the fund's biggest overweight. CSL (held) jumped 13.1% over the month despite any major news announcements, and amidst uncertainty over how US tariff policy would affect its business. President Trump has indicated he wants to apply the "Most Favoured Nation" principle so that US patients are not paying more than overseas counterparts for pharmaceuticals. Other Health Care companies held in the portfolio also contributed positively to performance, including Cochlear and ResMed.

The Financials sector was another positive contributor to performance. Netwealth (held) saw earnings upgrades after its fourth quarter trading update was viewed positively, benefiting from strong market performance. Index heavyweights Macquarie Group (not held) and Commonwealth Bank (held at an underweight position versus benchmark) both delivered negative returns over July, and so this boosted the Fund's relative performance.

The sectors detracting most from relative performance were IT, Energy and Utilities. In the case of Energy and Utilities, the fund only has exposure to renewable energy companies within Utilities and does not hold any oil & gas producers such as Woodside Energy, which was the largest single detractor from performance. The oil price rallied 8.6% over July so this lifted these fossil fuel-exposed sectors.



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