

EQT FLAGSHIP FUND - CLASS B

FUND OBJECTIVE

The EQT Flagship Fund – Class B (the Fund) aims to outperform its Benchmark over a rolling 5-year period, after taking into account Fund fees and expenses. The Fund is designed for investors seeking strong medium-to-long-term capital growth potential, coupled with an increasing income stream payable from the dividends of the underlying shares. There is a distinct focus on the after-tax returns offered to investors.

FUND PERFORMANCE

PERFORMANCE ¹	3 MONTHS	1 YEAR	3 YEARS (P.A.)	5 YEARS (P.A.)	SINCE INCEPTION (P.A.) ²
Distribution return	1.04%	3.39%	3.87%	5.83%	5.37%
Growth return	0.26%	1.51%	7.77%	5.63%	3.74%
Total net return	1.30%	4.89%	11.64%	11.46%	9.11%
Benchmark return ³	4.71%	10.56%	15.17%	12.98%	9.33%
Active return	-3.41%	-5.67%	-3.53%	-1.52%	-0.22%

Table 1

¹ Performance: distribution return is the return due to distributions paid by the Fund; growth return is the return due to changes in initial capital value of the Fund, total net return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions. Results greater than one are annualised.

² Inception date is 1 August 2003.

³ Benchmark return is the S&P/ASX 200 Accumulation Index.

Past performances should not be taken as an indicator of future performance.

PERFORMANCE SUMMARY

The Fund recorded a total net return of 1.30% for the September quarter, underperforming the S&P/ASX 200 Accumulation Index by 3.41%. Over the last 12 months, the Fund recorded an absolute total net return of 4.89%, underperforming the benchmark by 5.67%.

Over the last three years the Fund has produced a total net return of 11.64%, underperforming the benchmark by 3.53% p.a. Over the last five years the Fund has produced a total net return of 11.46% per annum, underperforming the benchmark by 1.52% p.a. The total net return since inception has been 9.11% p.a., marginally underperforming the benchmark by 0.22% p.a. over the same period.

The Fund has demonstrated it generates a dependable distribution stream over the long term with a distribution return of 3.87% over the last three years and 5.37% p.a. since inception.



PERFORMANCE DETAIL

At the stock level, over the last quarter the Fund benefited from overweight positions in Pilbara Minerals Ltd (PLS), Coles Group Ltd (COL) and Rio Tinto Ltd (RIO). An underweight position in Commonwealth Bank of Australia (CBA) and James Hardie Industries CDI (JHX) also benefited the portfolio.

The main detractors to Fund performance were overweight positions in Telix Pharmaceuticals Ltd (TLX), CSL Ltd (CSL), Light & Wonder Inc CDI (LNW) and Amcor Plc CDI (AMC). An underweight position in BHP Group Ltd (BHP) also detracted from Fund performance.

ATTRIBUTION SUMMARY

SEPTEMBER 2025 QUARTER	TOTAL ATTRIBUTION
Top five contributors	
Commonwealth Bank of Australia	0.76%
James Hardie Industries CDI	0.34%
Pilbara Minerals Ltd	0.29%
Coles Group Ltd	0.23%
Rio Tinto Ltd	0.23%
Bottom five contributors	
Telix Pharmaceuticals Ltd	-1.13%
CSL Ltd	-0.58%
Light & Wonder Inc CDI	-0.41%
Amcor Plc CDI	-0.32%
BHP Group Ltd	-0.27%

Table 2

POSITIVE ATTRIBUTION

Commonwealth Bank of Australia (CBA)

While our underweight position in CBA hurt the relative performance of the fund over FY25, we retained our position given the unjustifiable high valuation. We had previously written that much of the outperformance of CBA had been driven by a re-rating of the Price-earnings (PE) multiple as opposed to underlying earnings growth. In our view, several of the drivers of the PE expansion were non-fundamental in nature. Given the high starting valuation relative to history and peers, CBA required meaningful earnings upgrades to justify the valuation. While earnings per share were slightly upgraded at the time of the result, it was driven by lower bad debts which are a lower quality item. Net interest margins disappointed the market, resulting in flat pre-provision profit estimates post results. The lack of upgrades combined with strong relative results from peers, and an improved commodity price outlook saw money pulled from CBA and invested elsewhere.

Pilbara Minerals (PLS)

PLS benefited very strongly from a recovery in lithium prices. We noted in June that lithium prices were deep in the cost curve and at unsustainable levels with ~50% of the market loss making. While demand remains robust, during the September quarter newly announced curtailments (in China) saw prices recover. We have always viewed PLS as the highest quality play in the lithium sector given its strong balance sheet and operations. The result announced in August was ahead of expectations (albeit off a small base), guidance was reaffirmed, and management was more optimistic about future prices.

NEGATIVE ATTRIBUTION

CSL (CSL)

The stock sold off aggressively following the FY25 result despite announcing earnings inline with expectations, a US\$500m+ cost out program and US\$500m per annum multi-year buyback program. The core Behrings division was slightly weaker than expected, but Vifor and Sequiris divisions were better than expected. The market queried whether the cost out program was required to hit earnings guidance and questioned CSL's



future growth rates. While the company still plans to get back to pre-covid margins, the timeline was pushed out. US tariff uncertainty weighed on the stock also with executive order amendments hinting at plasma exclusions. We think that IG (Immunoglobulin) demand remains very strong, the IG market is tight and that new product launches will support margin expansion and growth.

Telix Pharmaceuticals (TLX)

A combination of SEC/FDA questions and a softer earnings outlook (on lower revenues and higher investment) relative to expectations impacted the stock. While revenue growth is still expected to be strong over the next three years, the investment required to achieve this is also higher meaning that earnings growth over the short to medium term is not quite as strong as originally forecast. Despite this, TLX has a strong pipeline of new products and has limited-to-no impact from the proposed Trump tariffs given all products sold in the US are produced in the US. Despite the short-term impacts, we believe the longer-term outlook remains very positive and valuation is very attractive.

FUND ACTIVITY

Some adjustments to stock holdings were made in the Fund during the quarter.

STOCKS BOUGHT FOR THE FUND

RELIANCE WORLDWIDE (RWC)

RWC is a leader in its key geographic regions (including Australia, US and Europe) in the design, manufacture and supply of plumbing related products and solutions within residential and commercial markets. RWC's products are principally used in the less cyclical residential repair and renovation (R&R) end-market and much lower exposure to the new home market which is very weak (in the US). The stock has underperformed given the tough macro environment but is executing well. We believe the earnings downgrade cycle is close to the end and that the business is leveraged to a lower interest rate cycle. While earnings are likely to be soft in FY26 as they combat the tariff landscape, we expect earnings growth to recover from FY27. The company looks good value also, especially relative to the broader market.

CLEANAWAY (CWY)

Cleanaway has a dominant market position in waste management and disposal in Australia. The pricing of the stock has now become relatively attractive for the first time in several years. The company is well positioned, has a strong asset base and offers solid defensive earnings growth with an improving margin profile. We have initiated a small overweight position in CWY, and we see reasonable growth in earnings over the medium term.

STOCKS EXITED FROM THE FUND

COMPUTERSHARE (CPU)

CPU focuses on issuer services (including share registries), mortgage services, corporate trust and employee share plans. CPU has done very well integrating the Wells Fargo acquisition and has been a big beneficiary of rising cash rates in the US. They now face a period of lower rates and potentially lower growth in the US. The stock has performed well and given the share price has risen above our valuation, we felt it was prudent to exit our position.

IAG INSURANCE (IAG)

IAG is Australasia's leading general insurance group providing personal and commercial line insurance products. With earnings having more than doubled from their trough, the strong insurance market conditions that have benefited IAG for the past 3 years have now largely passed. The stock valuation multiple has expanded, and the earnings growth outlook is less attractive. Therefore, the risk/reward trade-off here is more balanced and we see better opportunities elsewhere.



ORIGIN ENERGY (ORG)

ORG is an energy markets (electricity) generation and retail provider and natural gas retailer. We have owned ORG for a period of time and benefited from the holding. We still think that ORG is well positioned to benefit from the energy transition, however the stock has become fully valued and we see more upside in other stocks.

PILBARA MINERALS (PLS)

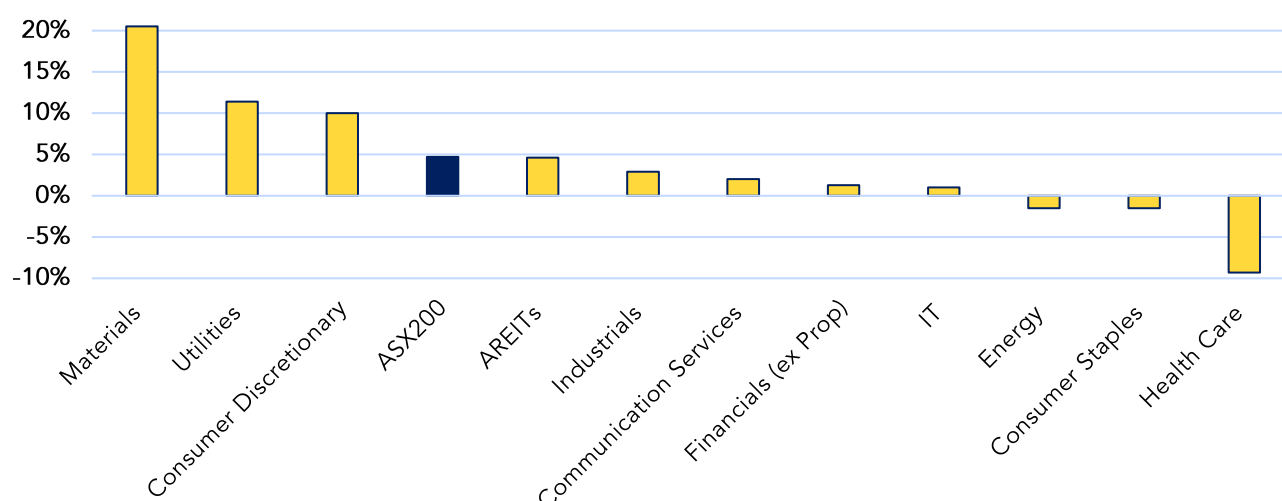
PLS is a lithium exploration and production company. While the stock performed well in the September quarter, we took the opportunity later in the quarter to take profits given the strong rally and the uncertainty around how long supply of lithium may be restricted in China.

MARKET SUMMARY

KEY POINTS

- **Equities rallied, but Australia underperforms** – In local currency, the ASX200 (4.7%) underperformed global equities (MSCI World Ex Aust) which rallied 6.9% in USD terms and 6.1% in \$A terms. Emerging Markets (+12.5%), Japan's Nikkei (+11.8%) and the US Nasdaq (+11.4%) all performed strongly in local currency terms. The ASX small ordinaries was also a standout performer jumping 15.3% over the quarter on expectations of future interest rate cuts and strong gains in small cap resources stocks.
- **Materials rebounded strongly in Australia** - The best performing ASX sectors for the quarter were Materials (+20.5%), Utilities (+11.4%) and Consumer Discretionary (+10.0%). Resource stocks rose strongly on the back of higher commodity prices. Conversely, the worst performers were Healthcare (-9.3%), Consumer Staples (-1.5%) and Energy (-1.5%). Healthcare was negatively impacted by the performance of CSL and ongoing uncertainty around US tariffs. Style-wise, Growth and Momentum factors outperformed during the quarter while Value and Quality underperformed (Source: Barrenjoey).

ASX200 Sectors - Sept Qtr change (%)



Source: Equity Trustees

- **Stock moves** - The top five performers from the S&P/ASX 200 Index for the quarter were Dronesield (+104.4%), Lynas Rare Earths (+95.2%), Mineral Resources (+90.8%), Pilbara Minerals (+88.8%) and Idp Education (+80.4%). The bottom five performers were Boss Energy (-55.9%), Telix Pharmaceutical (-40.3%), HMC Capital (-36.5%), Bapcor (-35.5%) and James Hardie (-32.7%).
- **ASX200 contributors** - Taking market capitalisation into account, the major contributors to the index gains over the quarter included BHP, the 3 major banks (ex CBA) and Wesfarmers. The bottom five contributors were Commonwealth Bank, CSL, James Hardie, Woolworths Group and QBE Insurance.



- **August Reporting season delivered a sound set of results** – Earnings and dividends delivered were solid versus expectations, however guidance was a touch softer leading to FY26 earnings downgrades. Domestic cyclicals and small caps positively surprised supported by a resilient consumer, cost cutting and improving domestic economy trends. Conversely, offshore cyclicals negatively surprised impacted by tariffs, regulatory uncertainty and a weak US housing market.
- **Australian Economy** – The outlook for the economy fluctuated on future rate cut expectations. After surprising the market by holding rates steady in July, the RBA cut rates 0.25% in August to 3.6%. The outlook for the economy slowly improved over the quarter. Credit growth strengthened, house prices rose, and unemployment remained broadly stable. Inflation rose toward the top end of the 2-3% target band later in the quarter, however, reducing chances of future rate cuts. The \$A/\$US rose 1.1% to 66.13c.
- **Global economic activity** – The US Federal Reserve finally cut rates in September to 4%-4.25% mainly due to softer labour market data. While US tariff uncertainty lessened, the average tariff rate rose to ~17% which may weigh on US growth. Chinese economic data was soft to stable with the housing market continuing to drag on growth.
- **Precious Metals led the Commodities space higher** – Gold prices continued to surge higher rising 17% over the quarter (now 46% higher over the last year). Gold has benefited from the expectation of US rate cuts, a lower US Dollar, central bank independence concerns, central bank buying and ongoing geo-political risks. Otherwise, tighter supply, resilient demand and central bank rate cuts saw commodity prices rally. Lithium (spodumene) prices soared 36%, iron ore prices jumped 10% while base metals also rose (LME Metals Index +3.5%). Conversely, oil fell (-4.2%) as did alumina (-10%).
- **ASX200 earnings and valuation** – 12-month forward ASX200 earnings were revised down 2.5% over the quarter dragged down by the Materials, Info Tech and Consumer Staples sectors. The ASX200 Price-Earnings (PE) multiple closed the September quarter at 19.8x (12-month-forward) and remains elevated versus the 10-year average of 16.3x.

RESPONSIBLE INVESTMENT SPOTLIGHT

August 2025 Reporting Season – Key ESG Themes in Focus

The August 2025 reporting highlighted a continued commitment to ESG (Environmental, Social & Governance) across the ASX. Below we have summarised some of the key themes in focus.

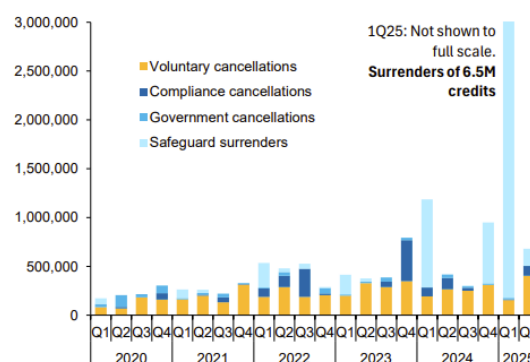
Environment: Decarbonisation progress

Decarbonisation has been a key area of focus for many years, and this year we have seen a step up in target setting and climate disclosures as companies prepare for the upcoming Australian Sustainability Reporting Standards (ASRS) regulation requiring more detailed reporting on financially material climate related risks and opportunities.

Several companies reported having either achieved/ on track with their emissions reduction or renewable energy targets. For example, Cleanaway (CWY), Rio Tinto (RIO) and Santos (STO) all highlighted they are on track to meet 2030 scope 1 & 2 emissions reduction targets, and Woolworths (WOW) are on track to achieve 100% renewable energy across their operations by the end of 2025.

A number of companies mentioned the cost of complying with the safeguard mechanism (SM), a government policy which has now been in place for two years aimed at bringing down the emissions of large industrial facilities to help meet Australia's national climate targets.

Significant increase in Safeguard ACCU demand



Source: Clean Energy Regulator, Macquarie Research, September 2025



Compliance costs were highlighted BHP, surrendering ~US\$17m in carbon credits to meet their FY24 obligations. The first deadline for companies to meet their FY24 obligations was the 31st of March 2025 which saw a significant increase in Australian Carbon Credit Units (ACCUs) surrendered in the first quarter of 2025.

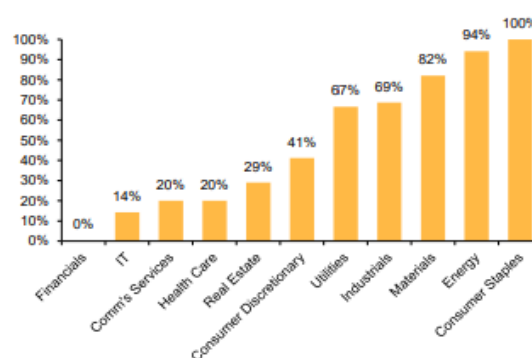
The introduction Australia's new climate target to reduce emissions by 62-70% by 2035 (from 2005 levels) is likely to lead to a tightening of climate policy. We expect SM costs to grow and extend to more companies which will likely drive an advance in decarbonisation initiatives. It's the impact of climate policies like this and the price of carbon credits which we consider in our investment research and decision-making process.

Social: Workplace Health and Safety (WHS)

Workplace health and safety was a key area of focus through reporting season. Companies are prioritising physical health and are increasingly focused on psychosocial and mental health initiatives. Wellbeing initiatives were mentioned by at least 90 companies during reporting season; a significant increase compared to previous years. Psychosocial safety commentary has previously been largely concentrated within the materials and industrials sectors, but mentions are now diversified across all sectors.

Leadership accountability for WHS is especially important and one way to ensure it is made a priority is to have safety linked to remuneration, ensuring poor performance and significant incidents reflected in remuneration outcomes. Over 50% of the ASX200 include safety as part of short-term incentives (STIs).

% of ASX300 with safety as part of executive remuneration



Source: Company data, Macquarie Research, September 2025

The effective management of WHS and employee wellbeing can be a lead indicator of broader company culture and management quality which can directly impact company performance. Companies managing it well seeing boosts to employee engagement, productivity, reduce absenteeism and staff turnover as well as enhanced decision making and creativity which can be linked to clear financial benefits.

Governance: ESG linked Remuneration

Across most sectors, we have continued to see an increase in companies that are incorporating ESG metrics into remuneration. Leadership accountability for meeting ESG targets is one way of ensuring they are prioritised, and it sends a clear signal to investors, customers, employees that the company is committed to achieving its targets.

Pleasingly, across the ASX100, 85% of companies have tied remuneration to ESG metrics such as culture, employee engagement, health & safety, environment, sustainability, net zero transition, etc. The majority of companies link to STIs, however 37 companies in the ASX300 index have linked ESG metrics to their long-term incentive structures.

Conclusion

There were concerns leading in to reporting season that there could be contagion of Trump's anti ESG sentiment to Australia, but the August reporting season highlighted a continued commitment to ESG across the ASX. Moving forward, with the release Australia's 2035 emissions reduction target we expected a tightening of climate policy and a ramp up in decarbonisation activity.

Corporate Engagement

Examples of company engagements undertaken during the September quarter are listed below.



Company	ESG Topics	Engagement Focus
Pilbara Minerals (PLS)	Environmental	Decarbonisation progress at the Pilgangoora lithium mine in Western Australia.
South32 (S32)	Environment	Understanding rehabilitation efforts at the Boddington bauxite mine in Western Australia.
Qantas (QAN)	Environment	Carbon Offset integrity

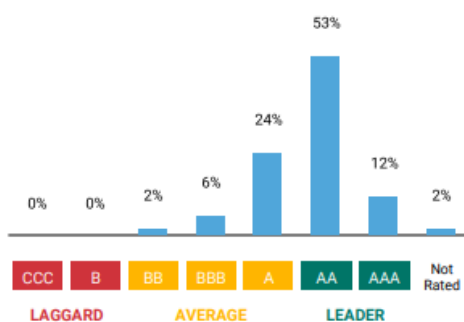
FLAGSHIP FUND ESG METRICS AS AT 30 SEPTEMBER 2025*



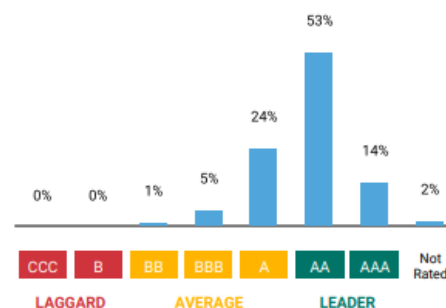
CCC B BB BBB A AA AAA

	PORTFOLIO	ASX 200
ESG Scores		
MSCI Weighted Average ESG Score (10 = highest, 0 = lowest†)	7.5	7.6
Proportion of companies classified as ESG leaders (AAA and AA)	65%	67%
Governance Metrics		
Proportion of companies classified as governance leaders	81%	86%
Proportion of companies where women comprise at least 30% of the board of directors	89%	91%
Proportion of companies with a majority independent board	100%	99%
Carbon Metrics		
Companies with GHG emission reduction targets	89%	88%
Companies with targets across all scopes (Scope 1,2 & 3)	59%	56%

Portfolio ESG Rating Distribution



Benchmark ESG Rating Distribution



*Produced by MSCI research as of September 30, 2025. The investment manager applies ESG principles as part of its broader investment philosophy. However, this fund is not classified as an ESG product, and ESG criteria may not be applied to all investments. Investors should refer to the PDS for details on the fund's strategy.



OUTLOOK AND STRATEGY

Investment market returns have remained very strong with many equity markets hitting all-time highs. The September quarter gains were supported by central bank rate cuts, the AI investment boom, ongoing resilience in global economies, reduced uncertainty around US tariffs and solid corporate earnings. Money supply is increasing while corporate actions (Mergers & acquisitions / IPO's) have picked up.

Our current views are outlined below.

- **Global economic growth should remain below trend (~2.5% annualised growth) in the near term due to:**
 - Slower US growth as tariffs impact US consumption, the housing market remains subdued, the labor market slows and the pull forward of demand (from the 1H CY25) is digested. This is being offset by fiscal initiatives, interest rate cuts, data centre capex spend and the wealth effect of higher equity markets. The market appears to be less concerned about any inflation risks.
 - While aggregate growth appears reasonable, we think there remains a large and widening divergence within the consumer segment. Spend from higher demographic, asset rich US consumers remains very strong (eg premium airline bookings trends are robust) but many in lower end demographics are struggling (eg trading down occurring, real incomes declining etc).
 - European growth remains subdued, albeit there is increased fiscal and infrastructure spend, inflation is under control and interest rates have been cut.
 - Chinese growth to gradually slow but be supported by pockets of stimulus.
- **Australian GDP growth to gradually improve**
 - RBA rate cuts have started to support the domestic economy, the labour market remains relatively tight, and government spending remains supportive, but higher inflation may limit the amount of future rate cuts.
- **Earnings per share forecasts for the year ahead is ~4% for Australian equities.**
 - Within the ASX, earnings are expected to grow ~4% in FY26. Industrials are expected to rebound strongly; Resource stocks have recently seen earnings upgrades on higher commodity prices while major bank earnings growth remain more subdued.
- **Equity market valuations remain at expensive levels**
 - Equity markets have rebounded strongly from April lows. International and Australian equity market Price-Earnings (PE) multiples are at elevated levels. Elevated PE multiples make it challenging for the market to move strongly higher in the near term unless earnings growth is delivered well above current expectations.
 - From a sector perspective we think the healthcare sector is undervalued relative to its growth prospects and is a sector that is typically well insulated in a market pullback. Whilst not definitive, uncertainty around US tariffs is reducing which should start to offer investors more certainty about the outlook.
 - Continued commodity price strength will have a positive impact on Resource stocks which offer relative value. Gold continued to benefit as investors diversify their USD assets, Chinese actions to control supply through their "anti-involution" policies have supported various commodities and lower interest rates combined with Chinese stimulus has kept demand resilient.
- **Real Assets such as property securities and infrastructure appear fair value but still offer some value relative to broader equity markets.**
 - They should remain supported given stable cashflows, but less interest rate cuts in Australia have dampened the outlook a little.
- **The outlook for income remains problematic**



- FY26 forecast ASX dividend yields (pre-Franking credits) are ~3.2% which is below historic levels of ~4.4%. Dividends are expected to grow at between 0-5% in FY26 (on FY25).
- AREIT dividend yields (~3.3%) are lower than historic levels due to the dominance of companies such as Goodman Group (GMG) and Charter Hall (CHC) which have substantial active earnings and offer lower distribution yields.

Our expectation is for lower overall diversified portfolios returns in FY26 relative to what was received in FY25 predominantly due to higher equity market valuations, lower income yields (which are less volatile in nature) and sub trend macro-economic growth.

Tactically, within diversified investment portfolios, we are slightly underweight equity markets due to their high valuations.

- Our positioning is to preserve the capital of our clients and invest in assets where on a risk-adjusted basis we see better risk adjusted value.
- Any tick up in inflation that limits central bank rate cuts is a risk and could see parts of the market such as small caps and consumer discretionary sectors that have rallied strongly unwind.
- While we are always eager to protect and grow capital through correctly assessing the short term, most value is obtained through accurately assessing an asset's value over time.
- Given a more subdued overall return environment and higher market concentration we think this offers opportunities for fundamentally driven, active investors to generate positive relative returns.

FUND HOLDINGS

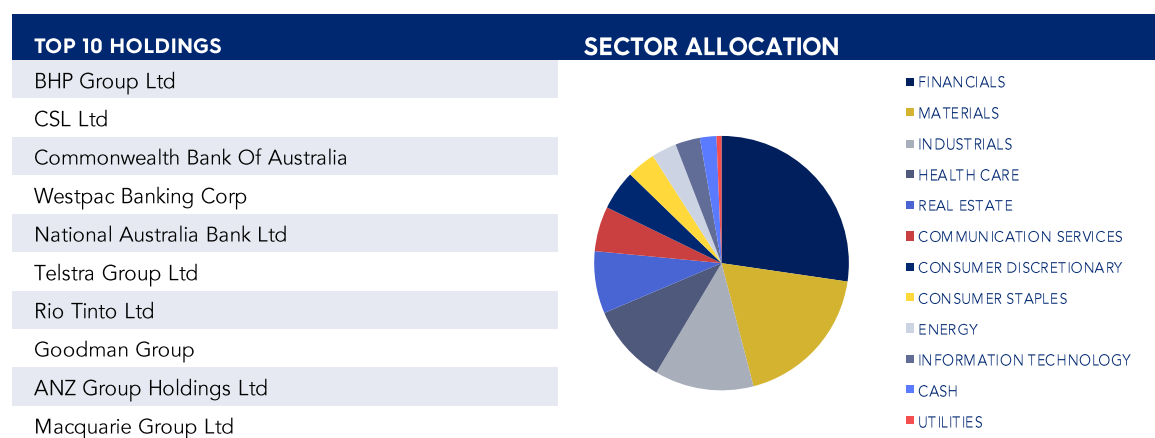


Table 3

Source: Equity Trustees as at 30/09/25

Australian Executor Trustees Limited ("AETL") (ABN 84 007 869 794), AFSL 240 023, is the Responsible Entity for the EQT Flagship Fund – Class B. AETL is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975. This publication has been prepared by Equity Trustees, to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither AETL, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. The Fund's Target Market Determination is available here <https://www.eqt.com.au>. A Target Market Determination is a document which describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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