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United Nations Principles for Responsible Investment		
Principle 1:	We will incorporate ESG issues into investment analysis and decision-making processes.	→
Principle 2:	We will be active owners and incorporate ESG issues into our ownership policies and practices.	→
Principle 3:	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	→
Principle 4:	We will promote acceptance and implementation of the Principles within the investment industry.	→
Principle 5:	We will work together to enhance our effectiveness in implementing the Principles.	→
Principle 6:	We will each report on our activities and progress towards implementing the Principles.	→

This document represents an Environmental, Social and Governance (ESG) review of the Fairlight Global Small & Mid Cap Fund (the **Fund**) in FY2025. All quantitative assessments are based on portfolio and benchmark (MSCI World Small and Mid Cap Index) compositions, as at 31 March, 2026.

Fairlight is of the belief that the way a company manages ESG issues is often a good indicator of overall risk levels, governance and general management quality – each strong determinants of a company’s long-term success. Companies can increase shareholder value by better managing risks related to emerging ESG issues. Moreover, ESG issues can have a strong impact on reputation, brands and culture; increasingly important drivers of company value and in cases of ESG market leadership, potential sources of differentiation and competitive advantage.

At Fairlight, ESG issues are considered at each stage of the investment process, including initial screening, stock research and due diligence, valuation, and portfolio management decisions (Figure 1).

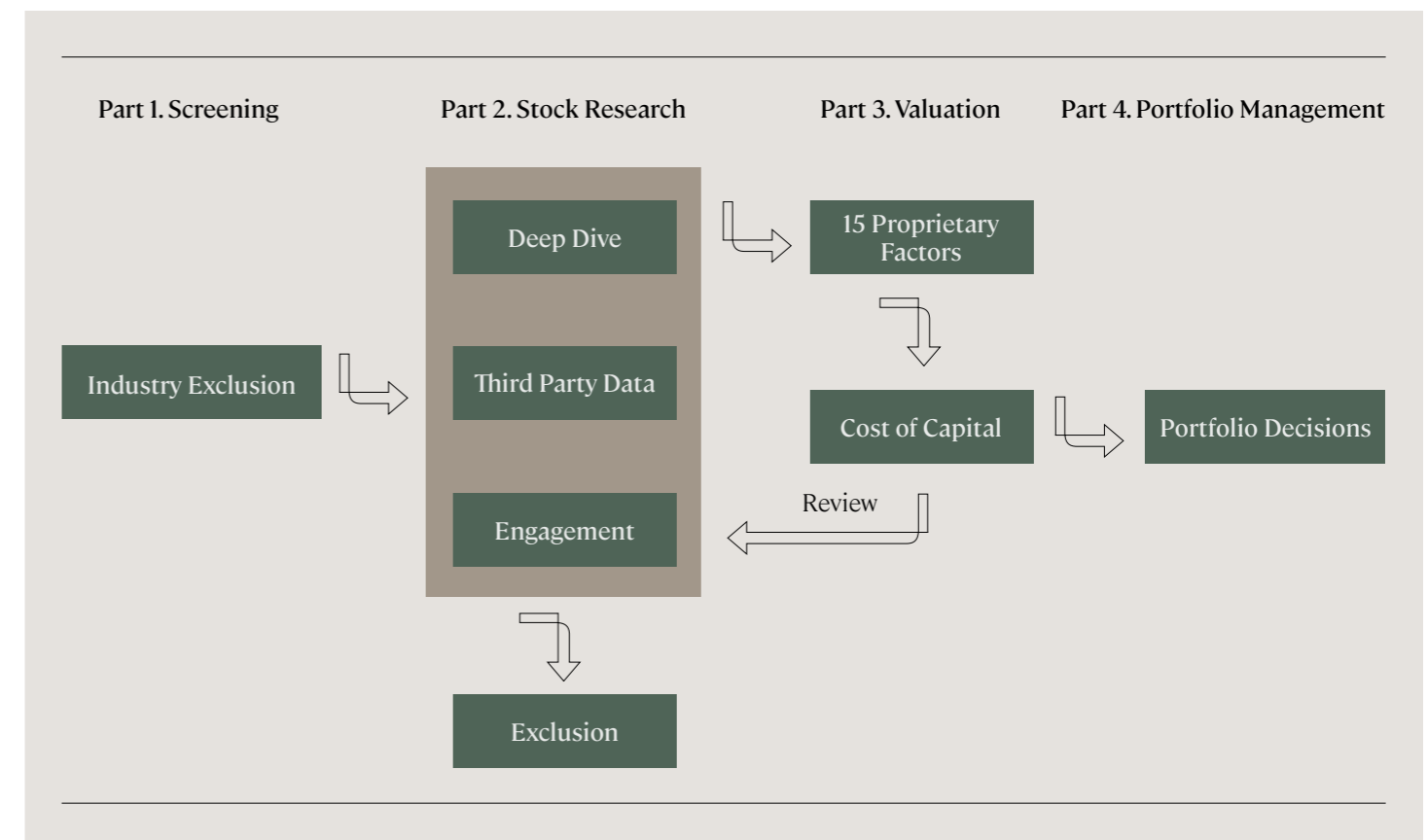


Figure 1 - Fairlight ESG Framework (Source: Fairlight)

Part 1: Screening

Fairlight utilises industry exclusion screens (Figure 2) to account for the more obvious sources of ESG risk found in sectors including but not limited to tobacco, armaments, gambling, and mining (**Restricted Industries**).

A maximum of 10% aggregate gross revenue exposure to these Restricted Industries is permitted before companies are excluded from ownership by the Fund.

	Low ROIC	Cyclical/Macro Dependent	Value to Cost Ratios/ESG	Single Points of Failure		Fairlight Focus
Screen Out ↳	Utilities	Heavy Industrials	Tobacco	Biotech	Fairlight Universe ↳	Niche Technology/ Business Services
	Property Trusts	Banks	Armaments	Unproven Tech		Light Industrials
	Infrastructure	Oil & Gas	Aggressive Pharma	Single Product/ Customer		Healthcare
	Agriculture	Metals & Mining	Gambling	Binary Outcomes		Consumer & Media

Figure 2 – Fairlight’s industry exclusion screening (Source: Fairlight)

Part 2: Stock Research

Fairlight considers ESG issues throughout the stock research process, utilising both internal and external data sources to conduct due diligence. Fairlight’s focus on quality businesses means that the Fund’s investments typically score well on ESG considerations compared to the average company in the benchmark. Nevertheless, Fairlight is committed to active ownership and, where possible, helping portfolio companies improve their ESG leadership. As a result, Fairlight will engage with portfolio companies on specific issues when relevant.

As discussed later in this report and within our [ESG Review FY2024](#), the results of Fairlight’s ESG due diligence work and/or company engagement may trigger the exclusion of a potential investment or the divestment of a portfolio holding.

Part 3: Valuation

All of Fairlight’s researched companies are scored across 15 proprietary ESG metrics, which generates an individual cost of capital charge for each company that is an important input into company valuation.

Part 4: Portfolio Management

ESG is considered dynamically in each stage of the investment process and analysis is regularly reviewed, allowing for outcomes to prompt portfolio management decisions as required.

Fairlight is a signatory to the United Nations Principles for Responsible Investment. For further details on Fairlight’s approach to ESG, please refer to [Fairlight’s Responsible Investing Policy](#) which is designed to be read in conjunction with this annual review.

2. Data Sources

In quantifying ESG within the investment process, Fairlight uses a combination of internally derived factors and third-party metrics.

Internal factors are formulated by the investment team as part of the stock research process and are regularly updated. These proprietary factors, via a cost of capital charge, are important inputs into Fairlight's valuation models and are utilised for portfolio management decisions. The scoring framework is based upon 15 factors categorised across three pillars including Environmental (E), Social (S), and Governance (G). Five factors are identified within each pillar, requiring the team to assign a score of 1 for market leader, 0 for irrelevant/neutrality, and -1 for perceived ESG risks. These individual scores are averaged to determine the overall ESG score, ranging from -1 to 1. A score below 0 would indicate material ESG risk, prompting the application of a higher discount rate, while a score approaching 1, would indicate the company is an ESG leader, prompting a valuation premium.

External metrics are sourced from third-party provider Sustainalytics Australia Pty Limited (ABN 37 607 393 028) (**Sustainalytics**). There are two predominant reasons to use external data in the preparation of this annual review:

1. Whilst Fairlight has a robust internal ESG database that covers all the companies that meet our definition of quality¹ (approximately 200 companies), we do not have internally derived metrics for the other roughly 5,000 companies in our benchmark that don't meet our criteria. The Sustainalytics database provides coverage of 99% of our benchmark, which facilitates comparison between the Fairlight portfolio and its benchmark.
2. Third-party data is independent of any biases that the Fairlight team may have towards portfolio companies.

3. Portfolio ESG Risk

Under the Sustainalytics framework, portfolio ESG risk is calculated in a three-step process:

1. The **exposure** to various ESG risk factors is assessed.
2. The extent to which companies successfully **manage** ESG issues is assessed.
3. The residual "unmanaged" risk then reflects the final **ESG risk rating**.

The Fairlight portfolio is assessed to have low level of exposure to ESG risks compared to its benchmark which has medium exposure. Figure 3 shows that Fairlight's relatively favourable exposure is primarily due to a lack of ownership of companies that have high exposure to ESG risk factors.

3.1 Exposure

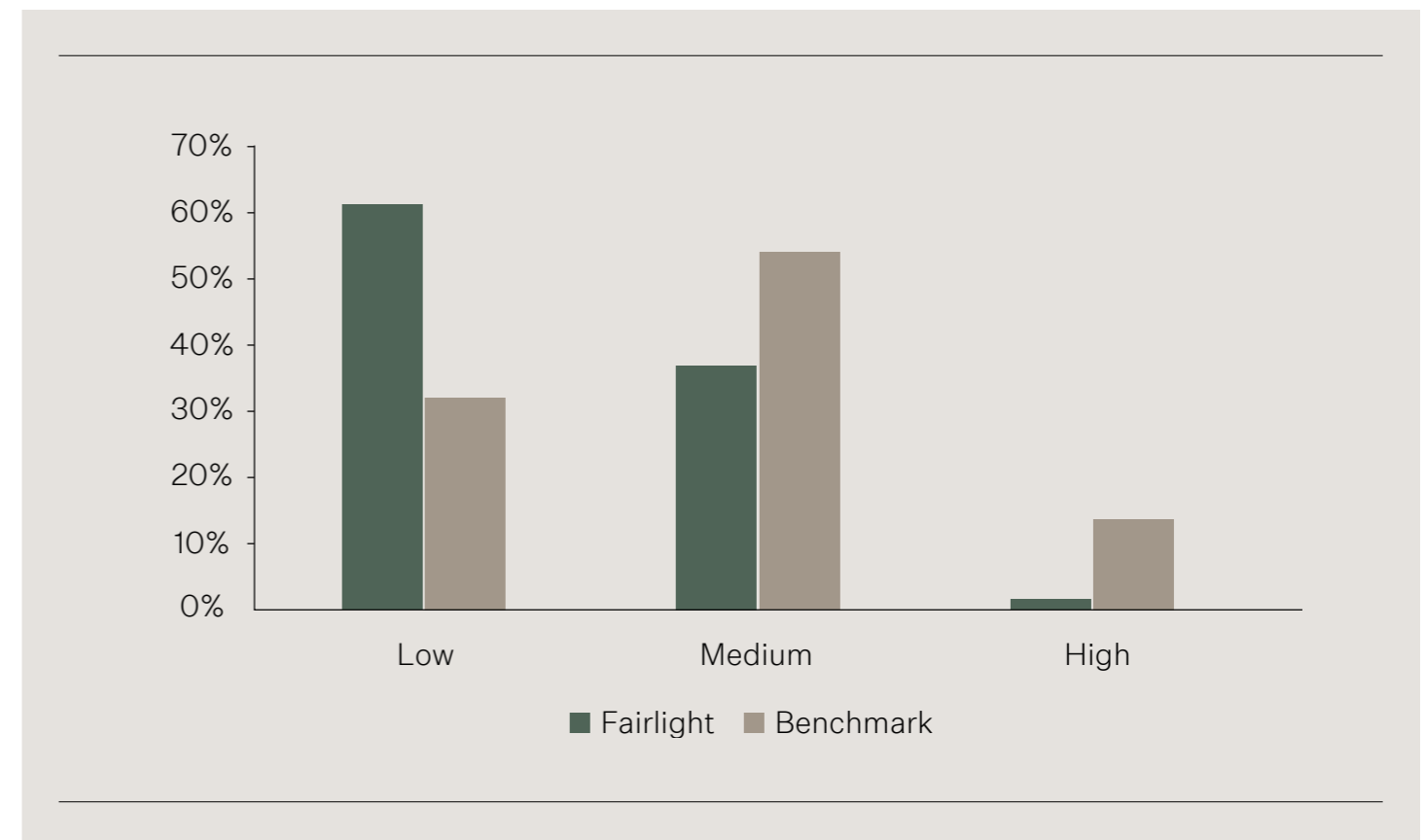


Figure 3 - Distribution of exposures to ESG risk factors (source: Sustainalytics)

¹ Please refer to page 21 of the investors' handbook

3. Portfolio ESG Risk

Figure 4 demonstrates the Fairlight portfolio has achieved a strong rating assessment regarding its management of ESG issues. The benchmark has achieved a strong management rating.

3.2 Management



Figure 4 - Distribution of management of ESG risk scores (source: Sustainalytics)

The final Sustainalytics ESG risk rating measures the unmanaged ESG risk of the Fairlight portfolio which is assessed to be low. This rating is 21% lower than the unmanaged ESG risk of the benchmark which is assessed to be medium.

In assembling the portfolio, Fairlight avoids owning companies that exhibit high or severe ESG risk.

3.3 Risk Rating

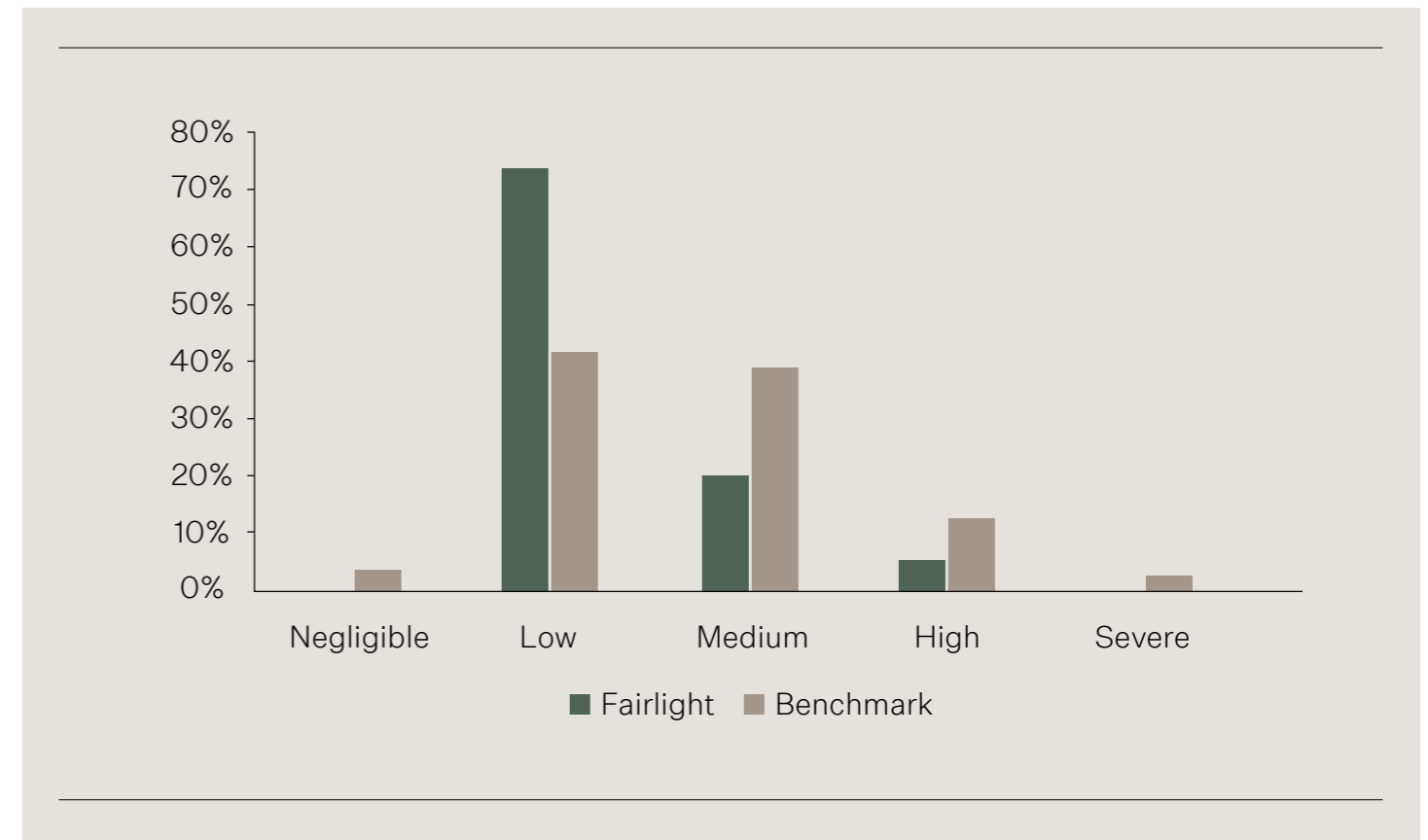


Figure 5 - Distribution of final ESG risk scores (source: Sustainalytics)

In Figure 5, Sustainalytics classifies the Fairlight portfolio as having 6% exposure to high risk categories, via our holding of European industrial conglomerate Lifco. This compares to the 13% high risk exposure of the benchmark. Our [2023 ESG report](#) explains why Fairlight disagrees with the Sustainalytics assessment of Lifco.

4. Carbon Intensity

Corporate contribution to greenhouse gas (GHG) emissions is a prominent ESG consideration. In the same manner that insurance companies consider climate risks when underwriting insurance, equity investors increasingly need to consider the regulatory and reputational risk of corporate GHG emissions when allocating capital.

The concept of carbon intensity scales a company's GHG emissions by company revenue so that small and large companies are comparable against a single metric: tonnes of CO2 equivalent per \$1m of revenue. Carbon intensity is an efficiency measure that assesses how much carbon it costs to generate a unit of revenue.

Using Sustainalytics data, we can compare GHG emissions of each individual portfolio company and compare the entire portfolio against the benchmark.

Figure 6 compares the carbon intensity of Fairlight portfolio holdings to the benchmark. Scope 1 and 2 emissions capture all direct emissions from sources owned or controlled by the company plus all indirect emissions from the consumption of purchased electricity, heat, or steam. Scope 3 captures other indirect emissions that occur in the value chain of the reporting company including both upstream (supply chain) and downstream (end users of the company's products) emissions.

Figure 6 illustrates the Fairlight portfolio has a favourable carbon intensity profile with 91% lower carbon intensity than the benchmark for both Scope 1 and 2. When incorporating Scope 3, the portfolio has 23% lower carbon intensity than the benchmark.

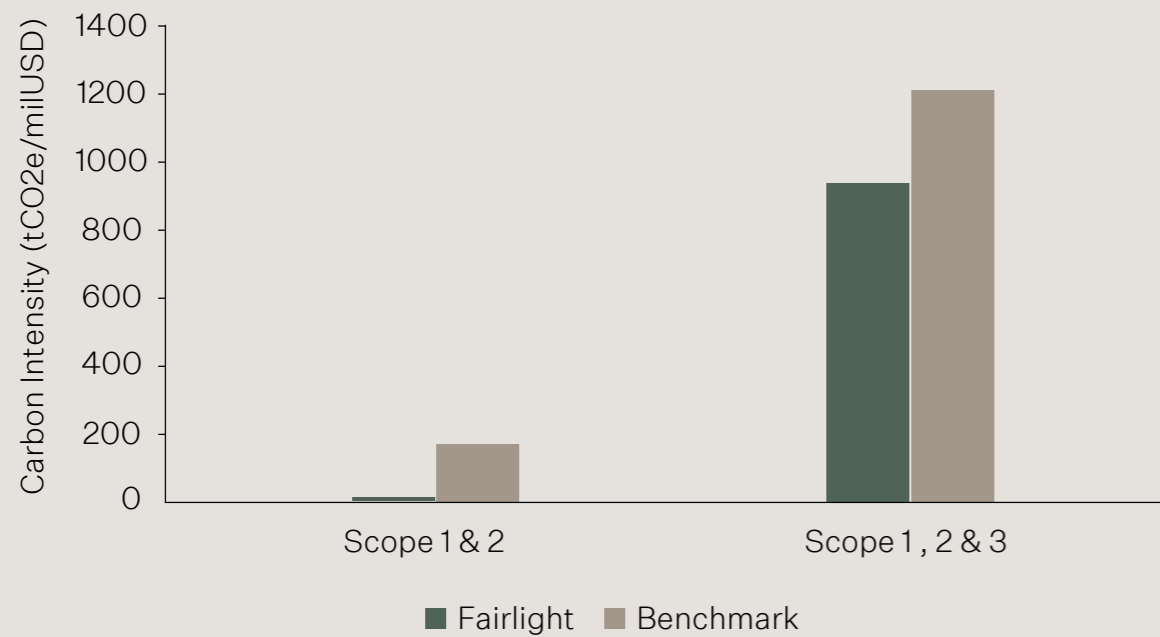


Figure 6 - Carbon intensity of Fairlight and benchmark portfolios (source: Sustainalytics)

Fairlight's favourable carbon intensity profile is a function of both sector and stock allocation (Table 1). In all sectors that Fairlight invests, the Fund's companies on average, have lower carbon intensity than the benchmark. This can be seen in the stock selection effect, which is consistently negative, implying lower carbon intensity

than the industry average. For Scope 1 and 2 emissions, approximately three-quarters of Fairlight's lower emissions come from sector allocation, with the residual benefit of approximately one-quarter coming from stock selection within sectors.

	Sector Allocation Effect	Stock Selection Effect	% Effect
Utilities	-88.95	0	-40.31%
Basic Materials	-36.36	-27.07	-28.75%
Technology	-35.68	-5.72	-18.76%
Industrials	-16.84	-12.93	-13.49%
Communication Services	-22.55	-1.37	-10.84%
Energy	-5.75	0	-2.61%
Healthcare	-3.63	-0.88	-2.04%
Unclassified	0.02	0	0.01%
Consumer Defensive	8.83	0	4.00%
Consumer Cyclical	11.6	-1.89	4.40%
Real Estate	14.21	0	6.44%
Financial Services	17.56	-0.2	7.87%
Total	-157.55	-50.06	-94.09%

Table 1 - Carbon Emissions Attribution (source: Sustainalytics)

5. Engagement

During CY2025, we conducted nine formal engagement meetings, all of which were linked to governance particularly the merits of opportunistic share buybacks (Table 2).

Date	Company	Objective	Category	Sub-Category
3-Dec-25	Diploma plc	Institutional Investors Feedback	Governance	Disclosure
25-Nov-25	IMCD N.V.	Supporting Buyback Program	Governance	Capital structure
17-Nov-25	Hemnet Group AB	Exploring Opportunistic Buyback	Governance	Capital structure
29-Oct-25	Softcat Plc	Feedback on CEO and CFO remuneration	Governance	Executive Compensation
6-Jun-25	Resmed Inc.	Capital management and buyback	Governance	Capital structure
4-Jun-25	Pool Corporation	Capital management and accelerated buyback	Governance	Capital structure
18-Aug-25	Bytes Technology	Opportunistic buyback	Governance	Capital structure
17-May-25	Recordati SpA	Disclosure (Adjustments to GAAP numbers and organic growth)	Governance	Disclosure
13-Mar-25	Techtronic Industries	Capital allocation - Buybacks	Governance	Capital structure

Table 2 - 2025 Engagement Activity Type (Source: ISS and Fairlight)

During 2025, most of our companies either accelerated the speed of current buybacks or launched new repurchase programs, in some cases, for the first time in their histories. At the close of the year, 21 out of the 33 companies within the Fund had an active buyback where 16 of these companies either accelerated the pace of their repurchase programs or experienced significant insider buying in the past 12 months. Of the 12 companies which did not have an active buyback program in place by year end, eight had engaged with shareholders about the possibility of launching one.

We have also been pleased to see ongoing engagement benefits of past productive communications with

portfolio companies such as Ulta Beauty. Alongside other shareholders, we engaged with Ulta Management in 2024 regarding the delicate balance of strategic priorities, investing for the long term and capital management. Management executed soundly on this feedback and implemented strategies resulting in sustainable market share gains, profitable expansion while making substantial capital returns to shareholders.

We believe the outcomes of our company engagements reflect the collective influence of multiple shareholders and are pleased to see these activities contribute meaningfully to improvements in capital returns across our several holdings.

6. Voting Record

Voting rights are valuable assets which should be managed with care and diligence and believe ultimately, the ability of shareholders to influence management depends on a willingness to exercise those rights. Fairlight's policy is to vote on all company resolutions considered at general meetings where it has the voting authority and responsibility to do so.

In 2025, we continued to generally vote in line with recommendations of our proxy advisory firm, ISS, and therefore devote limited time to review routine agenda items. Our focus was instead directed towards areas of potential ESG risk and therefore engage on topics where we believe we can add value. Table 3 illustrates the distribution of our 2025 voting activity.

Category	ESG Pillar	For	Against	Non-voting	Total
Routine Business	G	34	0	15	49
Director Election	G	246	5	0	251
Audit Related	G	43	1	0	44
Compensation	G	49	7	0	56
Capitalization	G	41	0	0	41
Takeover Related	G	9	0	0	9
Company Articles	G	4	0	0	4
Miscellaneous	G	0	0	1	1
Director Related	G	26	1	0	27
Non-Routine Business	G	0	1	1	2
Corporate Governance	G	3	1	0	4
Strategic Transactions	G	1	0	0	1
Environmental	E	0	1	0	1
Social	S	5	0	0	5

Table 3 - 2025 Proxy Voting Results (Source: ISS and Fairlight)

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