Equity Trustees

September 2026
Quarterly Report

EQT TAX AWARE AUSTRALIAN EQUITY FUND - CLASS B

Equity Trustees Asset Management has been recognised by Responsible Investment Association Australasia (RIAA) as a Responsible Investment Leader 2026, reflecting leading practice in responsible investment, ESG integration, stewardship and transparency.

FUND OBJECTIVE

The EQT Tax Aware Australian Equity Fund – Class B (the Fund) aims to deliver gross performance (less fees) above the Benchmark over rolling 3-year periods, after taking into account 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]
Income return	0.97%	2.92%	2.95%	3.40%	3.19%
Capital return	-0.42%	-4.29%	4.38%	2.01%	3.47%
Total net return	0.55%	-1.38%	7.33%	5.42%	6.66%
Benchmark return[3]	1.33%	2.68%	11.40%	7.68%	7.85%
Active return	-0.78%	-4.06%	-4.07%	-2.27%	-1.19%
Franking credit return[4]	0.39%	0.96%	0.99%	1.32%	1.23%
Total gross return[5]	0.81%	-0.36%	8.44%	6.51%	7.76%
Total gross return (inc. franking credits)[6]	1.20%	0.60%	9.43%	7.83%	8.99%

Table 1

[1] Income return and total net return are Fund returns after the deduction of ongoing fees and expense and assumes the reinvestment of all distributions. Results greater than one year are annualised.

[2] Inception date is 1 July 2019.

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

[4] Franking credit returns are estimates and calculated at a zero-tax rate. However, Investors should seek their own tax advice.

[5] Total gross return is fund return before the deduction of ongoing fees and expenses.

[6] Calculated as total gross return plus franking credit return.

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

PERFORMANCE SUMMARY

The Fund recorded a total net return of 0.55% for the September quarter, underperforming the benchmark by 0.78%. Over the last 12 months, the Fund delivered a total net return of -1.38%, underperforming the benchmark by 4.06%. Including franking credits, the gross return was 0.60% for the last 12 months.

Over the last 3 and 5 years the Fund has generated a total net return of 7.33% p.a. and 5.42% p.a. respectively. The total gross return including franking credits over the last 3 and 5 years has been a solid 9.43% p.a. and 7.83% p.a. respectively.

Since inception, the Fund has generated a strong total net return of 6.66% p.a. (before franking credits), underperforming the ASX200 Accumulation index by 1.19% p.a. On a gross basis and including franking credits the Fund has generated a strong total return of 8.99% p.a. since inception.

PERFORMANCE DETAIL

At the stock level, over the last quarter the Fund benefited from its overweight positions in CSL Limited (CSL), South32 Ltd (S32), Santos Limited (STO). Underweight positions in Wesfarmers Limited (WES) and Commonwealth Bank of Australia (CBA) also benefited the portfolio.

The main detractors to Fund performance were overweight positions in NextDC Limited (NXT), Pexa Group Ltd (PXA), Goodman Group (GMG) and Car Group Limited (CAR). An underweight position in Woodside Energy Group Ltd (WDS) also detracted from Fund performance.

ATTRIBUTION SUMMARY

SEPTEMBER 2026 QUARTER	TOTAL ATTRIBUTION
Top five contributors	
Wesfarmers Limited	0.59%
CSL Ltd	0.53%
South32 Ltd	0.53%
Commonwealth Bank Of Australia	0.32%
Santos Limited	0.30%
Bottom five contributors	
NextDC Ltd	-0.66%
PEXA Group Limited	-0.34%
Goodman Group	-0.30%
Woodside Energy Group Ltd	-0.29%
Car Group Limited	-0.27%

Table 2

POSITIVE ATTRIBUTION

CSL (CSL)

After a disappointing eighteen months CSL has delivered a better-than-expected FY26 result with a strong 2H26 recovery clear in its core Behrings division. This was an important milestone after a period of disappointing relative to market expectations. The momentum of the recovery has continued into 1H27 and likely marks the end of the current earnings downgrade cycle. Management were confident enough to issues initial NPAT growth guidance of +5% for FY27, which was +4% ahead of market expectations. Management continue to take costs out of the business, improve efficiencies and has instigated another A$1.1bn share buyback. The balance sheet and cash flow generation remain strong. We have held an overweight position and felt that stock had become oversold earlier in the year. The very strong outperformance over the quarter helped our attribution.

South32 (S32)

S32, a diversified global metals and mining company spanning aluminium, coal, manganese, and base metals, was held in the portfolio throughout the report period with an average overweight of 2.14%. The security delivered a return of 31.78%, significantly outpacing the overall benchmark's return of 1.33% helping the attribution of the Fund. During the quarter S32 announced they would sell their aluminium assets to Alcoa for up to $5.6bn. The sale would streamline and simplify the portfolio, become higher margin, offer sector leading production growth over the next five years with a strong balance sheet. The company also reporting a solid result in August in-line with market expectations. Capex and production growth guidance was also in-line with expectations.

Wesfarmers (WES)

We have held an underweight (zero) position in WES in the portfolio given concerns around the health of the Australian consumer, the softening housing market and the valuation of WES which appeared too expensive. While the FY26 result in August was sound, it showed that despite Bunnings expanding into new product categories, and Kmart being well positioned as customers become more value conscious, Wesfarmers retail businesses are growing slower than retail sales in general. The lithium business is also being impacted by lower lithium prices. Despite being a quality business, for us, there has not been the margin of safety to invest. Given our underweight position, WES' underperformance during the quarter helped the Funds relative performance.

Commonwealth Bank of Australia (CBA)

While we view CBA as a quality franchise, we have held an underweight position in CBA given concerns regarding their valuation and increasing headwinds impacting the banking sector. The banking sector has suffered from concerns around lower lending growth (especially in the retail / mortgage segment) post the RBA rate hikes and May budget. Competition in lending remains intense and higher term deposit rates may pressure near term margins. In addition, CBA's tech spend is elevated in the near term pressuring the expense line. CBA's premium valuation and retail focus has led to a de-rating in their valuation multiples. CBA underperformed during the quarter aiding attribution.

Santos (STO)

STO has been our preferred Energy exposure given its strong asset suite and attractive, growing free cash flow profile. The stock strongly outperformed over the quarter driven by higher oil prices. During the quarter the company report their 1H26 result which was in-line with consensus expectations, however the dividend was 10% better than expected. Following the completion of the Barossa project and with Alaska Phase 1 nearly completed, we are now in a period of cash harvesting. STO has committed to returning at least 60% of all-in free cashflow to shareholders. We view the valuation and dividend profile as attractive.

NEGATIVE ATTRIBUTION

NextDC (NXT)

We have held an overweight position in NXT given improved certainty around funding, large contact wins, a strong pipeline of opportunities and increasing visibility of future cashflows is underpinning the value of the business. The stock underperformed during the quarter, however, due to 1) being a funding source for upcoming IPO's; 2) concerns about sector wide funding / capex requirements; 3) competition for new contracts; and 4) higher bond yields. In particular, the announcement of a significant capital raising and A$1.1 billion convertible note issue tempered returns, as investors weighed the benefits of accelerated expansion against dilution and the sizeable capital expenditure required to fund NEXTDC's future development pipeline.

Pexa (PXA)

Despite reducing our overweight position in the stock in the prior quarter, PXA continued to de-rate following the IPART draft paper recommending a change to pricing mechanism and lower property volumes following the May budget. Guidance given at the FY26 result in August was soft, and uncertainty around outcomes has led investors to flee the stock. We would argue that the share price is factoring in a lot of bad news and there may be "less bad" outcomes than what is currently being priced.

Goodman Group (GMG)

Higher funding costs and subdued guidance weighed on performance. As with many infrastructure and real asset businesses exposed to the AI build-out theme, investors remained conscious that substantial capital investment is required to deliver future projects. The market continues to assess the balance between growth opportunities and funding needs considering higher bond yields. But GMG is well capitalised, has low gearing and an equity funded model which limits the impact from higher funding costs. During the quarter, GMG also delivered a solid FY26 result, beating original guidance and slightly ahead of market. The guidance given was slightly below consensus, however. But it is not unusual for GMG to issue conservative guidance that they eventually beat. We expect new leasing deals to be announced over the course of the year will ultimately lead to FY27 guidance being upgraded. Despite the underperformance in the September quarter, we think GMG remains very well positioned to deliver long term outperformance now trading at compelling value for its strong long term growth profile.

FUND ACTIVITY

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

STOCKS BOUGHT FOR THE FUND

BLUESCOPE STEEL (BSL)

BSL combines market-leading Australian steel operations with a high-quality US steel business, providing investors with diversified earnings, strong cash generation and exposure to long-term construction and infrastructure growth. We initiated a small position in BSL following the FY26 results along with a commensurate pullback in the share price to a point where value emerged. BSL is strongly leveraged to the current high US steel prices. The US steel market has improved significantly over the past few years following industry consolidation and tariffs being applied to imports. Other quality characteristics include a conservative balance sheet, disciplined capital management and valuable downstream brands such as COLORBOND®. Further, growth capex has peaked, and management has rebased shareholder returns and is now targeting distribution of at least 75% of Free Cash Flow.

NEWMONT CORPORATION (NEM)

We initiated a small position in the stock in August. NEM is the largest gold miner in the world with no debt. Newmont Corporation offers a compelling combination of scale, asset quality, reserve longevity and financial strength. As the world's largest listed gold producer, the company is well positioned to benefit from a supportive medium-term outlook for gold driven by central bank demand, geopolitical uncertainty, constrained mine supply and the prospect of lower real interest rates. The addition of high-quality assets acquired from Newcrest Mining has further strengthened Newmont's position as a core holding within the global gold sector.

SUNCORP GROUP LIMITED (SUN)

Following the sale of Suncorp Bank to ANZ, Suncorp now operates as a pure play general insurer, in a consolidated industry that is generally considered to be one of the most profitable markets in the world. After a period of strong price increases post-COVID, margins remain attractive and pricing increases in personal lines are generally in line with claims, with a further tailwind from rising bond yields on insurers investment portfolios. Falling reinsurance pricing globally has also helped support the profitability of the domestic market.

STOCKS EXITED FROM THE FUND

SEEK LIMITED (SEK)

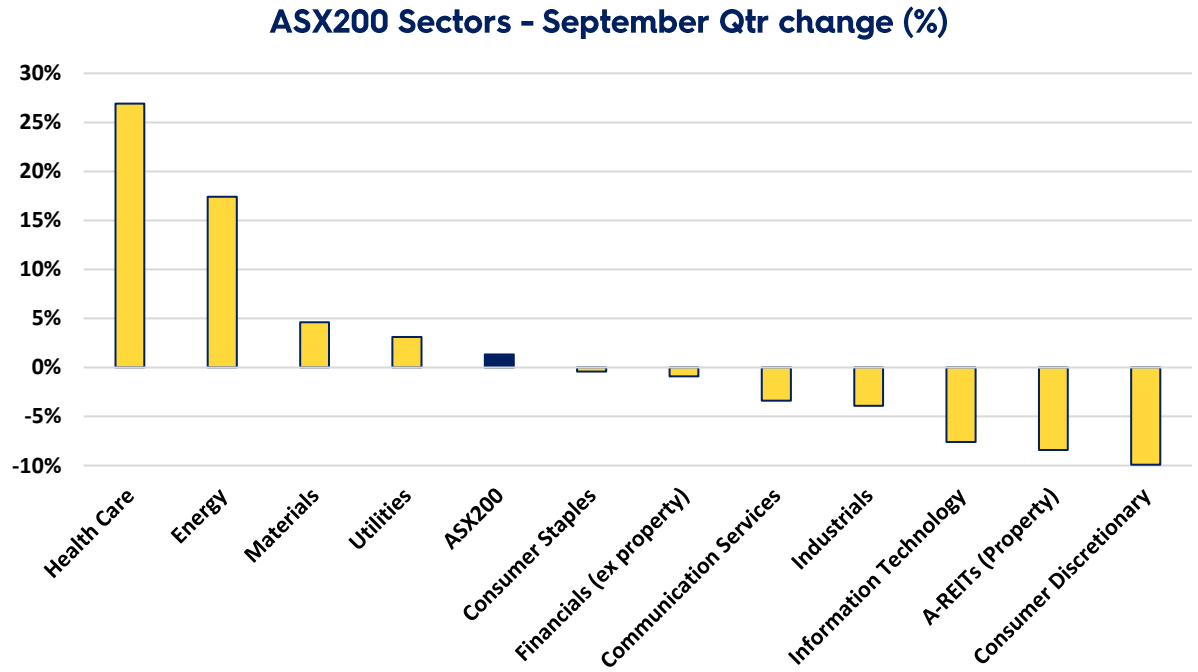
The company produced an in-line result in August, but the guidance was softer than expected. Softer volumes will be a headwind to growth in FY27 with profit expected to be flat on FY26F as price offsets the expected decline in volumes. SEK is being negatively impacted by a softening Australian economy along with disruption concerns regarding AI. Given our concerns regarding the domestic economy, we exited the stock. We prefer CAR group within the classified universe.

MARKET SUMMARY

KEY POINTS

- **Australian equities posted modest gains slightly underperforming global markets**
  - The S&P/ASX 200 rose 1.3% over the September quarter but weakened sharply in September (-2.4%), ending a six-month run of positive monthly returns.
  - Rising bond yields and higher oil prices were key headwinds late in the quarter.
  - The ASX200 slightly underperformed the international equity market (MSCI World ex Aust) which rose 1.9% in local currency terms and 1.5% in AUD terms.
  - The US equity market performed well while Japan, Emerging markets and Europe lagged.

- **ASX200 Sector performance – Healthcare the standout while interest rate sensitives suffered**
  - Australian equity market returns were heavily concentrated in Healthcare (+26.9%), Energy (+17.4%) and Materials (+4.6%), while Consumer Discretionary (-9.9%), Technology (-7.6%) and Real Estate (-8.4%) lagged
  - Healthcare was the strongest sector, driven primarily by CSL's post-result rally and share buyback programme, alongside strong performances from Ramsay Health Care and Ansell.
  - Energy outperformed as Brent crude oil rose over 34% during the quarter amid ongoing disruptions in the Strait of Hormuz and broader geopolitical tensions. Santos and Woodside were key beneficiaries.
  - Consumer discretionary, AREITs (property) and Technology were the weakest sectors negatively impacted by higher bond yields.



Source: Equity Trustees

- **ASX200 index contributors (Taking market capitalisation into account)**
  - CSL was the largest positive contributor to index performance over the quarter, with investors responding positively to improving earnings momentum and capital management initiatives.
  - ANZ, Northern Star, BHP and Woodside also provided meaningful support to the benchmark.
  - The largest detractors included Commonwealth Bank, Wesfarmers and Goodman Group.

- **Australian Economy softened over the quarter as higher rates took hold**
    - The Australian economy remained resilient, with GDP growth running at approximately 2.1% year-on-year, supported by business investment and infrastructure spending.
    - The RBA lifted the cash rate to 4.60%, taking policy further into restrictive territory as inflation remained above target.
    - Business confidence, employment growth and housing data softened during the quarter, while consumer confidence remained weak, reflecting the ongoing impact of elevated interest rates.
- **The global economy has remained resilient but is also facing higher rates**
    - Global economic data remain broadly resilient despite tightening financial conditions and ongoing geopolitical turmoil. The manufacturing sector has remained strong buoyed by AI demand
    - The US economy continued to demonstrate resilience and has driven global economic resilience, with labour market conditions remaining healthy and GDP growth expectations around 2.2%. Consumer indicators have softened, however.
    - There has been an increasingly synchronized tightening cycle across Developed Market central banks. The US Federal Reserve raised rates 25bp in September to 3.75-4% after Fed officials communicated concerns with inflation levels.
    - China's economy remained a source of uncertainty, with ongoing weakness in residential property markets continuing to weigh on steel demand and commodity consumption. Sluggish domestic demand and confidence is being offset by strong export growth.
    - European data weakened over the quarter weighed down by higher gas prices, interest rates and fiscal concerns.
- **Aust Bonds fell as bond yields rose around the world**
    - The AusBond Composite index fell 1.5% in the quarter.
    - Australian bond yields moved sharply higher, with the 10-year government bond yield rising 62bps during the quarter to 5.35%, reflecting persistent inflation concerns, rising global bond yields and a more hawkish stance from the Reserve Bank of Australia.
    - US 10-year Bond yields rose 82bps over the quarter to close at 5.28%. Resilient economic growth, sticky inflation, increasing public debt, competition from AI corporate debt issuance, Fed communication and economic, political and geopolitical uncertainties have seen yields rise sharply.
    - Towards the end of the quarter global yields revisited levels not seen for more than a decade with the US 10-year Treasury yield peaking at 5.3%, their highest since 2002, while Australian 10-year yields reached 5.43%, a level not seen since 2011.
    - Credit markets were comparatively resilient despite the rise in underlying yields. Investment-grade corporate bonds continued to benefit from solid corporate balance sheets, strong demand from income-focused investors and relatively contained default expectations.
- **Commodities mostly rose led by the energy sector**
    - The CRB (commodity research bureau) index rose 16% over the quarter.
    - Energy markets were the standout performer, with Brent crude oil rising 34.4% during the quarter on supply disruption concerns and geopolitical tensions.
    - Hard coking coal and thermal coal rose 14.3% and 13% respectively, while base metals rose 6.2%.
    - Iron ore weakened 6.9% during the quarter as Chinese steel demand remained subdued, while Lithium prices fell 23% on concerns of increasing supply and slowing in demand.
- **ASX200 earnings trends have softened**
    - 12-month forward ASX200 earnings were revised lower by 4.2% over the 3 months as the macro-economic backdrop worsened.
    - The ASX200 valuation (Price / earnings ratio) finished the quarter trading on 17.2x 12-month forward earnings which is only a slight premium to its 10-year average.

RESPONSIBLE INVESTMENT SPOTLIGHT

August 2026 Reporting Season – Key ESG Themes in Focus

The August 2026 reporting season highlighted improved transparency around climate-related risks and opportunities, continued investment in decarbonisation initiatives and a growing focus on social outcomes. Below we summarise three key ESG themes that emerged during the latest reporting season.

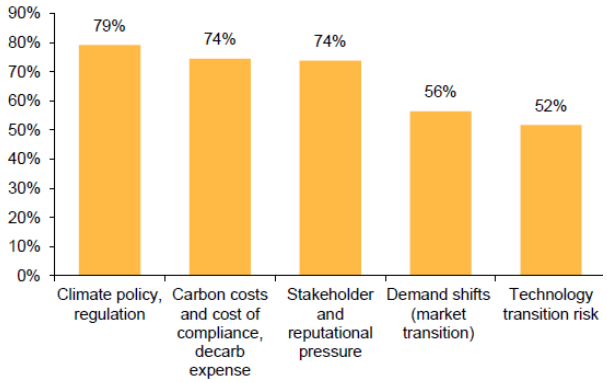
1. Improved Climate Disclosure

Almost half of the ASX200 reported under Australia's new mandatory climate reporting framework, providing more detailed information on climate-related risks, opportunities and potential financial impacts.

Companies increasingly quantified transition risks such as carbon costs, climate policy compliance and regulatory obligations. Qantas disclosed gross carbon costs of $70 million in FY26 and expects these costs to increase to an estimated $117 million in FY27. Several companies also provided greater transparency around potential exposure to Australia's Safeguard Mechanism (Government policy for reducing emissions from Australia's largest emitters) and future decarbonisation costs.

Disclosure of physical climate risks also improved materially, with companies identifying exposure to extreme weather events, flooding and water availability risks across key operations.

ASRS: % of Reporting Companies highlighting most common Transition Risks



Source: Company data, Macquarie Research, September 2026

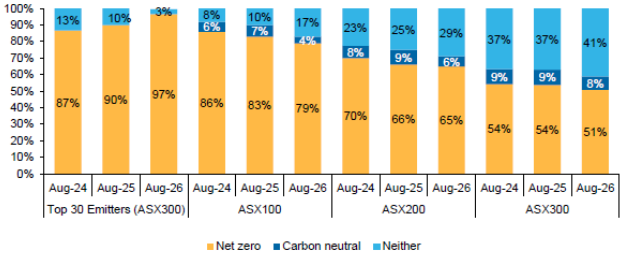
The key takeaway is that climate risk is increasingly being treated as a financial risk. Mandatory climate reporting is providing clearer insight to assess how well companies are positioned to manage these risks and respond to tightening climate policies moving forward.

2. Decarbonisation Progress Remains Uneven

Reporting season reinforced that decarbonisation investment remains concentrated in the resources and industrials sectors. A standout example is Fortescue (FMG), which invested approximately US$848 million in decarbonisation initiatives during FY26 and continues to progress the electrification of its Pilbara operations.

At the same time, a number of companies acknowledged the challenges associated with reducing emissions. Some companies revised, delayed or withdrew climate targets, noting technology limitations, costs and operational constraints. This reinforces the reality that while the majority of ASX100 companies have net-zero commitments in place, delivering on these ambitions remains challenging for some sectors.

% of Companies with Net Zero Targets



Source: Company data, Macquarie Research, September 2026

With carbon compliance costs emerging as a key transition risk, the review of Australia's Safeguard Mechanism, expected in early 2027, may be a key catalyst for future decarbonisation investment and emissions reduction progress among Australia's highest emitters.

3. Safety Outcomes

Social performance remained a key area of focus during reporting season, with workplace safety continuing to receive significant attention, particularly across the resources and industrial sectors where serious safety incidents remain elevated.

Safety is a key ESG issue that we monitor as part of our process. Not only do we believe every worker has the right to return home safely, but safety performance can provide valuable insight into management quality, operational discipline and broader company culture, all of which can have a meaningful impact on long-term performance.

We recognise that some industries, particularly mining, operate in inherently higher-risk environments. However, where a serious safety incident occurs, we expect companies to be transparent in disclosing the incident, undertake a thorough review of root causes, and clearly articulate the actions being taken to improve safety outcomes. We also expect accountability at the leadership level, with safety performance appropriately reflected in executive remuneration.

Safety will remain an important engagement priority for us, particularly within higher-risk sectors where strong safety performance is critical to maintaining a company's social licence to operate and creating long-term shareholder value.

Conclusion

ESG integration is an important element of our fundamental research process. The August reporting season reinforced how ESG risks and opportunities are being managed and integrated into business decisions across the ASX.

Corporate Engagement

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

Company	ESG Topics	Engagement Focus
Wesfarmers (WES)	• Environmental, Social	• Decarbonisation progress, approach to identifying and mitigating the risk of modern slavery in supply chains.

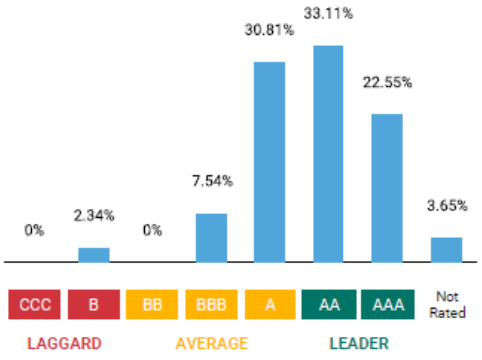
TAX AWARE AUSTRALIAN EQUITY FUND ESG METRICS AS AT 30 SEPTEMBER 2026*

MSCI ESG RATINGS AA

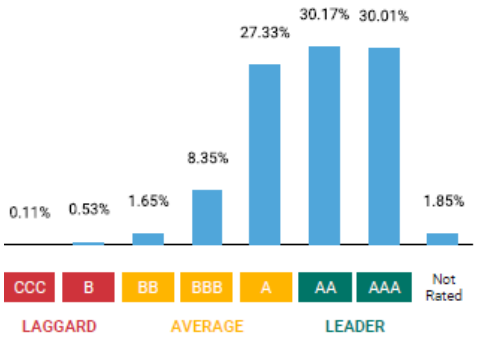
CCC | B | BB | BBB | A | AA | AAA

	PORTFOLIO	ASX 200
ESG Scores		
MSCI Weighted Average ESG Score (10 = highest, 0 = lowest)	7.5	7.7
Proportion of companies classified as ESG leaders (AAA and AA)	56%	60%
Governance Metrics		
Proportion of companies classified as governance leaders	88%	88%
Proportion of companies where women comprise at least 30% of the board of directors	88%	90%
Proportion of companies with a majority independent board	97%	99%
Carbon Metrics		
Carbon Footprint (Scope 1&2) tonnes C02e/$USm invested	156	94
Companies with GHG emission reduction targets	87%	89%
Companies with targets across all scopes (Scope 1,2 & 3)	61%	63%

Portfolio ESG Rating Distribution



Benchmark ESG Rating Distribution



*Produced by MSCI research as of September 30, 2026. 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

Global markets continue to be supported by resilient economic growth, moderating inflation and generally positive corporate earnings outcomes. However, the investment environment remains complex. Inflation has proven stickier than expected, fiscal deficits remain elevated, and long-term government bond yields have moved higher as investors reassess the outlook for interest rates and government borrowing requirements.

A key driver of market returns remains the substantial investment being directed towards artificial intelligence infrastructure. Significant capital expenditure by technology companies on data centres, cloud computing and semiconductor capacity is supporting earnings growth and broader economic activity. While the long-term productivity benefits are likely to be significant, the sustainability of the investment cycle and its funding requirements will remain an important area of focus for investors.

Geopolitical risks remain elevated. Ongoing strategic competition between major economies, trade fragmentation and regional conflicts continue to create uncertainty and may contribute to structurally higher inflation and increased market volatility.

Higher long-term bond yields present both opportunities and challenges. Fixed income is once again offering attractive levels of income, while higher discount rates are likely to constrain valuation expansion across many growth-oriented asset classes. Higher borrowing costs will start to weigh on economic growth. In our view, future equity returns will be increasingly dependent on earnings growth rather than further increases in valuation multiples.

Within Australian equities there are considerable headwinds to domestic economic growth. An arguably much needed cooling of the housing market will nonetheless have a dampening impact on both activity and consumer sentiment. The latter not helped by the Reserve Bank's third interest rate rise this cycle as it looks to bring inflation to heel. Although growth is slowing we still the case for a further rate rise this year. The composition of the Australian ASX200 means that market earnings growth will be materially lower in Australia in comparison to global markets.

Against this backdrop, we remain focused on quality businesses with resilient earnings, strong balance sheets and exposure to long-term structural growth themes. Quality businesses have greater scope to deliver sustainable earnings growth due to participating in strong industry structures, having pricing power, maintaining market leadership positions, lower levels of debt and strong management credentials. We continue to see attractive opportunities in areas linked to digital infrastructure, healthcare, energy transition and selected industrial businesses, while maintaining an emphasis on diversification and downside resilience.

FUND HOLDINGS

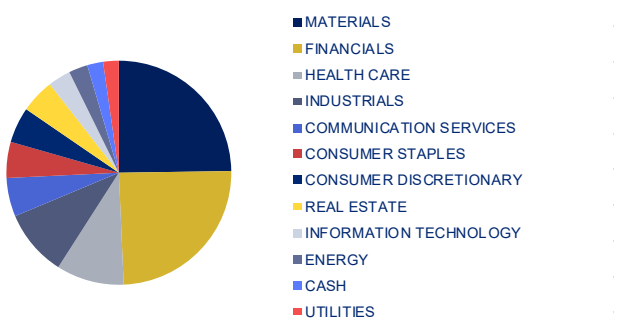
TOP 10 HOLDINGS	SECTOR ALLOCATION
BHP Group Ltd	
Commonwealth Bank Of Australia	
CSL Ltd	
ANZ Group Holdings Ltd	
Goodman Group	
Westpac Banking Corp	
Telstra Group Ltd	
Light & Wonder Inc Cdi	
Rio Tinto Ltd	
Coles Group Ltd	

Table 3
Source: Equity Trustees as at 30/09/26

Australian Executor Trustees Limited (“AETL”) (ABN 84 007 869 794), AFSL 240 023, is the Responsible Entity for the EQT Tax Aware Australian Equity 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. The information shown on this report is general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. Consider seeking financial advice. Use of the information contained on this page is subject to the terms and conditions on our website.
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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