BAZA HIGH CONVICTION FUND
QUARTER ENDED 30 JUNE 2025

BAZA CAPITAL

KEY METRICS

Unit price	A$0.9826
Performance in Jun-25 month[1]	-
S&P/ASX Small Ords Accum. (Benchmark) perf.	+0.8%
Fund performance for Jun-25 month vs. Benchmark	-0.8%
Performance in Jun-25 quarter[1]	-0.1%
S&P/ASX Small Ords Accum. (Benchmark) perf.	+8.6%
Fund performance for Jun-25 quarter vs. Benchmark	-8.7%
Cash as at 30-Jun-25	3.4%

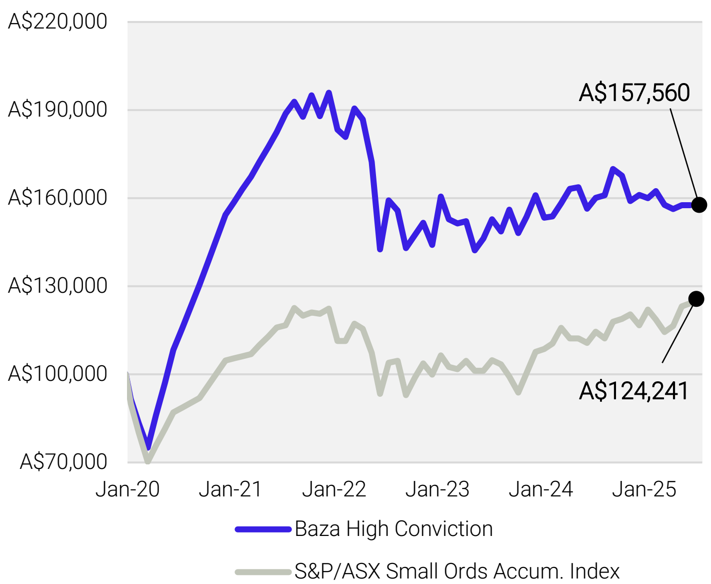
KEY PORTFOLIO THEMATICS

As at 30 June 2025

- 18% Digitisation
- 16% Healthcare, wellbeing & education
- 13% Electrification & decarbonisation
- 12% Environmental services
- 8% Base metals & critical minerals
- Zero investment in negatively screened companies (see list on final page of report)

HISTORICAL PERFORMANCE

Value of A$100,000 invested at inception[1,2,3]



TOP 10 HOLDINGS

As at 30 June 2025, alphabetical order

Atturra (ATA)
Austin Engineering (ANG)
Boom Logistics (BOL)
Credit Clear (CCR)
Nido Education (NDO)
PeopleIn (PPE)
SciDev (SDV)
Southern Cross Electrical (SXE)
Symal Group (SYL)
Vysarn (VYS)

HISTORICAL RELATIVE PERFORMANCE

As at 30 June 2025

	1 month	3 months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception[3]	Since inception (p.a.)[3]
Fund return[1,2]	+0.0%	-0.1%	+0.7%	+3.4%	+7.8%	+57.6%	+8.7%
S&P/ASX Small Ords Accum. Index	+0.8%	+8.6%	+12.3%	+10.0%	+7.4%	+24.2%	+4.1%
Relative performance	-0.8%	-8.7%	-11.5%	-6.6%	+0.4%	+33.3%	+4.6%

1 Post fees and expenses
2 Assumes reinvestment of distributions
3 Fund inception was 15-Jan-20

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Overview

The Baza High Conviction Fund invests in ASX-listed emerging companies that have the ability to generate sustainable, long-term shareholder returns. The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index (Benchmark) over the medium- to long-term. Over the last 5 years the Fund has returned +7.8% p.a., outperforming the Benchmark return of +7.4% p.a. Since inception the Fund has returned +8.7% p.a. compared to the Benchmark return of +4.1%.

The Fund was flat for the month of June and -0.1% for the quarter, compared to the Benchmark which added +0.8% and +8.7% over the same time periods. Equity markets were volatile during the quarter, with an initial sell-off (due to significant geopolitical issues) preceding a marked recovery in sentiment in late April and May. The largest positive contributors for the quarter were copper developer New World Resources (NWC, +1.9% contribution), modular data centre manufacturer DXN Ltd (DXN, +1.0%) and the Fund's largest holding, Southern Cross Electrical Engineering (SXE, +0.8%). The key contributors were offset by Nido Education (NDO, -1.2%), Austin Engineering (ANG, -1.2%), Monash IVF (MVF, -1.3%) and SciDev (SDV, -1.0%). The Fund's investment in junior mining was a positive contributor for the quarter (+3.5%). Junior gold (+1.1%) and rare earths developers (+0.6%) added positively for the quarter.

The run into 30 June 2025 saw the acceleration of tax-loss selling for certain pockets of the ASX, which impacted the share price of a number of lower liquidity, smaller market capitalisation stories. Several companies in the portfolio were susceptible to this dynamic, and closed June with a materiality lower share price despite no negative newsflow (and an otherwise supportive equity market backdrop) across the quarter. We have seen a recovery in share prices for these impacted companies in July to date.

Key updates to top 10 holdings

The Fund's largest contributor was New World Resources (NWC (+1.9%). During the June quarter NWC announced a takeover offer from London-based copper producer Central Asia Metals (CAML.LSE) at a price of A$0.05/sh, a +79% premium to the prevailing share price. NWC was the largest junior mining holding for the Fund at the time of the announcement, reflecting our view of the value of this high-grade, Arizona-based copper project.

Core holding Southern Cross Electrical Engineering (SXE (+0.8%) was also a positive performer during the quarter. SXE announced further data centre contract awards and an extension to its work at the Western Sydney Airport which has been a driver of revenue growth over the last few years. SXE is a key holding in our exposure to the electrification thematic, which we believe is only in the early stages of playing out. The sheer amount of upgrading required to our electrical systems (from electricity distribution to households to cutting edge data centre deployment) will underwrite work for SXE over the medium-to long-term. SXE has a strong balance sheet and a demonstrated ability to acquire and grow electrical service businesses to further boost earnings. At the end of June it trades on an estimated price-to-earnings multiple of ~11x FY26.

Austin Engineering (ANG (-1.2%) updated the market with revised FY25 earnings in June, citing delayed profitability from its rapidly growing Chilean operations. ANG manufacture customised dump truck buckets and other specialised equipment primarily for the mining industry. ANG's proprietary dump truck buckets are both lighter and more efficient compared to OEM products, thus reducing fuel consumption for their customers and improving operating efficiency. The reduction in operating cost often leads to short payback periods for their customers, as little as a few weeks, which is a key driver for its market share growth. ANG has been able to grow revenue at its Australian operations (+20% revenue growth over the 3 years to FY24), its North American operations (+167% over the last 3 years) and is expanding its facility in Chile where it services large copper miners based in country (+117% over the last 3 years). Earlier in FY25, ANG announced it had secured a cornerstone customer for the expansion in Chile, with ~2-3 tray bodies per month initially contracted. Over the course of the financial year, the cornerstone customer expanded its order to multiples of its initial request. ANG accelerated the ramp-up of its Chilean plant to service this major customer and created a short-term drag on profitability through these growing pains. This caused a reduction in profitability for FY25 (we now expect a reduction to A$30-32m profit, in line with FY24) but added more confidence to earnings growth in FY26. As at the end of June ANG trades on a lowly price-to-earnings ratio of ~6x.

We believe the market is not seeing the forest for the trees in this instance, and while there will be muted earnings growth in FY25, the underlying demand for ANG products is very strong heading into FY26. ANG has tailwinds to revenue (not least the resurgence of the USA mining industry where it is a leading supplier) and tailwinds to margin due to improvements in Chile and materially lower steel input prices which will wash through in 2H FY26 as steel inventory is restocked. Despite the robust outlook and cheap valuation, ANG shares were down 27% for the quarter. Following a meeting with management in June, we added further to our position.

SciDev (SDV (-1.0%) was a key detractor for the Fund during the quarter. SDV has two main divisions; its water division which provides water treatment technology to remove PFAS from contaminated water supplies, and its chemicals division which provides friction-reducers and resins which reduce the draw on groundwater for mining and energy customers. SDV released a quarterly update in May citing growth in revenue and EBITDA on the prior quarter, but also delays to securing new contracts in its water and mining businesses. This has shifted potential revenue into FY26, and diminished the potential revenue growth expected in FY25. We have met with management 6 times over the last 12 months and caught up again following the announcement. We have confidence that SDV will experience strong demand for its chemicals and water treatment products in FY26 and beyond, and this was validated with a subsequent guidance update from SDV for revenue growth to A$120-140M in FY26 (up from ~A$100-105M expected in FY25). SDV has announced the company expect material contracts to be finalised in early FY26 which could prove to be important short-term catalysts for share price appreciation. We added to our position during the quarter and SDV remains one of the Fund's largest holdings coming into FY26.

Another key detractor for the quarter was Monash IVF (MVF (-1.3%). In April, MVF announced the company had identified a mixed embryo at a Brisbane clinic, which was identified by the MVF team in February 2025. The lack of disclosure around the February results was a key red flag, and we promptly exited our MVF position. MVF has been a large holding of the Fund since 2020 and contributed positively to returns, even factoring the announcement in April.

Outlook for FY26

While equity markets rallied in the June quarter, unfortunately some core holdings for the fund were left behind, potentially due to the broader investment community's excessive focus on the short term. Often this is an anomaly we aim to capitalise on, and the philosophy of the fund has sought to invest for the medium to long term, beyond the horizon that the broader investment community wishes to fixate on. This has resulted in flat Fund performance in an otherwise positive period for equity markets. The Fund's largest investments have a lot of catching up to do, both in terms of strong operational performance in FY26 but also getting credit from the market for the long-term growth stories we believe remain underappreciated. If both operational growth and a market re-rating can occur simultaneously, we expect this will reward unitholders for their patience.

We are fully invested, personally and professionally, in the long-term success of the Fund and are leaving no stone unturned to ensure attractive returns will be achieved for all unitholders. The current challenging environment for emerging companies is temporary. These conditions historically tend to reverse over time, creating strong return potential for investors who can exhibit patience and maintain their fundamentally sound investments.

Thank you for your ongoing interest and support. The Fund is open for investment with applications processed at month end.

Portfolio thematic case study – Healthcare, wellbeing & education – Murray Cod Australia (MCA, +0.04%)

Murray Cod Australia (MCA was a new investment for the Fund in the June quarter. MCA is a sustainable aquaculture developer with flagship projects Griffiths, NSW. MCA produces premium, pond-grown Murray Cod and aims to displace Tasmanian salmon and imported white-fish at supermarkets and restaurants domestically. MCA uses artificial ponds to mitigate damage to the natural environment avoiding a major problem for domestic salmon farming. The Murray Cod is a highly nutritious fish known for its high levels of omega-3 fatty acids and lean protein. MCA is reaching a financial inflection point as it commences its harvest of biomass that has grown significantly over the last 3 years. Over the next 24 months we expect MCA to scale revenue rapidly from ~A$10M to A$30M (FY26), with further growth expected in FY27. Cash generation will be high and enable the business to reinvest in additional ponds to further scale its operations and add long term shareholder value.

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FUND DETAILS

Inception	15-Jan-20
Structure	Unit trust
Management fee	1.5% p.a. (incl. GST)
Performance fee	20.0% (incl. GST) above benchmark
Benchmark	S&P/ASX Small Ordinaries Accumulation Index (post management fee & expenses)
Unit pricing, applications and redemptions	Monthly
Eligible investors	Wholesale Investors, as defined in the Corporations Act 2001 (Cth)
Distributions	Annually, post 30-Jun, and at the Trustee's discretion

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SUSTAINABLE INVESTMENT OVERVIEW

Positive screens (non-exhaustive, up to 25% scale-up)	
Renewable energy	Healthcare & wellbeing
Education	Electrification
Carbon mitigation	Recycling
Green mining	Efficient transport
Sustainable agriculture	Sustainable construction

Negative screens	Threshold
Fossil fuel (oil, gas, coal, tar sands) exploration, development and production	Zero tolerance
Provision of significant services to the fossil fuel industry (unless focused on minimising environmental impact)	25%+ of focus or revenue, no investment
Excessive carbon emissions	Zero tolerance if no transition or offset plans
Production and manufacture of tobacco and nicotine alternatives	Zero tolerance
Old growth logging, destruction of ecosystems and animal cruelty	Zero tolerance
Military technology and armaments (including development, production and maintenance of nuclear weapons)	Zero tolerance
Carbon intensive agriculture	25%+ of focus or revenue, no investment
Gambling	Zero tolerance

We also investigate the diversity of Boards and senior management, and policies and reporting relating to diversity, and screen for controversy, prior to investment.