NorthStar Impact Australian Equities Fund

A Letter to Our Stakeholders

Financial Year 2026 · July 2025 – June 2026

Dear Stakeholders,

We want to mark the end of FY26 with a moment to reflect on what was achieved and set the intention for what is ahead.

Over the twelve months to June 30, 2026, the Fund returned approximately **23.4% net of fees**, while the S&P/ASX Small Ordinaries Industrials Index — the benchmark we measure ourselves against for reference fell around 4.55% over the same period. This marks one of the strongest periods of relative performance in the Fund's history.

Our aim is to create a style-agnostic fund that is factor aware but with investments made based on each company's business fundamentals. The aim of the fund is to create strong risk adjusted returns for shareholders whilst creating a safer, cleaner and more inclusive economy.

Thank you for being part of the solution,

Kerry and Claudia

Where we found alpha

Electrification and the data-centre build-out. This was the dominant source of return. Our largest positions including Southern Cross Electrical (SXE) and Tasmea (TEA) are the "picks and shovels" of the energy transition: grid upgrades and connections, with maintenance-led revenue which has strong visibility. We see this as a structural demand driver, not a cyclical one, and we have positioned around the second-order beneficiaries including thermal management, copper substitutes and the water that the build-out depends on including newer additions such as Advanced Energy Materials and Vysarn.

Healthcare, selectively. Our standout was 4D Medical (4DX), whose lung-imaging software gained commercial traction which drove the share price from allow of 24c toa peak of $6.79. SDI Limited, held since February 2020 at an average cost of around 91 cents, received a takeover offer at $1.40, a 65% premium. We stayed away from the consensus large-cap names where we saw earnings risk which assisted the Fund in avoiding some large cap Healthcare drawdowns.

Critical minerals and circularity. The fund has a number of companies that gave us exposure to a sovereign, lower-carbon critical-metals supply chain at a moment when governments are actively coordinating to secure it. Australian Strategic Materials received a takeover bid implying $1.60 a share against a pre-bid price of 73c. These are companies solving the problem of how to extract and recycle the materials that the transition needs while doing less harm in the process. Iondrive (ION), Metallium (MTM), Ionic Rare Earths (IXR) are companies with IP that was created for circularity of critical minerals.

Water and carbon. Vysarn (VYS), which we think of as "Australia's water steward," reached all-time highs as the market recognised water's central role in mining and, increasingly, in cooling data centres. On the carbon side, Seaforest (SEA), whose seaweed feed additive abates up to 80% of cattle methane while improving meat yield, was a genuine highlight, a business with an enormous mission and a commercial framework already converting to revenue.

Putting capital to work early

Some of the year's best outcomes came from backing companies at IPO or during capital raising processes, where conviction and relationships provided us with the opportunity to invest. During the year the Fund participated in:

- **Seaforest (SEA) —** we invested in the IPO following site visits to its Tasmanian operations; the stock closed roughly 35% higher in its first week and remains a core holding.
- **Critica (CRI) —** we added to our position through an oversubscribed $8 million placement that funded development of the Jupiter rare-earths project in Western Australia, building on the substantial stake we first took in the company's 2024 raise.
- **Iondrive (ION) —** we backed the raise behind its solar-panel recycling technology, which is targeting recovery of high-value silver and silicon from end-of-life panels.
- **Frontier Energy (FHE) —** we participated in the $11.5 million raise that enabled the company to complete debt financing and fund the capacity deposit for Stage One of its Waroona renewable energy project.

In each case the capital was not passive. It was provided to advance a specific, measurable outcome — a project funded, a technology commercialised, a balance sheet de-risked — and on terms we believed offered shareholders asymmetric upside.

Why we believe the Fund stands apart

We are often asked why an impact mandate should help, rather than hinder, performance. NorthStar remains the only Australian equities impact fund certified by RIAA, and we run it as a high-conviction, bottom-up portfolio, with our top ten positions representing ~40% of the Fund. We are not trying to track an index. We start with the problems worth solving, find the well-managed companies solving them, and buy when the market is mispricing both the impact and the earnings. During the year we had over 380 company meetings, with stakeholders ranging from management teams to scientists, regulators and not-for-profits.

For FY27, we want to continue to emphasise that **impact is not a constraint on the return, rather it is key to the investment thesis**. As with FY26, we expect our strongest contributors to have clear impact stories in the same way that Vysarn helps Australian industrials better manage, use and reuse water; Chrysos eliminates lead and cyanide from mineral assay and cuts emissions by over 95% per sample; Seaforest helps to abate cattle methane; and 4D Medical’s software enables earlier detection of respiratory disease.

Looking ahead

We have entered the new financial year with a portfolio focused on solutions to some of the World’s largest social and environmental problems.

Thank you for your trust through a year that asked for patience before it offered reward. We remain shareholders alongside you, investing with direction — putting capital to work in businesses that move the world forward, toward a cleaner, safer and more equitable future, without compromising the financial outcomes you are entitled to expect.

With thanks and conviction,

Kerry Series
Chief Investment Officer & Managing Partner

Claudia Kwan
Managing Partner & Co-Portfolio Manager

The year in figures

July 2025 to June2026.

Fund return, net of fees	**23.5%**
S&P/ASX Small Ordinaries Industrials Index, same period	**–4.55%**
Top-10 concentration / total holdings	**~40% / 52**
Capital raises and IPOs supported	**25**
Company & stakeholder meetings	**387**