Samuel Terry Absolute Return Group – A Class Units
Confidential

August 2025

Fund Summary

Fund Name	Samuel Terry Absolute Return Group comprising Samuel Terry Absolute Return Fund and Samuel Terry Absolute Return Active Fund*
APIR Code	STP9437AU
Fund inception	November 2003
Fund Size	A$937m
Base Currency	Australian Dollars
Investor eligibility	Wholesale investors only
Fund Liquidity	Monthly applications and redemptions. Redemptions capped at 2.5% of NAV per month.
Administrator and Custodian	MUFG (previously known as Link Fund Solutions)
Auditor	Grant Thornton
Management fee	1.5% plus GST p.a
Performance fee	20% of benchmark outperformance, with a high water mark, paid annually
Benchmark	RBA cash rate plus 2% p.a
Buy/Sell spread	0.5% (paid to the Fund, not the Manager)
Platform availability	Powerwrap, Netwealth, Ausmaq

*See Appendix A for representation of legal structure

People | Small team. Experience through market cycles and across asset classes

Fred Woollard
Founder and Managing Director

Fred has worked in financial markets since 1981. Prior to founding Samuel Terry in 2003, Fred worked for Hunter Hall International Limited, a European family office and various stockbroking firms in Australia and the UK. Fred has an Economics degree from University of Sydney.

Nigel Burgess
Director

Nigel has worked in financial markets since 1985. Prior to joining Samuel Terry in 2009, Nigel also worked at Hunter Hall International Limited, the same European family office, Friends Provident and GIO Australia. Nigel has an Economics/Finance degree and an Accounting Masters degree, both from University of NSW.

Mitch Taylor
Director

Mitch has worked in financial markets since 2009. Prior to joining Samuel Terry in 2017, Mitch worked for a boutique Australian fund manager. Mitch has a Commerce degree from University of Sydney and a Master of Applied Finance from Macquarie University.

Therese Cochrane
General Manager

Therese started work as a banking and finance and commercial lawyer in 1987. She has worked in private practice in Sydney and in-house for investment banks in London. She has an Economics degree, majoring in Accounting and Economics and a Law degree, both from University of Sydney and a Masters in Law from University of Cambridge.

Ouafaa Karim
Chief Operating Officer

Ouafaa has over 30 years experience in the financial services industry in the fields of operations, compliance and company secretarial. Prior to joining Samuel Terry, Ouafaa worked with CBA, AMP and MLC. Ouafaa also worked at Hunter Hall International Limited. Ouafaa has a Bachelor of Arts and a Masters in Commercial Law from Macquarie University.

Recent additions to the team

Peter van Beek	Charlie Kingston	Oliver Coombs
Investor Relations	Investment Team	Investment Team

What makes the fund different? | We have significant personal investments in the fund.

Flexible

- NOT attempting to track any index
- Invests globally
- Invests across the capital structure
- Invests across the range of market capitalisations
- Willing and able to invest in private and illiquid securities
- Willing and able to be active investors

Conservative

- Often hold lots of cash. Since inception, the average cash weighting has been 18%
- NO borrowing or leveraging of the fund
- NO short selling
- Do not write options, will only buy them periodically
- Majority of investments are usually in companies which themselves have net cash. This helps us sleep at night, especially when markets are slumping

Uncomplicated

- Invest only in financial instruments we understand
- Low frequency traders. Since inception, annual portfolio turnover has been less than 50%
- Limited brain space and limited good ideas. We Invest heavily in our best ideas. The portfolio is more concentrated than most
- If we cannot find investments which offer attractive risk/reward, we hold cash and wait
- Provide a high degree of transparency

We aim to maximise post tax returns for our Australian unit holders

What makes the fund different? | Unique Approach. Wide opportunity set, looking for simple characteristics

"One way bets"

Heads, I win…
Tails, I don't lose…

"Irrational odds"

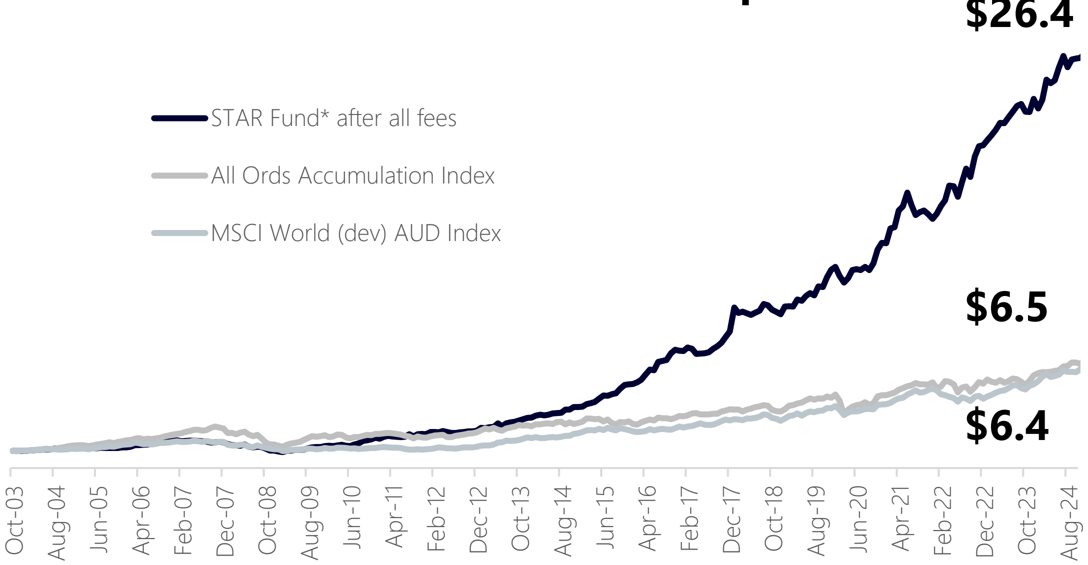
Heads, I win $5…
Tails, I only lose $1…

Typically less than 20% of capital employed.

Performance | Good returns for 21 years

To 30 June 2025	STAR Fund* F units after fees	STAR Fund A units after fees	All Ords Accum Index	MSCI World Developed Index (AUD)
1 quarter	7.0%	6.4%	9.5%	5.8%
1 year	13.1%	12.3%	13.2%	16.5%
3 years (p.a.)	18.6%	17.1%	13.5%	17.8%
5 years (p.a.)	17.9%	16.3%	12.0%	14.0%
10 years (p.a.)	20.1%		9.1%	11.1%
Since inception (p.a)	16.3%		9.0%	8.9%

Value of $1 invested since inception

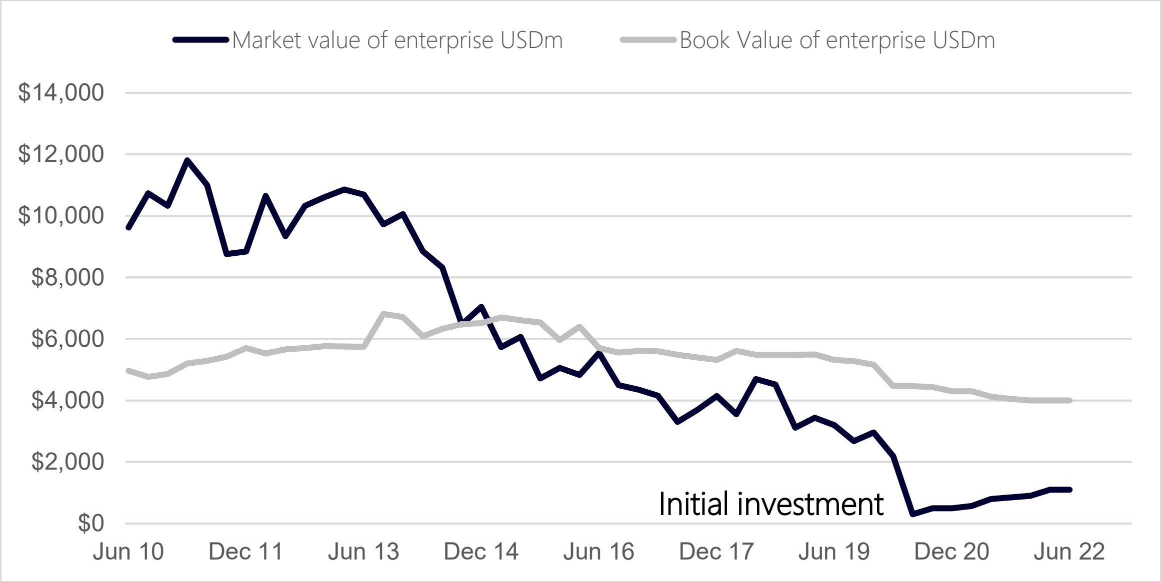


*Founder units – A class units have a different hurdle rate for performance fee. A Class Units have an inception date of 30 September 2016.

Historical Holding | Diamond Offshore Drilling. Market cap: USD1,500m (pre merger)

- Diamond is a tier one offshore driller with a history of rational capital allocation decisions. It owns 13 and operates 15 drilling vessels with a book value* in excess of USD4bln.
- In April 2020 Diamond entered Ch11 bankruptcy to restructure its USD2.4bln of debt and create a sustainable capital structure. In response, Diamond's unsecured bonds were sold aggressively in the secondary market. We bought 6.5% of the unsecured bonds at around 12c per dollar of face value and subsequently joined a creditors committee which negotiated Diamond's exit from bankruptcy.
- In April 2021 Diamond emerged from bankruptcy and conducted a capital raise. As part of the bankruptcy plan, our unsecured bonds were converted to equity. We participated heavily in the capital raise and now own approximately 4% of Diamond's reorganised equity and 2% of Diamond's reorganised debt.
- In March 2022 Diamond's reorganised shares relisted on NYSE (DO.NYSE) with a more sustainable capital structure.
- Offshore drilling is cyclical. Industry conditions and rig profitability have improved materially in the last 4 years.
- In June 2024, Noble Corporation (the world's largest offshore drilling company) lobbed a take-over proposal to acquire Diamond Offshore via a mixture of cash and scrip.

Diamond is <u>still</u> trading cheaply, when compared to history



* Book Value of Enterprise excludes effect of "fresh start" accounting on book value – estimates.

Historical Holding | Yellow Holdings NZ. Unlisted

- Yellow Holdings is an unlisted company which owns the NZ yellow pages and a suite of associated digital businesses. We sold our 79% holding in June 2023.
- Sold by Telecom NZ to private equity in 2007 for more than $2bln. Since then Yellow has been through numerous restructurings. It has consistently generated cash, at a declining rate.
- We acquired our interest between Dec 2018 and August 2019 in the secondary market. We bought from motivated sellers at attractive prices.
- Post taking control, we restructured the Board, capital structure and management incentives.
- Cash generation accelerated and we received multiples of our investment in distributions before selling our shares via a trade sale for considerable profit.
- Our focus was to reposition staff culture – “this is a project, not a career”.
- In 2023 we sold the company to Thrive, one of the world’s largest Yellow Pages aggregators and operators for an undisclosed amount.
- The company should continue to generate cash at a declining rate. It has no material long-term liabilities.

Investment cost vs cash flow %

Numeral specifics have been left out de to confidentiality

Historical Holding | Namoi Cotton Limited (ASX: NAM). Market Cap ~A$160m

- Namoi Cotton owns Australia's largest cotton ginning network. For most of its existence the business was structured as a co-operative and therefore was owned by its customers. The co-operative structure encouraged a strategy focussed on capacity gains and keeping ginning prices low. In 2017 Namoi converted to a company, however retained much of its co-operative culture.
- Cotton ginning cash-flows are influenced by the size of the cotton crop, which is in-turn heavily influenced by availability of water in growing regions. A key constraint of Namoi's business model was its lack of vertical integration with respect to marketing of cotton. Marketing cotton is lucrative but controlled by major international players.
- Between 2020 and 2022 we bought ~15% of the shares on issue during a drought and period of depressed cash-flow. We bought at a material discount to break-up value, replacement value, NTA and sustainable earnings. We subsequently (unsuccessfully) sought board representation. After some angst, we bought more shares and owned 25% of shares on issue and instigated several board and management changes.
- In 2023 Namoi conducted a strategic review which resulted in a take-over proposal from the incumbent marketing partner Louis Dreyfus. In 2024, Louis Dreyfus' competitor lobbed a competing offer. A bidding war ensued. In December 2024 Louis Dreyfus paid a final price equating to 77c per share, a 51% premium to their initial take-over bid.

Cotton gins are capital intensive

NAMOI COTTON Growing Together

Current Portfolio | Portfolio Snapshot at 12 August 2025

- 60% of capital invested in companies with net cash.
- 20% of capital is invested in corporate & RE credit.
- 21% in unlisted/untraded securities.
- We aim to hold securities issued by 15-35 diverse names. The Fund currently owns securities issued by 33 names.
- 80% of capital is invested in Australian securities, 12% is invested in non-Australian securities.

Top Holdings	% of NAV
Cash	10.0%
Infrabuild 14.5% 2028 secured notes	15.0%
Vinarchy	10.4%
Horizon Oil	6.6%
Kiland	6.4%
Karoon Energy	6.0%
Genesis Minerals	4.2%
US Masters Residential Property Fund	3.5%
Omni Bridgeway	3.1%
ARN Media	2.9%

Top Sectors

Cash	Commodities (inc gold) & Energy	High yield credit
10%	24%	21%

Investment consists of both debt and equity instruments.

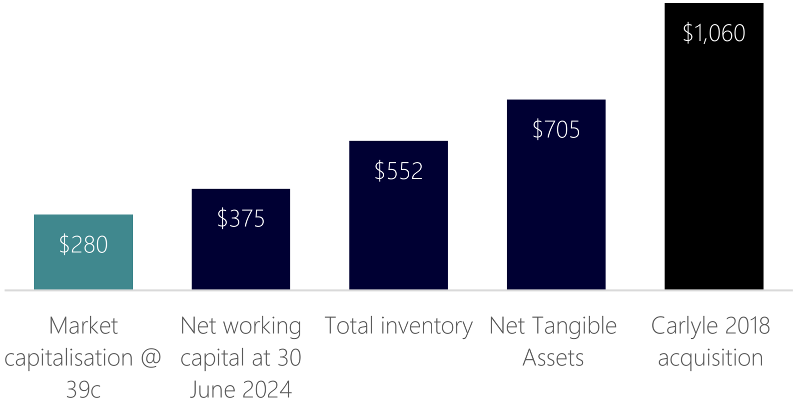
Current Holding | Vinarchy

- Accolade is one of Australia's oldest wine companies and Australia's largest commercial wine player, delivering 25m cases to 140 countries annually. Largest wine player in UK with 13% market share.
- Global wine volumes have been in decline (and are forecast to continue to be). Burgeoning Chinese demand for Australian commercial wine has not materialised.
- Recent capacity growth has facilitated a significant oversupply and race to the bottom. Inventory reduction has been prioritised over rational pricing behaviours.
- Top 5 Australian players account for 65% of the market. Ongoing market conditions have significantly eroded industry profitability, spurring a wave of restructurings as producers go broke. Industry consolidation may reduce over capacity, create significant operating synergies, end price discounting and facilitate a profitable industry.
- In 2018, The Carlyle Group acquired the business for over A$1bln, 8.9x EBITDA. To fund the acquisition Carlyle borrowed A$720m from loan markets, with equity invested of $530m. As the market deteriorated it was clear Accolade would breach debt covenants and in mid 2023 Carlyle began negotiating a debt restructure with lenders. Through all the turmoil, Accolade remained profitable.
- In 2H2023 we bought 18% of Accolade's secured debt in the secondary market at ~39c in the dollar, joined the AHG and helped successfully negotiate a debt for equity swap. Carlyle's equity was wiped to zero.

HARDYS · JACOB'S CREEK · Campo Viejo · St Hallett Barossa · GRANT BURGE · PETALUMA
MUD HOUSE NEW ZEALAND · CROSER · CHURCH ROAD HAWKE'S BAY · St Hugo · STONELEIGH · GEORGE WYNDHAM

Berri Facility – largest in Southern Hemisphere

Acquired at a discount to liquidation value

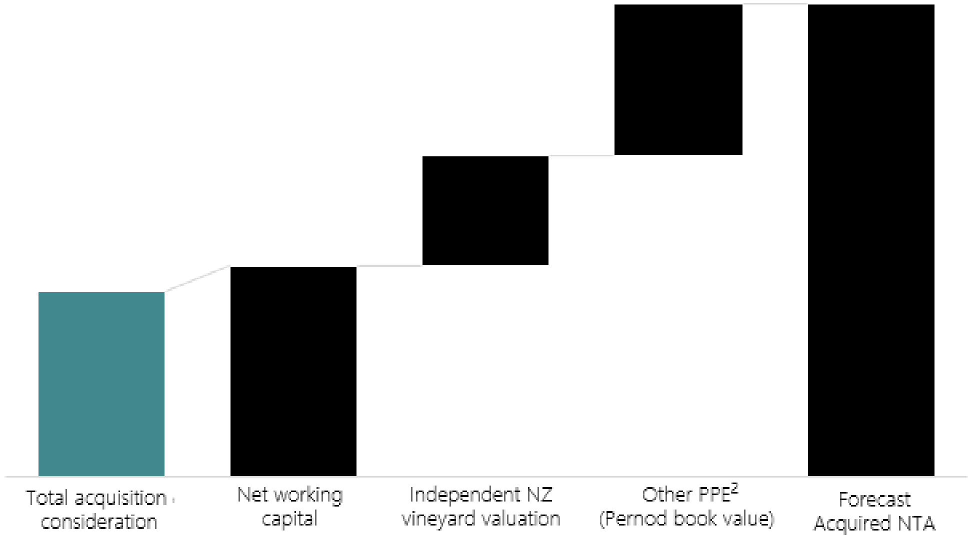


Current Holding | Vinarchy

- In July 2024 the new owners of Accolade agreed to purchase Pernod Ricard's still wine business on attractive terms. The transaction settled on 30 April 2025. The business has been renamed Vinarchy.
- The acquired business included scaled and performing Spanish and NZ businesses, as well as the underperforming Australian business. Significant tangible assets were acquired at material discounts, including performing NZ vineyards and the leading Spanish wine business.
- Pernod had been trying the exit the business for several years. Accolade was uniquely placed as the only real buyer – a global player with a suite of complementary brands and substantial Australian assets, capable of integrating not only the performing Spanish and NZ wine business, but also the underperforming Australian business.
- The two businesses are highly complementary. Creating both scale and diversification. Significant operating synergies, better able to face industry head wins. Forecast synergies represent ~90% of combined EBITDA.
- Operating economics are attractive and sustainable even under stressed Australian conditions. Downside is supported by net working capital and NZ hard vineyard value. The valuation is compelling under current conditions.
- At the price we paid not a lot has to go right…

Acquired assets include ~1,600 Ha of performing NZ vineyards

Another acquisition at discount to liquidation value



Historical Holding | Global Data Centres Limited (ASX: GDC). Market Cap: ~A$250m prior to capital returns

- GDC is an investment holding trust which was listed on ASX in 2019 to provide exposure to the fashionable data centre thematic. It was initially structured utilising a conventional PE style mgmt. and performance carry on Net Asset value.
- GDC owned 3 assets: a WA based data centre, a French based data centre platform, and a ~1% minority equity stake in Airtrunk.
- GDC was pitched to REIT investors who expected yield. When the yield was de-prioritised to pursue NAV growth the security price cut in half over a 2 year period. In 2023 we acquired ~15% of the securities (making us the largest unitholder) at ~$1.20 per unit when the stated NAV was $2.37. We liked the incumbent management team and underlying assets and sought to fix the misalignment.
- Working with management we pushed for a re-set the pay structure to aggressively incentivise an asset realisation strategy. In July 2023 unitholders approved a significant reduction in management fees and re-set of performance structure to align with unit price appreciation from the discounted trading price (not NAV).
- Incentives work. In the last 12 months GDC has sold the WA based data centre and French platform at significant premium to NAV. GDC also realised significant proceeds from Macquarie's sale of Airtrunk. It de-listed from ASX recently at an equivalent price of ~$3.40 per unit and is returning all cash to unitholders.

ASX Release 17 April 2023

Global Data Centre Group (ASX: GDC)

Conclusion of internal strategic review and proposed new unitholder aligned remuneration model

Proposed new unitholder aligned remuneration model

Samuel Terry Asset Management Pty Ltd (GDC's largest unitholder) has proposed changes to Lanrik's remuneration model. The proposal seeks to better align unitholder and investment manager objectives. Lanrik is in support of the changes. At the date of this release, Lanrik has received "in principle" support for these changes from certain other large investors in GDC.

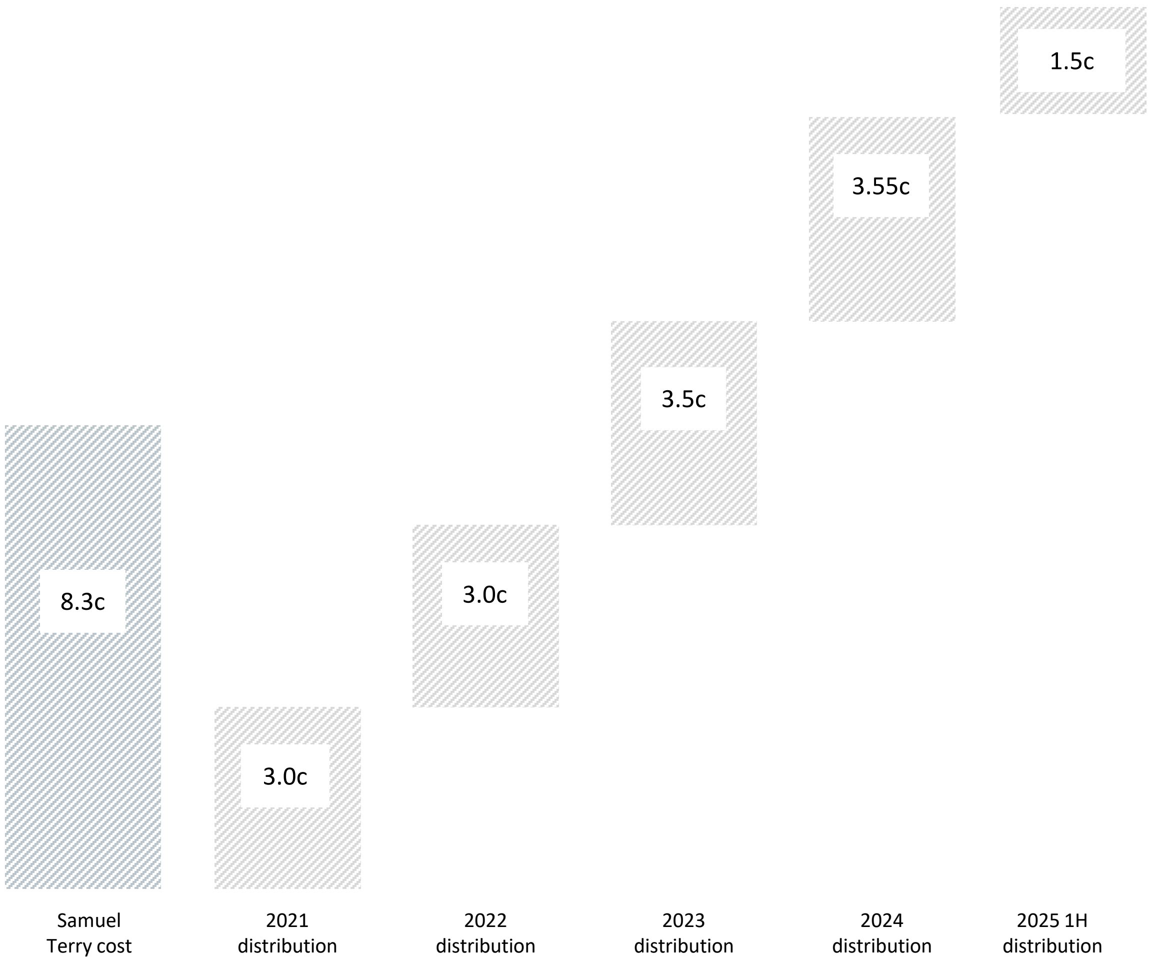
GDC trading price on ASX

Current Holding | Horizon Oil Limited. Market Cap: $290m

- Horizon oil is an ASX listed oil producer with minority interests in producing assets located in New Zealand and China. The company produces over 1.2m barrels of oil per year at a break-even operating cost of less than USD20 per barrel. We bought into the company in May 2021 by way of acquiring a block of unlisted options. We own 20% of the company and have Board representation.
- At the time of our acquisition, Horizon had a poor track record of capital allocation and consequently traded at a discount. The company had a stated strategy of using its cash to grow oil reserves.
- Since we joined the Board, the company has begun returning capital to shareholders, streamlining management and reducing costs. Its strategy is now; "Maximise Free Cash Flow. Capital Management. Invest in New Business if exceptional."
- Horizon is well placed to benefit from any mid term strength in oil prices. It has no net debt and continues to generate cash.
- Horizon currently trades in the market at ~18c per share.

HORIZON

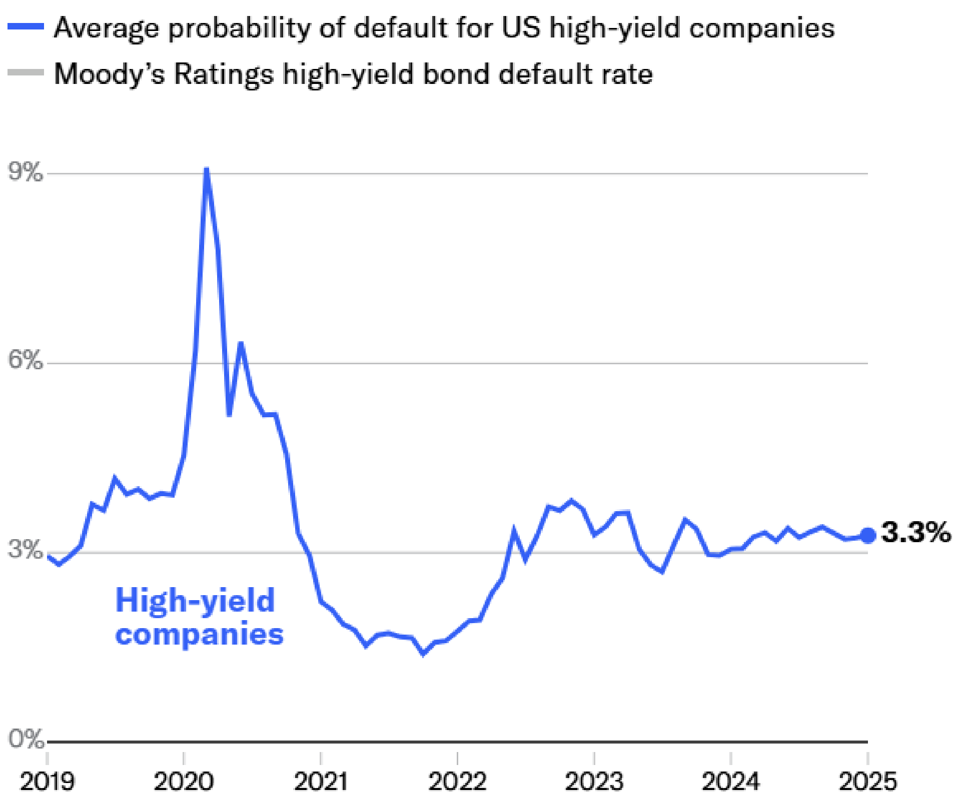
Horizon continues to generate free cash flow



Future Opportunities | Opportunities in high yield and distressed credit

- Recent trade uncertainty may prompt an acceleration in the natural distressed credit cycle.
- Although a wall of money has been increasingly allocated to private and public performing credit, there has not been a corresponding increase in capital allocated to distressed and higher yielding secondary specialists.
- Increased leverage and some deteriorating industry dynamics may make it difficult for issuers to refinance existing claims.
- This environment may create attractive opportunities in the secondary market for higher yielding (CCC and equivalent) and distressed credit opportunities.
- We have experience and capability to assess, acquire and implement "work-out" strategies for distressed issuers and "liability management exercises" for over leveraged issuers.

US corporate defaults are below historical averages



Source: Moody's 2025

Reasons NOT to invest | Our fund is not for everyone

1. The Fund has a more concentrated portfolio than most other funds.

2. Although performance in recent years has been favourable, the Fund has had periods of poor performance, and will do so again.

3. Illiquid and/or obscure securities comprise part of the Fund's portfolio. If you want to invest only in well-known, blue-chip securities, this Fund is not for you.

4. The Fund's illiquid securities could be difficult to sell quickly if the Fund receives a large number of redemption requests at once.

5. At times, a small proportion of the Fund will be invested in speculative securities. Some of these will pay off. Others will become worthless, as some have done.

6. The Fund is managed with the objective of maximizing after-tax returns for Australian residents, rather than maximizing pre-tax returns.

7. The Fund has been designed to be unsuitable for investors seeking a short-term home for their money.

8. The Fund is unlikely to pay a regular income.

9. Most of the Fund's portfolio will usually be risk-averse and defensive; but in times of panic you should expect the Fund to be an aggressive buyer of more speculative securities if their prices fall to levels judged to be ridiculously cheap. Some people do not feel comfortable with this approach, even though it generated good returns for the Fund following the panics of March 2020 and 2008-2009.

Reasons NOT to invest | Our fees are higher than those of many other funds, especially index funds

Management Fee

- 1.5% p.a.

Performance Fee

- 20% above the RBA Cash Rate + 2% pa, with a high-water mark

Still interested?

Feel free to contact us to hear more.

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Appendix A – Fund structure

In 2019 Samuel Terry Absolute Return Active Fund (STAR Active) was established to acquire STAR Fund's interest in an operating business (Yellow NZ). This was done in an effort to maximise after tax returns to Australian Unit holders. Unit holders resolved to staple STAR Active to STAR Fund. Stapling in this way is quite common in the market.

Investors in STAR Group

Distributions

Investors hold an equal number of units in each Fund

Dividends (franked)

Samuel Terry Absolute Return Fund

Holds "passive" investments, such as minority investments in listed securities.

Tax status as a managed investment trust, taxed on a "flow through basis" assuming the Fund distributes all of its table income in any year.

Pays annual distribution consisting of realised capital gains and income.

Stapled

Same number of units on issue

Samuel Terry Absolute Return Active Fund

Holds "Active" investments, such as control positions in operating businesses.

Tax status as a Public Trading Trust. Treated like a company for Australian tax purposes.

Can distribute franked and unfranked dividends and/or capital returns to investors, at the discretion of STAM.

STAM receives management and performance fees based on the aggregate net assets of both trusts.

Disclaimer

Samuel Terry Asset Management Pty Limited (AFSL 278294) does not guarantee the repayment of capital or any particular rate of return from the Trust. Past performance is no guarantee or indication of future performance. The unit price can go down as well as up. Investment returns have been calculated in accordance with normal industry practice utilising movements in the unit price and assuming reinvestment of all distribution of income and realized profits. The presentation does not take into account a reader's investment objectives, particular needs or financial situation. It is general information only and should not be considered as investment advice and should not be relied on as an investment recommendation.

We cannot and are not providing tax advice, and encourage you to seek independent tax advice before investing.

STAM may pass on part of its management and performance fees to financial advisers and other third parties that introduce investors to the Fund.