First Sentier Concentrated Australian Share Fund (CFSIL)

First Sentier Investors

Formerly the First Sentier Wholesale Concentrated Australian Share Fund

Quarterly Factsheet

30 June 2026

For Adviser use only

Portfolio Description

The Fund invests in a concentrated selection of Australian listed companies, with between 20 to 30 stocks typically held in the portfolio.

Investment Strategy

The Fund's strategy is based on the belief that, over the medium-to-long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. The Fund generally invests in a concentrated selection of high quality companies with strong balance sheets and earnings in the S&P/ASX 300 Total Return Index. The Fund may use derivatives for efficient portfolio management as well as risk management purposes. The Fund predominantly invests in Australian companies and therefore does not hedge currency risk.

Investment Objective

To provide long-term capital growth by investing in a concentrated portfolio of 15-30 stocks. The Fund aims to outperform the S&P/ASX 300 Total Return Index over rolling three-year periods before fees and taxes.

Key Investment Personnel and Experience (Industry / Firm)

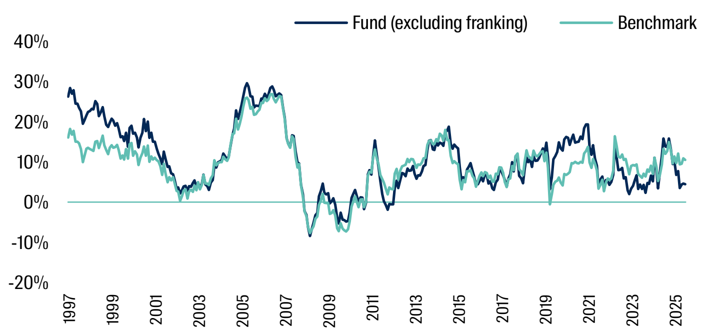
Dushko Bajic	Head of Australian Equities Growth	(1996 / 2014)
David Wilson	Deputy Head	(1987 / 2015)
Christian Guerra	Head of Research	(1996 / 2016)

Product Overview

APIR code	FSF0016AU
Inception date	20 December 1994
Fund Size (A$)	946 million
Benchmark	S&P/ASX 300 Total Return Index
Number of stock holdings	30
Buy / Sell spread	0.20% / 0.20%
Minimum investment (A$)	5,000
Management fees and costs (p.a.)*	0.97%

* Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

Rolling 3 year return (%)



Top 5 holdings

Stock
BHP Group
Commonwealth Bank
Goodman Group
National Australia Bank
Pro Medicus

Sorted alphabetically

Performance Summary (%)

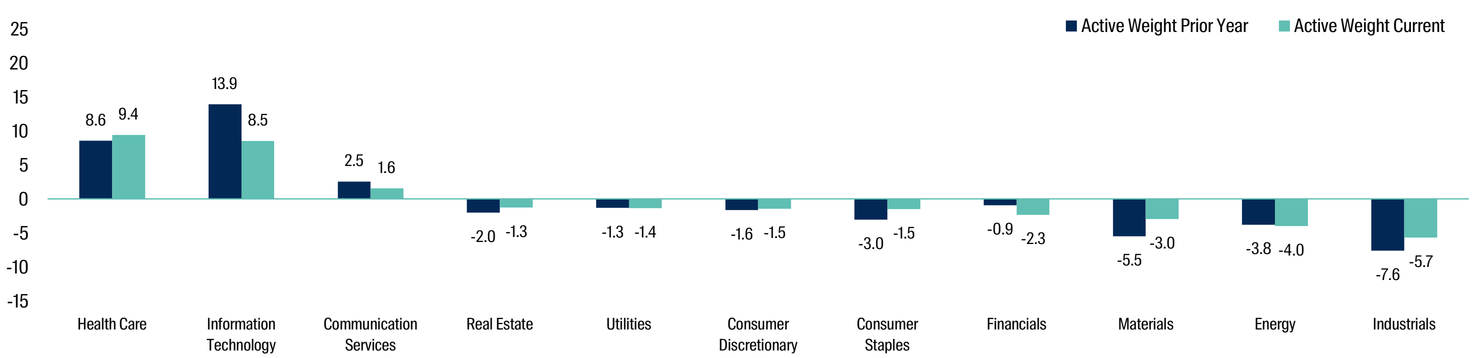
Period	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	7.0	-13.7	4.5	1.5	6.0	7.6	10.6
Benchmark return**	4.1	6.2	10.6	7.6	7.9	9.4	9.5
Excess net return	2.8	-19.9	-6.1	-6.1	-1.9	-1.8	1.1
Income return	0.0	1.2	1.4	2.0	1.9	2.3	6.7
Growth return	7.0	-14.9	3.1	-0.5	4.1	5.3	3.9

Past performance is not a reliable indicator of future performance.

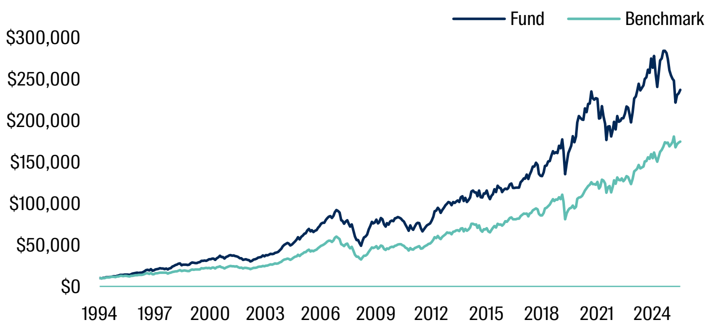
Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	13.2	15.0	16.3	17.7	15.9	14.3
Benchmark standard deviation (%)	10.0	10.6	12.4	14.9	13.4	12.9
Tracking error (%)	7.4	6.8	7.0	7.3	6.5	5.3
Fund Sharpe ratio	-1.3	0.0	-0.1	0.2	0.3	0.4
Information ratio	-2.7	-0.9	-0.9	-0.3	-0.3	0.2
Beta	1.1	1.3	1.2	1.1	1.1	1.0
Cashflow adjusted turnover (%)	23.5	21.1	19.8	25.1	34.7	

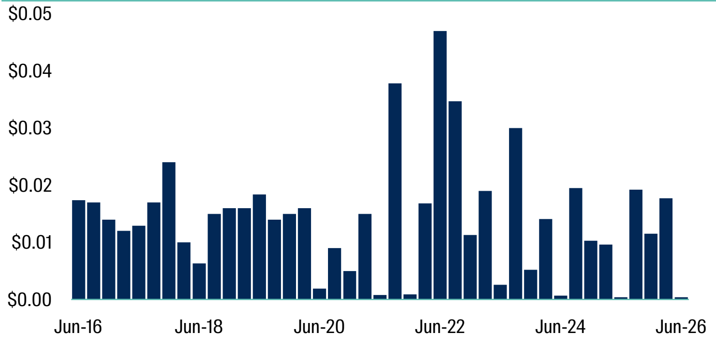
Fund Active Sector Positions (%)



Growth of AUD 10,000 Investment Since Inception



Distributions



Top 5 attributors to performance (3 months)

Sector	Attr.
Health Care	2.64%
Energy	1.05%
Real Estate	0.28%
Consumer Discretionary	0.18%
Utilities	0.16%

Top 5 detractors to performance (3 months)

Sector	Attr.
Financials	-0.72%
Information Technology	-0.58%
Communication Services	-0.11%
Industrials	0.00%
Consumer Staples	0.09%

Data source: First Sentier Investors 2026
Data as at: 30 June 2026

Market Review

Australian equities delivered a solid June quarter, with the S&P/ASX 300 Total Return Index rising 4.1%. Market sentiment improved over the period, supported by easing geopolitical tensions, resilient corporate earnings and a broadening of market leadership beyond the sectors and companies that had driven returns earlier in the year. Investor appetite returned to several previously out-of-favour sectors, including Health Care, Information Technology and Consumer Discretionary. Broader macroeconomic themes, including domestic interest rate expectations, lower oil prices, and proposed changes to capital gains tax and negative gearing, remained key areas of investor focus throughout the quarter.

The Consumer Discretionary sector outperformed, rising 18.0%, supported by resilient economic data, stable consumer spending and growing confidence that interest rates would remain on hold. Wesfarmers (+24.0%) was a key contributor after outlining growth initiatives in its strategy day across its portfolio of businesses, including Kmart, Bunnings and Officeworks. Guzman y Gomez (+31.5%) also delivered strong gains, with investors responding positively to the company's decision to exit the U.S. market and close its store network, allowing management to focus on other growth opportunities, particularly in Australia, where it remains on track to open 32 new stores and deliver approximately 29% year-on-year growth in underlying earnings.

The Information Technology sector was another strong performer, rising 17.4%, supported by companies benefiting from the accelerating adoption of artificial intelligence (AI) and several positive company-specific developments. Megaport (+208.2%) was a standout, rallying after announcing several contract wins, including four AI infrastructure agreements, alongside plans to establish an on-demand GPU pool. These initiatives position the company to benefit from growing demand for AI-related networking and computing infrastructure. Weebit Nano (+128.8%) also performed strongly, supported by favourable sentiment towards AI-linked semiconductor technologies and the achievement of a key commercial milestone for its ReRAM memory technology.

Conversely, Energy (-16.7%) was among the weakest-performing sectors, with all constituents recording negative returns amid sharp declines in oil and LNG prices and several company-specific setbacks. Energy markets weakened following an interim peace agreement between Iran and the United States, which allowed shipping through the Strait of Hormuz to resume, although geopolitical tensions remained elevated. Karoon Energy (-29.4%) detracted after downgrading production guidance and delaying the restart of its Who Dat Manifold E facility due to operational issues. Uranium producer Lotus Resources (-48.2%) also underperformed after missing third-quarter production expectations and operational challenges at its Malawi mining operation.

Health Care (-6.1%) was also a weak contributor over the quarter. Although the sector staged a strong recovery in June, these gains were insufficient to offset the sharp declines recorded earlier in the period following a series of earnings downgrades. Sentiment was particularly impacted by guidance cuts from Cochlear (-28.0%), which lowered profit expectations following weaker-than-expected demand in developed markets, and CSL (-18.5%), which downgraded its FY26 outlook and announced an approximately US$5 billion impairment charge. Healius (-30.4%) experienced significant volatility during the quarter after reducing earnings guidance amid softer pathology demand and rising labour costs. Offsetting some of this weakness, Pro Medicus (+74.0%) was a standout performer, supported by a series of contract wins and renewals, while Neuren Pharmaceuticals (+50.3%) rallied after a favourable development increased the likelihood of one of its treatments being approved for sale in Europe.

Fund Performance

The Concentrated Australian Share Fund (CFSIL) outperformed its benchmark, the S&P/ASX 300 Total Return Index, in the June quarter.

Contributing to the Fund's outperformance was its overweight position in radiology imaging company Pro Medicus (PME) and zero-weight position in Westpac Banking Corporation (WBC). Pro Medicus (+74.0%) was a standout performer, supported by a series of contract wins and renewals that reinforced confidence in the company's growth outlook and pricing power. During the quarter, PME secured a new $90 million, seven-year contract with Beth Israel Lahey Health, a strategic customer serving 14 hospitals across the Massachusetts and New England region, alongside a new $23 million, five-year contract with the University of Maryland Medical System. The company also announced several significant contract renewals, including Northwestern Medical ($37 million), Allegheny Health Network ($28 million) and Ohio State University Wexner Medical Center ($16 million), with all of these agreements renewed at higher pricing. PME further strengthened its position through a new seven-year, $16 million contract with TidalHealth and a strategic partnership with Echo IQ, providing exposure to AI-enabled cardiology solutions. Management also reiterated the long-term opportunity for AI to enhance radiology workflows, while highlighting the highly regulated and mission-critical nature of healthcare as a significant barrier to disruption. Collectively, these announcements reinforced PME's market leadership, strong client retention and attractive long-term growth outlook

Westpac Banking Corporation (-9.0%) underperformed as investor sentiment toward the major banks weakened amid concerns that recent policy measures and a softer economic outlook could slow credit growth. The Federal Budget is expected to potentially moderate housing credit demand, particularly from investors, with WBC potentially more exposed given its recent mortgage growth has tracked closer to system growth. Concerns around the earnings outlook were also compounded by expectations of slower economic activity following recent interest rate increases. In addition, the market remains cautious on business lending quality across the sector. WBC has expanded its business loan book faster than many peers in recent years, with collective provisioning increasing. The emergence of credit quality issues elsewhere in the business lending market, including loan losses reported by Judo Bank, has heightened investor focus on potential downside risks and contributed to weaker sentiment toward the stock over the quarter.

Somewhat offsetting this was negative contributions from the Fund's overweight positions in global logistics software provider WiseTech Global (WTC) and medical equipment maker ResMed (RMD). WiseTech Global (-13.2%) declined following negative press commentary. While we continue to monitor developments, the investment case remains strong. We believe WTC is well positioned for strong earnings growth in FY27 as cost reductions and the synergies from the E2Open acquisition flow through and restructuring costs from FY26 roll off. The company's industry-leading software continues to play a critical role for logistics and trade participants by enabling efficient navigation of complex, highly regulated global supply chains across nearly 200 countries, tracking more than 90 million ocean containers, 400 airlines, 150 ocean carriers and all Class I North American railroads.

ResMed fell by 9.9% despite delivering a solid third-quarter result, as investor sentiment remained weighed down by ongoing concerns around the potential impact of weight-loss therapies, the emergence of oral GLP-1 treatments and the prospect of competitor Philips increasing its presence in the market. Operationally, the result was sound, with earnings per share increasing 21% and gross margins expanding 290 basis points to 62.8%, supported by ongoing cost out improvements, manufacturing and logistics efficiencies. Performance across the business was generally strong, with mask sales exceeding expectations and robust growth in international markets more than offsetting a small miss in the Americas devices segment. We remain attracted to RMD given it is the global leader in CPAP devices and masks for treating obstructive sleep apnoea and continues to be supported by strong end market demand markets.

Fund Activity

During the June quarter, we took the opportunity to add an Australian gold producer and a leading Australian food and liquor retailer to the Fund. The gold producer is currently delivering approximately 190koz per annum at an all-in sustaining cost below A$2,000/oz and we remain attracted to the company's clear growth trajectory.

The retailer is the second-largest participant in Australia's supermarket and liquor markets. Our investment thesis is centred on its supermarkets business, where we expect mid-single-digit revenue growth driven by a combination of like-for-like sales growth, market share gains and network expansion. We also see scope for modest gross margin and EBIT margin improvement, supporting high-single-digit earnings growth over time.

On the other hand, we exited from our position in CSL (CSL). The Company came to market with the Interim CEO 90 Day Review and Financial Update in early May. While the market had been bracing for a profit warning for FY26, the magnitude was far worse. CSL guided to FY26 sales revenue of c.$15.2bn (implying c.2% down on FY25 vs prior guide of up +2-3%; approximately c.5% below consensus expectations) and NPATA of $3.1bn (implying c.4% down on FY25 vs prior guide of up +4-7%; approximately c.7% below consensus expectations). CSL also indicated that it expected c.$5bn in impairments across FY26 and FY27.

We also exited from our position in Northern Star Resources (NST) as we repositioned our gold exposure. NST has had a series of production downgrades over the past couple of years due to some issues at ageing assets and some risks still remain. Notwithstanding, NST continues to have a good growth profile ahead of them once it's KCGM expansion has been completed.

ESG Activity

In May 2026, the Federal Court handed down Australia's most substantial judgment for indigenous cultural loss, ordering Fortescue (FMG) to pay the Yindjibarndi Ngurra Aboriginal Corporation $150 million for damage caused by the Solomon mining hub. The court found that Fortescue had destroyed 124 heritage sites and caused intergenerational harm. The award was ~115 times larger than the previous cultural loss judgment and demonstrates that extensive heritage destruction without the consent of traditional owners can lead to substantial liabilities. We have been discussing cultural heritage with the miners in our portfolios for many years and this remains a key area of focus for the team.

Still in the mining sector, it was an interesting quarter for decarbonisation. While both Rio Tinto (RIO) and BHP Group (BHP) have reduced short-term decarbonisation capital spend due to slower than expected technology readiness, both are progressing on-site testing of two battery haul trucks at BHP's Jimblebar mine in the Pilbara. The trucks have operated for 100 hours and done 200 test laps so far. The next phase will assess dynamic charging technology, which is crucial for operational productivity given that diesel trucks can operate around the clock except for refuelling.

Australia's mini-proxy season was held in April and May. It seemed less controversial than last year. The only two remuneration strikes during the period occurred at Dicker Data (DDR) and Ainsworth Gaming Technology (AGI) (neither of which were held by the Australian Equities Growth team) and the only substantial protest votes on remuneration at companies held by the team were lodged at Iluka Resources (ILU), Santos (STO) and Woodside Energy Group (WDS).

Market Outlook

In the 2025-26 financial year, markets have experienced a significant rotation away from quality growth companies and toward more cyclical and value-oriented sectors. Concerns around AI-driven disruption, elevated geopolitical uncertainty and shifting interest rate expectations have weighed on software, online classifieds and other long-duration growth businesses. Geopolitical tensions in the Middle East further weighed on market sentiment during the period. Concerns that disruption to energy supplies, particularly through the Strait of Hormuz, could trigger an oil supply shock led to higher oil prices and rising inflation expectations. This raised fears that central banks may need to keep interest rates higher for longer, placing additional pressure on quality-growth equities. More recently, interim peace agreements and easing geopolitical tensions have seen oil prices retrace sharply, reducing inflation concerns and providing a more supportive backdrop for growth-oriented companies. We believe the Fund's holdings are well positioned to benefit as the market's attention returns to company fundamentals and the delivery of growth against expectations.

Looking ahead, we believe the current environment is increasingly supportive of active management. Market dispersion remains elevated and stock selection is becoming more important as investors differentiate between businesses facing genuine structural challenges and those whose share prices have been disproportionately impacted by sentiment. We see attractive opportunities emerging across high-quality companies with durable competitive advantages, resilient balance sheets and strong execution capabilities, particularly where recent weakness has created compelling long-term entry points.

**Longer-term benchmark performance outcomes are calculated by combining returns from the S&P/ASX 100 Accumulation Index from inception to 10 June 2013, the S&P/ASX 200 Accumulation Index from 11 June 2013 to 7 June 2020 and the S&P/ASX 300 Accumulation Index thereafter.

Any apparent discrepancies in the numbers are due to rounding. Performance returns are calculated net of management fees and transaction costs. Performance returns for periods greater than one year are annualised.

Portfolio Beta measures the portfolio's sensitivity to benchmark movements. Mathematically, it is the covariance of the portfolio vs the benchmark divided by the variance of the benchmark.

Turnover is the average of sales and purchases divided by the average portfolio size. **Cashflow Adjusted Turnover** is the same as above, except that the lesser of sales and purchases is used in place of the average of the two. This is to adjust for turnover that is related to investing inflows or selling stocks to meet outflows rather than related to active management of the portfolio.

www.firstsentierinvestors.com.au

For further information

Head of Distribution, Australia and New Zealand
Quin Smith +61 455 095 505

NSW - ACT - QLD

Key Account Northern Lead
William Orr +61 437 238 126

Key Account Manager
Emerson Bloom +61 472 633 201

Business Development Manager
Amelia Liveris +61 435 719 998
James George +61 400 905 668
Sam Adams +61 457 845 388

VIC - SA - WA - TAS

Key Account Southern Lead
Nick Everitt +61 499 454 206

Key Account Manager
Jack Heinz +61 436 810 683
Nathan Robinson +61 403 272 440

Business Development Manager
Connor Moore +61 459 093 822

Head of Wholesale Client Services
Julie Day +61 466 413 176

Business Development Associate
Lily Cilento +61 427 243 039
Pam Evans +61 458 864 686
Dimitri Palios +61 448 310 732

Consultant Relations
Samuel Green +61 484 286 744