30 JUNE 2026

AUSTRALIAN MID CAP FUND - ACTIVE ETF

PARADICE INVESTMENT MANAGEMENT

Quarterly Fund Facstsheet

Performance Net (%)	1 MONTH	3 MONTHS	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS	SI* P.A.
Australian Mid Cap Fund - Active ETF [1]	2.63	6.44	3.39	10.04	5.94	8.30	8.70	9.00
S&P/ASX Mid-Small Total Return Index [2]	-0.23	4.75	5.95	9.46	5.85	8.50	9.43	6.66
Excess Return	2.86	1.69	-2.56	0.58	0.09	-0.20	-0.73	2.34

*Since Inception date (SI) – 25 September 2006

Past performance of the Fund is not a reliable indicator of future performance. The value of an investment in the Fund may rise or fall. Returns are not guaranteed by any person. Fund returns are calculated before tax, after ongoing management costs and any accrued performance fees, and assumes the reinvestment of distributions. The performance of the Paradice Australian Mid Cap Fund – Active ETF is calculated using the NAV price. Returns greater than 1 year are annualised.

Investment Objective

The Fund aims to outperform the S&P/ASX Mid-Small Total Return Index[2] over a three to five year period, after management costs and before tax.

Lead Portfolio Manager

Matthew Riordan

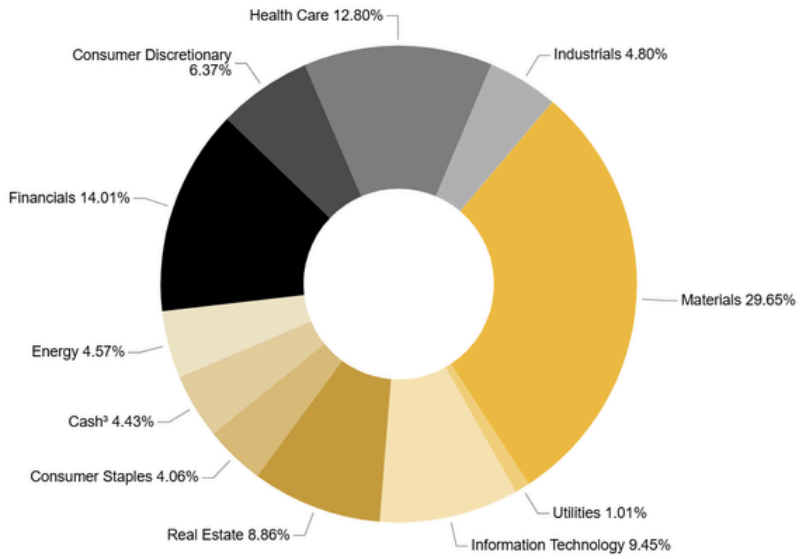
Fund Overview

The highly experienced team have a focus on downside protection and aim to generate strong, long term risk-adjusted returns.

Key Details	
Number of Holdings	43
Portfolio Dividend Yield	1.80%
Fund Size (AUD)	$ 68M

Top 10 Positions	Weight %
Charter Hall Group	4.43
Mineral Resources Ltd.	4.20
Ramsay Health Care Ltd.	4.00
Orica Ltd.	3.88
Dyno Nobel Ltd.	3.72
Pro Medicus, Ltd.	3.64
Sandfire Resources Ltd	3.53
Life360, Inc.	3.17
Ampol Ltd.	2.99
Genesis Minerals Ltd.	2.88

Sector Allocation



Fund Details	
APIR Code	ETL9086AU
Distribution Frequency	Semi-annually
Management Fee	0.90% p.a.
Performance Fee[4]	15% p.a.
Buy / Sell Spread	+/- 0.25%
Minimum Investment	$20,000
Stock Range	Typically 40 - 60
Cash Range	0 - 10%

[1]The Paradice Australian Mid Cap Fund – Active ETF (ARSN 620 055 138) offers Class A units via a dual access structure where investors can purchase and sell units either on-market via Cboe or off-market via the Responsible Manager's application form. [2]The S&P\ASX Mid-Small Total Return Index is effective from 20 October 2025. Prior to this date the benchmark was The Mid Cap Composite Benchmark of 70% of the S&P/ASX Mid Cap 50 Total Return Index and 30% of the S&P/ASX Small Ordinaries Total Return Index (see **Terms and Conditions**). [3]The Cash percentage in the Sector Allocation chart is inclusive of derivatives held in the Fund, if any. [4]Applies to the investment performance achieved by the Fund (after management fees and costs) in excess of the Benchmark. Refer to PDS for more information.

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Quarterly Fund Factsheet

PARADICE INVESTMENT MANAGEMENT

MARKET REVIEW

Global equity markets delivered their strongest quarterly performance in several years, supported by the ongoing AI-driven rally. Despite repeated false starts on a potential US - Iran deal, broader markets largely looked through the noise. Oil prices and bond markets were more reactive throughout the period, although oil ended the quarter near pre-conflict levels.

After a year dominated by the AI infrastructure boom and the sharp de-rating of software stocks, the end of the quarter saw a rotation out of pure AI hardware beneficiaries, particularly semiconductor manufacturers and data centre-related names, and a broadening into sectors better positioned to benefit from AI implementation and monetisation. Among the beneficiaries were laggard sectors such as Enterprise Software and Healthcare. Interestingly, we are seeing strength in early-stage cyclicals in the US market, which may suggest the market is starting to price in a broader expansion of the real economy ahead of the US midterm elections in November.
Resources, which had been a standout performer in Australia for much of the financial year (S&P/ASX 200 Resources Total Return Index +50.0% over the past 12 months versus a 4.5% decline in S&P/ASX 200 Industrials Total Return Index), gave back some gains in June as a stronger US dollar and moderating global demand weighed on commodity prices. Resources fell 7.8% during the month, while Industrials rose 4.4%.

Domestically, the RBA delivered its third rate hike of the year to 4.35%, while inflation remained elevated even before the energy shock. The Federal Budget added fresh uncertainty for the housing sector through changes to capital gains tax and negative gearing.

Global returns

Markets moved quickly to price in a resolution to the US-Iran conflict, refocusing attention on resilient corporate earnings and the scale of AI-related capital spending. The MSCI World Index rose 14.9% (USD) over the period. In the US, the S&P 500 and NASDAQ (Total Return Index) recorded their strongest quarterly gains since 2020, rising 15.2% (USD) and 21.6% (USD) respectively, supported by upward earnings revisions and continued momentum in semiconductor and technology stocks.

Emerging markets outperformed developed markets and reported its strongest quarterly gain since 2009, up 24.1%[1]. The gains were concentrated in the Asian technology supply chain, particularly Taiwan and South Korea, reflecting their critical role in the global AI buildout.

Domestic interest rate and market moves

Australia took a different path. The S&P/ASX 200 Total Return Index rose 4.1% over the quarter, with mid-caps outperforming small caps (up 6.1% versus 3.3%)[2]. While headline CPI moderated in May, housing-related inflation remained sticky. Bond yields eased across the curve as geopolitical tensions de-escalated and global energy prices retreated but still ended the quarter higher.

Key sector and stock moves[3]

Sector performance reversed sharply from the March quarter, with Information Technology emerging as the clear leader. NEXTDC raised capital and announced major contract wins, while Megaport similarly strengthened its position through new contract wins. Stocks that had been heavily de-rated earlier in the year on “saaspocolypse” fears, including Life360 and Pro Medicus, rebounded strongly as investor focus shifted back to quality software businesses.

Energy was the weakest sector as oil prices retraced following the reopening of the Strait of Hormuz. A2 Milk fell after a supply-related downgrade and a US product recall that weighed on sentiment in China. Gold stocks declined in line with the gold price, while REA Group lagged amid concerns about the potential impact of the Federal Budget on housing turnover.

Consumer conditions

Household spending continued to moderate. The CommBank Household Spending Insights Index showed a slowdown relative to the stronger growth seen through 2025. Weak trading updates from Temple & Webster, Orora and Super Retail Group underscored the pressure, while Judo Bank reported higher-than-expected loan losses amid a more uncertain operating environment.

Commodity moves

Commodity markets were volatile as macroeconomics and geopolitical forces shifted. Brent crude fell 38.4% (USD) following the reopening of the Strait of Hormuz. Aluminium declined 12.6% (USD) as the Middle East risk premium unwound. Gold fell 14.1% (USD) as real yields rose and the US dollar strengthened. Spodumene initially rose on broadening demand but gave back gains in June amid mine expansions and concerns around sodium-ion battery technology, ending the quarter up 7.9% (USD). Copper was the standout, rising 9.7% (USD) on tighter supply and tariff-related demand pull-forward.

Global and domestic economic trends

Global activity remained expansionary. The J.P. Morgan Global Composite PMI remained above 50, while the US ISM Manufacturing PMI extended its run of expansion to six months. Domestically, the Australian Composite PMI improved to 50.4 in June but remained close to breakeven, highlighting a softer growth backdrop than in many other developed markets.

PERFORMANCE

The Fund was up 6.44% during the quarter to 30 June 2026, outperforming the benchmark by 1.69%.

1. MSCI Emerging Markets Total Return Index (USD)
2. S&P/ASX Mid Cap 50 Total Return Index vs S&P/ASX Small Ordinaries Total Return Index
3. Relative to the S&P/ASX Mid-Small Total Return Index for the quarter.

Positives[4]

- **SRG Global (SRG) - Overweight:** SRG upgraded guidance and announced $1.85bn of new contracts across a diverse range of sectors including Water, Defence, Energy, Industrial, Resources, Ports, Data Centres, Health and Education.
- **Zip (ZIP) - Overweight:** ZIP outperformed following a strong quarterly result and upgraded full year guidance. US total transaction value growth was above 40% in April and US credit outcomes are performing in line with expectations.
- **Life360 Inc (360) – Overweight:** Life360 was up 42% in the June quarter and up 31% in June as it benefited from the broader rally in software.

Negatives[4]

- **Alcoa (AAI) – Overweight:** Alcoa fell in line with the aluminium price as the Middle East conflict subsided. AAI's third quarter result saw production broadly in line but shipments and free cash flow missed due to lower third-party sales of alumina, seasonality and proactive inventory repositioning of aluminium within North America.
- **Tuas (TUA) – Overweight:**Tuas underperformed following news Singapore's telecommunications regulator paused its review of the company's planned acquisition of M1. This ultimately led to the collapse of the deal. The regulator also raised concerns about Simba's use of radiofrequency bands that it was not authorised to use.
- **Ramelius Resources (RMS) – Overweight:** RMS underperformed in line with the gold price. Cost guidance for FY26 has been lifted to A$1,900-2,050 (from A$1,700-1,900) which has been largely a function of earlier commercial production at Dalgaranga, leading to costs being expensed (as well as royalties and diesel).

PORTFOLIO CHANGES[5]

Purchases

- **Pro Medicus (PME):** Pro Medicus returned to the S&P/ASX Mid Cap 50 Index during the quarter, and we initiated a position on a strong contact pipeline, and opportunities in 'ologies' outside radiology.
- **AMP Ltd (AMP):** We initiated a position in AMP on platform flows, reasonable earnings growth, and valuation support.
- **Technology One (TNE):** Technology One returned to the S&P/ASX Mid Cap 50 Index and we initiated a position as underlying business momentum continues. The Company's AI initiatives Plus and Guide are only just starting to assist its growth rates

Sales

- **ALS Limited (ALQ):** We exited ALS as it migrated into the S&P/ASX 50 Index.
- **Whitehaven Coal (WHC):** We exited Whitehaven under the assumption that the reopening of the Strait of Hormuz would see prices revert.
- **Amcor (AMC):** We exited Amcor on balance sheet and earnings concerns.

ESG ENGAGEMENT

During the quarter, we undertook a total of 18 engagements in which we discussed ESG matters with 15 companies relevant to the strategy. Nearly all were held at either the board or executive level, with the majority with the executive team following the release of financial results and the others with the Chair pre-AGM. The engagements covered a range of issues, with the climate transition, safety and conduct the most discussed topics this quarter.

Safety was a focus for the quarter with Cleanaway Waste Management (CWY), with a meeting with the CEO followed by an investor briefing covering the company's health and safety strategy after recent workplace fatalities. While the company had previously stated an independent safety review identified no systemic issues, we sought further detail on the review process, recommendations made and further planned activity. We were encouraged that the multi-year safety uplift plan was endorsed by the expert and the recommendations made were comparatively minor. Cleanaway is in the process of addressing them. Finally, we gave extensive feedback on disclosures – encouraging Cleanaway to better explain its different risk profile and look to other ASX-listed peers for benchmarking on reporting rather practice among its unlisted industry peers.

OUTLOOK

AI-related global capital expenditure remains enormous. The five major hyperscalers are guiding to roughly $730 billion of capex in 2026 (up 77% year-on-year), with 2027 already projected above $900 billion[6] These companies now represent around 53% of total S&P 500 capex. For this investment to be sustained, visible revenue growth and returns on AI initiatives will be essential. Companies able to demonstrate credible AI-driven earnings momentum are likely to remain a focus for investors as the cycle moves from hardware buildout into monetisation.

The Iran situation remains fluid, yet markets continue to look through to an eventual resolution. Oil prices have retraced toward pre-conflict levels, which should help ease inflation pressures and temper expectations of further rate rises. The US consumer has remained resilient, supported by the One Big Beautiful Bill, with younger Millennials in particular seeing the largest increase in deposit balances between January and May 2026[7] Early signs of strength in cyclical areas suggest the market is beginning to price in a broadening recovery ahead of the Midterm Elections, supported by moderating inflation and adjusting rate expectations.

4. Positives and negatives may not represent the most material contributors or detractors to the Fund for the quarter.
5. Portfolio changes may not represent the most material changes to the Fund for the quarter.
6. JP Morgan 2026 Mid Year Outlook
7. Bank of America. Report: Deposits support a narrower spending growth "K", 24 June 2026

Domestically, the Federal Budget has introduced fresh uncertainty into the housing market. Changes to capital gains tax and negative gearing, combined with negative gearing grandfathering, are likely to weigh on turnover in the near term. The spring selling season will provide an important indication of whether this translates into lower prices and reduced building activity. We expect consumer spending to remain under pressure heading into FY27 as higher interest rates, sticky inflation and softer house prices continue to weigh on household balance sheets.

Reporting season will provide an opportunity for bottom-up fundamentals to reassert themselves. The market rotations witnessed during the June quarter highlight how quickly style leadership can shift. Maintaining discipline and a balanced approach through these periods remains important.

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