MELIOR AUSTRALIAN IMPACT FUND

Quarterly Report | September 2025

PEFORMANCE SUMMARY

FINANCIAL PERFORMANCE	Quarter (%)	6 Months (%)	1 year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (% p.a.)	Since Inception (%)
Melior Australian Impact Fund (net of fees)	5.6%	16.7%	7.6%	11.5%	10.2%	8.6%	68.0%
S&P/ASX 300 Total Return Index	5.0%	14.9%	10.8%	15.0%	12.9%	8.8%	69.2%
Outperformance/(Underperformance)	0.6%	1.8%	-3.1%	-3.6%	-2.7%	-0.1%	-1.2%

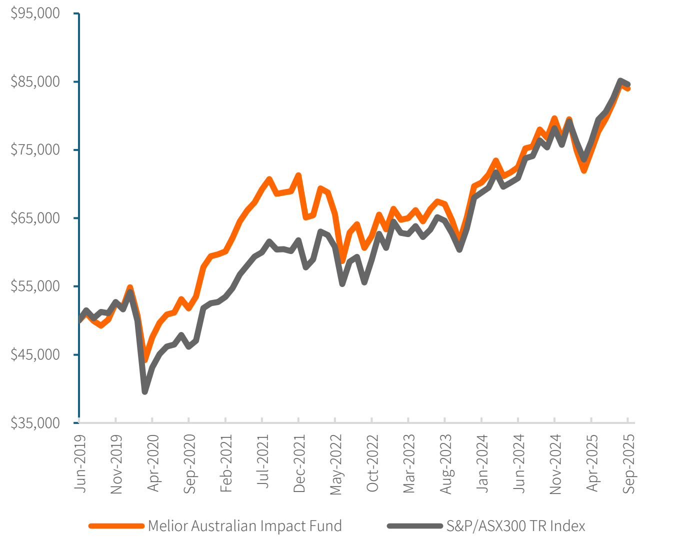
*Inception 1st July 2019. Past performance is not a reliable indicator of future performance. Total returns shown for the Fund have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. The Melior 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.

IMPACT PATHWAY PERFORMANCE

Environmental Sustainability	Portfolio[1]	ASX 300
Inflation adjusted carbon intensity (t CO^2/\$m rev)[2]	66.4	154.5
Net zero emissions target	76%	55%
Net zero emissions glidepath	88%	48%
Certified SBTi emissions reduction target[3]	18%	10%
TCFD[4] aligned reporting	73%	47%
Waste reduction target	39%	23%
Water reduction target	30%	14%
TNFD[5] forum member	21%	5%
Social Inclusion		
% Females on ELTs[6]	38%	30%
% Females on Boards	41%	36%
Female Leader (CEO and/or Chair)	15%	23%
ELT[5] gender target of 40:40:20[7]	79%	40%
Gender pay gap target +/-5%	21%	14%
Modern Slavery performance indicators	33%	24%
Reconciliation Action Plan[8]	58%	38%
Diversity beyond gender disclosure	67%	45%
Governance & transparency		
% Independent Directors	77%	69%
Board Sustainability Committees[8]	55%	42%
Directors' ESG[9] skills disclosure	6%	4%
Cybersecurity policy	94%	70%
ESG-linked management LTIs[10]	24%	15%

1 Portfolio and ASX300 as at September 2025. Green indicates outperformance and red underperformance versus the ASX300.
2 Includes Scope 1 & 2 emissions only. Adjusted for inflation using latest available quarterly trimmed-mean CPI released by the ABS/RBA.
3 Science-based targets provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals.
4 Task Force on Climate-Related Financial Disclosure.
5 Task Force on Nature-Related Financial Disclosures.
6 Executive Leadership Team
7 40% male, 40% female, 20% either gender.
8 Or equivalent.
9 Environmental, Social and Governance.
10 Long-Term Incentive Plans.

PEFORMANCE SINCE INCEPTION*



*Growth of \$50,000 invested at inception with distributions reinvested. Does not take into account any taxes payable by the investor. Net of fees. Past performance is not a reliable indicator of future performance.

CARBON INTENSITY[2]
57%
BELOW ASX300

Impact Pathway Performance Notes: These metrics are produced by Melior using its own internally developed methodology. ERM CVS has provided independent limited assurance on the Portfolio and ASX300 (excluding "Inflation adjusted carbon intensity (tCO2/\$m Rev)") for the financial year (as at June 30 2025) in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the Australian Auditing and Assurance Standards Board. The ERM CVS Assurance Report can be found here. SustainCERT has validated that the Melior carbon calculator used to calculate carbon intensity is in line with best practice, as defined by the Principles of the Greenhouse Gas Protocol.

Sources: Estimates derived from company reports, Workplace Gender Equality Agency data, ASX Announcements, company websites, Glass Lewis, Reconciliation Australia, National Greenhouse and Energy Reporting, Science Based Targets initiative (SBTi), Bloomberg and Melior estimates. The metrics use the latest data available as at 30 June 2025 and not necessarily the same reporting period as Melior's financial reporting period. Therefore the boundary is subject to change year after year based on the information each company chooses to disclose and certain companies in the Melior Australian Impact Fund change year on year. Women in Management, Females on Boards and Independent Directors are calculated as an average of each company's own representation percentage. Other KPIs are calculated as the number of companies as a percentage which meet the criteria within either the Fund or the S&P/ASX300 Index.

MARKET COMMENTARY

Australian shares gained 5% for the quarter. Global equities were propelled to new highs by interest rate cuts and announcements that the US had signed key trade agreements with the European Union and Japan. Employment was also a focus in the US as the number of new jobs reportedly created over the past few months was revised sharply lower. President Trump has been ramping up pressure on the Federal Reserve board members to cut interest rates, which they did at their September meeting, noting the labour force weakness.

Locally, the RBA surprised market participants by keeping the cash rate on hold at its July meeting, effectively postponing the cut until August after it received confirmation from quarterly CPI data that inflation is stabilising within its target range. A volatile August reporting season on the ASX saw investors punishing or rewarding several blue-chip companies with large share price reactions.

Materials (+21.2%) were the best performing sector on the ASX over the quarter driven by stronger spot prices across several major commodities including our largest export, Iron Ore. Lithium was helped by news that several Chinese lithium mines, including those supplying the growing electric vehicle market, would have their production suspended temporarily. Gold rallied 16%, continuing its strong momentum.

Utilities (+11.4%) and Consumer Discretionary (+9.6%) were the next best performing sectors, with Health Care (-9.7%) and Consumer Staples (-1.7%) the laggards after disappointing results from heavyweights CSL and Woolworths.

PORTFOLIO UPDATE

The Fund delivered a total return (after fees) of 5.6% for the September Quarter, 0.6% ahead of the S&P/ASX 300 Accumulation Index.

Stock selection across the Fund was the main driver of outperformance this quarter, with the largest contribution coming from the Industrials sector. Bus and ferry operator Kelsian (held) rose 32% on the back of better earnings from both its domestic and US divisions, good cash flow generation and an improved balance sheet. Kelsian is rolling out zero emission buses as it works with state governments to electrify bus depots and fleets. Financials also contributed positively to relative performance, driven by both stock selection but also the overall underweight position to the sector. Westpac (held) is our largest active weight among the banks, and it reported a strong quarterly update with markets income and margins beating analysts' forecasts.

The sectors detracting most from relative performance were Health Care and Utilities. CSL (held) disappointed the market with its result and outlook; and announced it would spin off vaccine business CSL Seqirus into a separately listed company. NZ renewable energy utility Meridian (held) was weak ahead of its result at the end of August, and so dragged on relative performance, but has since rebounded after providing comfort it is starting to deliver higher profits than last year as hydro and wind conditions improve.

INVESTMENT FOCUS AREAS**

- Economic Participation (35%)
- Sustainable Communities (15%)
- Decarbonisation (14%)
- Health and Wellbeing (14%)
- Equality and Education (14%)
- Circular Economy (7%)
- Natural Capital (1%)

** As at 30 September 2025 – portfolio weighted primary and secondary Sustainable Development Goals (SDG) investment themes.

ACTIVE CORPORATE STEWARDSHIP

- In the September quarter, Melior held 16 one-on-one meetings and 4 small group meetings. Emissions and nature were key focus topics, including with Brambles (held) which released its updated 2030 Sustainability strategy and targets in September. Brambles introduced a land regeneration target for the first time with the aim of restoring and conserving land to sustainably support nature.
- Melior supported a shareholder resolution requesting that CSL (held) share a plan on how they intend to transition away from the use of gas in their operations. We engaged with CSL along with the other co-filers of the resolution, and after constructive discussions the proposal was withdrawn, as CSL have made a public statement committing to more detailed decarbonisation disclosures.

Chair of Melior's Advisory Council and Founding CEO Lucy Steed contributed her insights on a powerful panel on gender equality at the launch of the 2025 CEW Executive Census

- We were also pleased to see the Science Based Targets initiative (SBTi) approve CSL's near-term science-based emissions reductions targets during the quarter. We have been engaging with CSL about their emissions reduction plans since 2018.
- BHP (held) announced it had reached over 40% female participation across its global workforce at the end of June 2025. In 2016 BHP set ambitious gender balance targets when women made up only 17% of its employees. It is the first global, listed mining company to achieve this milestone. Melior has been advocating for 40:40:20 targets to be set for executive leadership teams. Research undertaken by CEW (see Public Advocacy below) and Melior suggests that ASX300 companies who set 40:40:20 targets are 2.7x more likely to achieve gender balance than those with no gender targets. Melior continues to engage with BHP on a range of issues, including workplace harassment and safety.

PROXY VOTING

- During the September quarter, only one of our companies held shareholder meetings, since most fall in the December quarter. We voted against the renumeration report of Xero. We engaged with Xero's board around best practice remuneration structures, with a particular focus on linking long-term incentive plans to ESG targets and striking a suitable pay quantum to attract top talent in the hyper competitive US-based technology market.

PUBLIC ADVOCACY

- **Chief Executive Women's (CEW) Senior Executive Census 2025 launched**. Melior contributed its data and gender analysis to this year's annual CEW report (as we have done for several years) outlining the state of play of women's representation in senior leadership in the ASX300. Chair of Melior's advisory council and founding CEO Lucy Steed participated in an expert panel at the report's launch event.
- **Industry Collaboration**. Melior Chief Investment Officer Tim King participated in a panel discussion hosted by S&P Global Sustainable and Australasian Investor Relations Association (AIRA) exploring how nature and biodiversity are shaping corporate risk, opportunity, and investor decision making. Tim King also participated in a RIAA round table examining ESG trade-offs.
- **Thought Leadership**. Portfolio Manager Nina Wilkinson published a new thought leadership article titled "Connecting Values to Value: Why companies must link sustainability goals to tangible financial returns."
- **Melbourne University Law School**. CIO Tim King lectured to university law students on "Impact Investing: Driving Change".
- **Regulatory Submission**. Alongside the Perennial Better Future team, Melior made a submission to the Australian Treasury's consultation on sustainable investment product labelling.

TOP TEN HOLDINGS***

BHP
BHP is a global producer of future-facing materials such as iron ore, copper and nickel and is pivoting its business away from fossil fuels to materials essential for the transition to global mega trends such as decarbonisation and urbanisation. We view BHP as contributing to SDG 13.3 'climate change mitigation' by demonstrating leadership in setting emissions targets, responsibly managing down its emissions, increasing production of future-facing materials such as potash and reducing its fossil fuels exposure including exiting oil and gas and bringing forward the closure of their NSW thermal coal assets.

COMMONWEALTH BANK
Commonwealth Bank (CBA) is Australia's largest bank with over 17 million customers in FY23. Its core services (transaction accounts, loans to small and medium sized enterprises (SMEs) and mortgages) help enable individuals and businesses to productively participate in the economy. We consider CBA helps provide 'access to banking, insurance and financial services for all' (SDG 8.10).

CSL
CSL is the global leader in plasma-derived therapies. Plasma protein therapies produced by CSL are used by thousands of patients around the world every day. We consider CSL's plasma-derived products reduce 'premature mortality from non-communicable diseases' (SDG3.4) such as immunodeficiencies, bleeding disorders, hereditary angioedema and neurological disorders. We also consider its vaccine business contributes to 'end the epidemics' of 'communicable diseases' (SDG 3.3) including influenza and COVID-19.

GOODMAN GROUP
Goodman Group (GMG) develops, owns and manages warehouses and logistics assets that form part of critical infrastructure across Australia and New Zealand, Asia, the Americas and Europe. GMG has committed to a 100% renewable energy target by 2025, powered by a target to install 400MW of solar globally by 2025. We consider GMG's logistics and warehouse assets provide 'reliable, sustainable and resilient infrastructure' (SDG 9.1).

NAB
National Australia Bank (NAB) is one of Australia's largest banks, serving close to 11 million individual and business customers in FY23 predominantly in Australia and New Zealand. Its core services (including transaction accounts, SME loans and mortgages) help enable individuals and businesses to productively participate in the economy. We consider NAB helps provide 'access to banking, insurance and financial services for all' (SDG 8.10).

RESMED
Resmed (RMD) produces a range of devices, masks, and other ancillary equipment for the treatment of sleep apnea. Untreated sleep apnea can lead to heart, kidney, and metabolic health complications. We consider RMD to help "reduce premature mortality... through prevention and treatment and promote... well being" (SDG 3.4).

STOCKLAND
Stockland (SGP) is one of Australia's largest diversified property groups with a focus on delivering high-quality housing in the form of Master-planned Communities and Land Lease Communities. As the undersupply of suitable affordable housing is a key challenge facing Australia, we consider SGP provides "access to safe and affordable housing" (SDG 11.1).

WESFARMERS
Wesfarmers (WES) is one of the largest private sector employers in Australia and New Zealand with close to 120,000 employees and plays a significant role in driving improved gender-equality outcomes for women in its workforce via its industry-leading practices. We consider WES, as a large employer with leading gender equality practices, helps 'ensure women's full and effective participation and equal opportunities for leadership' (SDG 5.5).

WESTPAC
Westpac Banking Corporation (WBC) is one of Australia's largest banks with over 13 million customers across Australian and New Zealand in FY23. Its core services (including transaction accounts, SME loans and mortgages) enable individuals and businesses to participate in the economy. We consider WBC helps provide 'access to banking, insurance and financial services for all' (SDG 8.10).

XERO
Xero (XRO) is a leading global cloud-based accounting software platform, with a stated purpose to "make life better for people in small businesses, their advisors and communities around the world". We consider XRO contributes to SDG 8.3, "encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services", by providing accounting software to businesses and individuals globally.

*** On an absolute basis in alphabetical order. Sustainable Development Goal based on Melior impact assessment.