



Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	Baker Steel Capital Managers LLP
Benchmark	FTSE Gold Mines TR Index AUD
Product structure	Managed Fund
Product size	AU\$23m
Inception date	Oct 2003
Asset class	Global Equities
Sector	Global Large Cap
Peer group	Sector - Natural Resources
Rated peers	2

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Medium
Key Person Risk	High
Tenure of Decision Makers	Medium
Complex (RG240)	No
Strategy Remaining Capacity	US\$5.0b
ESG Approach	Best in Class
Peer Relative Fees and Costs	Above median

Annual Fees and Costs (% p.a.)

Management fees & costs	1.82
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.25/0.25
Annual fees and costs	1.82

Source: FE fundinfo, PDS Date: 02/Feb/2026

Product Opinion

The Fund's **'Recommended'** rating has been maintained. The Fund offers a concentrated, quality-focused portfolio of predominantly gold producing companies, and benefits from the team's experience and deep understanding of the listed and unlisted gold markets. The remaining co-portfolio managers are well aligned and bring considerable sector expertise. Further, impressive absolute and relative performance has aided conviction. However, the recent retirement of David Baker has increased Key Person Risk and reduced the depth of co-tenure within the investment team, which will remain an area of ongoing monitoring. The Fund's high fee load lowers its appeal relative to cheaper passive alternatives although the Fund has outperformed these over a notable period of time.

Lonsec Rating Model

Rating key: ● Above ● In-line ● Below

Factor	Peer Rating	YoY Score Change
Business	● ● ●	—
Team	● ● ●	—
Process	● ● ●	—
ESG	● ● ●	↓
Product	● ● ●	—
Fees	● ● ●	↑
Performance	● ● ●	↑

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Return Profile

Income		
Capital		
	Defensive	Growth

Strengths

- The investment team are highly experienced, with a deep understanding of the listed and unlisted gold markets.
- The Manager's track record is favourable, displaying a positively skewed beta with strong performance in 'up' markets and relative outperformance in 'down' markets.
- The investment team has a high level of alignment with investors.

Weaknesses

- Management fees and costs of 1.82% p.a. are viewed as expensive relative to lower-cost passive alternatives, although outperformance over these strategies is noted over the long-term.
- The Fund's investments may, on occasion, include substantial holdings in emerging market and frontier nations and/or small cap companies, resulting in a greater likelihood of fluctuations and instability in performance.
- David Baker's retirement reduces the team's overall co-tenure and track record, whilst also increasing the Key Person risk associated with Mark Burridge.

Key Facts

Key Objectives

Investment objective	To provide capital growth by being exposed to a portfolio consisting principally of globally listed gold and precious metal equities and their related instruments and outperform the benchmark after fees over five-year periods
Internal return objective	Outperform the Benchmark after fees over five year periods
Internal risk objective	Not stated

Asset Allocation (%) (as at 31/12/2025)

International Equities	97.00
Cash	3.00
Total	100.00

Source: FE fundinfo

Rating History

06-May-2025	Recommended
08-May-2024	Recommended
18-May-2023	Recommended

Product Distribution Profile

Frequency	Annually
Last Missed Distribution	None
Number of Missed Distributions in the last 5 years	0
AMIT Election	Yes
TOFA Election	No

Top 10 Holdings (as at 31/12/2025)

	Weight (%)
Barrick Gold	4.90
Pan American Silver	4.50
Northern Star	4.20
Endeavour Mining	4.10
Sibanye-Stillwater	4.10
Eldorado Gold	4.00
First Majestic	3.90
Fresnillo	3.90
OceanaGold	3.90
Equinox Gold	3.90

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 31/12/2025

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	172.39	-	84.27	-	54.30	-	25.36	-
Standard deviation	30.45	-	34.55	-	34.87	-	32.75	-
Excess return (% p.a)	-	-	-	-	-	-	-	-
Outperformance ratio (% p.a)	-	-	-	-	-	-	-	-
Worst drawdown (%)	-3.61	-	-17.03	-	-23.54	-	-35.47	-
Time to recovery (mths)	1		2		2		21	
Sharpe ratio	-	-	-	-	-	-	-	-
Information ratio	-	-	-	-	-	-	-	-
Tracking error (% p.a)	-	-	-	-	-	-	-	-

Lonsec Peer Group: Global Equities - Global Large Cap - Sector - Natural Resources

Product Benchmark: FTSE Gold Mines TR Index AUD

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

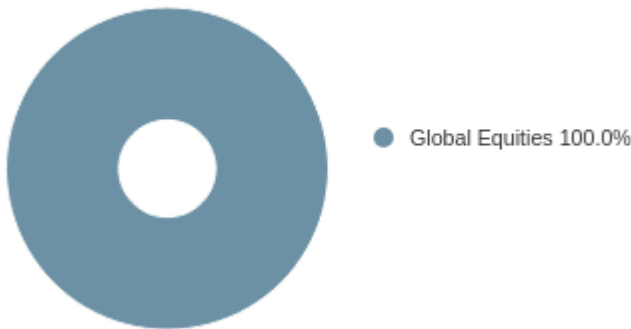
Time to recovery: NR - Not recovered, dash - No drawdown during period

Business ●●●

Facts

Investment Manager	Baker Steel Capital Managers LLP
Ultimate Parent Company	100% staff owned
Headquarters	London
Inception Date	Dec 2001
% Staff Ownership	100%

AUM



Governance

% Independent board members	61
% Female board members	33
Independent chair	Yes
CEO as Chair	No
Separate Audit Committee	Yes

Metrics

Total AUM	\$2.3b
Investment Management Headcount	18
Investment Professionals	8
Sales & Service	2
Distributor	Sanlam Private Wealth

Who is the Manager?

Sanlam Private Wealth Pty Ltd ('SPW') is the Investment Manager and responsible for the distribution of the Fund in Australia. SPW is part of the Sanlam Group ('Sanlam'), a global financial services company focused on asset management, wealth management and insurance. Established as a life insurance company in 1918, Sanlam demutualised in 1998 and was listed on the Johannesburg Stock Exchange. Sanlam is headquartered in Cape Town, South Africa with business interests in Africa, Europe, India, USA and Australia.

SPW has appointed Baker Steel Capital Managers LLP ('Baker Steel' or 'the Manager') as the Sub-Investment Manager for the Fund. Baker Steel is a specialist natural resources asset management and advisory firm, operating from its head office in London and branch office in Sydney. The firm was founded in 2001 and is majority owned by co-founders David Baker and Trevor Steel. The Manager covers the precious metals, base metals and minerals sectors worldwide, both in relation to commodity equities and the commodities themselves. As at 31 January 2026, Baker Steel had assets under management ('AUM') of approximately US \$2.3bn.

Lonsec Opinion

Profitability

Baker Steel is profitable at its current level of AUM and has the distribution support of SPW. Profitability is also enhanced by the Manager only managing commodity equities and the commodities-based strategies, which typically attract a higher fee load.

Business Track record

The business has developed a long track record in managing commodity equities and commodities-based strategies, and has had reasonable AUM growth since the business was founded in 2001.

Business Ownership

Baker Steel is wholly owned by key staff, with the three senior investors being the majority equity holders of the firm.

Business Governance

Governance is in line with other 'boutique' peers, and there have been no notable regulatory findings in recent history. However, there is no separation between business and investment duties on the board, with two of the three members also senior investors at the firm.

Team ●●●

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Mark Burridge	Strategy lead	Yes	2001	44/24	30
Trevor Steel	CIO	No	2017	34/8	25
Matthew Schembri	Portfolio management	Yes	2025	15/3	3

KDM Change*

	Function	Change	Type	Tenure (yrs)	Date of change
David Baker	Strategy Lead	Departed	Internal	35	31/12/2025
Matthew Schembri	Portfolio Management	Joined	Internal	3	31/12/2025

* Last 3 years

Profile

Size	8
Structure	Decentralised
Turnover	Medium

Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	Yes
Performance-Based bonus	Yes
Long term incentive plan	No

Resources

	Number	Average Years Experience
Key decision makers	3	31
Portfolio Managers		
Hybrid portfolio manager/analysts		
Dedicated analysts	3	x
Dedicated dealers	1	20
Quantitative		
ESG/Sustainability	1	x
Macro		
Investment Specialists		

Who is the Team?

The investment team is led by Chief Investment Officer, Co-Founder and Portfolio Manager Trevor Steel, who is joined by Portfolio Manager Mark Burridge and recently promoted Director of Investment Research and Portfolio Manager Matthew Schembri. Burridge and Schembri are the lead portfolio managers for the Fund, with Steel providing support in an oversight capacity.

Effective 31 December 2025, David Baker Co-Founder and former Portfolio Manager for the Fund, transitioned into a semi-retired role and now works on a part-time basis as a Special Advisor. Baker's step-back was planned and executed over a three-year period, supporting an orderly and considered succession.

Steel and Baker co-founded the firm with another individual (who departed in 2008) in 2001, after having previously worked together at Merrill Lynch Investment Managers ('MLIM') formerly Mercury Asset Management and now part of BlackRock, Inc. Between 1992-2001, Steel was a Senior Portfolio Manager at MLIM specialising in the natural resources sector working alongside Baker. Burridge joined the team in mid-2017 joining with over 27 years of experience in the international metals and mining industry, including technical roles at Barrick Gold. Burridge also previously worked in several executive and board roles, most recently as Chairman of Aquila Resources and spent five years at MLIM as a Gold Equities Analyst. Schembri joined the team in 2022, with over 15 years in the mining industry. He began his career as a mining geologist, working for various gold mining companies in project and production geology positions, before transitioning into equity research as a sell-side metals and mining analyst at Citi Bank and later as a senior analyst at Petra Capital. Most recently, Schembri held senior investor relations roles at Deterra Royalties, an ASX 200 mining royalties business.

Lonsec Opinion

Skill

The team's depth of experience in the specialised natural resources markets is viewed favourably, which averages over 30 years. Notably, the team also has a complementary blend of investments and industry experience across both the resources and investment management industries.

Following David Baker's transition away from a day-to-day portfolio management role, Mark Burrige is viewed as a capable and well-tenured investor to ensure process continuity, supported by Matthew Schembri's extensive sector experience. Trevor Steel's ongoing oversight is considered a positive factor during this transition period.

Team Size

The team of eight is considered to have a collegial culture and, by design, has no clear delineation of research responsibilities between Burrige and Schembri. This is viewed as a prudent approach given the smaller investable universe, with stock coverage shared, and a consensus based decision-making structure. There has been particular effort made in building out the firm's Perth office, with three staff including Schembri, currently residing in Perth increasing on the ground presence near a mining hub. Further, flexible working arrangements for juniors to relocate for a two-year rotation to and from both offices, creates an environment conducive to learning and development.

Track Record/Co-Tenure

Baker's retirement has reduced co-tenure within the team, and with the bulk of the strategy's track record built under the stewardship of Steel and Baker, less of that track record is carried forward by the remaining team. That said, Burrige was well known to both Steel and Baker prior to joining the firm, which assisted with team fit and alignment of philosophy. Importantly, Burrige has demonstrated capable and consistent management of the strategy since assuming his role in 2017. Schembri's arrival in 2022 further reduces overall co-tenure, however, his experience in metals and mining markets and commitment to the firm and strategy are encouraging for longer-term team cohesion.

Alignment

Investment staff remuneration is a combination of fixed and variable elements. Further, the company is majority-owned by staff, with the two remaining Portfolio Manager's retaining a significant equity stake in the firm. As such, alignment of interest is considered high, with performance fees (on other pooled mandates) providing alignment with end investors.

Following Baker's retirement, there are plans to reallocate equity to staff over the next four years to those who aren't currently equity holders in the business, ensuring strong alignment to the firm's successors.

Key Person Risk

Key person risk has increased following Baker's retirement, with the majority of the KPR now falling on Burrige, reflecting the depth of experience he brings to the strategy. That said, this is partially mitigated by Burrige's equity holdings in the business and Schembri's involvement as co-PM and Director of Investment Research, which demonstrates considered succession planning. While Schembri brings strong sell-side experience, his buy-side track record remains limited.

Process ●●●

What is the Investment Process?

The Fund is an actively managed, long only precious metals predominately equity strategy that invests in a concentrated portfolio of 30-40 stocks. The concentrated portfolio will consist primarily of listed gold and precious metals equities, with a focus on producers and explorers in the mid-cap end of the market. The investment strategy involves utilising fundamental bottom-up valuation driven analysis to identify the best investment opportunities globally. The vast majority of portfolio holdings are expected to be companies currently in production while exploration and pre-feasibility stage investments generally make up less than 5% of the portfolio.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	Value
Typical market cap	Small to mid cap
Minimum market cap	US\$250m
Available Universe	2,000

The philosophy of the underlying strategy is based on identifying value-oriented stocks with strong fundamentals and attractive growth opportunities. Furthermore, there is a strong focus on 'quality' metrics within the process given the Manager's preference for exploration upside through established companies rather than small junior miners, a desire for companies with a low-cost structure and proven management track record of capital discipline. While logical and extensive, it is also highly dependent on the judgement and experience of the team.

Research Process

Key screens	Liquidity, Market Cap, Sector, Region, Top Down or Thematic, Yield
Screened universe	200
Idea generation	Financial market data, Economic data, Newsflow/Events, Expert networks
Stocks researched	80
Annual manager meetings	260
Key research inputs	Financial statements, Company meetings, Company data, Industry data, Economic/Market data
Primary valuation approach	DCF

Idea generation is driven by the collective industry experience of the team, although formalised with the Manager's proprietary GenVal system. Screening is considered to be an effective means to narrow the investment universe to a more manageable level of close to 150 potential investments. The investment approach is supported by a reasonable number of site visits (when available to do so) and management meetings, which is believed to be valuable in the resources sector to confirm the team's desktop research. The dual location in addition to the high degree of familiarity the investment team has with many of the companies in the universe has assisted the team to engage with companies.

GenVal is also used as the team's primary research and valuation tool, which uses a discounted cash flow (DCF) approach to valuation. GenVal is regarded as a particular advantage in the Fund's management allowing the team to blend reasonable investment experience and granularity, such as separately modelling different mines that a company may own, as well as providing for an adequate level of standardisation between variables and inputs. This level of standardisation is important, especially given the Manager's relatively unstructured approach in allocating research responsibilities between the Co-Portfolio Managers.

Process (continued) ●●●

Portfolio Construction

Portfolio management structure	Co-Portfolio Manager
Approach to benchmark	Benchmark Agnostic
Typical security numbers	40
Typical securities range	35-50
Typical portfolio turnover p.a.	8.00%
Typical active share	38.00%

Position sizing is dependent on the forecast discount to valuation and the Manager's conviction level in each potential investment. The portfolio construction process is viewed as reasonably intuitive although highly subjective and may benefit from clearer guidelines and greater constraints. The portfolio typically consists of 30-45 positions with gold producers being the majority of holdings (typically greater than 80%). Further, the Manager will often have small exposures to other precious metals producers (such as silver and platinum) and mining companies may also have other diversified metals exposures given the geology of their mines (for example, copper). The Fund's ability to have discrete allocations to other precious metals companies is considered to be prudent, as it widens the investable universe by leveraging the team's relevant expertise and allows for an additional level of diversification in a concentrated sector portfolio. Specifically, the Fund's allocation to silver is a key portfolio construction consideration as it carries a gold correlation albeit exhibiting a much higher beta. While this provides the Manager with an additional lever to utilise, the flexibility does not align with the Fund's name.

Capacity Management

Capacity guidance	US\$5bn
Strategy AUM	US\$1.6b
Portfolio liquidity (1 week)	85.00%
Substantial holdings by manager	1
Strategy previously closed	None

As at 31 December 2025, the firm managed approximately US \$2.3bn in AUM, of which a majority is in the investment strategy via both pooled vehicles and individual mandates. The Manager has indicated that the strategy's capacity limit is estimated to be US\$5bn. While the Manager continues to have considerable headroom, the capacity of the strategy rose significantly from US\$1.5bn in 2021 following strong investor interest, which may be to the potential detriment of future alpha.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Weekly
Primary risk management system	Bloomberg
Security Limits (Min./Max.)	Maximum 10% (Absolute)
Sector Limits (Min./Max.)	No limit
Country Limits (Min./Max.)	Maximum 30% (Absolute)
Non-index Allocation (Typical, Max.)	65%, 100%
Cash Allocation (Typical, Max.)	3%, 5%

Risk management is embedded in the team's bottom-up process. The team typically values companies using current spot resource prices and the stock thesis does not typically rely on higher commodity prices for a company to be profitable or to realise value. Further, the Manager's focus on stress testing and sensitivity analysis to commodity price movements adds further robustness. The Manager's focus on valuation and quality provides inherent risk awareness, with a track record of relative outperformance in down markets.

The portfolio construction framework also incorporates risk management via diversification with position sizes limited to 10% of the Underlying Fund and positions greater than 5% limited to 40% of the Underlying Fund. That said, the Underlying Fund has very few other constraints and is highly reliant on the judgement of the Co-Portfolio Managers. Greater hard constraints on a number of variables would be welcomed, including regional exposures, with the Fund, at times, having large underlying exposures to companies with mines located in Africa and other Frontier/Emerging Markets, albeit such exposures are typical of the gold and precious metals space.

The Manager utilises an in-house risk management tool for portfolio management and trading purposes and monitors the fund via Beauchamp (an integrated trading platform). Positions are monitored daily to ensure the Fund adheres to defined constraints as well as monitoring liquidity and diversification guidelines. The systems are believed to be adequate for monitoring the portfolio and understanding portfolio risks although less sophisticated than larger, better-resourced peers.

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Best in Class
Sustainability thematic	No Sustainability Thematic
Non-financial objective	None

What is the Manager's ESG approach for this product?

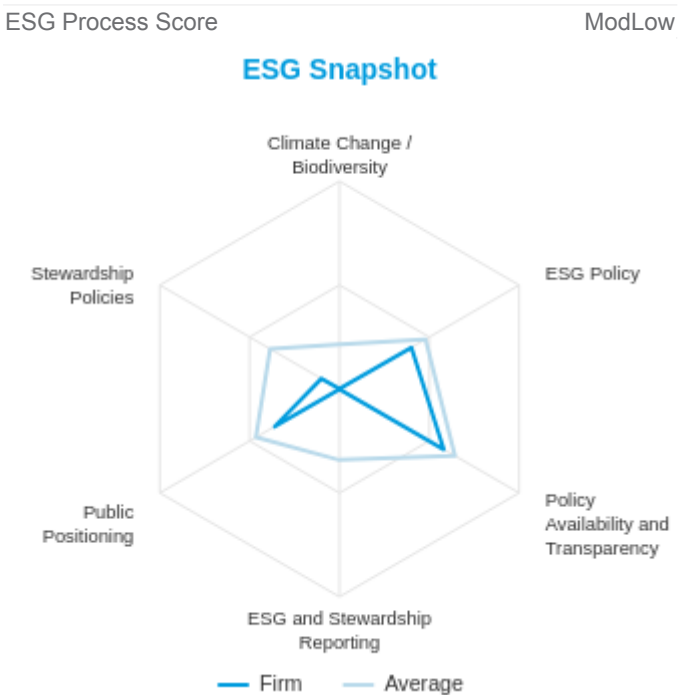
The Manager has indicated that their Responsible Investment style is 'ESG Integration' and as such they take Environmental, Social and Governance factors into consideration when assessing investment opportunities. With a primary ESG style of 'Best in Class', the Manager is using some form of ranking system to determine good and poor ESG companies within each industry and only investing in those above a certain threshold. Note that this may mean that a highly scoring ESG company in a very poor ESG industry may well be included in the portfolio.

Sustainability Score

No score.

Lonsec Opinion & Supporting Facts

Overview



Product Level Approach

The Manager has an appropriately structured approach to the collection and use of ESG specific data. They access multiple providers and data feeds into research models. There are clear signs of defined ESG elements within the research process for the Fund. There are defined links from the Manager's research to the stock selection process through their quantitative stock selection models. While there is monitoring of ESG characteristics of the portfolio across a number of ESG and sustainability dimensions, this plays no clear role in overall portfolio construction. The Manager demonstrated a strong engagement program and a structured approach. Engagements are tracked clearly with clear objectives set and outcomes tracked.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such an alignment review does not apply to the product and thus its risk of misalignment score is not applicable.

Manager Level Approach

The Manager's overall ESG policy framework and disclosure lag behind their peers. The Manager is committed to integrating ESG within their investment but the evidence in their public positioning is weak. The ESG policy is publicly available on the firm's website and includes high level guidelines on the Manager's proxy voting and engagement approach. The proxy voting and engagement policy frameworks are generic and lack depth compared to peers. The Manager does not disclose reporting on voting or engagement outcomes.

Product ●●●

Service Providers

Responsible entity	Equity Trustees Limited
Investment manager	Baker Steel Capital Managers LLP
Sub-investment manager	Sanlam Private Wealth Pty Ltd
Custodian	Apex Fund Services Pty Ltd
Administrator	Apex Fund Services Pty Ltd
Fund Auditor	Ernst&Young
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	AU\$23m
Fund 12-month net flows	Positive
Distribution model	External
Buy/sell spreads	0.25/0.25
Investment structure	Feeder Fund
Product type	Registered Managed Investment Scheme (Unitised)
Currency hedged	Unhedged
Use of derivatives	No

What is the Product Structure?

The Baker Steel Gold Fund ('the Fund') is a feeder-fund that invests predominantly into the BAKERSTEEL Precious Metals Fund, a UCITS sub-fund of the Luxembourg-domiciled SICAV. Equity Trustees Limited is the Responsible Entity ('RE') of the Fund.

Lonsec Opinion

Service Providers

External service providers utilised by the Fund are considered 'Tier 1'. These service providers have remained the same since inception.

Investment Manager Sanlam Private Wealth had reportedly admitted to breaching its AFSL obligations and has provided a court-enforceable undertaking to ASIC, which requires a review of its compliance processes by an independent expert in January 2025. The firm offers portfolio services, funds management, wealth advisory and corporate finance. ASIC's findings seem to be predominantly related to its wealth management arm.

Wind-up Risks

While the Fund was inceptioned in October 2023, AUM in the local product remains very low and poses material wind-up risk for the Fund.

Operational 'Red Flags'

The Fund is a listed global equity strategy that invests predominantly into a UCITS sub-fund, which should not cause material operational challenges in implementing.

Fees ●●●

Annual Fees and Costs (% p.a.)

Management fees & costs	1.82
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.25/0.25
Annual fees and costs	1.82

Source: FE fundinfo, PDS Date: 02/Feb/2026

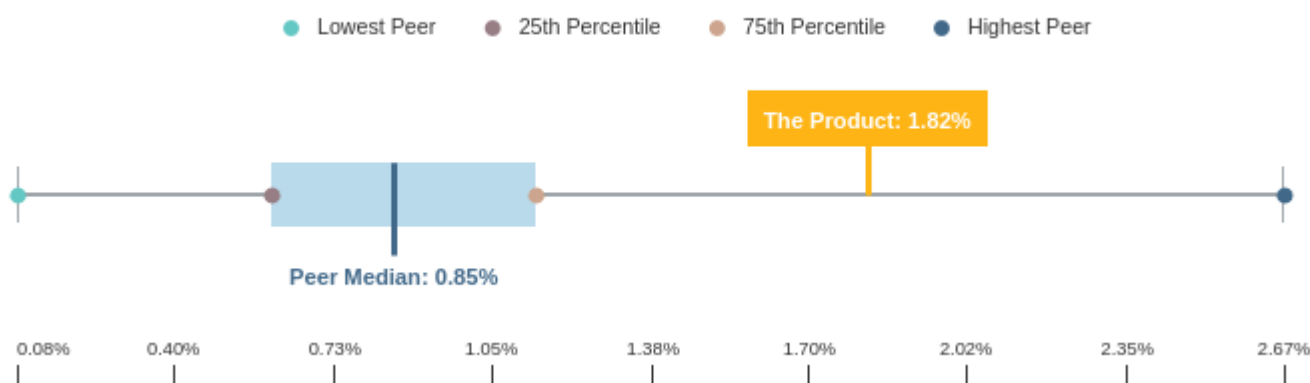
Performance Fees

Applicable	Yes
Hurdle type	Benchmark Relative
Hurdle	MSCI ACWI Select Gold Miners Index
Rate	10.25
Fee capping	No
High watermark	Yes
Above high watermark	Yes
Reset Allowed	No

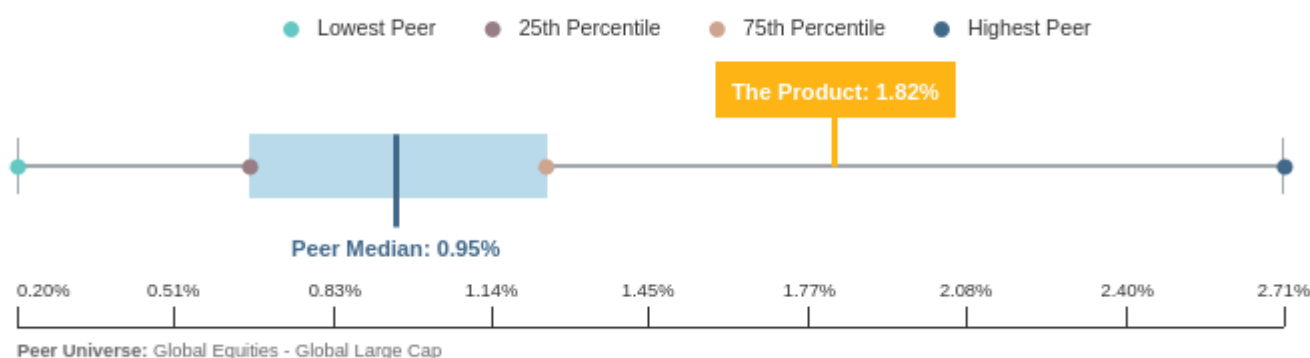
Fees Explained

The Fund's Product Disclosure Statement (PDS) discloses Annual Fees and Costs (AFC) of 1.82% p.a., comprising entirely of Management Fees and Costs. The Fund does not directly charge a performance fee at the Australian Unit Trust level; however, performance fees may be levied within the underlying interposed vehicle and are reflected in the Fund's unit price rather than charged separately. These are classified as Indirect Costs and are currently estimated at 0.00% p.a., though this figure has the potential to be materially higher depending on underlying fund performance. The most recent PDS also reflects a benchmark change to the MSCI ACWI Select Gold Miners Index.

Management Fees and Costs Peer Comparison



Annual Fees and Costs Peer Comparison



Lonsec Opinion

Annual Fees and Costs

The total Annual Fees and Costs for the Fund of 1.82% p.a. is considered high relative to the broader asset class and similar strategies within the peer group.

Fairness

The fee load is considered high particularly when compared to passive products that provide similar underlying exposure to the gold industry. It should be noted that the Fund has outperformed these passive alternatives over time, aiding the fairness score.

Performance ●●●

Performance Summary

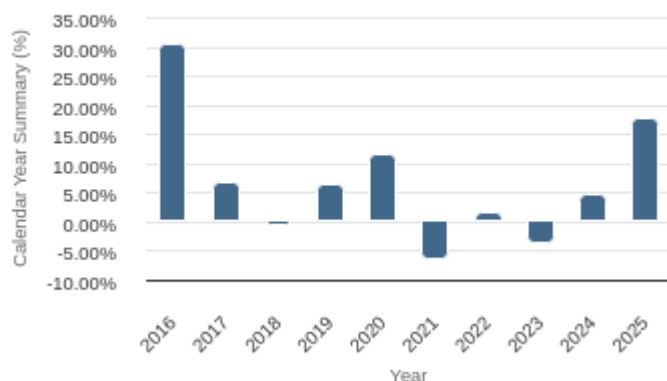
PDS return objective	To provide capital growth by being exposed to a portfolio consisting principally of globally listed gold and precious metal equities and their related instruments and outperform the benchmark after fees over five-year periods
Internal return objective	Outperform the Benchmark after fees over five-year periods
Internal risk objective	Not stated
Product benchmark	FTSE Gold Mines TR Index AUD
Lonsec peer group	Sector - Natural Resources

Alpha Generation

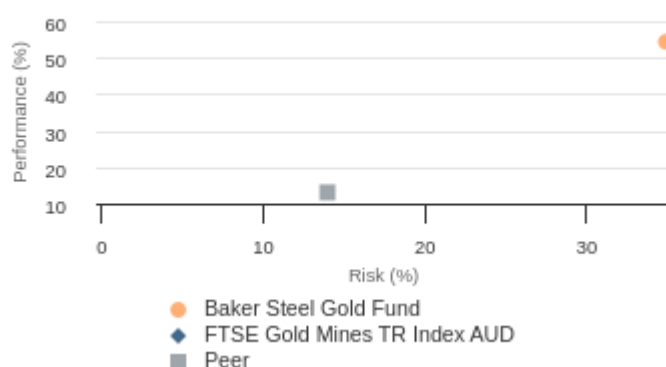
As per the PDS dated 2 February 2026, the benchmark has changed to MSCI ACWI Select Gold Miners Index, however all analysis has been made relative to the FTSE Gold Mines TR Index. Additionally, given the small peer group size, Lonsec does not calculate peer relative performance metrics, as such, this analysis is made purely from a Benchmark relative perspective.

Over the five-year rolling period to December 2025, the Fund achieved its objective outperforming the Benchmark by 0.46% p.a. Pleasingly, the Fund also outperformed the Benchmark over one- and three-year rolling periods by 17.52% and 3.64% p.a. respectively.

Calendar Year Excess Return



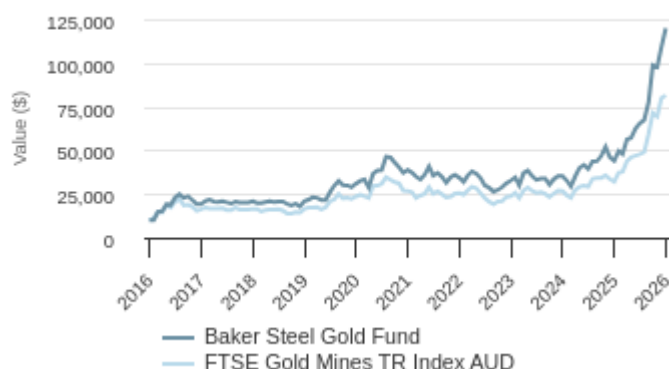
3 Year Risk and Return



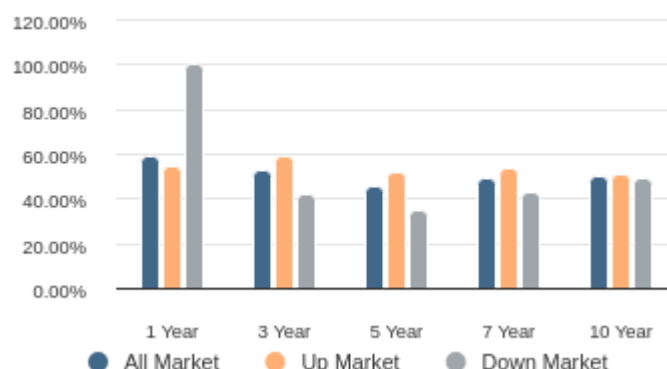
Alpha Consistency

Over the longer term, the fund has demonstrated an ability to generate meaningful outperformance relative to the benchmark during favourable commodity environments, supported by deep industry expertise and active positioning. Returns have typically normalised toward benchmark levels during cyclical troughs, a dynamic observed in the current cycle and consistent with the strategy's portfolio construction.

Growth of \$10,000 Over 10 Years



Returns Consistency

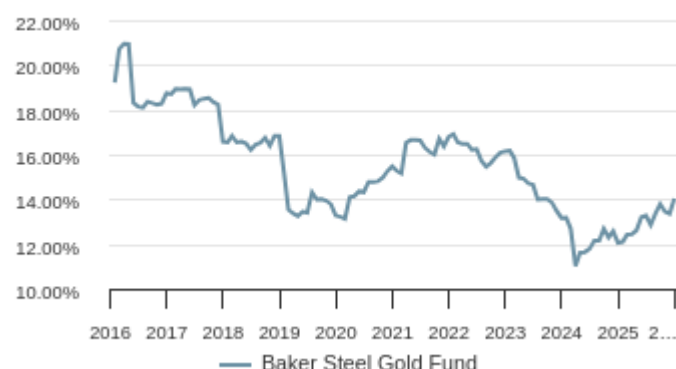


Performance (continued) ●●●

Benchmark Relativity

The Fund's divergence from the benchmark, as measured by tracking error, has widened recently (on a rolling three-year basis). This divergence was intentional, taking on more active risk during commodity-conducive environments. Positively, the elevated level of active risk has been accompanied by a strong information ratio, indicating improved benchmark-relative risk-adjusted performance rather than an expansion in active risk alone. The Fund's tracking error is high albeit consistent with longer term positioning.

3 Year Rolling Tracking Error Over 10 Years



3 Year Rolling Information Ratio Over 10 Years



Return Volatility

Volatility has been elevated relative to the benchmark over recent years, reflecting the Fund's active positioning. Favourably, the Fund's risk-adjusted returns have strengthened materially, with the Sharpe ratio improving from 1.44 over three years to 5.53 over one year, both to December 2025, indicating strong momentum and enhanced return efficiency.

3 Year Rolling Standard Deviation Over 10 Years



3 Year Rolling Sharpe Over 10 Years



Product Defensiveness

The Fund's defensiveness has been broadly in line with the benchmark over the long term. Over the 10-year period, the down-market capture ratio has been marginally below 1.0, indicating the Fund has generally participated less in market declines than the benchmark.

Market Capture Ratio



Drawdowns



Ratings

'Highly Recommended' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

'Recommended' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

'Investment Grade' rating indicates that Lonsec has conviction the product can meet its investment objectives.

'Approved' rating indicates that Lonsec believes the product can meet its investment objectives.

'Not -Approved' rating indicates that Lonsec does not believe the product can meet its investment objectives.

'Closed / Wind Up' status is applied when the product has been closed.

'Fund Watch' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The **'Redeem'** rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The **'Screened Out'** rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

'Discontinued Review' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The **'Ceased Coverage'** status is applied when a rated product is withdrawn from the research process by the product issuer.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.

ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.

ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

Excess return: Return in excess of the benchmark return.

Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).

Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.

Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.

Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.

Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

Standard deviation: Volatility of monthly Absolute Returns.

Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.

Time to recovery: The number of months taken to recover the Worst Drawdown.

Total return: 'Top line' actual return, after fees.

Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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Lonsec Research FSG Financial Services Guide

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1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

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1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
 - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
 - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

1.4 Provision of general advice

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Lonsec Research FSG (continued)

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Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the Corporations Act 2001.

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Complaints Manager

Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395

Email: complaints@lonsec.com.au

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Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

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This FSG was prepared on 1 August 2024.