Fulcrum Diversified Investments Fund

Investment Objective

The Fulcrum Diversified Investments Fund aims to achieve long-term absolute returns in all market conditions over a rolling five-year period, with lower volatility than equity markets and in excess of the Reserve Bank of Australia (RBA) cash rate.

Performance

Returns (Periods over 1 year are annualised)

	1M	3M	1 Year	3 Years	5 Years	SI[1]	MI[2]
Total Returns (%)	0.3	-1.8	16.1	9.8	5.4	4.7	6.1

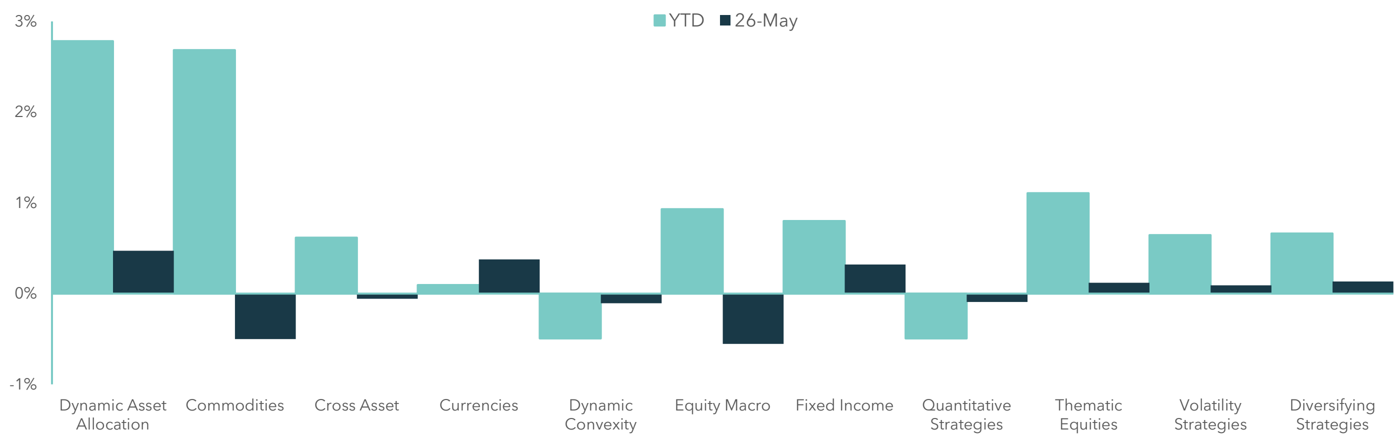
Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Total Returns (%)	7.9	7.5	-1.2	2.9	4.1	7.9

Returns are calculated after fees have been deducted, assuming reinvestment of distributions. No allowance is made for tax. Past performance is not a reliable indicator of future performance. Source: Fidante Partners Limited, 31 May 2026. 1 The inception date for the Fund is 31 March 2001. 2 The Fund changed investment manager and investment methodology on 2 November 2020, at which time Fulcrum commenced managing the Fund, therefore the manager inception date (MI) for the returns for the Fund is 2 November 2020.

Top Positions by Strategy[1]	Risk Contribution
Dynamic Asset Allocation - Equity	2.7%
Dynamic Asset Allocation - Commodities	1.6%
DM - Volatility Strategies - Volatility Risk Premia	1.3%
DM - Commodities - Precious Metals	1.1%
DM - Dynamic Convexity - Equities	0.7%
Diversifying Strategies	0.7%
DM - Commodities - Oil	0.5%
DM - Quantitative Strategies - Quantitative Macro Alpha	0.5%
Dynamic Asset Allocation - Fixed Income	0.5%
DM - Currencies - CEMEA	0.4%

Performance Contribution by Strategy[1]



Key Facts

Legal Structure	Australian Unit Trust
Domicile	Australia
Fund Launch	31/03/2001
Redemption Price	2.2358
Fund AUM	AUD $237m
Strategy AUM	AUD $9.1bn
Company AUM	AUD $14.1bn

Share Class

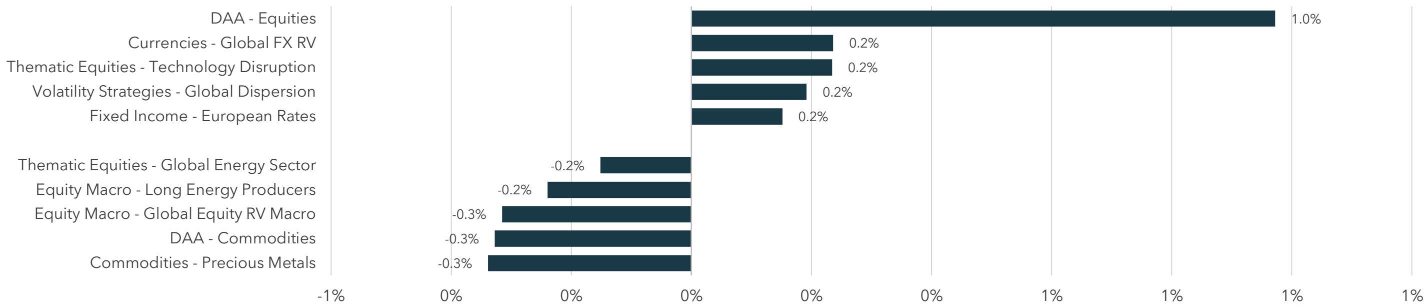
Primary Share Class	A AUD
APIR	HFL0104AU
Management Fee	1.05%
Currency Classes	AUD

Fund Facts

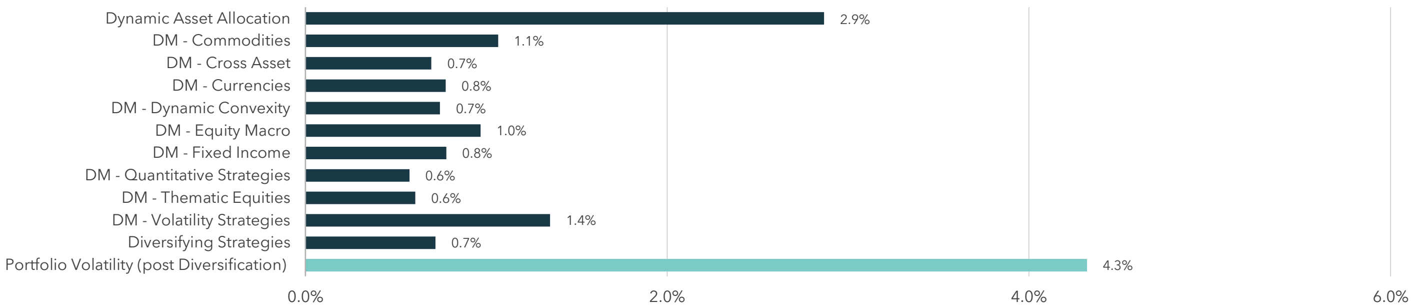
Administrator	State Street Australia Ltd
Custodian	State Street Australia Ltd
Responsible Entity	Fidante Partners Limited
Valuation Point	Official Market Close
Deal Cut Off	3:00pm Sydney time
Auditor	KPMG
Dealing Frequency	Daily, 3:00pm Sydney time
Report Date – Semi-Annual	31 December and 30 June

Source: Fulcrum Asset Management LLP. Data shown refers to the Fulcrum Diversified Absolute Return strategy, through which the Fulcrum Diversified Investments Fund gains its investment exposure.
[1] DM represents Discretionary Macro Strategies

Top 5 Performance Contributors and Detractors

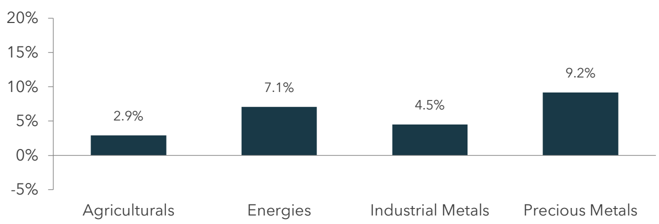


Risk by Strategy

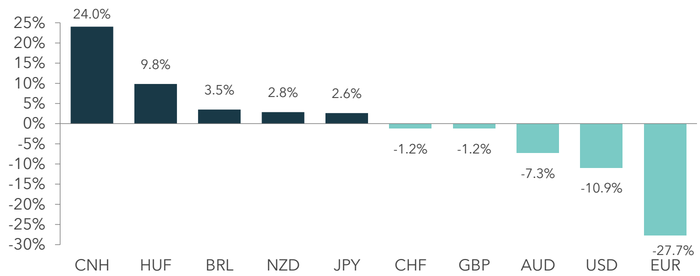


Portfolio Exposures

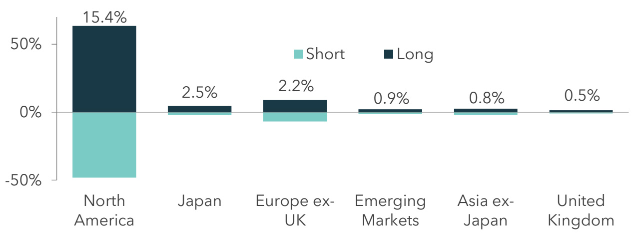
Commodities – Net exposures by commodity (23.7%)



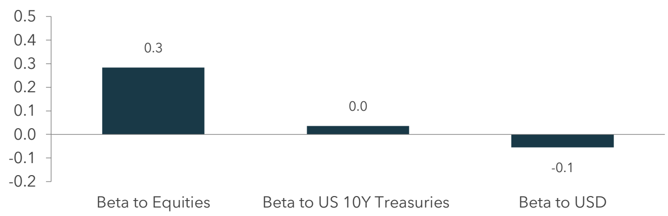
Currencies – Net exposures, top 5 long/short



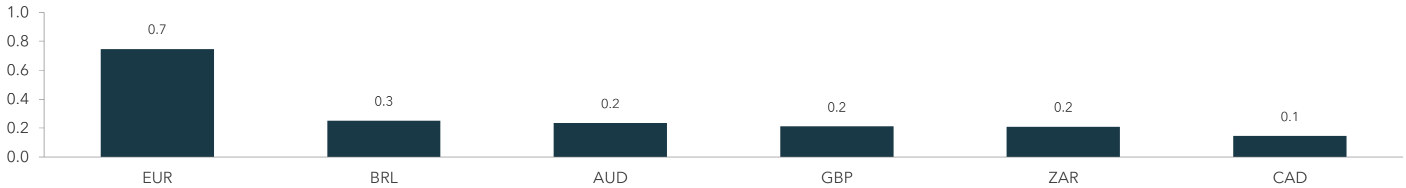
Equity – Net exposures by region (22.3%)



Portfolio beta exposures[2]



Fixed Income – Duration exposure (1.9 years)



Source: Fulcrum Asset Management LLP. Data shown refers to the Fulcrum Diversified Absolute Return strategy, through which the Fulcrum Diversified Investments Fund gains its investment exposure.

2. Global Equities: MSCI World; US Dollar: DXY.

Market Commentary

The optimistic equity outlook persisted through May, supported by strong momentum in innovation-led sectors and generally resilient global activity. However, the month was also marked by continued tension in the Middle East and the Strait of Hormuz remained effectively closed. Although there was no clear end to the conflict in sight, negotiations proceeded, and oil futures declined on improving sentiment.

With persistent price pressures driven by high energy costs, markets have shifted toward a slightly more hawkish outlook for the Federal Reserve, compared to a month ago when markets were pricing a hold in rates through the end of the year. Both short-and long-term inflation expectations increased. Meanwhile, Kevin Warsh was sworn in as FOMC Chair, pledging a "reform-oriented Federal Reserve" and stating that inflation could be lower, growth stronger, and real incomes higher.

Euro Area CPI inflation climbed in May, while Q1 growth reached its lowest quarterly rate since Q2 2025. The ECB is widely expected to raise interest rates by 25 basis points at their mid-June meeting, given the increasing inflationary pressures.

Against this backdrop, global equities continued their strong rise, while bonds and the US dollar ended the month only very slightly higher. Driven by decreasing oil prices, global commodities ended the month sharply down.

Performance Commentary

May's performance saw positive contributions from Dynamic Asset Allocation (DAA) and Diversifying Strategies (DS), alongside a negative contribution from Discretionary Macro (DM). The DAA sleeve was underpinned by the continued climb in equity markets, supported by ongoing AI-related optimism, while there was a drag from the commodities allocation given the weakening in oil prices. Diversifying Strategies gained as positive trends in equities and currencies continued.

In Discretionary Macro, the portfolio's exposures to commodities were generally a drag on performance in May, as gold and oil futures traded lower and within a relatively narrow range. In Equity Macro, a long exposure to US and European oil producers was unhelpful, while direct exposure to gold (via medium-term options) created a headwind in the Commodities sleeve. We maintain these positions at a reduced level of risk.

On the other side of the equation, there were positive contributions from the emerging market exposure in both Currencies - long EM currencies versus the US dollar, alongside gains from a tactical short euro view versus the dollar – and from Fixed Income, including long duration Hungarian and South African positions.

Elsewhere, Thematic Equities benefitted from a long China semiconductor equipment position, a long AI winners trade, and a short US discretionary view, the latter based on consumer retrenchment concerns. Volatility fared well against a backdrop of a declining correlations between US single stocks and an increase in idiosyncratic volatility in names like Micron and Intel.

Positioning and Outlook

Dynamic Asset Allocation

Equity exposure increased over the month as volatility declined and expected returns remained stable. The allocation to fixed income slightly increased but remains low as interest rate volatility has stayed elevated and expected excess returns are relatively low. The commodity allocation remained stable at an overweight level as strong global growth supported expected returns and volatility declined, albeit from elevated levels.

Discretionary Macro

In Fixed Income, we have maintained limited duration overall given ongoing uncertainty, but with a bias for shorter-term European duration holdings over the US. This is led by the relative growth weakness in Europe, and the fact that the ECB is already priced for multiple hikes from current rates, creating a higher bar for further hawkish moves.

In Currencies, we are broadly refraining from a directional view on the dollar while focusing on opportunistic carry exposures, particularly in Latin America. In contrast, we have had some negative optionality in the euro, as weak economic activity should limit the extent of ECB hikes.

In the Commodities space, we continue to hold long-dated oil. Despite the market's optimism of a resolution to the US-Iran conflict, global energy supplies are deteriorating with every day that the Strait remains closed, raising the upside tailrisk for oil. Moreover, we are interested in options targeting a simultaneous increase in oil and precious metals, which is possible in the event of severe global energy shortages.

We continue to hold long exposures to global energy producers in Equities, while we have reduced our exposure to the AI theme, believing the trade to be crowded. We will look to re-enter at a later date.

Diversifying Strategies

The system has further increased its exposure to global equities following the recent strong momentum, while becoming more negatively exposed to global bonds and interest-rate swaps as global interest rates remain elevated. DS has extended its long positioning in oil and reduced its negative exposure to the US dollar.

Overall

We continue to run the portfolio at relatively low levels of volatility, given ongoing uncertainty in the market. We are maintaining balance with multiple ideas that we believed would work in the event of either an escalation (long-dated oil and long dollar) or de-escalation (long EM FX and fixed income, Asian or European equities and precious metals) of the conflict in the Middle East. We are maintaining an increased level of hedging, believing that the balance is currently marginally tipped towards a path that suggests some further escalation.

Material Matters

With effect from 18th May 2026, Fidante Partners Limited (Fidante) became the Responsible Entity for the Fund, replacing Ironbark Asset Management. Boardroom Pty Limited has taken the role of the registry provider of the Fund from this date. There have been no changes to the risk profile, investment strategy or changes to individuals in the investment team who play a key role in the investment decisions of the Fund.

The Fund is classified as a hedge fund in accordance with the Australian Securities and Investments Commission, Regulatory Guide 240 'Hedge funds: Improving disclosure'. This classification is based on the fact that the Fund currently exhibits two or more characteristics of a hedge fund, being:

- complexity of investment strategy or structure;
- use of leverage;
- use of derivatives;
- use of short selling;
- charges a performance fee.

This information contains general information only and is not intended to represent specific investment or professional advice. The information does not take into account an individual's personal financial circumstances, objectives or needs. Before making an investment decision, you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current target market determination and offer document before making an investment decision to acquire or to continue to hold units in the Fund.

Risk Summary

Leverage techniques may be used by the fund. A relatively small price movement in an underlying asset may amplify losses and the fund may be exposed to losses which are greater than the initial amount invested. Any derivatives usage can result in substantial losses to the fund where expectations as to how a derivative will perform prove to be incorrect or inefficient, or in adverse market conditions. Losses may occur if an organisation through which the fund transacts becomes insolvent or fails to meet its obligations. This risk may be reduced by obtaining assets as collateral from these organisations. For a full explanation of specific risks and the fund's overall risk profile, as well as all its share classes, please refer to the PDS, available on the firm's website.

Contact Us

For further information, please contact:

Fidante Partners Investor Services

Phone: 1300 721 637
Email: info@fidante.com.au
Web: fidante.com.au

Fidante Partners Adviser Services

Phone: 1800 195 853
Email: bdm@fidante.com.au
Web: fidante.com.au

Important Information

This material has been prepared by Fulcrum Asset Management LLP (Fulcrum), the investment manager of the Fulcrum Diversified Investments Fund (ARSN 093 497 468) (Fund). Fidante Partners Limited ABN 94 002 835 592, AFSL 234668 (Fidante) is the responsible entity and issuer of interests in the Fund. Fidante is a member of the Challenger Limited group of companies (Challenger Group).

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Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.

Where we refer to the Fund's investments, we do so on a look-through basis, meaning we are referring to the underlying assets to which the Fund is ultimately exposed. The Fund operates as a feeder fund and gains its investment exposure by investing in the Fulcrum Diversified Absolute Return Fund (ARSN 601 830 353; APIR ETL0424AU), managed by Fulcrum.