

Quarterly Investment Update

Contents

- Investor letter & update
- AAN Core Model
- AAN Growth Model
- AAN Australian Model
- AAN Index Core Model
- AAN Index Growth Model
- AAN Sustainable Growth Model

June 2025

AAN Asset Management Pty Ltd

5th August

Investor Letter

Dear Investor,

The June quarter was characterised by uncertainty and volatility, with some of the most significant market movements seen in recent years, excluding the extraordinary period during COVID-19. The quarter started with the April 2nd ‘Liberation Day’, on which President Trump announced tariffs on all US trading partners on a scale not seen since the famous 1920s Smoot-Hawley tariffs, which contributed to the Great Depression.

Unsurprisingly, this triggered an immediate market sell-off of more than 20% for the US S&P 500 index, which, along with a sell-off in the US dollar and US Treasury bonds, led President Trump to pause the implementation of these tariffs for 90 days pending negotiations.

Markets have a habit of overreacting to negative and positive news, even more so when it is combined with a level of uncertainty as to what the future might look like. As it became clear that trade deals would be negotiated, it led to a strong run in share markets after bottoming in early April, with the S&P 500 rising 10.9% in US dollars during the quarter, and nearly 30% from the bottom of the market on April 7.

The strongest-performing markets during the quarter were in East Asia, buoyed by renewed investor enthusiasm for the technology sector and the ongoing AI thematic. This tailwind particularly benefited companies central to the global AI supply chain. South Korea stood out with a remarkable rebound, posting a 28.4% gain for the quarter. After several years of underperformance, the market rallied strongly on the back of improved political stability and surging demand for AI-related hardware such as memory and semiconductor chips, where Korean giants like Samsung Electronics and SK Hynix are global leaders. Taiwan and Japan were also strong performers, up 20.1% and 12% respectively and benefitting from similar drivers.

The Australian market delivered a strong performance, rising 9.5% for the quarter, driven by solid gains in the banking and technology sectors; however, it was not immune to volatility resulting from the Trump tariffs. Despite Australia’s relatively limited direct trade exposure to the US, it ultimately benefited from easing global trade tensions and a rebound in overall risk sentiment.

At its May meeting, the Reserve Bank of Australia (RBA) cut the cash rate target from 4.1% to 3.85%. Inflation in Australia has continued to ease, and while some economists have expressed concerns about a potential second wave, current data suggests inflation remains contained, now back within the RBA’s 2–3% target range.

The US Federal Reserve maintained the Federal Funds rate, citing ongoing uncertainty about the inflationary impact of tariffs. Markets have begun to scale back expectations for rate cuts in 2025, as Fed Chair Jerome Powell remains cautious about easing policy, despite mounting political pressure from President Trump.

Government bonds experienced some volatility in April but remained relatively stable over the quarter, despite a dynamic macro environment. On the positive side, yields have consistently remained above inflation in recent months, making real returns on government bonds more attractive than they have been in decades. However, growing concerns around the scale and trajectory of US government debt have started to weigh on sentiment. With limited political will on both sides to rein in spending, the issue continues to escalate. The Trump administration’s proposed budget, dubbed the “One Big Beautiful Bill”, does little to address the imbalance between tax revenue and expenditure.

Despite subdued confidence, economic and market fundamentals have demonstrated notable resilience. While downside risks remain and may trigger periods of volatility, several supportive factors continue to underpin global economic growth and market performance. Should an agreement be reached in the Ukraine conflict we consider that it will be a positive for security and markets in general, and commodities in particular.

Regards,

Marshall Brentnall

Chief Investment Officer

Economic Summary

Data from 1 July 2025

Australian unemployment

4.2% (trend), 4.3% (seasonally adjusted) compared to 4.1% for the previous quarter.

4.3%

Equity markets

S&P500 returned +4.4% whilst the ASX200 returned +2.38% for the quarter.



AUD/USD

66c compared to 63c at the end of March.



Iron Ore price

Iron Ore \$110 USD/T (approximately) for the quarter.



Australian bonds

Australian bond yields at 4.10% by quarter end.

4.10%

Gold price

\$2,350 USD/oz for the quarter.



Model performance

The AAN Australian Model was the best performing model for the quarter returning 8.34% and the AAN Index Growth was the best performing model over 12 months returning 13.29%.



Oil price

Brent crude \$78 USD/bbl. West Texas Intermediate (WTI) crude \$74 USD/bbl.



Volatility Index

VIX was 14 during the June quarter.



Annual inflation

US 3.0% 30 June 2025 headline inflation. AUS 2.1% headline inflation down from 2.4% in March 2025.



US yield curve

Slightly inverted: US 10Y Treasury reached -4.2% and the US 2Y reached -4.5%.



AAN CORE - AC0001

As at 30 June 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0001
Investment Fee	0.43% p.a.
Performance Fee	Nil
Less AAN Client Model Fee Discount	0.24% p.a.
Commencement	05 Feb 2016
ICR and Transaction Cost	0.61% p.a.
Indicative No. of Holdings	Unlimited

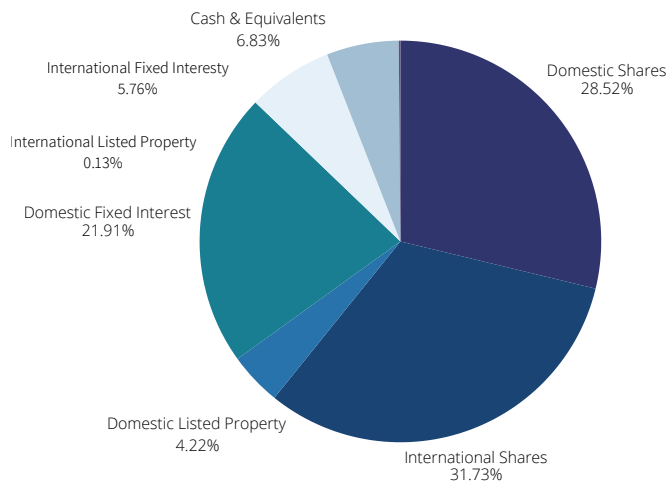
Investment description

The Core portfolio is an actively managed portfolio providing a diversified exposure with a neutral tilt towards growth asset classes (65%) relative to defensive asset classes (35%). The portfolio is constructed using a multi-manager approach which seeks to incorporate a blend of investment styles. The portfolio will generally be reweighted to its strategic weights quarterly and may employ a blend of active and passive investment styles based on market conditions. Investment exposure is obtained through a combination of direct equities, exchange traded products and/or managed funds.

Investment objective

The Core portfolio's investment objective is to outperform CPI by 3.0% p.a before fees over rolling 5-year periods.

Asset Allocation



Top 5 holdings

Vaneck MSCI International Quality ETF	7.58%
Vanguard MSCI Index International Shares (Hedged) ETF	7.54%
Vaneck Australian Equal Weight ETF	7.44%
AUSBIL Australian Active Equity	7.29%
Schroder Real Return Fund - WC	7.17%

Top 5 holdings represent 37.02% of total fund

Performance

As at 30 June 2025	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	1.38%	5.41%	3.66%	9.41%	10.35%	8.23%	8.21%

The Model

The AAN Core Model is built on a diversified foundation of actively managed and index-based funds.

Notable Investments

- The DNR Capital High Conviction Portfolio added value, outperforming the S&P/ASX 200 by +1.37% in July. Its top holdings included CSL, The Lottery Corporation, SEEK, CAR Group, and James Hardie Industries, showcasing a disciplined focus on quality and valuation.
- The BlackRock Index Top 20 Model provided further stability and growth through passive exposure to Australia's largest companies, particularly in the Information Technology and Financials sectors. It returned 13.53% over 1 year and a per annum rate of return of 15.3% over three years. The Index Top 20 Model is a passive strategy that seeks to track the S&P/ASX 20, offering strong returns with low fees. Importantly the Top 20 Model has outperformed the ETF version of the same strategy over almost all time periods, and at a reduced cost.
- Commonwealth Bank of Australia (CBA) outperformed peers during earnings season, benefiting from strong fundamentals and investor confidence. This was the best performing stock which returned +22.4% for the quarter.

Together, these holdings delivered robust performance, supported by strategic sector tilts and strong earnings momentum.

AAN Core - AC0001

As at 30 June 2025

Performance

For the quarter ending 30 June 2025, the Ausbil Australian Active Equity Fund (AAP0103AU) led performance with a return of +10.53%, outperforming its benchmark.

Key contributors included Commonwealth Bank, BHP, CSL, and Xero, which benefited from sector tailwinds in financials, resources, and technology.

AAN GROWTH - AC0002

As at 30 June 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0002
Investment Fee	0.47% p.a.
Performance Fee	Nil
Less AAN Client Model Fee Discount	0.22% p.a.
Commencement	02 Sept 2016
ICR and Transaction Cost	0.54% p.a.
Indicative No. of Holdings	Unlimited

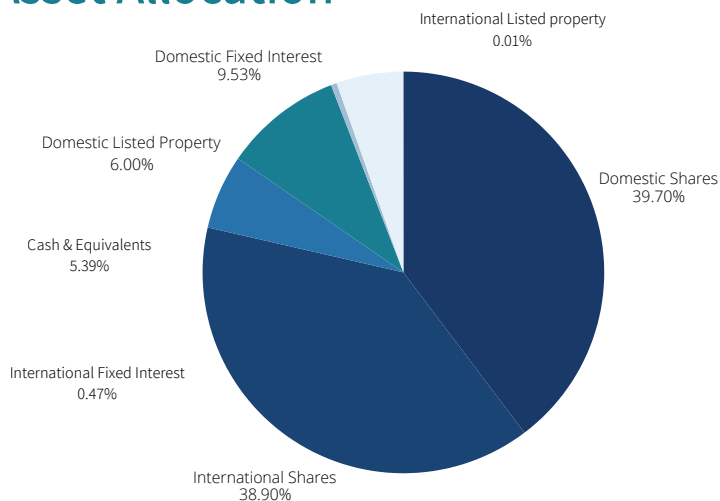
Investment description

The Growth portfolio is an actively managed portfolio providing a diversified exposure with a focus on growth asset classes (90%) relative to defensive asset classes (10%). The portfolio is constructed using a multi-manager approach which seeks to incorporate a blend of investment styles. The portfolio will generally be reweighted to its strategic weights quarterly and may employ a blend of active and passive investment styles based on market conditions. Investment exposure is obtained through a combination of direct equities, exchange traded products and/or managed funds.

Investment objective

The Growth portfolio's investment objective is to outperform CPI by 4.0% p.a before fees over rolling 7-year periods.

Asset Allocation



Top 5 holdings

Vanguard MSCI Index International Shares (Hedged) ETF	9.63%
Vaneck MSCI International Quality ETF	9.36%
AUSBIL Australian Active Equity	9.30%
Vaneck Australian Equal Weight ETF	9.18%
Lazard Global Equity Franchise	7.98%

Top 5 holdings represent 45.45% of total fund

Performance

As at 30 June 2025

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	1.67%	7.03%	3.77%	10.44%	12.87%	10.20%	9.58%

The Model

The AAN Growth Model is designed to capture capital appreciation through an allocation of 90% to growth assets, including domestic equities, global equities and listed property.

Notable Investments

- The Franklin Global Growth Fund (FRT0009AU) and Ausbil Australian Active Equity Fund added value, with exposure to high-growth companies across various sectors.
- The DNR Capital High Conviction Portfolio, outperformed by +1.37% in July, benefiting from sector rotation into Healthcare and Resources, with CSL and Block among key contributors and a strategic avoidance of underperforming financials.

The model's allocation to global equities allowed it to benefit from strong international market momentum.

Performance

The standout performer this quarter was the Vanguard US Total Market Shares Index ETF (VTS), returning +14.30%, driven by strong gains in US technology and consumer sectors.

Top holdings such as Microsoft, Apple, NVIDIA, and Amazon were key contributors.

AAN Australian - AC0003

As at 30 June 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0003
Investment Fee	0.55% p.a.
Performance Fee	Nil
Less AAN Client Model Fee Discount	0.19% p.a.
Commencement	30 Jan 2017
ICR and Transaction Cost	0.22% p.a.
Indicative No. of Holdings	Unlimited

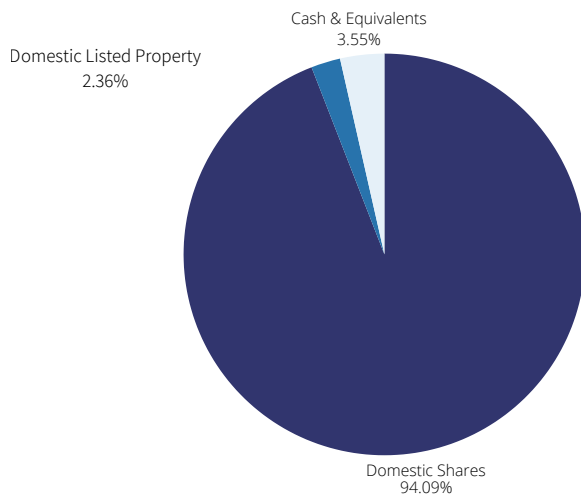
Investment description

The AAN Australian model provides exposure to an actively managed portfolio of Australian equities. The portfolio is constructed using a multi-manager approach which seeks to reduce style bias and may employ a blend of active and passive investment styles based on market conditions. Investment exposure is obtained through a combination of direct equities, exchange traded products and/or managed funds.

Investment objective

The AAN Australian Model's investment objective is to outperform the S&P/ASX 300 Accumulation Index before fees over rolling 7-year periods.

Asset Allocation



Top 5 holdings

AUSBIL Australian Active Equity	24.89%
VanEck Australian Equal Weight ETF	24.54%
BHP Group Limited FPO	4.98%
CSL Limited FPO	3.99%
National Australia Bank Limited FPO	3.42%

Top 5 holdings represent 61.82% of total fund

Performance

As at 30 June 2025	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	1.42%	8.34%	3.37%	7.84%	11.38%	9.33%	8.12%

The Model

The AAN Australian Model is exclusively focused on domestic equities, featuring a blend of active and passive strategies.

Notable Investments

- The BlackRock Index Top 20 Model provided broad exposure to Australia's largest companies, while the DNR High Conviction Portfolio added value through high-quality stock selection.
- The VanEck MVW Equal Weight ETF achieved a 1-year return of +12.58%, offering diversification across 72 equally weighted holdings and long-term strength through exposure to mid-cap growth and reduced sector concentration.

Together, these funds delivered strong performance, supported by Australia's resilient equity market and robust earnings across key sectors.

Performance

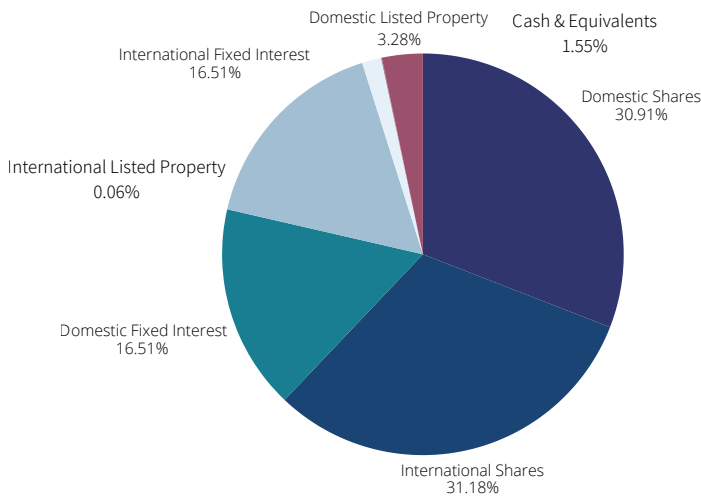
The Ausbil Australian Active Equity Fund led performance with a +10.53% quarterly return, driven by active positions in Life360, WiseTech Global, Xero, and Macquarie Group. These companies benefited from sector tailwinds in technology and financials.

AAN Index Core - AC0004

As at 30 June 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0004
Investment Fee	0.30% p.a.
Performance Fee	Nil
Minimum Initial Investment	No fixed minimum
Commencement	24 Feb 2017
ICR and Transaction Cost	0.20% p.a.
Indicative No. of Holdings	Up to 25

Asset Allocation



Performance

As at 30 June 2025

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	1.72%	6.46%	4.15%	11.22%	11.25%	8.41%	7.82%

The Model

The AAN Index Core Model is anchored by passive exposure to broad market indices.

Notable Investments

- The BetaShares Australia 200 ETF (A200) was the best performer, returning +9.56% for the quarter. This fund tracks the S&P/ASX 200 and benefited from strong performance in Australian financials and resources, with top holdings including Commonwealth Bank, BHP, and Telstra.

Performance

The model also includes allocations to iShares Australian Bond Index and iShares Listed Property Index, which provided diversification and stability. Asset class returns were strongest in equities, while fixed income and property delivered modest gains, contributing to a balanced overall return profile.

Investment description

The Index Core portfolio is an actively managed diversified portfolio which obtains exposure using a blend of passive ETFs listed on the ASX and index based managed funds. The portfolio is constructed with a strategic growth exposure of 65% and defensive exposure of 35%. The portfolio will generally be reweighted to its strategic weights quarterly.

Investment objective

The Index Core portfolio's investment objective is to outperform CPI by 2.50% p.a before fees over rolling 5-year periods.

Top 5 holdings

BetaShares Australia 200 ETF	30.70%
Vanguard US Total Market Shares Index ETF	16.62%
Vanguard Global Aggregate Bond Index (Hedged) ETF	16.51%
iShares Australian Bond Index	16.50%
iShares hedged International EQ IDX FS S	7.79%

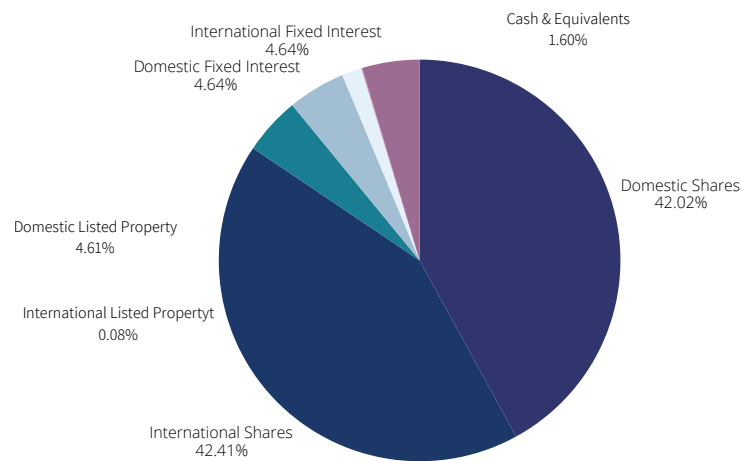
Top 5 holdings represent 88.12% of total fund

AAN Index Growth - AC0005

As at 30 June 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0005
Investment Fee	0.30% p.a.
Performance Fee	Nil
Minimum Initial Investment	No fixed minimum
Commencement	22 Aug 2018
ICR and Transaction Cost	0.17% p.a.
Indicative No. of Holdings	Up to 25

Asset Allocation



Performance

As at 30 June 2025

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	2.05%	8.25%	4.48%	13.29%	14.60%	12.02%	9.83%

The Model

This model combines domestic and international index ETFs, with a focus on growth assets.

Notable Investments

- The Vanguard US Total Market ETF (VTS) and Vanguard All-World ex-US Shares Index ETF (VEU) were the best performers, returning +14.30% and an estimated +8–10%, respectively.

Performance

These funds captured gains from global leaders such as Nestlé, ASML, and Taiwan Semiconductor, alongside US tech giants. The inclusion of bond ETFs like VBND and property funds added diversification, helping to smooth volatility while maintaining upward momentum.

Investment description

The Index Growth portfolio is an actively managed diversified portfolio which obtains exposure by using a blend of passive ETFs listed on the ASX and index based managed funds. The portfolio is constructed with a higher emphasis on growth exposure (90%) relative to defensive exposure (10%). The portfolio will generally be reweighted to its strategic weights quarterly.

Investment objective

The Index Growth portfolio's investment objective is to outperform CPI by 3.5% p.a before fees over rolling 5-year periods.

Top 5 holdings

BetaShares Australia 200 ETF	41.73%
Vanguard US Total Market Shares Index ETF	22.65%
iShares hedged International EQ IDX FDS	10.57%
Vanguard All-world ex-US Shares Index ETF	9.34%
iShares Wholesale AUS LSTD Property IDX S	4.92%

Top 5 holdings represent 89.21% of total fund

AAN Sustainable Growth - AC0006

As at 30 June 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0006
Investment Fee	0.40% p.a.
Performance Fee	Nil
Less AAN Client Model Fee Discount	0.21% p.a.
Commencement	17 Dec 2020
ICR and Transaction Cost	0.59% p.a.
Indicative No. of Holdings	

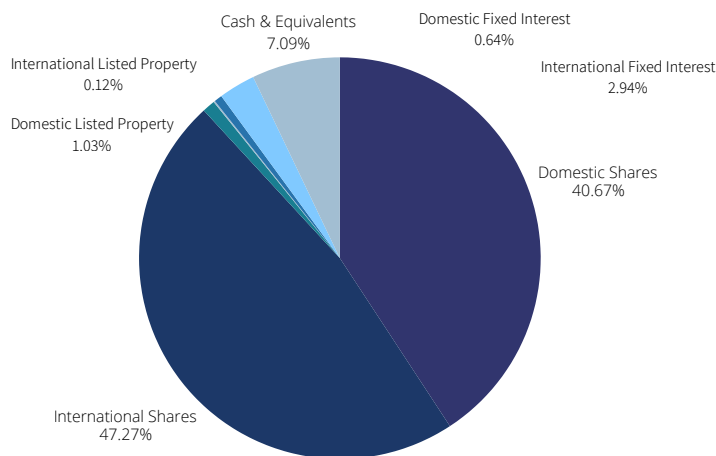
Investment description

The model caters for investors seeking a portfolio of predominantly growth assets that aligns with their preference for sustainable investments with potential for making a positive contribution to society. The model has a strategic allocation of 90% to growth assets and 10% to defensive assets via investing in managed funds, ETFs and/or Australian equity model portfolios, that will each employ their own sustainable investment approach. The overall model is managed according to the manager's Sustainable Investment Policy which seeks to avoid tobacco and tobacco products, gambling, alcohol, pornography, armaments manufacture or distribution, high impact fossil fuels and predatory lending. A company with a minor or indirect exposure to one of the sectors will not be automatically excluded, although may be subject to ongoing review by the manager.

Investment objective

The AAN Sustainable Growth Model has an objective to outperform CPI by 4% p.a before fees over rolling 7-year periods, through investing in a diversified portfolio of growth and income assets that meet the manager's ESG requirements.

Asset Allocation



Top 5 holdings

iShares Core MSCI World EX Aus ESG (AUD HED) ETF	11.58%
iShares Core MSCI Australia ESG ETF	11.17%
BetaShares Global Sustainability Leaders ETF	11.11%
Stewart Investors Worldwide Sustainability	11.05%
Alphinity Sustainable Share	10.61%

Top 5 holdings represent 55.52% of total fund

Performance

As at 30 June 2025

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	1.49%	7.21%	4.33%	12.31%	14.43%	N/A	8.76%

The Model

The AAN Sustainable Growth Model emphasises environmental, social, and governance (ESG) principles, and like the other Growth models has 90% of its portfolio allocated to growth assets. Over the quarter, funds such as Alphinity Sustainable Share Fund (HOW0121AU) and Global Sustainability Leaders ETF (ETHI) delivered solid performance, supported by holdings in renewable energy, technology, and sustainable infrastructure.

Notable Investments

- The Perpetual ESG Australian Share Fund (PER0116AU) and Stewart Investors Worldwide Sustainability Fund (FSF1675AU) contributed positively, with investments in companies demonstrating strong ESG credentials. The model's focus on sustainability did not compromise returns, with several holdings outperforming broader market indices.
- The DNR Capital Australian Equities Socially Responsible Portfolio outperformed its benchmark by +1.19% in July 2025, continuing a trend of competitive returns. This fund focuses on companies with strong ESG credentials and long-term growth potential.

AAN Sustainable Growth Disclaimer

Performance

Top holdings included CSL, SEEK, CAR Group, Macquarie Group, and Rio Tinto, reflecting a mix of healthcare, technology, financials, and resources. The portfolio's performance was supported by a broader rotation into ESG-aligned sectors and strong fundamentals across its holdings. This model demonstrates that responsible investing can deliver both ethical alignment and financial outperformance.

General Advice Warning

The information is published by AAN Asset Management Pty Ltd ABN 37 609 544 836, Corporate Authorised Representative 1238848 of Australian Advice Network AFSL 472901 | ABN 13 602 917 297. The information contained herein is not intended to be advice and does not take into account your personal circumstances, financial situation and objectives. The information provided herein may not be appropriate to your particular financial circumstances and we encourage you to obtain advice from your financial adviser before making any investment decisions. Please be aware that investing involves the risk of capital loss and past results are not a reliable indicator of future performance and returns. AAN Asset Management Pty Ltd makes no representation and give no accuracy, reliability, completeness or suitability of the information contained in this document and do not accept responsibility for any errors, or inaccuracies in, or omissions from this document; and shall not be liable for any loss or damage howsoever arising (including by reason of negligence or otherwise) as a result of any person acting or refraining from acting in reliance on any information contained herein. No reader should rely on this document, as it does not purport to be comprehensive or to render personal advice. Please consider the Product Disclosure Statement and any relevant TMDS before investing in the model.

Performance is based on a model portfolio and is gross of investment management and administration fees, but net of transaction costs. The total return performance figures quoted are historical and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all portfolio income. Past performance is not a reliable indicator of future performance. Portfolio holdings may not be representative of current or future recommendations for the portfolio. The securities listed may not represent all of the recommended portfolio's holdings. If you want more information on the benchmarks used for each model please visit the AANAM website at www.aanam.com.au.