

An aerial photograph of Sydney, Australia, taken during the golden hour. The Sydney Harbour Bridge is the central focus, arching over the water. To the left, the Sydney Opera House is visible. The city skyline is filled with various skyscrapers and buildings. The foreground shows a multi-lane highway with traffic and some residential buildings. The sky is a mix of blue and orange, indicating sunset or sunrise.

Investing in Australia: Tokyo - 18 November 2025

Wayne Sullivan

Director of Marketing and
Business Development,
Frontier Advisors



Presenting partners



Introduction to Frontier



Kim Bowater,
Director of Consulting,
Frontier Advisors

Introducing Frontier Advisors

Leading investment consultant in Australia, established by superannuation



Experience

- Founded – July 1994.
- 84 Staff – 57 Consulting.
- A\$850 billion funds under advice.
- 50 retainer clients.
35% superannuation and
65% non-super.



Independent

- Australia's leading unconflicted institutional investment adviser.
- Independent, honest and courageous.
- Conflict-free advice.
- We don't compete with our clients for the best ideas.
- A profit-for-members philosophy underpins our culture and business.



Global and diverse

- Global coverage of managers and products.
- Founding member of the Global Investment Research Alliance.
- Partners with Segal Marco Consulting (North America) and LCP (UK and Europe).



Leading research

- We are at the forefront of researching new investment thematic and ideas.
- Our research-led approach leads to best outcomes for clients.
- In-depth sector research across the investment universe.

Our client list

Frontier serves a wide range of investors in Australia and our region



Superannuation

14 funds, \$815 billion AUA



4 technology clients



Liability driven and govt

10 clients, \$18 billion AUA



2 technology clients



Emerging institutional

17 clients, \$10 billion AUA



2 technology clients



Deep and relevant expertise

We are recognised for the quality and capability of our people



Breadth

Multi-functional experience across advice, research, technology and specialist services.



Experience

Senior advisory staff average ten years at Frontier Advisors and 22 years in the finance industry.



Diversity

Diverse and eclectic backgrounds across accounting, finance, economics, engineering, retail, biotech, IT and funds management



Multi-disciplined

Significant direct investing and asset management experience.



Commitment to ESG

Frontier Advisors is a member/ signatory of the IGCC, PRI, RIAA, Paris Pledge and NZICI.



Gender diversity

48% of our team are women.

Services provided by Frontier

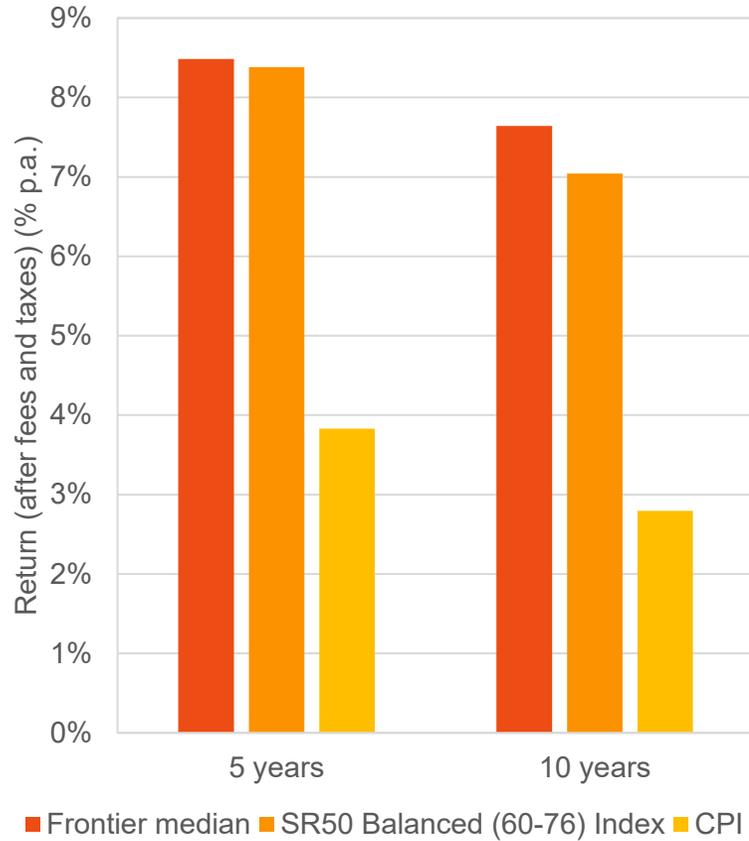
Tailored services aligned to asset owner requirements



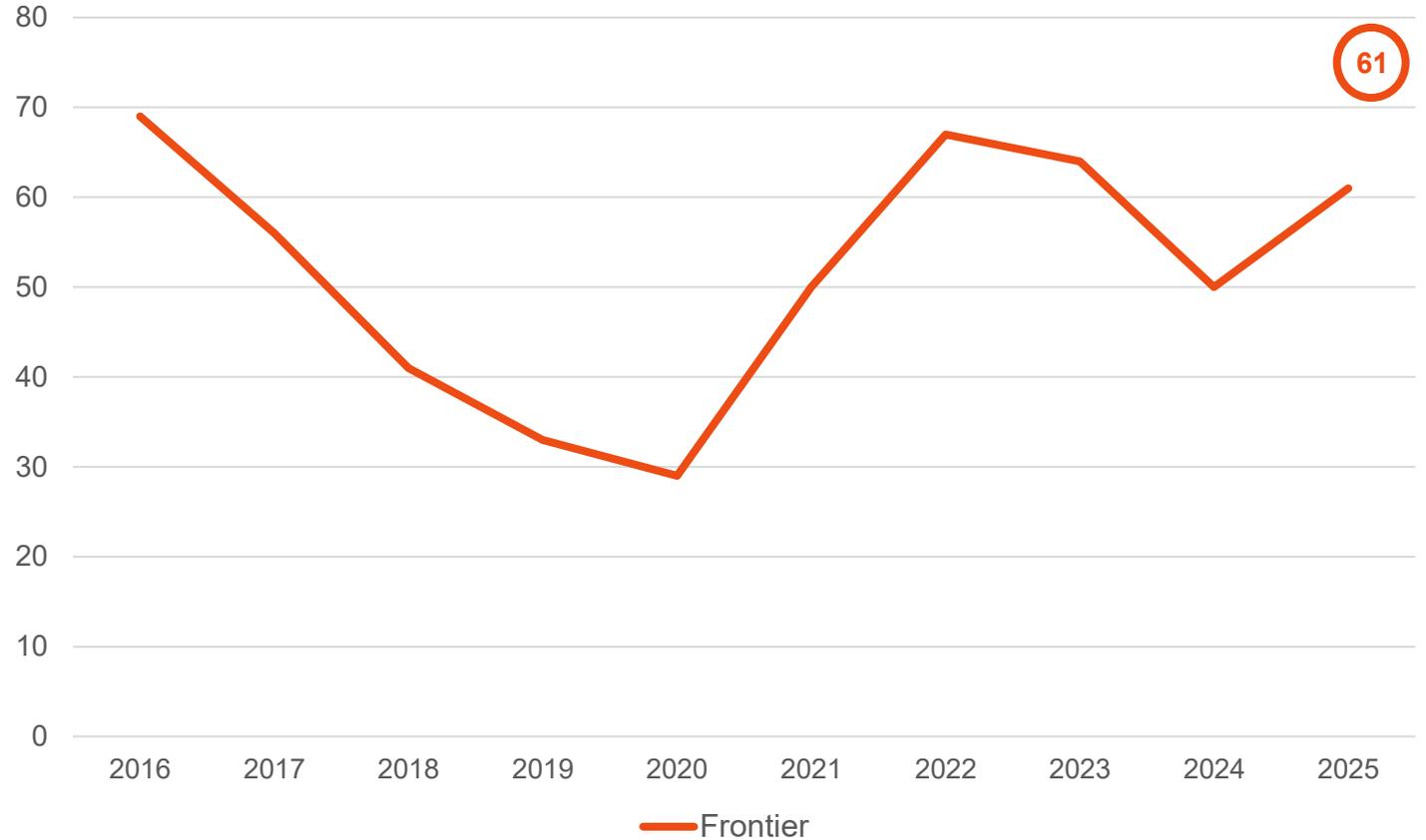
Frontier performance

Strong long term performance outcomes

Frontier median super client performance to 30 June 2025



Net promoter score (NPS) 2016-2025



Australia's superannuation system



An introduction
into Australia's
superannuation system

Scale and growth

- Australia's superannuation holds \$4.3 trillion in assets as of 2025 with \$70 billion net flows p.a.
- Currently fourth largest in world now by size.
- Predicted to be third largest by 2030 and second shortly thereafter.

Compulsory contribution system

- Mandatory employment-based contributions help Australians accumulate retirement funds.
- 90% defined contributions system, largest in world after the US.
- 12% contribution rate for everyone (few exceptions).
- Only system with full competitive choice of fund/provider and choice of investments

Economic and social role

- The system funds domestic markets and projects, supporting public and private initiatives sustainably.

Policy cornerstone

- Vital for social and economic policy, impacting millions and shaping investment.
- Policies and regulation has changed a lot since inception.
- The system is unique by world standards and has a high degree of competition and transparency

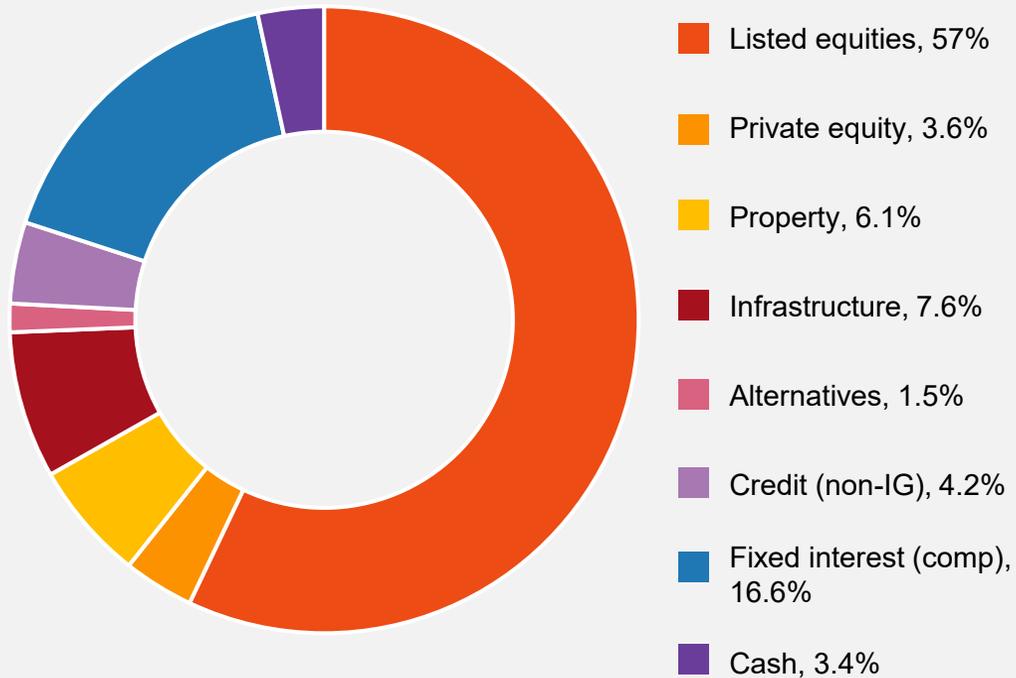
Industry trends and challenges



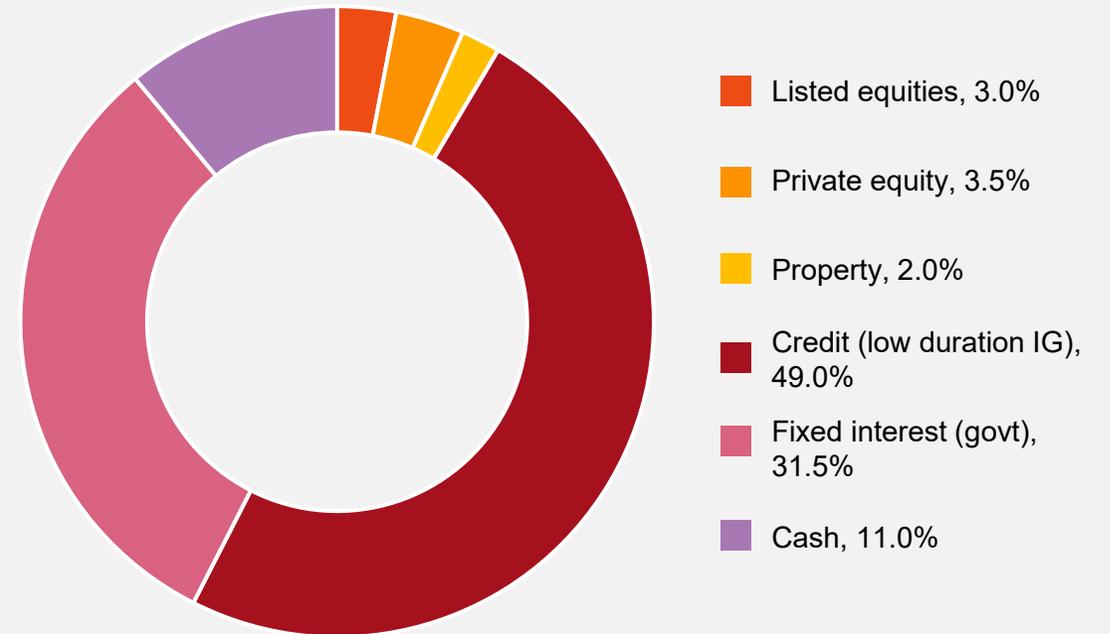
How Australian asset owners invest

Asset allocations tailored to asset owner objectives and risk tolerances

Average superannuation fund asset allocation



Average regulated insurer asset allocation



Note: 0% allocation in infrastructure and alternatives

Why Australia? Cyclical resilience, structural strength



Kim Bowater,
Director of
Consulting,
Frontier Advisors

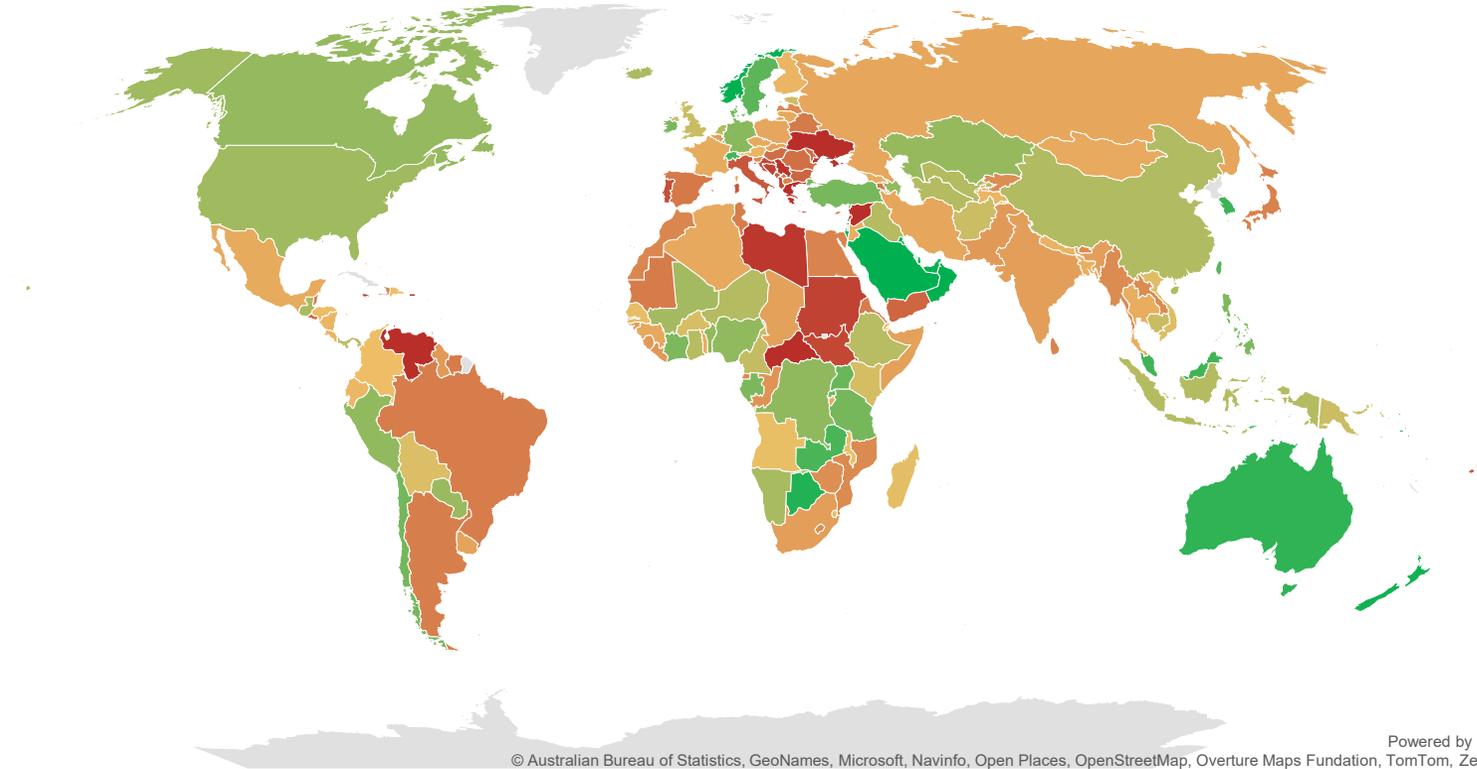


Matthew Peter,
Chief Economist,
QIC

The evolution of global investment fundamentals

The investment landscape was promising

The QIC Investment Fundamentals Index 2014

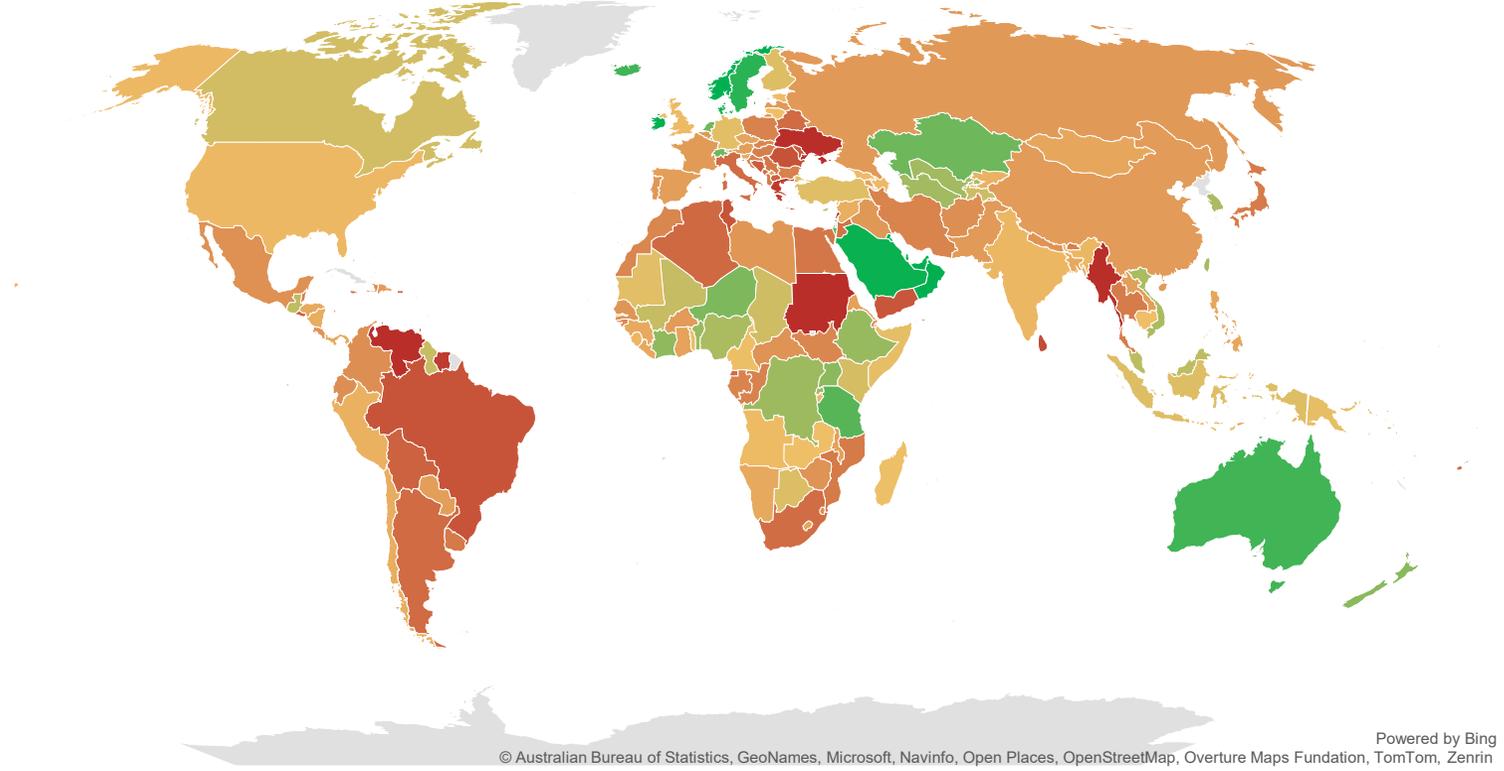


Source: UN, IMF, LSEG, QIC

The evolution of global investment fundamentals

But the investment landscape is deteriorating

The QIC Investment Fundamentals Index: 2025



Source: UN, IMF, LSEG, QIC

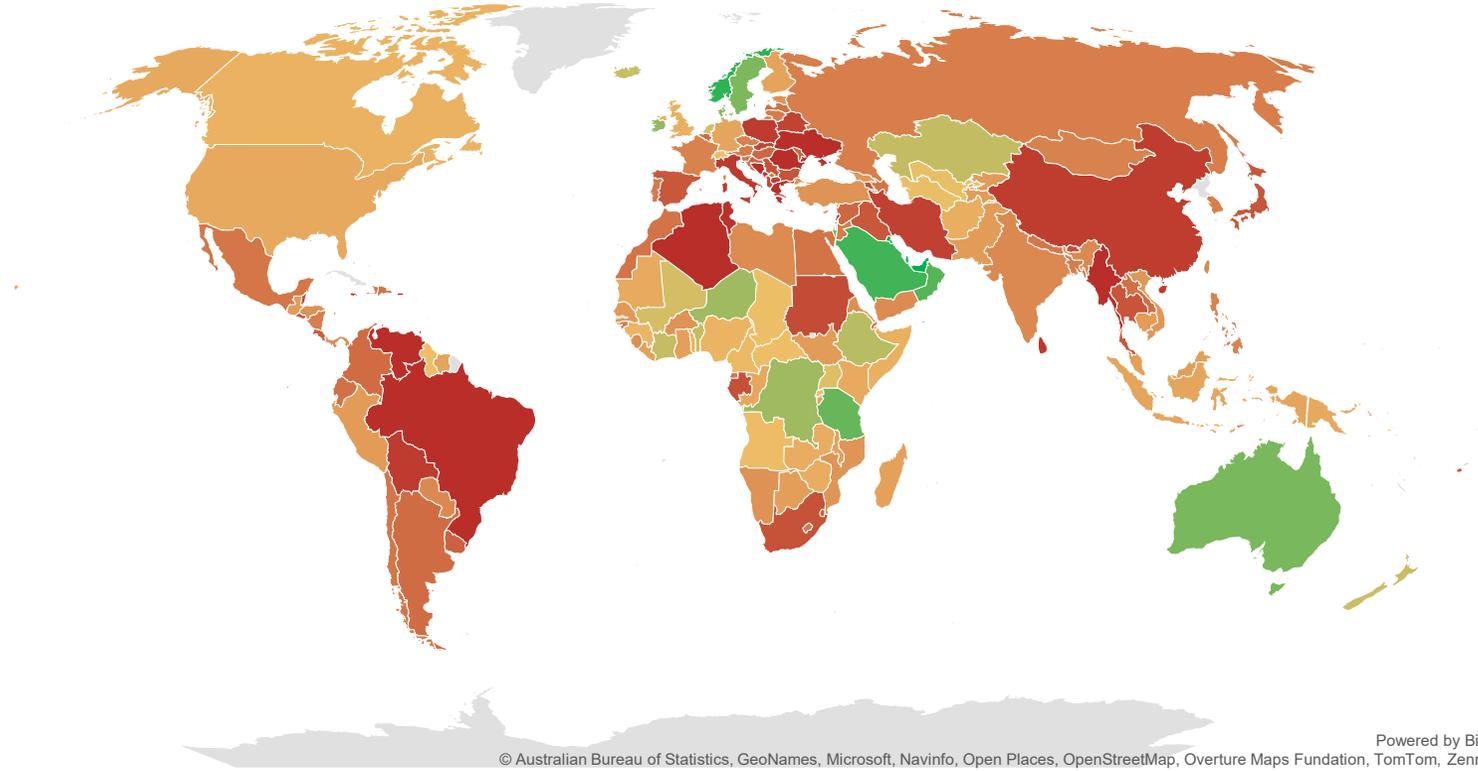
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Powered by Bing



The evolution of global investment fundamentals

But the investment landscape is deteriorating

The QIC Investment Fundamentals Index: 2050



Source: UN, IMF, LSEG, QIC

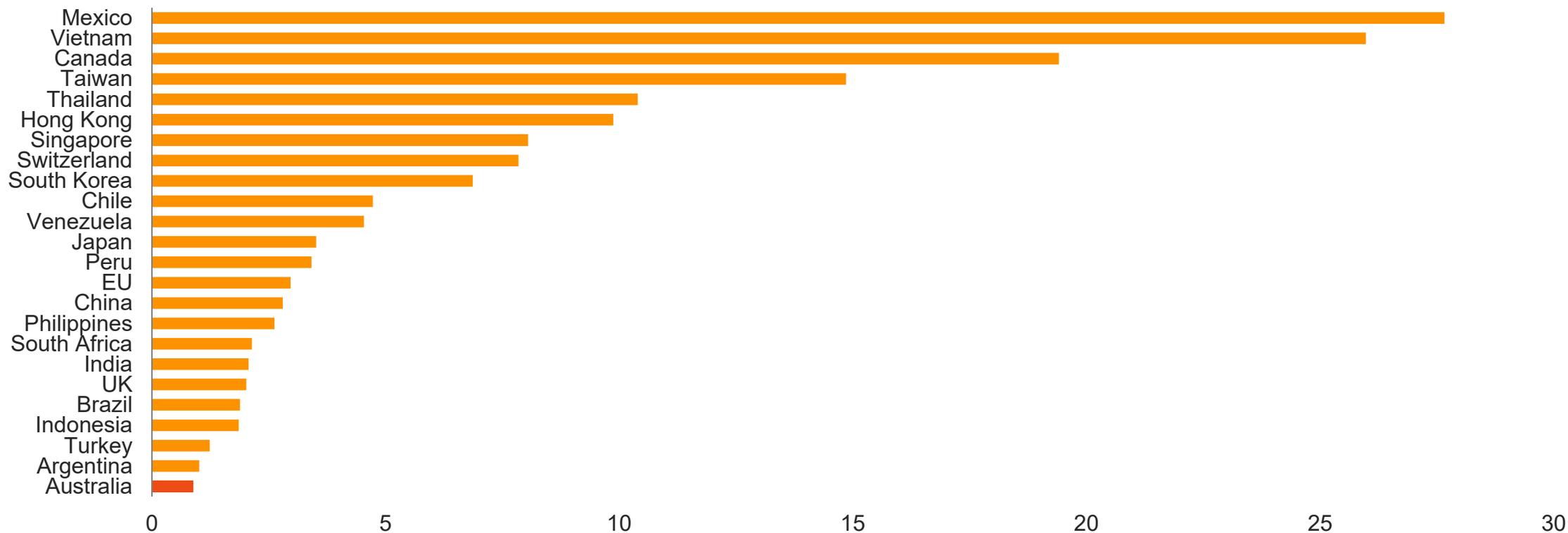


Australia has low direct exposure to US export trade at less than 1%

Australia stands to benefit from cheaper imports as trade patterns shift

Australia does not have competing domestic manufacturing industries that would suffer from import competition.

Exports to the US as a share of GDP (% over 2024)



1. Australia stands to benefit from cheaper imports as trade patterns shift.

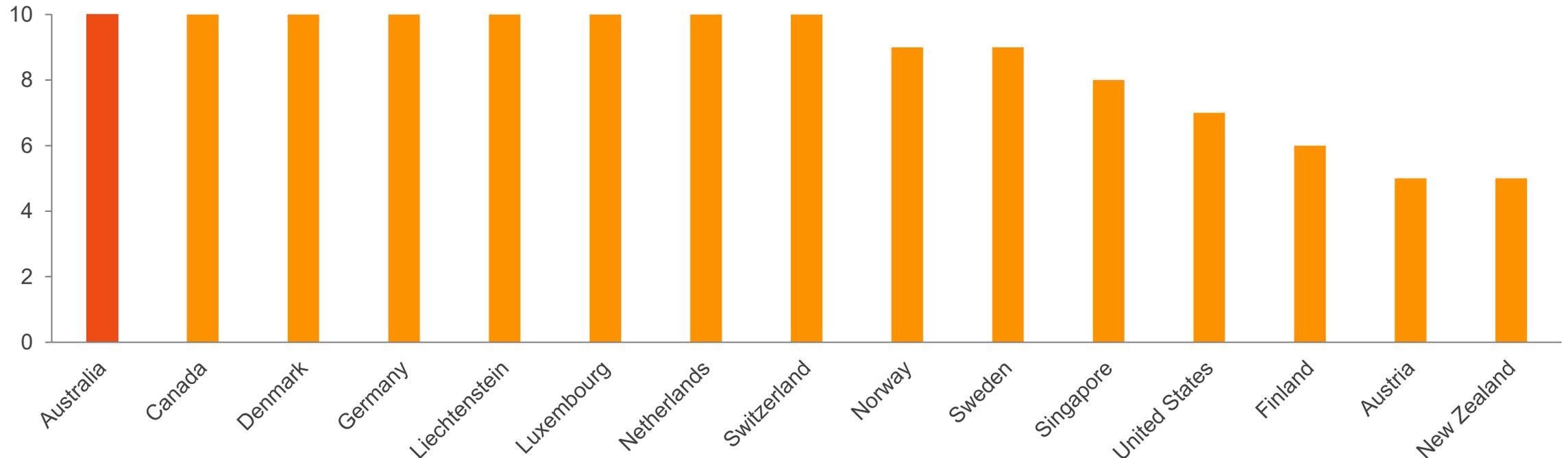
Source: LSEG, QIC

A safe pair of hands in an uncertain environment

One of 10 countries out of 150 to have the highest rating from all three major rating agencies

Australia's "big four" banks ranked in the top ten safest commercial banks among the world's top 50.

Top ranked 15 countries for credit ratings (2024)



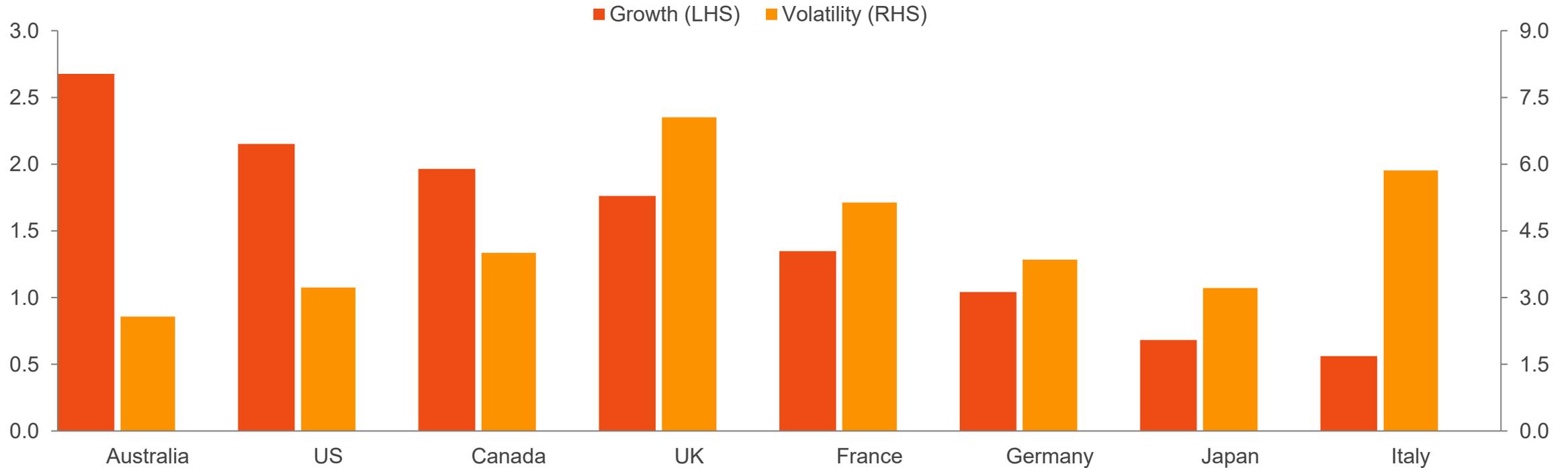
Source: Trading Economics, QIC

High growth with low volatility

Growth performance of an EM economy: stability and safety of an advanced economy

Excluding COVID-19, Australia has avoided recession since 1991.

GDP growth versus volatility (% FY growth and STD last 25 years)



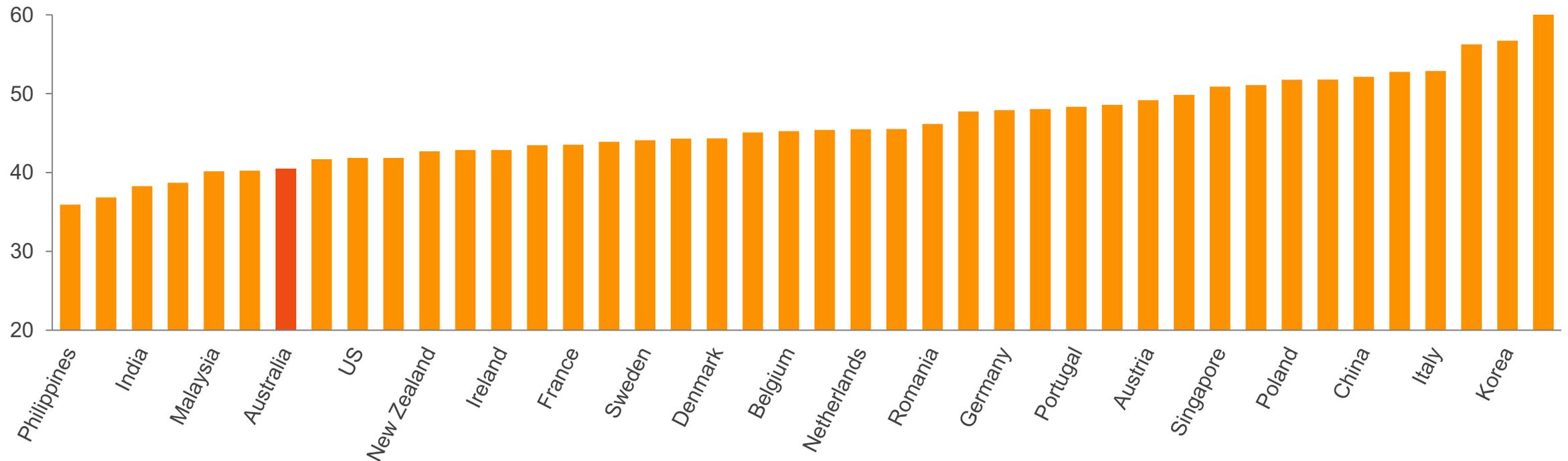
Note: Growth is the average of the last 25 years of Q2/Q2 annual real GDP growth. Volatility is the standard deviation of the last 25 years of Q2/Q2 annual real GDP growth.
Source: LSEG, QIC

Structural strengths enhance cyclical resilience

Australia has exceptional demographics

Australia's migration program will help ensure its workforce remains relatively young.

Median age by 2050 (years, top 50 global economies)



1. Australia stands to benefit from cheaper imports as trade patterns shift.

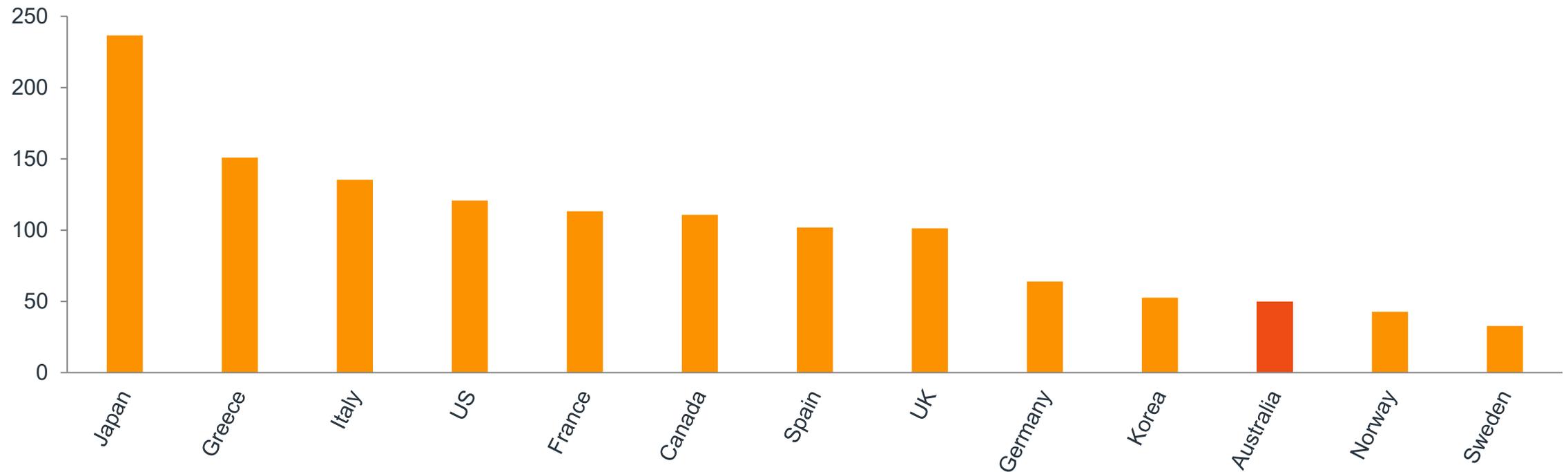
Source: UN, QIC

Structural strengths enhance cyclical resilience

Australia's public debt burden is low relative to its advanced economy peers

Robust demographics help limit debt growth.

General government gross debt (2024, % of GDP)



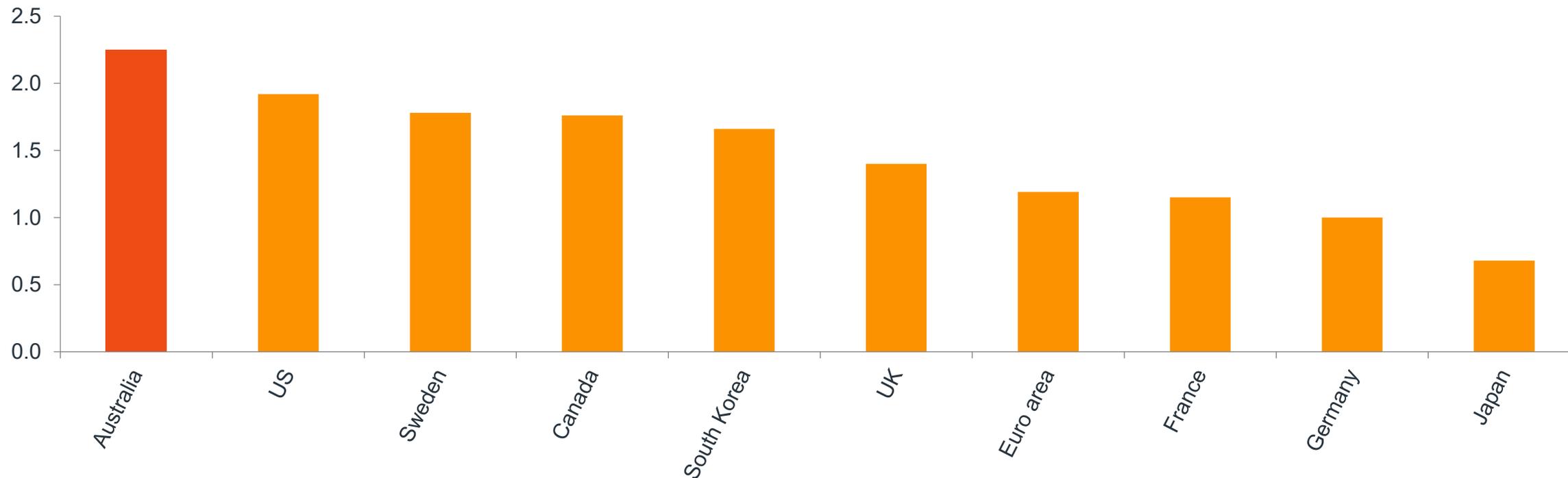
Source: LSEG, IMF, QIC

Structural strengths enhance cyclical resilience

The longer-term outlook for the Australian economy is very strong

"EM like" growth with advanced economy risk

Consensus real GDP growth forecasts (% , annual average, 2026-35)



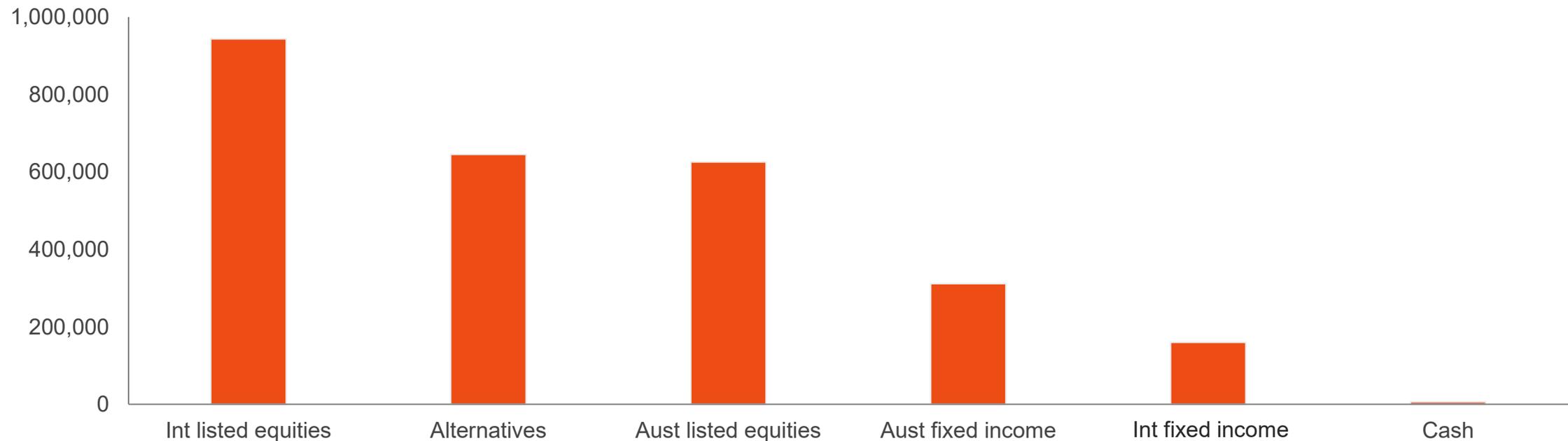
Source: Consensus economics

The size of the domestic superannuation savings pool has tripled over the last decade

Australian super funds have increased their allocations to all broad asset classes

But the allocation has not been uniform, with a large allocation to alternatives (from a relatively low base)

Change in FUM by asset class (A\$ million, 2015-25)



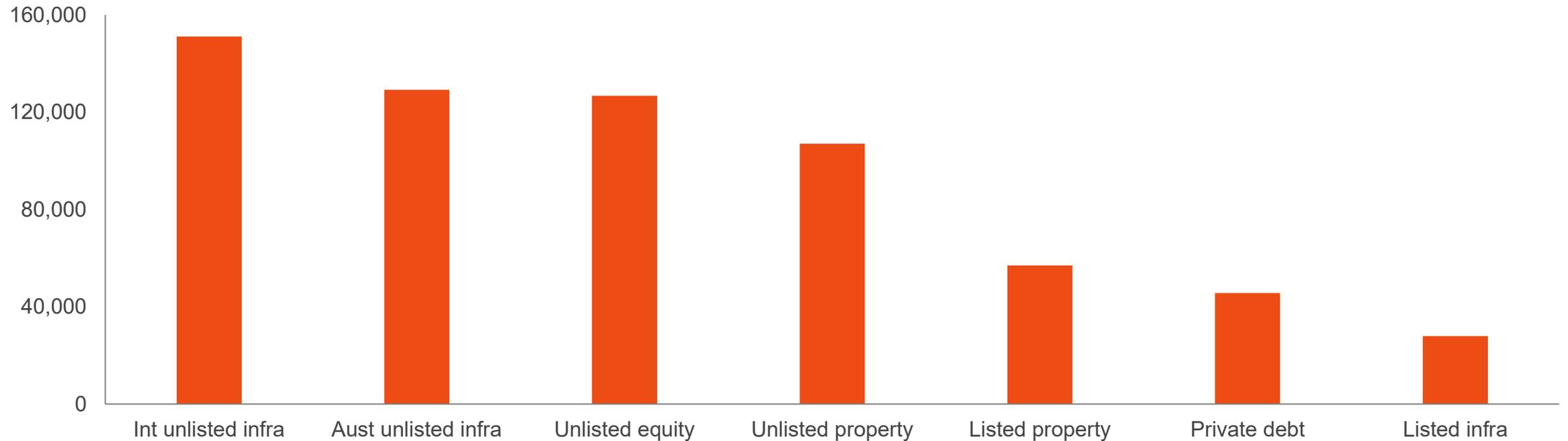
Source: APRA, QIC

Alternative assets have seen significant increase in FUM

All segments have seen an increase in FUM

The unlisted asset classes of infrastructure, private equity and property have seen the large flow of funds

Change in FUM by alternatives asset class (A\$ million, 2015-25)



Source: APRA, QIC

Australian private credit



Andrew Kemp,
Head of Private
Markets and
Deputy Head of
Research, Frontier
Advisors



Lillian Nunez,
Executive Director,
Co-Head of
Australian
Diversified Credit,
IFM Investors



Pete Robinson,
Head of Investment
Strategy, Challenger

Australian credit landscape

Attractive credit spreads and lower fees ensure strong returns in Australian private credit

Australian private credit is typically lower risk than US

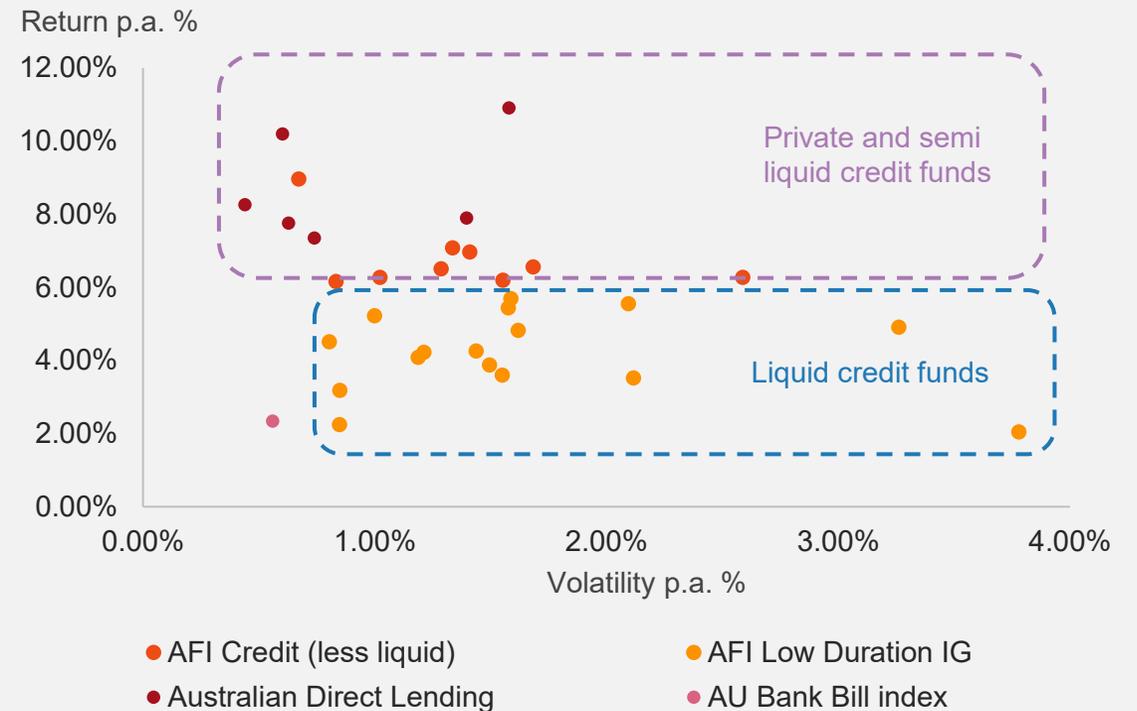
Key characteristics

| | Australia | US |
|---|-----------|---------|
| Credit spreads (bps) | 492 | 516 |
| Last 10-year av. debt/EBITDA (x) | 4.1 | 4.9 |
| Origination fees / OID (bps) last 12 months | 210 | 130 |
| Loss rate | Low | Low |
| Management fees | Low | Higher |
| Performance fees | Nil | Typical |

Source: Frontier 2025 direct lending manager survey - Q1 2025

Lower management fees on local credit products mean more returns available to investors

Five-year annualised credit fund returns



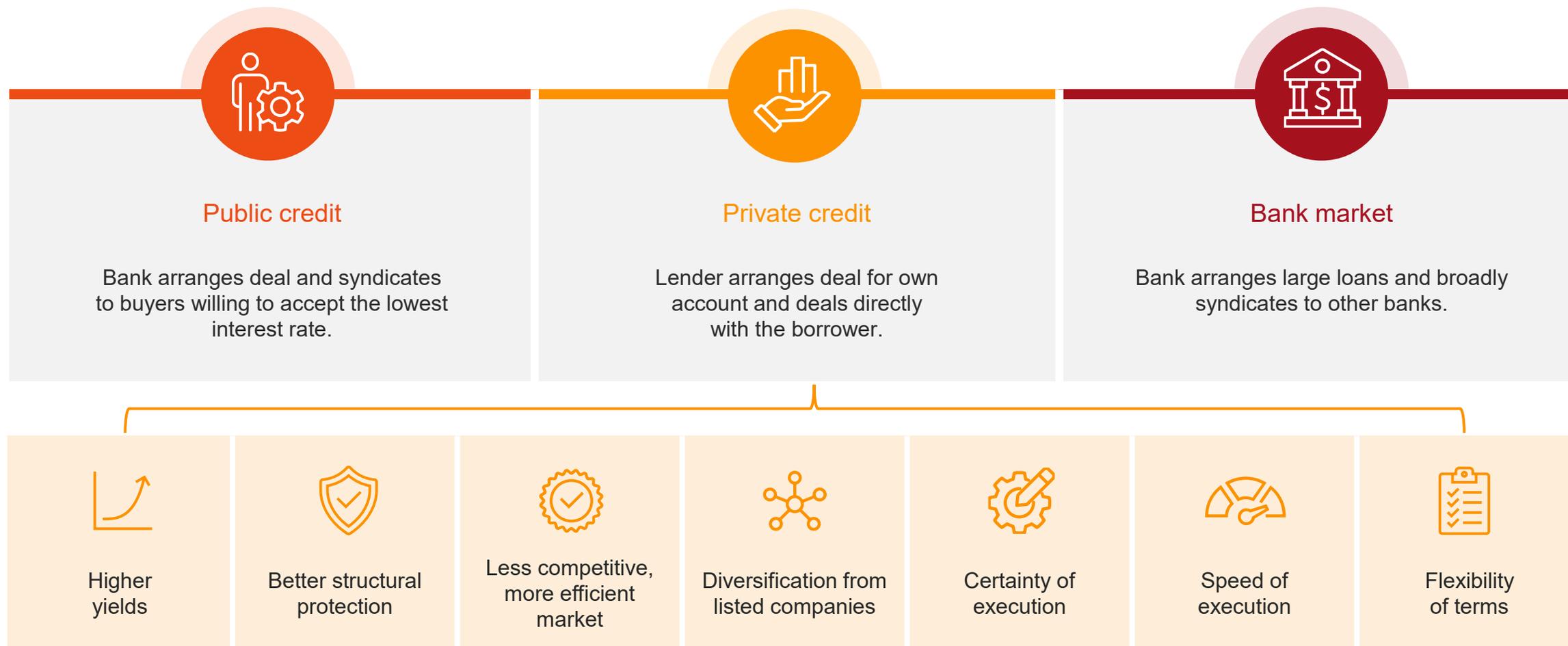
Source: Frontier, evestment (June 2025)

Pete Robinson

Head of Investment Strategy,
Challenger

Why private credit over public

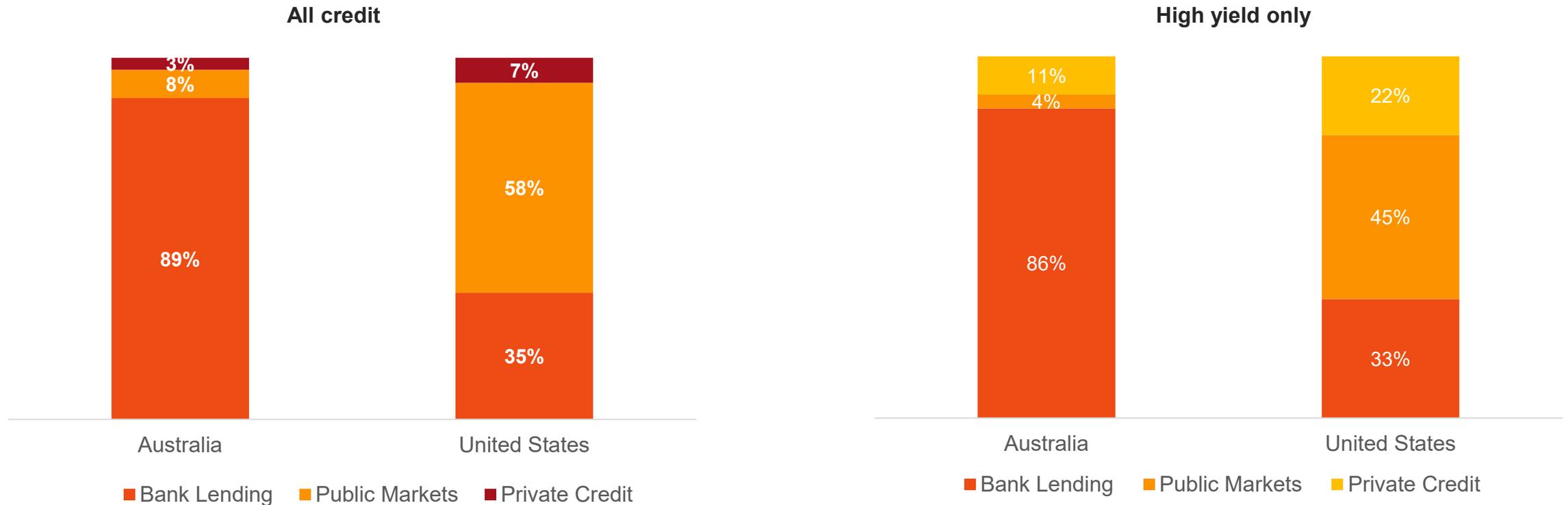
Incremental income for providing speed, certainty or flexibility of execution



Australian market is bank driven

Minimal competition from public bond/syndicated loan markets

Split of non-financial credit by provider



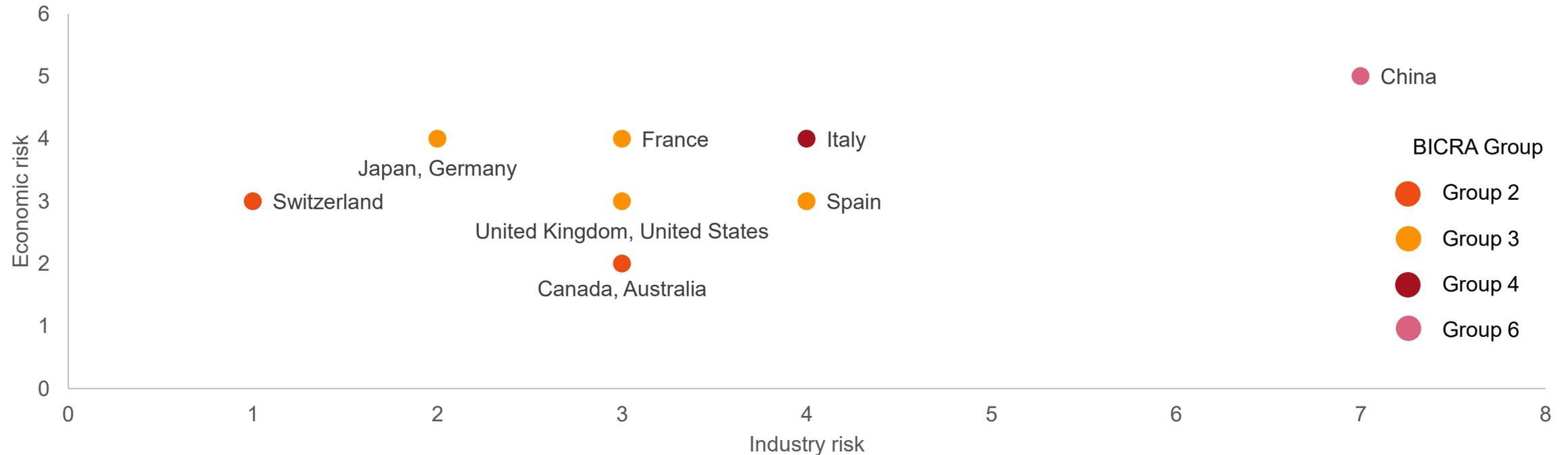
Sources: RBA Financial Aggregates, Bloomberg, CIM

Australian market is stable

Strong legal framework, strong banking system, strong economy, tight lending terms

- Australia is one of 12 Group 2 BICRA countries, the highest rating.
- Low economic risk and a strong banking system means a more stable private credit opportunity.

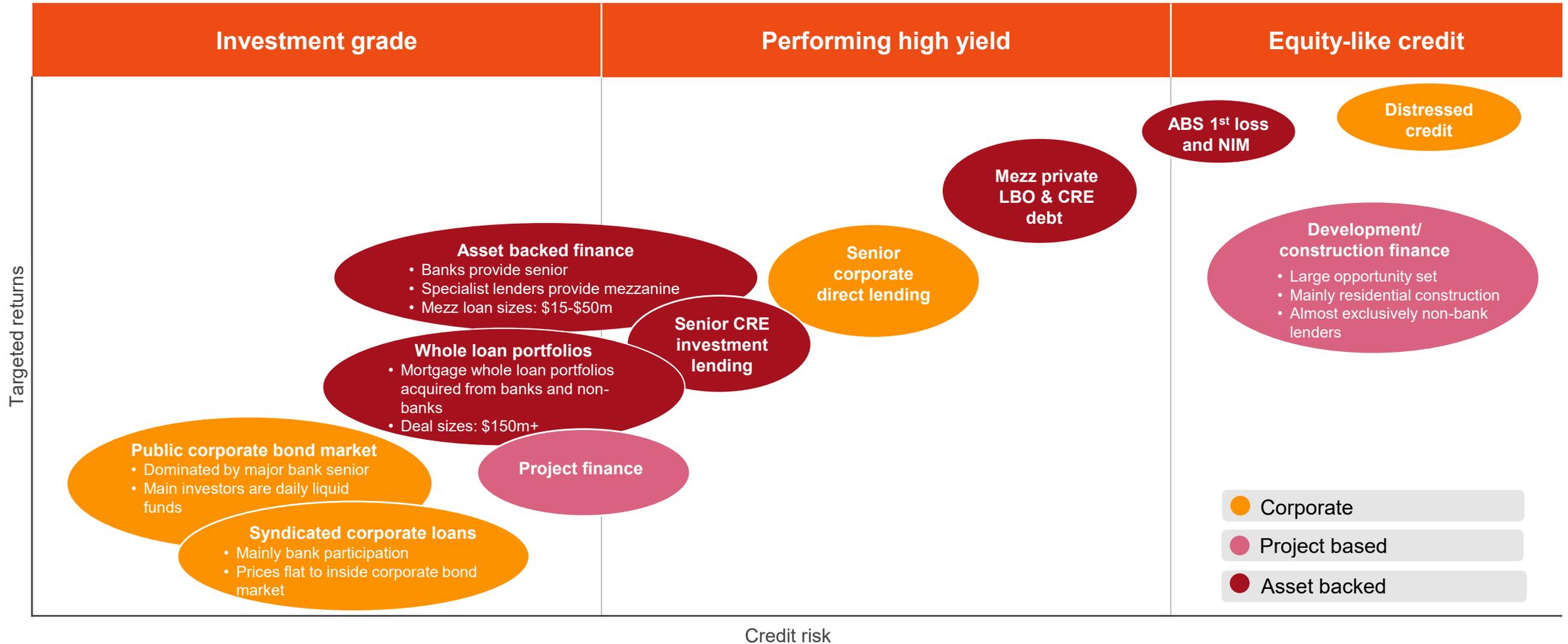
Global banking industry country risk assessment



Sources: Standard & Poors

Australian non-bank credit landscape

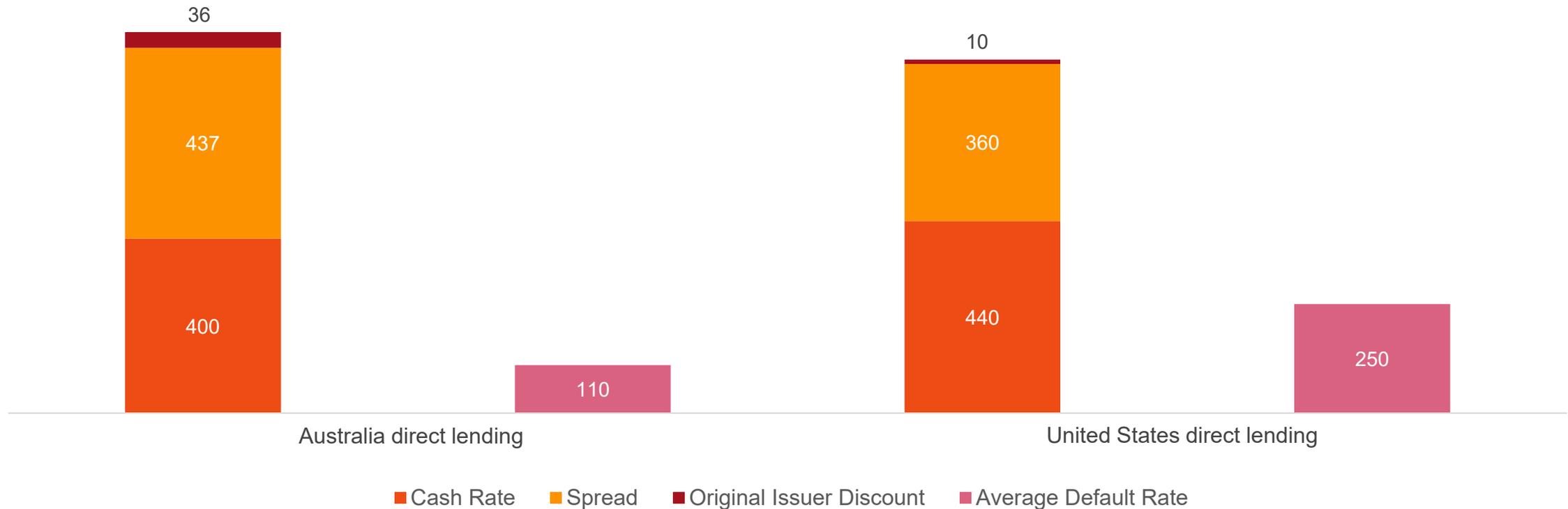
Private lending focussed on performing high yield credit



Attractive returns relative to risk

Relationship driven with less penetration from global funds

Returns and risk: US and Australian middle markets compared



Sources: US: Fitch, Australia: CIM. Returns as at end of Q325. Default rates average from 2007-2025

Australian market is lender friendly

Covenant use widespread, lower risk of LME

| Theme |  Australian healthcare |  US healthcare |
|--|---|---|
| Business | Large private hospital operator in Australia | Leading hospital services and physician staffing business in the US |
| Ownership | PE acquired in 2019 | PE acquired in 2018 |
| Debt structure | Mix of bank and private credit – covenanted | Covenant-lite term loans and bonds |
| Governing law | Australian | New York law |
| Liability management attempted? | Yes, unsuccessful | Yes, successful |

Regulatory focus on private credit

Private markets benefit Australia “when done well”

| ASIC has called out... | Our approach... |
|--|---|
| Inappropriate TMD statements | Conservative suggested portfolio allocations |
| Disclosure of all fees | All fees paid to the benefit of the investors |
| Questionable related party transactions | No cross trading, no purchasing equity and debt in the same transaction |
| Improper valuation practices | 100% of the portfolio fair valued monthly |
| Concentration of risk, especially to real estate | Caps on industry exposures, no construction |
| Consistency of terminology | Simple, transparent reporting |

Our take:

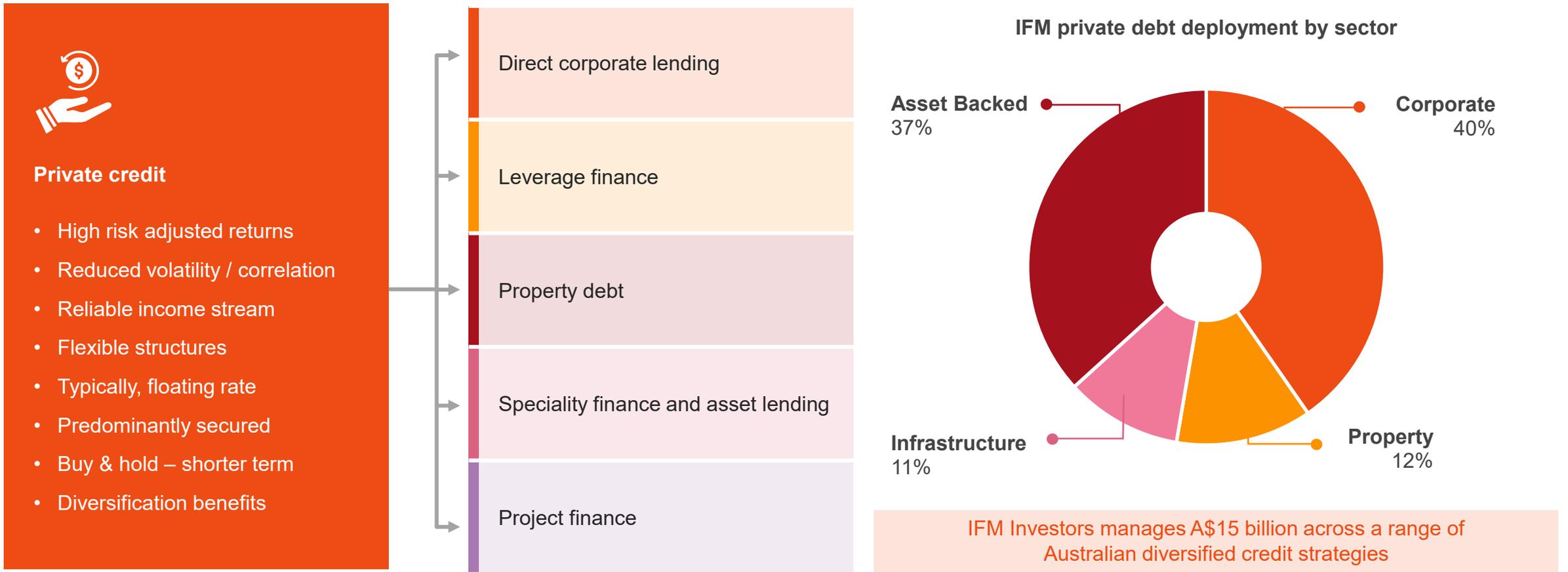
1. The scrutiny from regulators is welcome
2. They have shone a light on questionable practices that needed to be called out
3. Scrutiny may cause some volatility in the short term as poor practices are identified
4. Over the long term the market will be more sustainable

Lillian Nunez

Lillian Nunez, Executive
Director, Co-Head of
Australian Diversified Credit,
IFM Investors

Private credit in Australia

Private credit encompasses a broad spectrum of financing solutions tailored to meet the unique needs of Australian borrowers, offering flexible structures, direct engagement with lenders, and long-term capital support that traditional markets often cannot provide.



Source: IFM Investors, Preqin.

Australian private credit market

Australian private credit presents a compelling opportunity for enhanced risk-adjusted returns relative to US and European markets. This is underpinned by structural inefficiencies and pricing dislocations that persist due to the sector's early-stage evolution and the gradual shift away from traditional bank lending.



Market structures

- Largely bank-dominated, this dynamic fosters greater investment discipline
- Limited liquidity, although buy and hold and pays current income
- Primarily secured lending, some exceptions for strong cashflow sectors



Structures and covenants

- More covenants and lender protections
- Fewer EBITDA adjustments - minimal exclusions from obligor group + assets
- Mandatory debt repayment on asset sale and restrictions on additional debt
- Limited PIK



Demand and pricing

- Limited foreign investor participation
- Global Pest Control rated B3/B
- AUD BBSY + 4.00%
- AUD market seeks premium on same credit
- AUD market price not changing since last refinance

Australia



North America and Europe



- Majority institutional capital
- High liquidity (at a price), but increased volatility
- Both secured and unsecured lending

- Too many 'Cov-Lite' and 'No-Cov'
- Exclusion of key subsidiaries and assets from security ring fence
- Elimination of lender consent on asset sales, few restrictions on additional debt
- Large portion is PIK

- Overallocated market
- Corporate debt pricing compression
 - Global Pest Control rated B3/B
 - EUR Euribor + 3.25% to 3.50%
 - USD SOFR + 3.00% to 3.25%

Dual purpose

Australian private debt offers the opportunity to be both defensive and offensive

Direct lending, multi-sector, infrastructure debt

Opportunistic, mezzanine, specialty finance, special situations



Defence

Offence



- Low-interest rate sensitivity
- Low volatility
- Security and superior ranking
- Predictable liquidity profile
- Capital preservation

- Matching long-term equity returns
- Equity upside potential
- 'All-weather' capability through sub-allocations
- Superior ranking within capital stack
- Higher diversification potential



Returns

- Stable and predictable
- Immediate income
- Tangible and in cash
- Premium to traditional FI and HY bonds

Return premium examples

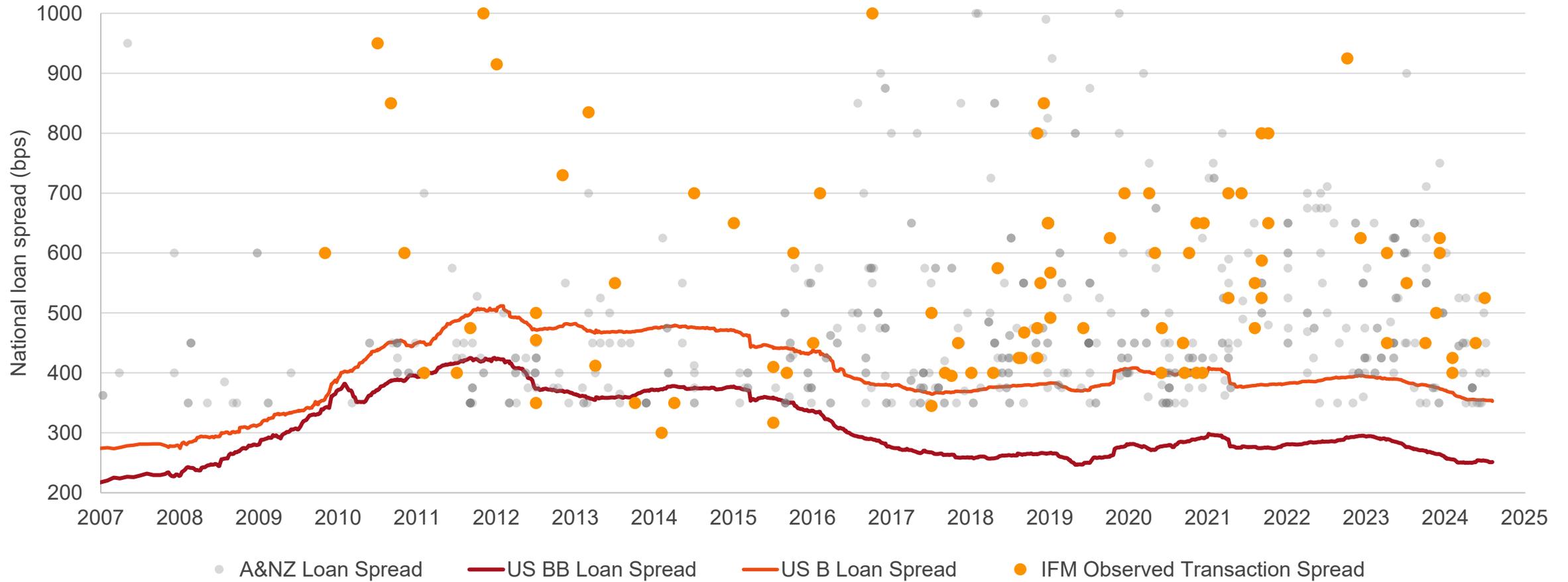
Investors can achieve higher risk adjusted return premium in Australia private credit



| | Corporate loan | | Asset backed | |
|---------------------|--|---|--|--|
| | Australian private credit | USA private credit | Australian private warehouse | USA private warehouse |
| Industry | Furniture retailing (Australian) | Foods producer (Australian) | Personal loans Australia – Mid income | Personal loans USA – Low to mid income |
| Loan purpose | Leveraged buy out | Refinancing | Warehouse facility | Warehouse facility |
| Pricing + fees | BBSY + 5.50% + 4% upfront Yield 10+% | SOFR + 3.0% + 0.25% upfront Yield 7.17% | BBSW + 4.79% (Mezz notes)* Yield 9.21% | SOFR + 2.58% Yield 6.42% |
| Leverage | Gross 3.2x | Net 7.0x | | |
| Covenants | Lev. Ratio: <4.25x + FCCR: >1.20x | No Covenants – Term Loan B | | |
| Tenor | 3 years | 7 years | 1 year revolving | 3 year revolving |
| Priority / security | Senior / secured | Senior / secured | Mezzanine / secured | Mezzanine / secured |
| Rating / risk | B+ (internal) (EBITDA: A\$88M) | B (S&P) (EBITDA: ~A\$300M) | BBB 30Dys+: 0.20% / Loss: 2% | 30Dys+: 4.4% / Loss 11.9% |

Source: S&P Ratings, Moody's, Pitchbook, Bloomberg, IFM Investors. This material is provided for educational purposes only and should not be construed as investment advice or a recommendation to buy or sell securities.

Australia presents strong relative value



Source: IFM Investors, Bloomberg, Debtwire & Morningstar as of 31 July 2025. Past performance does not guarantee future results.

Note: IFM Investments made within IFM separately managed accounts and the IFM managed Funds since 1 Jan 2009, predominantly rated BB and single B. Transactions starting 2009 are shown as this represented a paradigm shift global credit market pricing following the Global Financial Crisis. Pre-2009 transactions that meet the criteria noted above are available upon request.

Accessing top-tier Australian private credit demands expertise

Access to top-tier Australian private credit investments demands deep expertise, strong local relationships, adjacent asset management capabilities and disciplined underwriting

Access to markets

- Long-term track record of generating direct lending and private credit deal flow in Australia
- Long-term relationships with issuers, PE equity firms, investment banks, lead underwriters and advisers
- Large and high-quality deal pipeline

Experience and expertise

- Diverse team with extensive corporate credit backgrounds
- Detailed due diligence processes built around underwriting a diverse portfolio of structures
- Able to deploy across lending structures and industries to achieve strong risk-adjusted returns

Sophisticated underwriting and structuring

- Internal credit team undertaking research, underwriting and structuring
- Ability to assess a variety of lending structures including corporate, leveraged finance, property, asset-backed and project finance
- Utilise proprietary tools and models to assess risk, evaluate credit and price transactions appropriately

Monitoring and asset management

- Internal monitoring team and quarterly monitoring of asset performance
- Models and processes to monitor and track financial and operational performance
- Extensive experience in managing challenging situations
- Sustainable investment capability



Australian private credit delivers significant portfolio benefits

Low correlation with major asset classes combined with low volatility presents an opportunity to introduce significant yield and liquidity to investor portfolios

| | S&P500 | Global equities | Govt bonds | Corp bonds | US high yield | EUR high yield | US leverage loans | EUR leverage loans | US direct lending (unlevered) | IFM ANZ sub-IG composite |
|-------------------------------|--------|-----------------|------------|------------|---------------|----------------|-------------------|--------------------|-------------------------------|--------------------------|
| S&P500 | 1.00 | 0.96 | 0.31 | 0.57 | 0.79 | 0.71 | 0.61 | 0.53 | 0.40 | 0.32 |
| Global equities | 0.96 | 1.00 | 0.40 | 0.69 | 0.84 | 0.77 | 0.64 | 0.54 | 0.44 | 0.32 |
| Govt bonds | 0.31 | 0.40 | 1.00 | 0.76 | 0.47 | 0.30 | 0.13 | 0.09 | 0.05 | 0.13 |
| Corp bonds | 0.57 | 0.69 | 0.76 | 1.00 | 0.67 | 0.59 | 0.41 | 0.30 | 0.27 | 0.25 |
| US high yield | 0.79 | 0.84 | 0.47 | 0.67 | 1.00 | 0.88 | 0.80 | 0.68 | 0.49 | 0.49 |
| EUR high yield | 0.71 | 0.77 | 0.30 | 0.59 | 0.88 | 1.00 | 0.79 | 0.79 | 0.52 | 0.51 |
| US leverage loans | 0.61 | 0.64 | 0.13 | 0.41 | 0.80 | 0.79 | 1.00 | 0.89 | 0.60 | 0.63 |
| EUR leverage loans | 0.53 | 0.54 | 0.09 | 0.30 | 0.68 | 0.79 | 0.89 | 1.00 | 0.54 | 0.63 |
| US direct lending (unlevered) | 0.43 | 0.51 | 0.17 | 0.42 | 0.50 | 0.38 | 0.45 | 0.31 | 1.00 | 0.55 |
| IFM ANZ sub-IG composite | 0.30 | 0.32 | 0.13 | 0.25 | 0.49 | 0.51 | 0.63 | 0.63 | 0.55 | 1.00 |
| Annualised return | 14.1% | 7.6% | 0.2% | 1.4% | 6.0% | 5.4% | 5.0% | 5.0% | 6.7% | 9.1% |
| Return volatility | 4.1% | 4.2% | 1.8% | 2.9% | 2.1% | 2.3% | 1.5% | 1.7% | 0.4% | 0.5% |

Source: IFM Investors, Bloomberg. IFM APAC Sub-IG Composite figures represent the performance of IFM's sub-investment grade credit strategy composite. All asset classes are presented on a hedged to USD basis including IFM APAC Sub-IG Composite. Past performance does not guarantee future success

Summary – investing in Australian private credit markets

Australia continues to offer an attractive return.

We expect future returns to moderate but remain solid.



A unique market with special features.



One which can play a key role in portfolios for Japanese investors.



Returns from the asset class have been strong and the market is supported by local and foreign investors.



Frontier undertakes significant sector level/thematic and manager research.



Contact Frontier if you would like to discuss our manager line up and views in more detail.

Property



Jennifer Johnstone-Kaiser, Head of Property, Frontier Advisors



Brad Collier, DWPF Fund Manager, Dexu

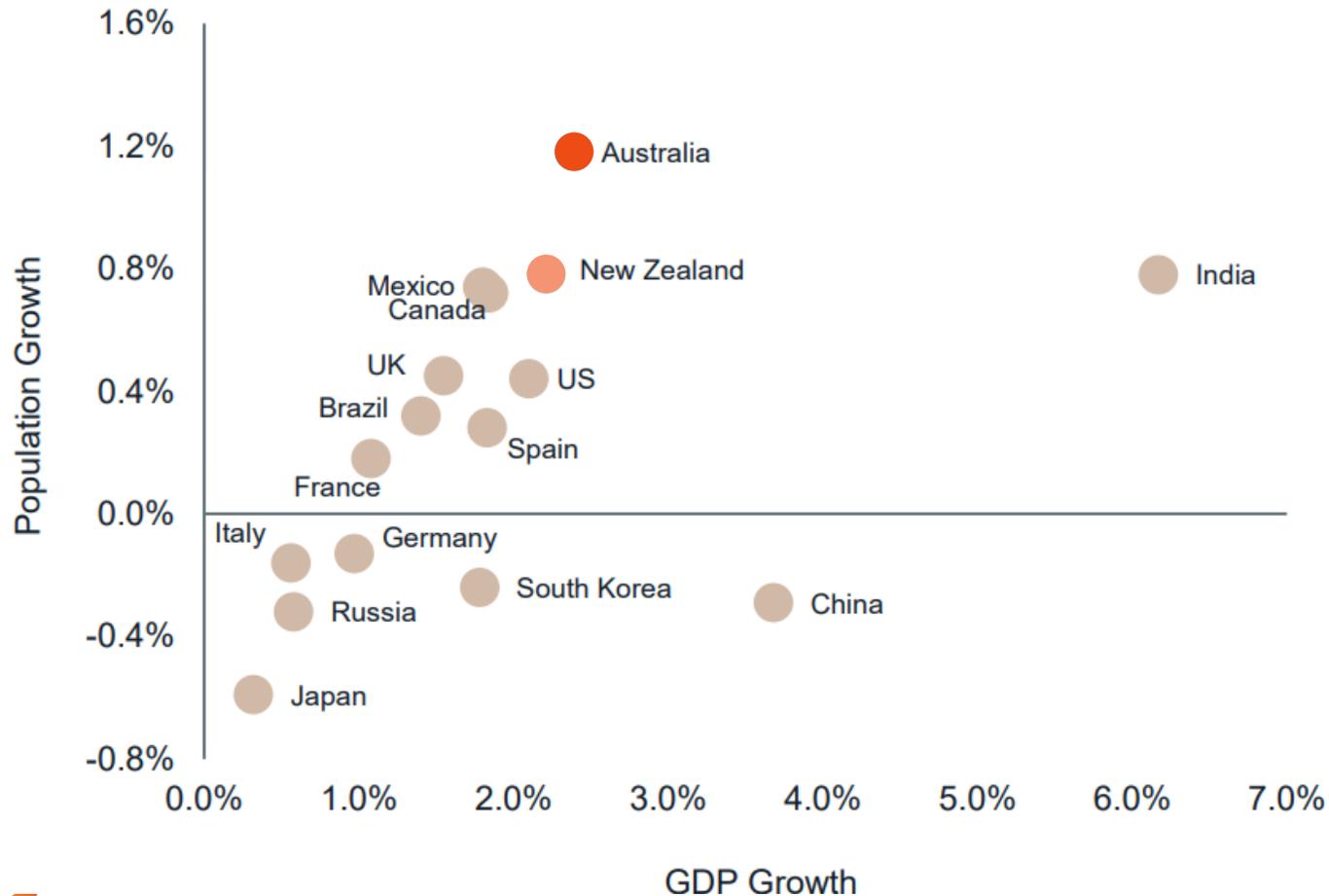


Bill McWilliams, Chief Investment Officer, MaxCap Group

Why Australia?

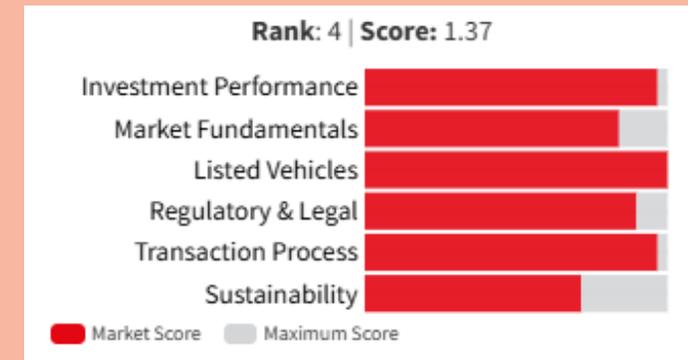
Economy, demographics and market transparency

Major economies GDP and Population Growth – 10-year annual forecast



Australia – Highly Transparent market

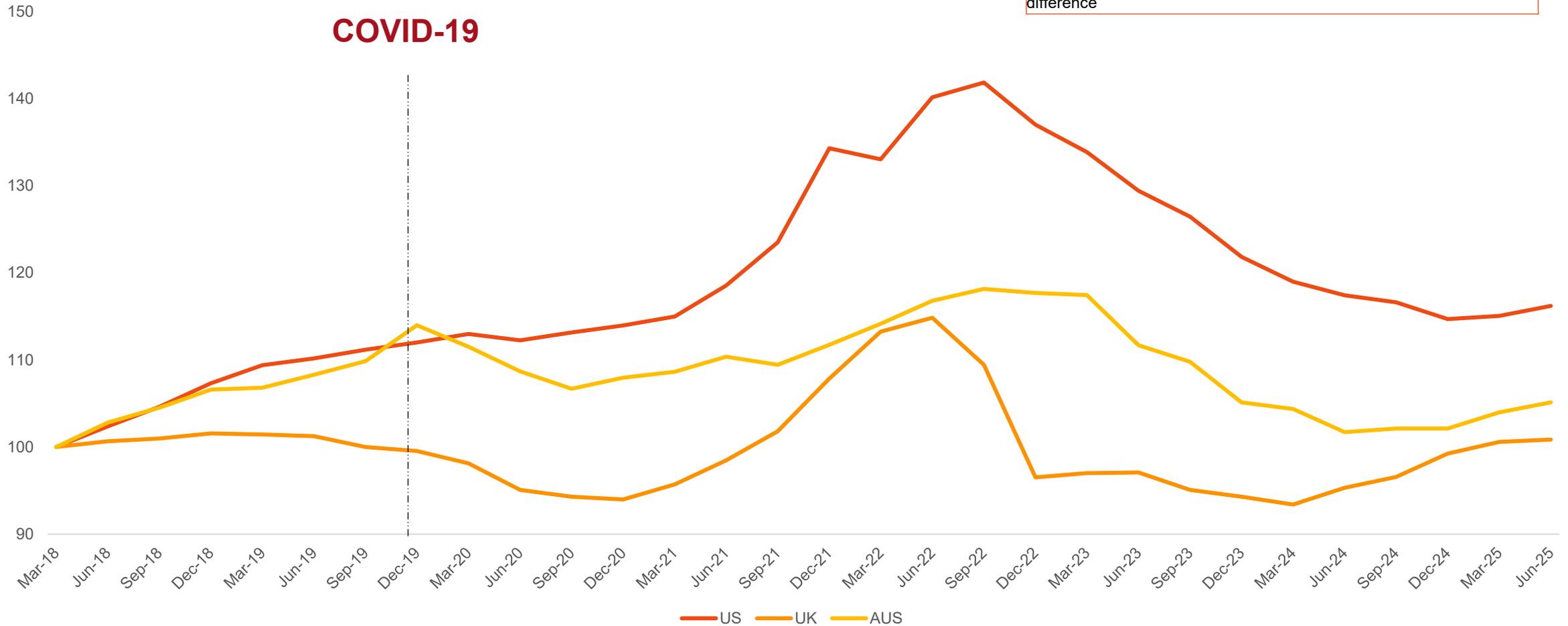
- 4th overall in JLL's 2024 Global Real Estate Transparency Index



Resilience in Australian asset values

| | US | UK | Aus. |
|------------------------|--------|----------|-----------|
| Date of max. value | Sep-22 | Jun-22 | Sep-22 |
| Date of min. value | Dec-24 | March-24 | Dec-24 |
| Peak to min difference | 42 | 21 | 18 |

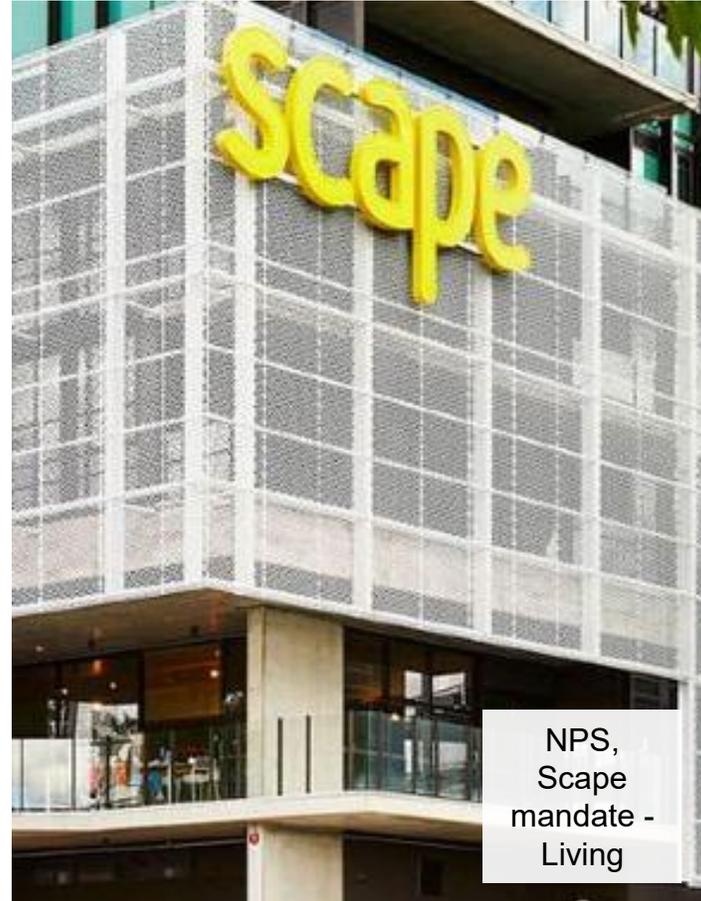
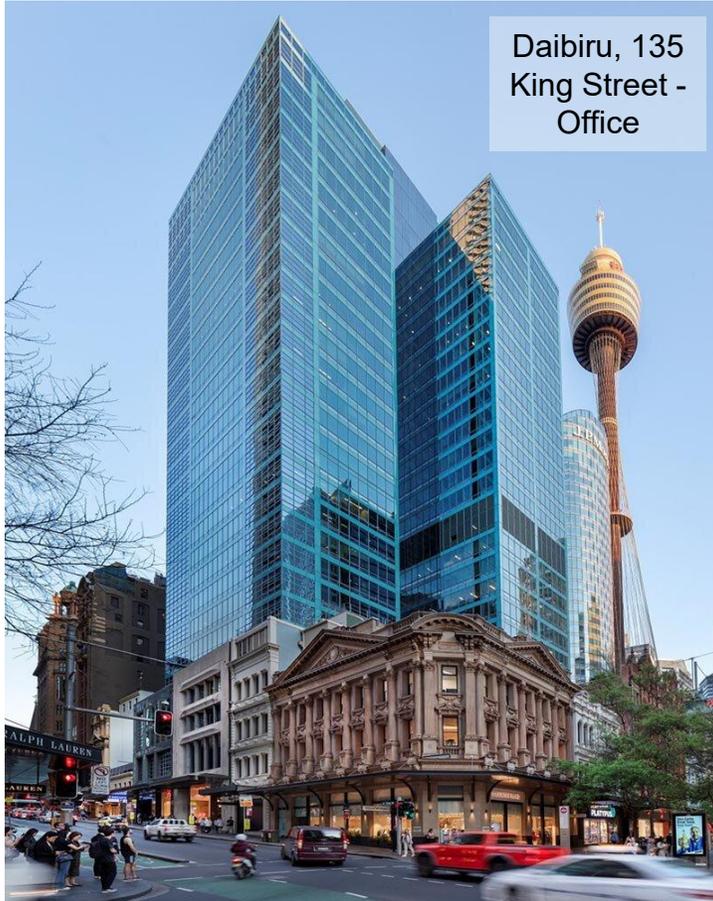
Capital value repricing (US vs UK vs AUS)



*capital values indexed to March 2018

Well trodden path by fellow Asian investors

Key transactions – Japanese & South Korean Capital



An aerial photograph of a modern city skyline, likely Toronto, featuring several prominent skyscrapers and a waterfront harbor. The sky is filled with dramatic, colorful clouds in shades of blue, white, and orange, suggesting a sunset or sunrise. The water in the foreground is dark, reflecting the city lights and the sky. A small boat is visible in the water, and a large building with a distinctive white lattice facade is prominent on the right side of the image.

Bill McWilliams

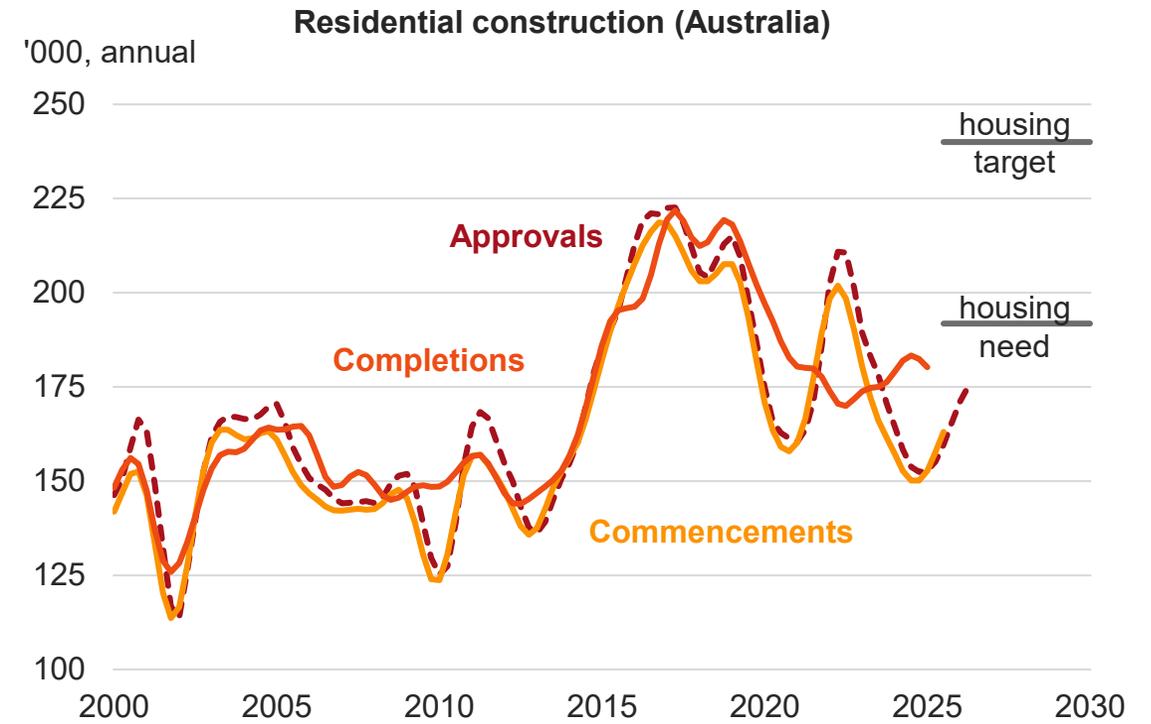
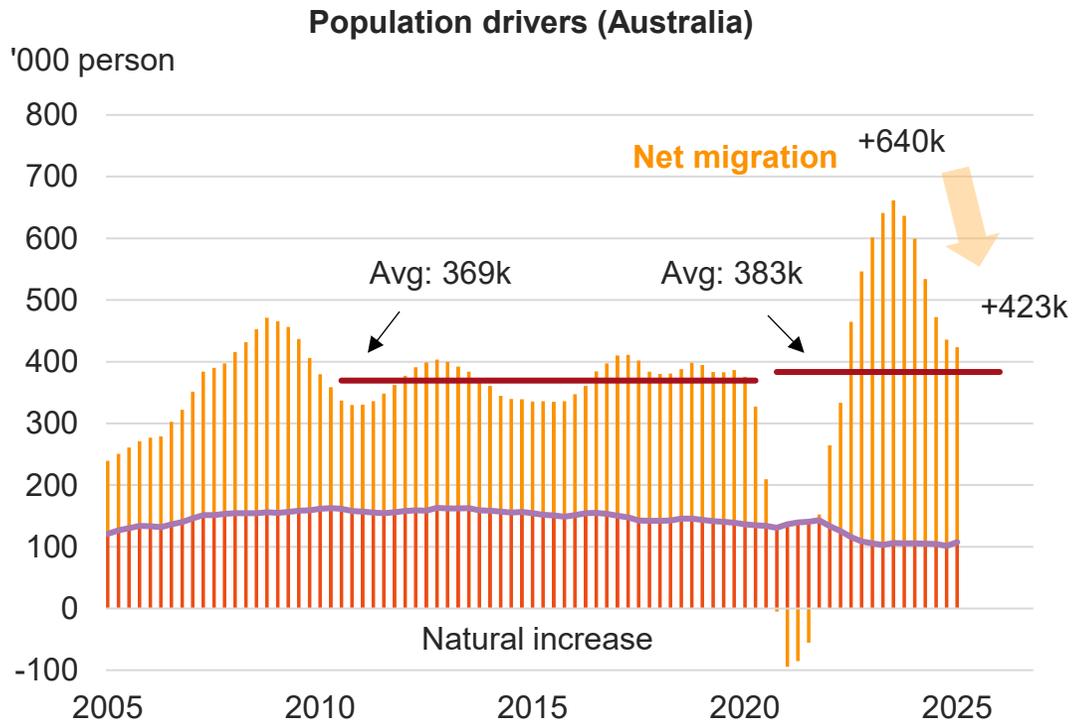
Chief Investment
Officer, MaxCap Group

Value resilience in key sectors

The residential sector is driven by consistent demand and chronic undersupply

Despite net migration falling, levels remain above long-term averages fuelling demand.

The construction supply cycle indicates Australia is far below its housing needs, however the trend has at least turned.



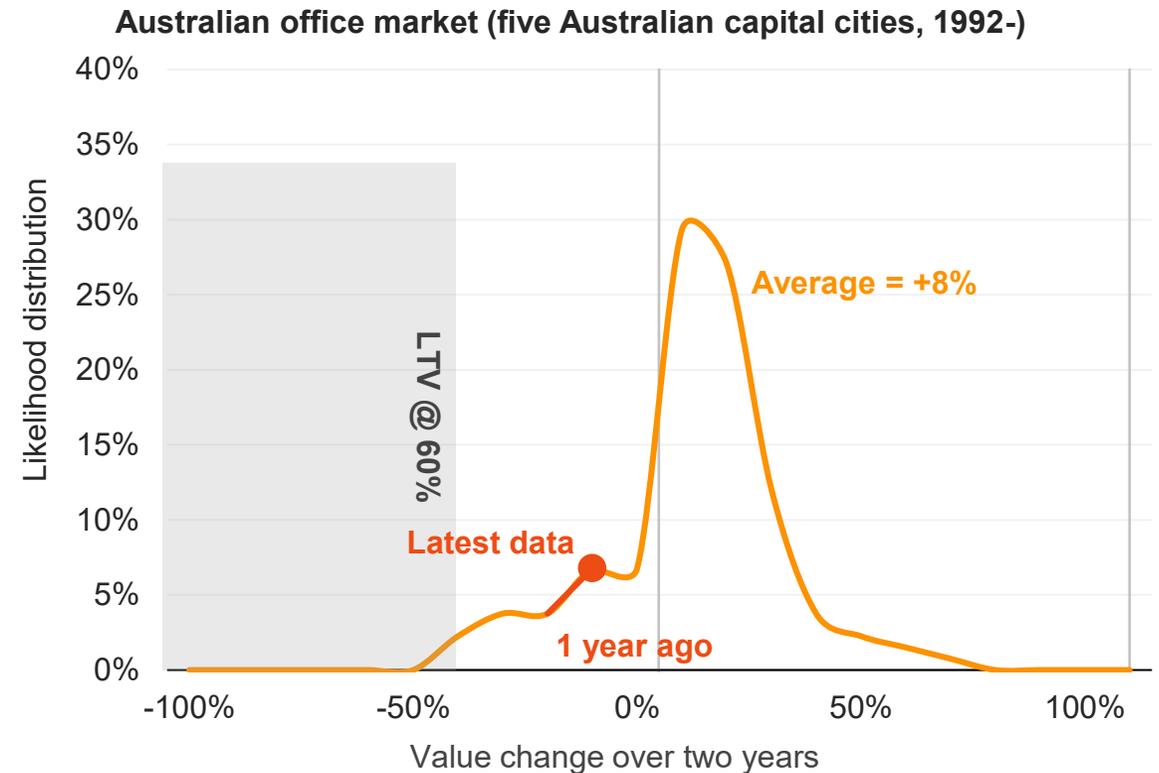
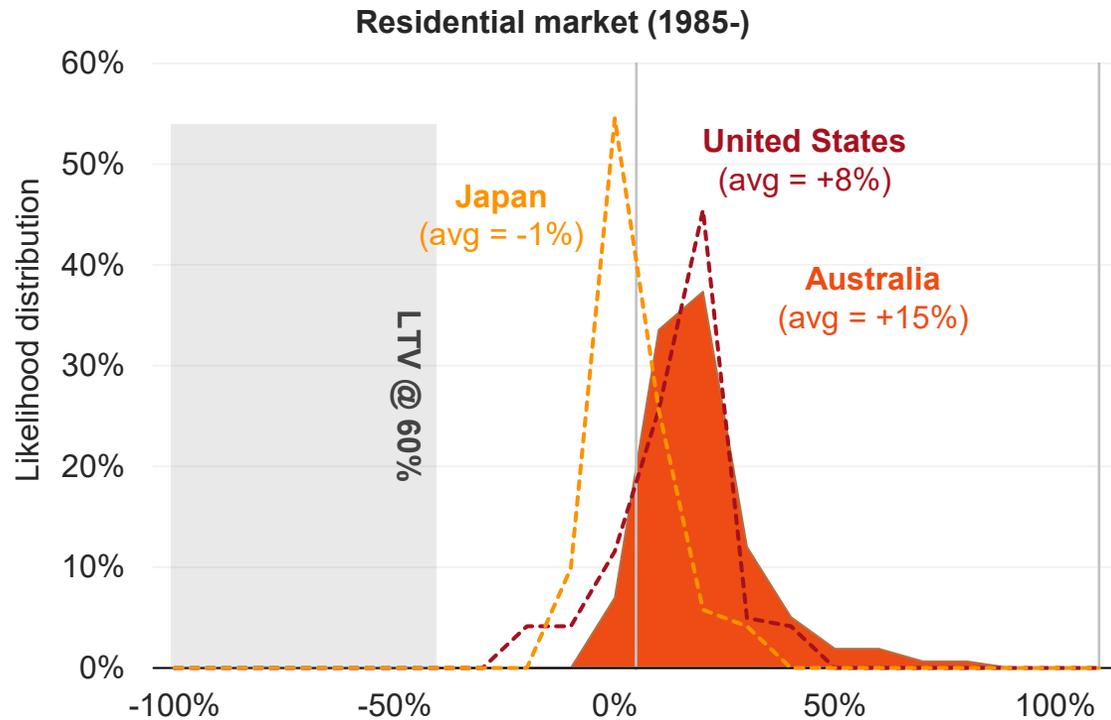
Source: ABS, IMF, MaxCap Group (October 2025)

Value resilience in key sectors

Australian CRE markets have an enviable record of growth and stability

Australia's residential market has a far shorter left tail risk and a superior growth profile.

A recovering office market is also driving more stable collateral values and demonstrates a strong growth profile in the long run.



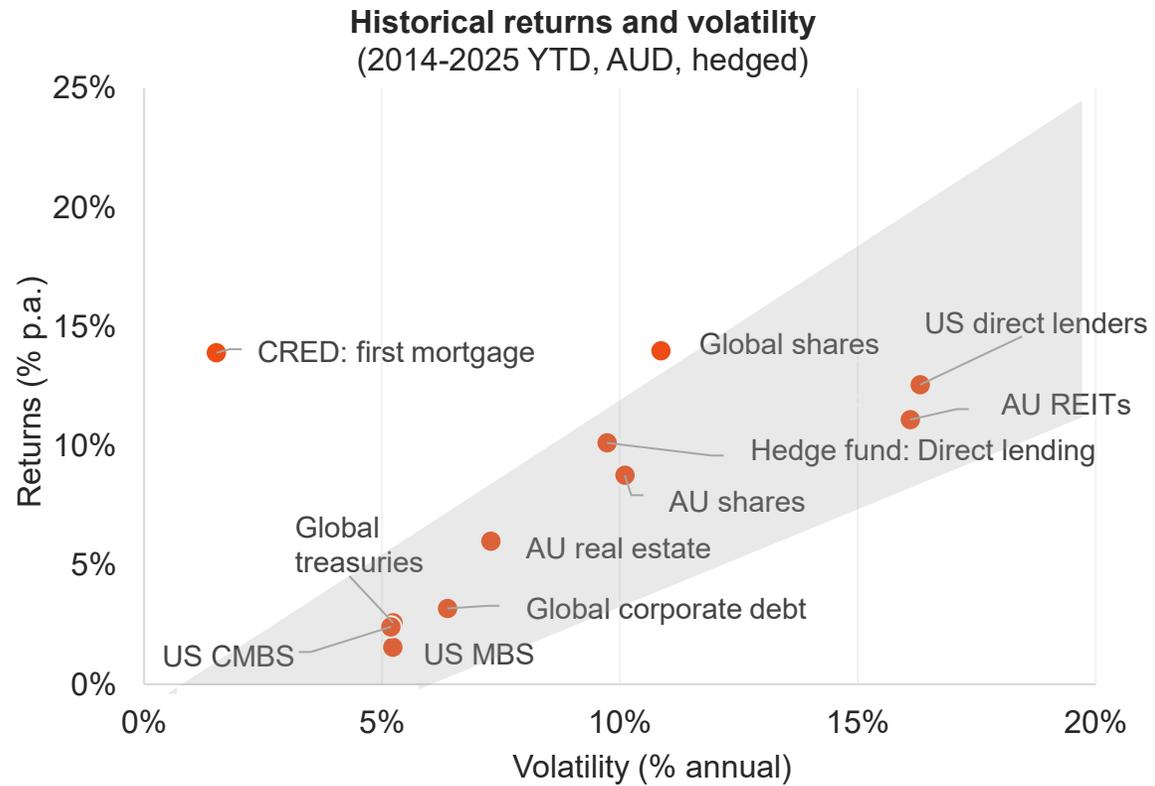
Source: JLL REIS, Proptrack, MaxCap Group (September 2025)

Sector returns

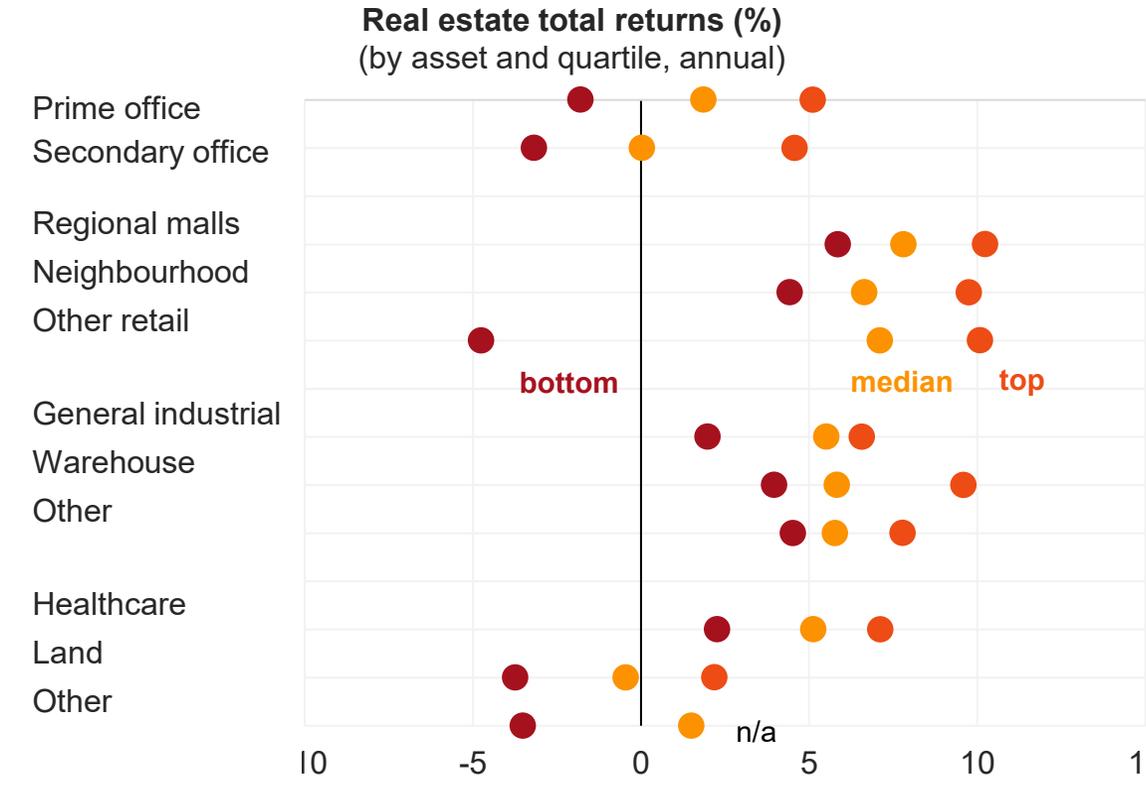
Australian CRE sectors are showing a clear rebound, accelerating to and beyond their long-term averages

Volatility of real estate equity positions is demonstrated over the long term, but growth is strong.

Top quartile and medians are now positive across all major sectors for the first time in several years.



Source: Bloomberg, MaxCap Group (October 2025)



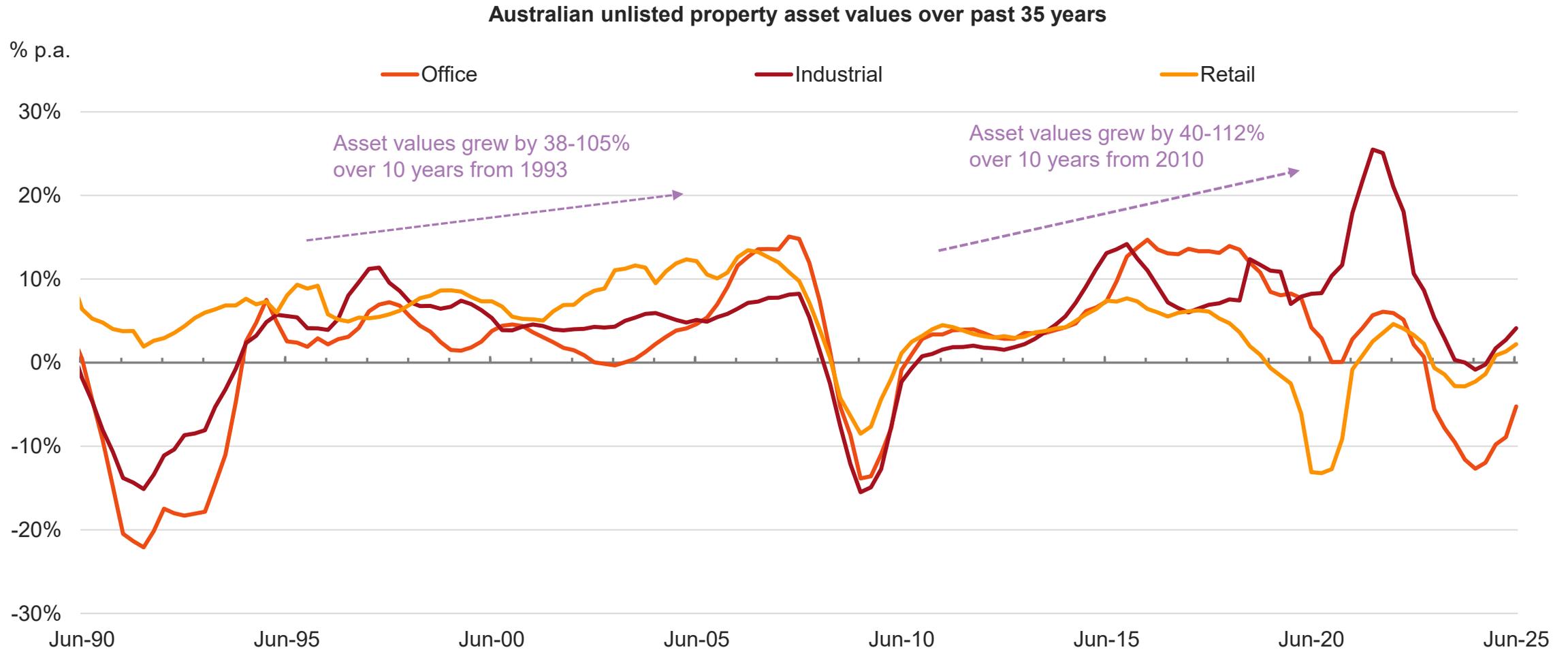
Source: MSCI, MaxCap Group (October 2025)

An aerial photograph of a modern city skyline, likely Toronto, featuring several prominent skyscrapers and a waterfront harbor. The sky is filled with dramatic, colorful clouds in shades of blue, white, and orange, suggesting a sunset or sunrise. The water in the foreground is dark, reflecting the buildings and sky. A small boat is visible in the water, and a large building with a distinctive white lattice facade is on the right. The overall scene is vibrant and urban.

Brad Collier

DWPF Fund Manager,
Dexus

Australian real estate is at the bottom of the cycle

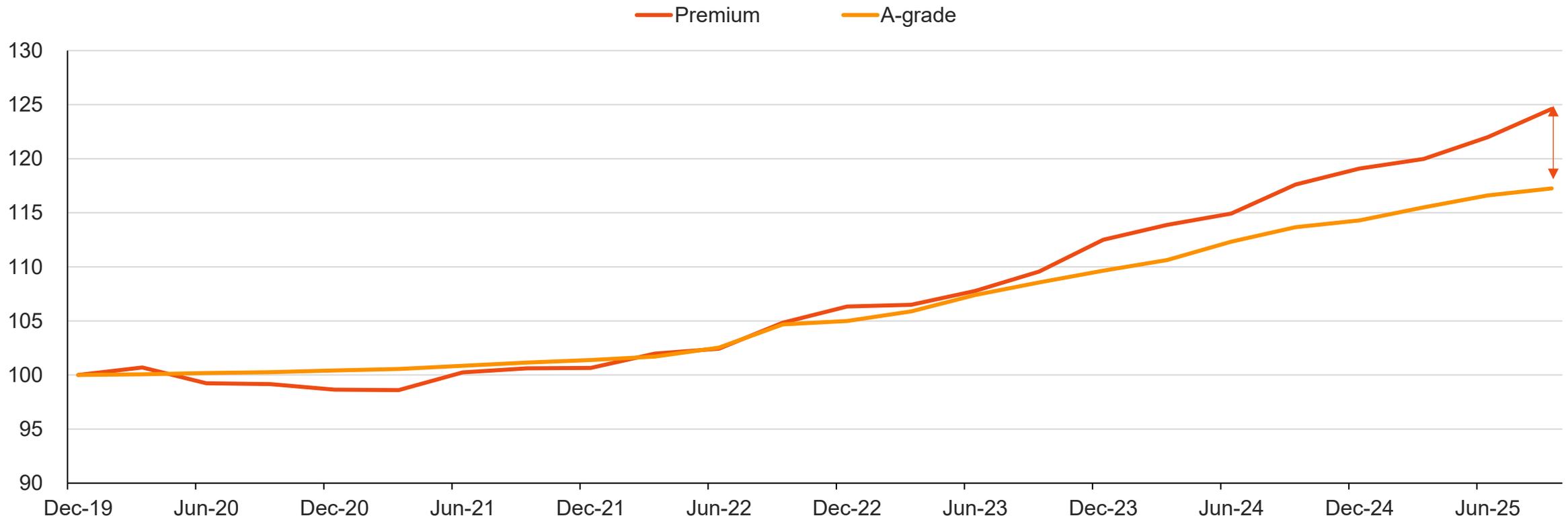


Source: MSCI, Dexus Research

Willingness to pay for premium grade space

Premium rents have grown 6.3% more than A-grade rents, with the divergence accelerating post pandemic

Australian CBD net face rents (Q4 2019 to Q3 2025)



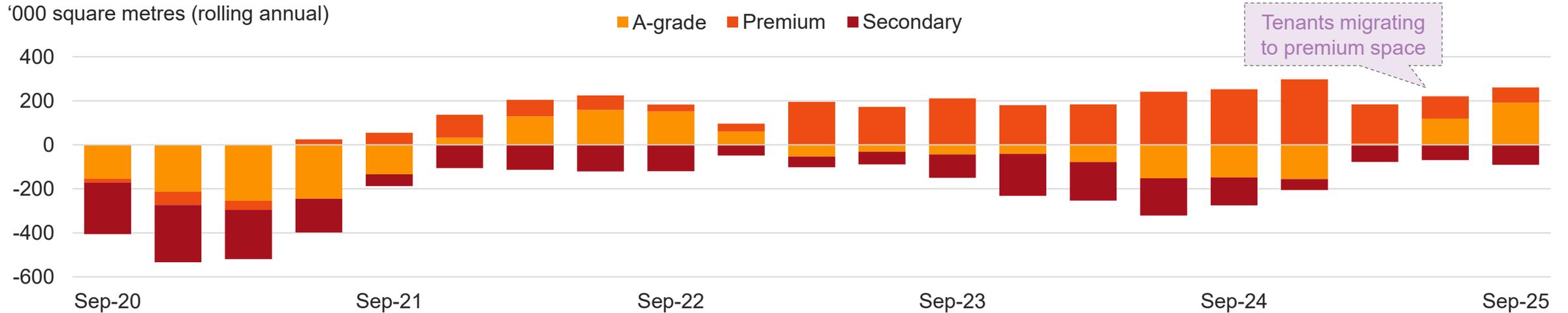
Source: CBRE Research, Dexus Research

Flight to quality and flight to core locations



Occupiers are consistently drawn to higher quality assets

Net absorption by grade in Australia's four major CBDs



Sources: Dexus Research, CBRE, JLL Research, Oxford Economics, Dexus Research. Four CBD's include Sydney, Melbourne, Brisbane and Perth.

Case study

Gateway Tower

Sydney NSW



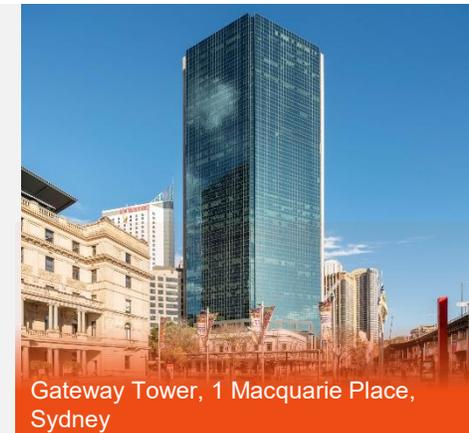
\$2,465 sqm
Highest rent in Australia¹



+27%
Above market rents²

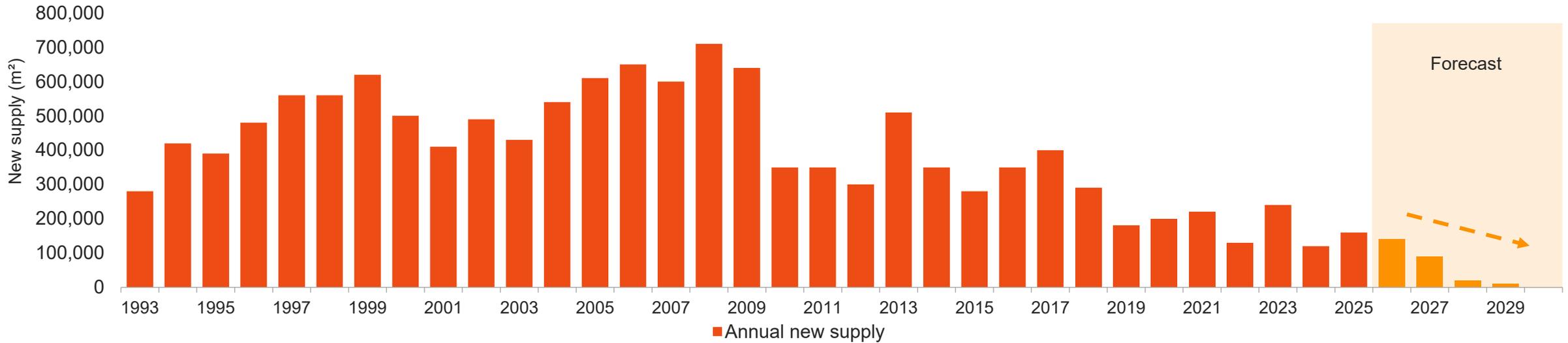


13.03%
Total return for last 12 months



Supply limitations supports positive outlook for existing retail assets

Australia new shopping centre supply (1993 - 2029F)



Source: JLL, CBRE, Dexis Research

Case study

Westfield Warringah Mall

Super Regional Shopping Centre



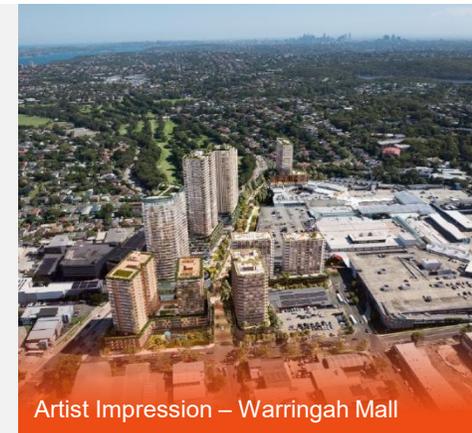
150,000 sqm
Total GFA



1,500 across
8 towers
Total apartments



~\$30 million¹
Potential retail sales uplift

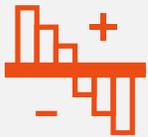


Artist Impression – Warringah Mall

1. Source: Urbis 2025

Key elements to consider for an investment in Australian property

Australia offers an attractive entry point to increase property allocations and enter its burgeoning living sector.



Australia's macroeconomic fundamentals are strong relative to other economies



Opportunity to access Australia's living sector while domestic competition is limited



Timing – access office at the bottom of the cycle. JVs with domestic shopping centre giants.



Risk and reward – limit downside risk through RE debt



Contact Frontier if you would like to discuss our manager line up and views in more detail

Australian equities – one of the world's most unique markets



Paul Newfield,
Director of Research
and Specialist
Services
Frontier Advisors



Dion Hershman, Head of
Australian Equities,
Yarra Capital
Management

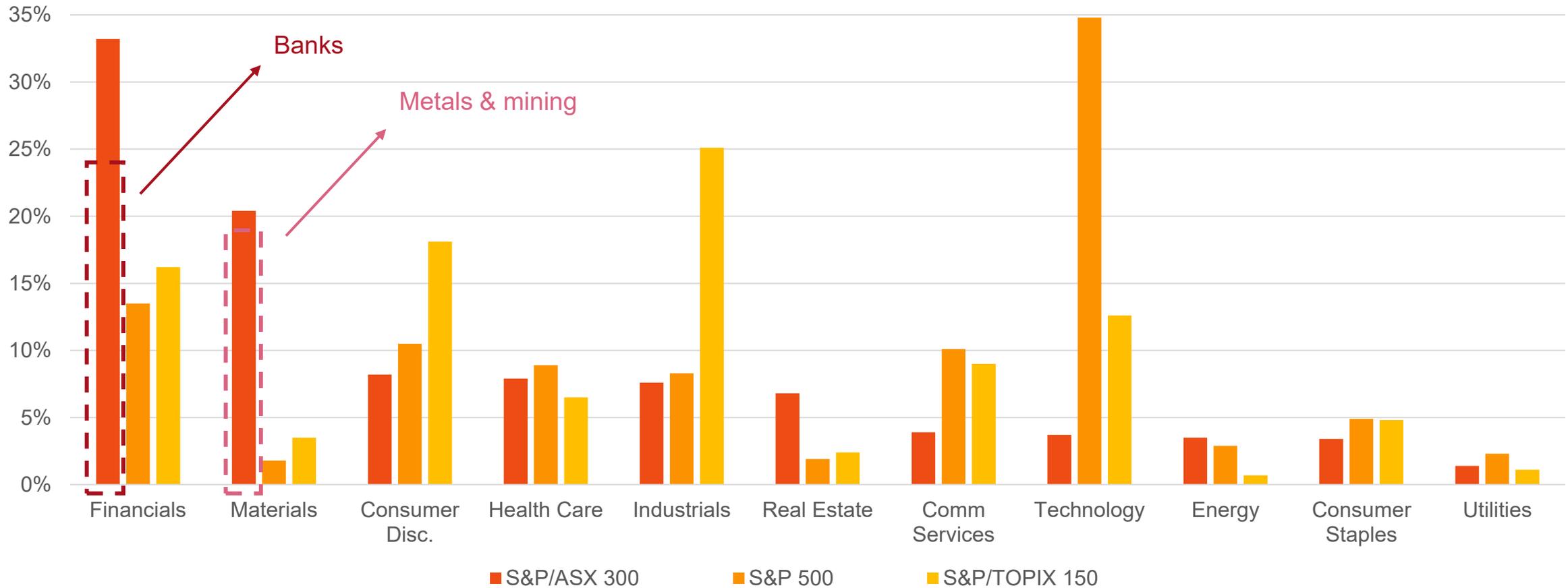
The Australian and Japanese investments in domestic equities

Enormously strong structural support for Australian Equities

| | Australia | Japan | Outcome |
|--|-------------|--------------|---------------------------|
| Size of pension market (USD \$'tr) | \$2.6 | \$3.3 | Japan + 27% |
| Strategic allocation in equities %/(\$'tr USD) | 52% (\$1.3) | 27% (\$0.9) | Australia + 44% |
| Proportion in domestic equities %/(\$'tr USD) | 43% (\$0.6) | 40%* (\$0.4) | Australia + 50% |
| Population over 18 (who may own some equities) –mil | 22.4 | 106.4 | Japan + 375% |

Australian equities = diversification from global + Japan by sector

GICS sector weights – September 2025

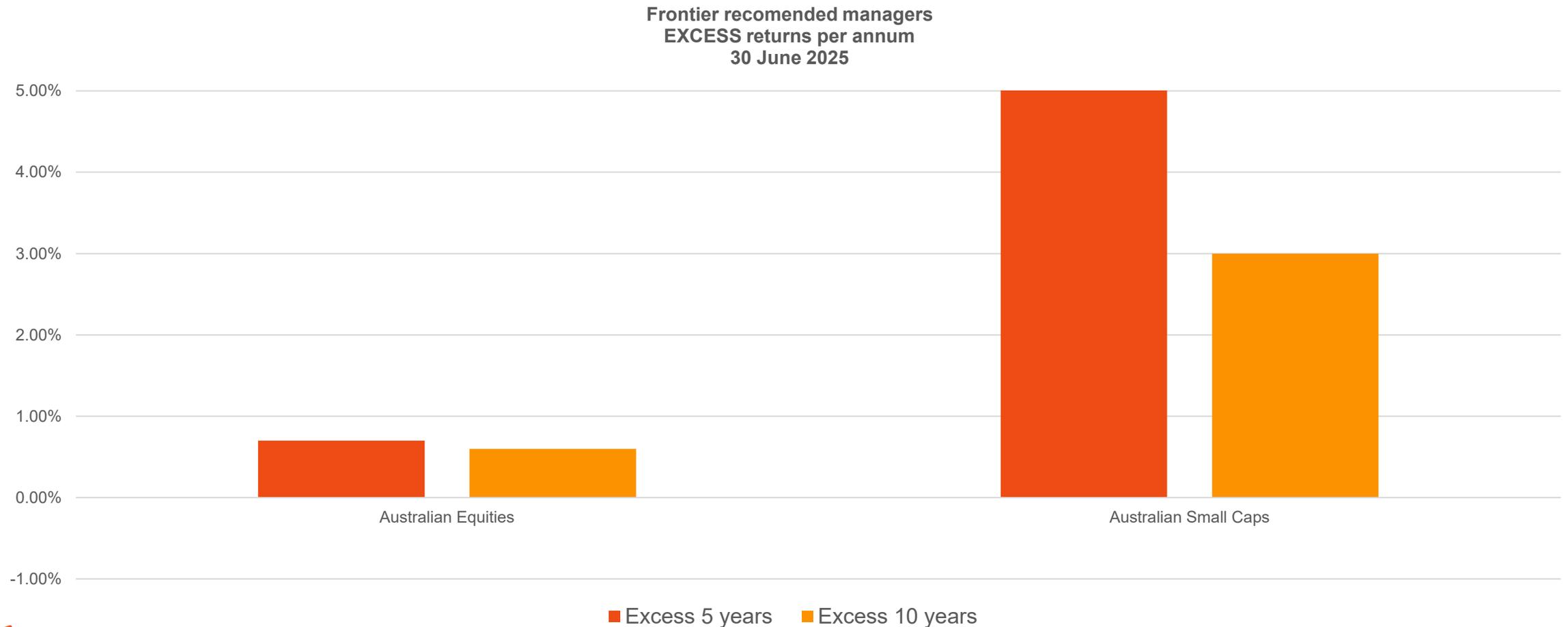


Source: S&P, Frontier

Australian equities – a place to find excess returns/alpha

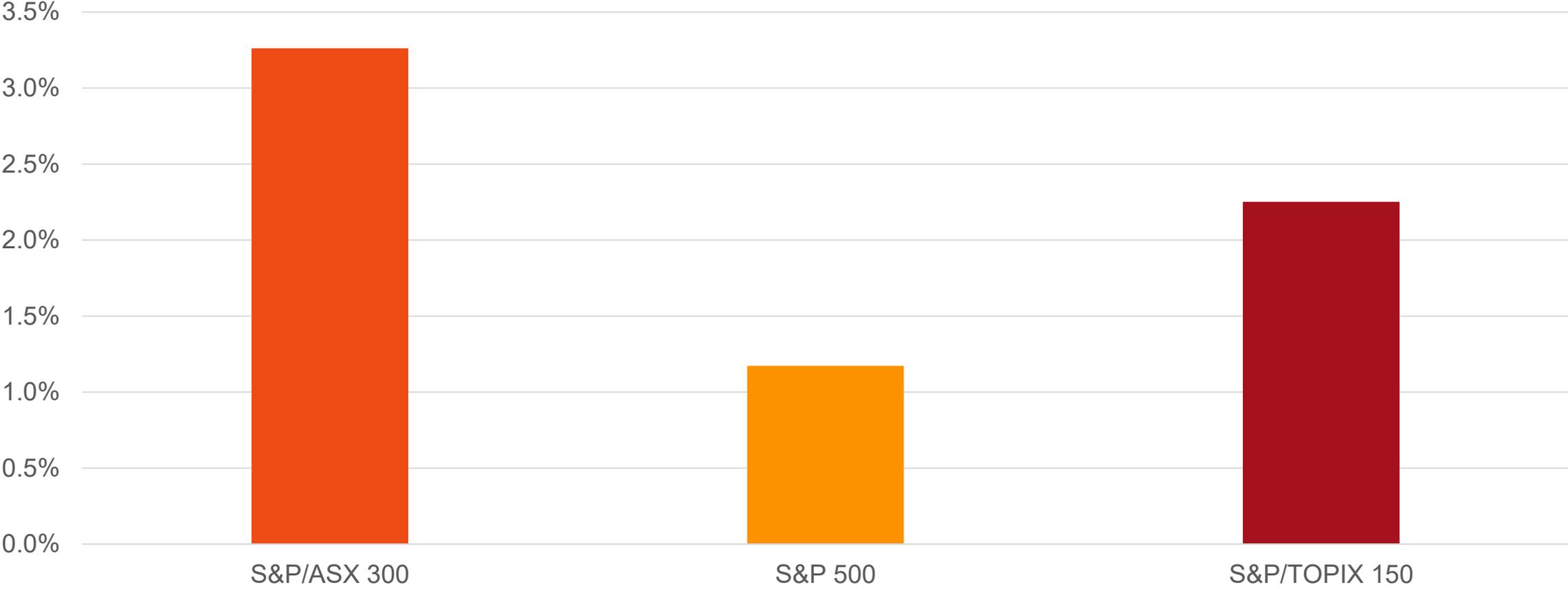
Across sectors, the top-rated Frontier managers have consistently added value

Excess return generated by Frontier Buy rated managers versus benchmark over 5 and 10 years to 30 June 2025



Australian equities = The income/dividend market!

12-month dividend yield – September 2025



Source: Bloomberg, Frontier

Key elements to consider for an investment in Australian equities

Australia continues to offer an attractive return. We expect future returns to moderate but remain solid.

Dion Hershan, founder Yarra Capital, an experienced fund manager with Australian and Japanese clients will cover this today



A unique market with special features



One which can play a key role in portfolios for Japanese investors



Returns from the asset class have been strong and the market is supported by local and foreign investors



Frontier undertakes significant sector level/thematic and manager research



Contact Frontier if you would like to discuss our manager line up and views in more detail.



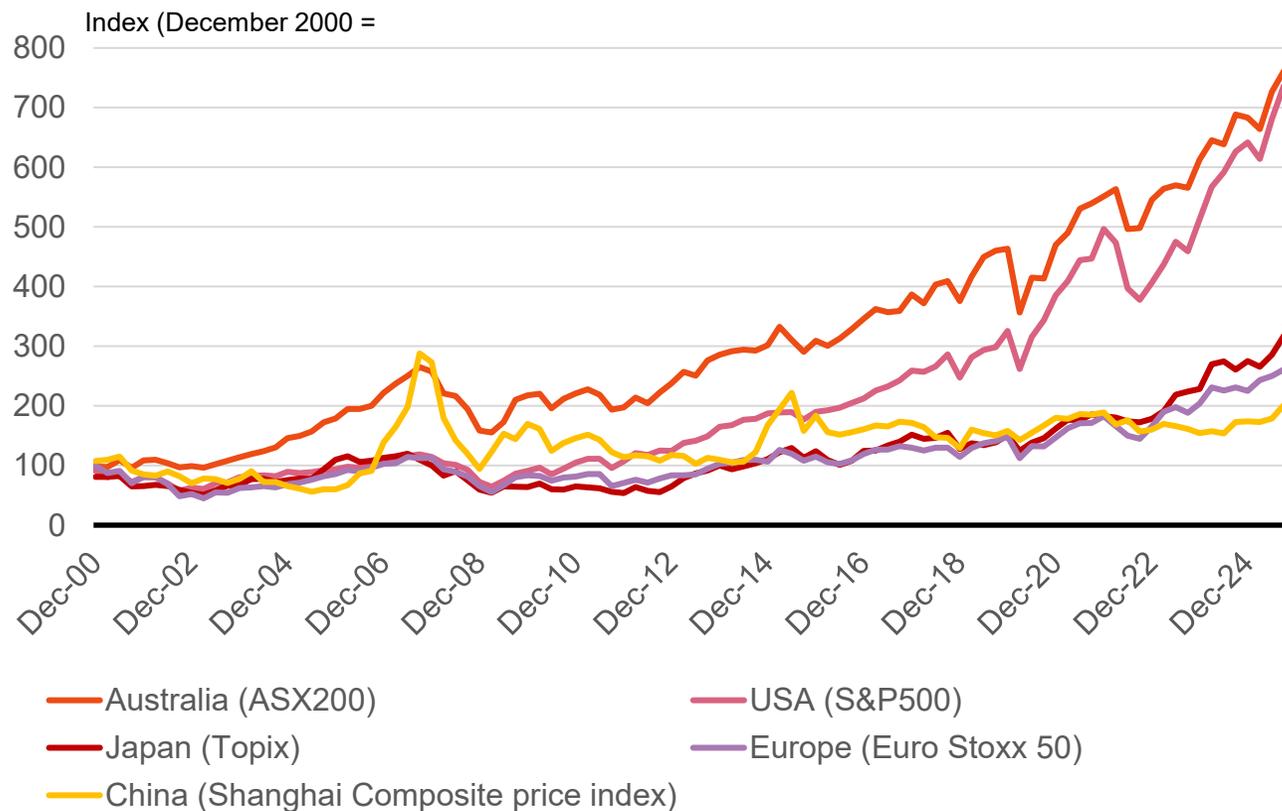
Dion Hershman

Australian Equities, Yarra
Capital Management

The strong returns simply can't be explained by 'luck'

Over 25 years, Australia has returned 664% (USA 654%, Japan 237%, Europe 167%). With the lowest volatility of major markets

Equity market total returns

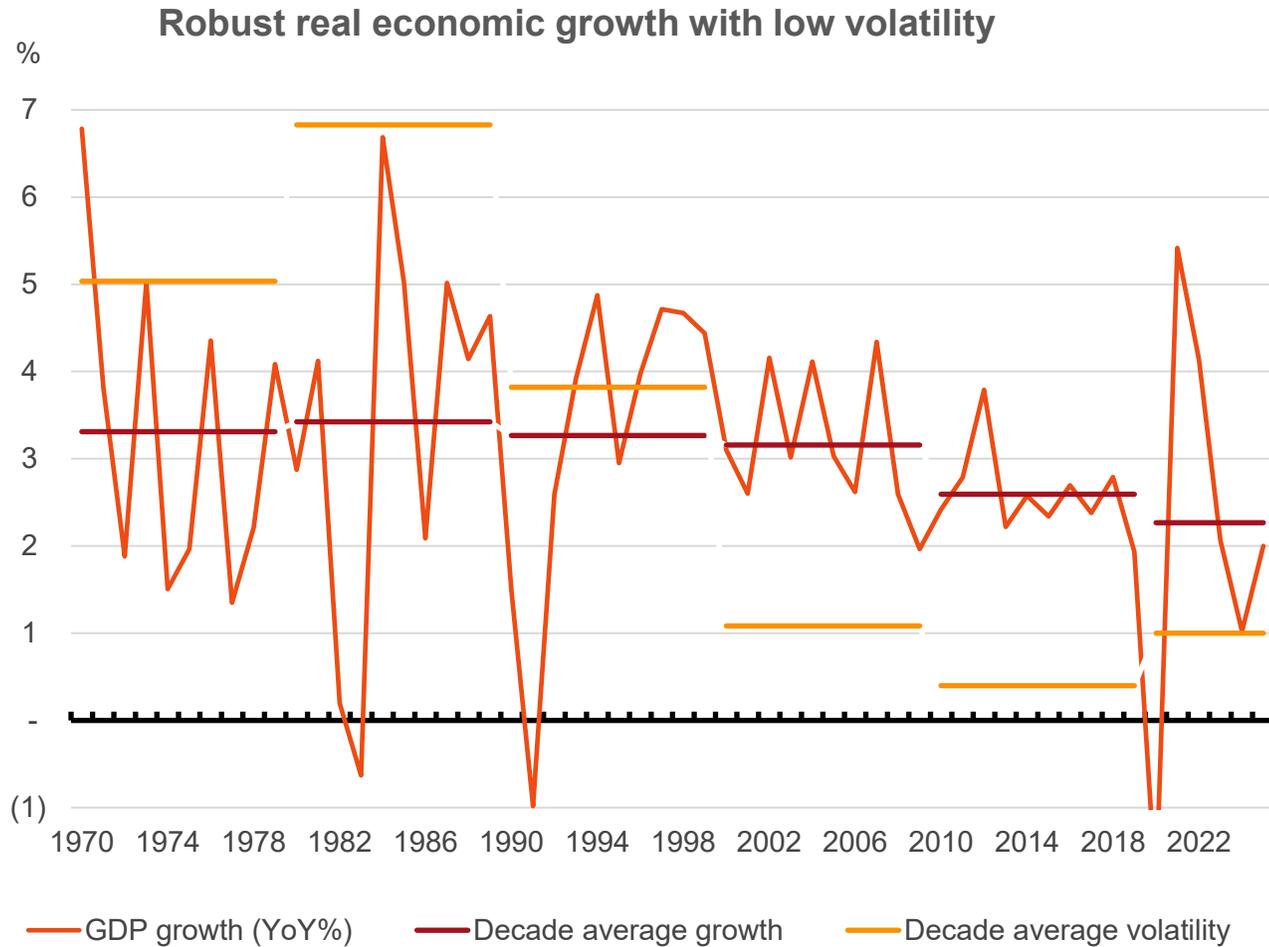


Standard deviation of annual returns since 2000

| | Australia | USA | Japan | Europe | China | World | EM |
|-----------------------------------|-----------|-----|-------|--------|-------|-------|----|
| | 15 | 16 | 21 | 19 | 42 | 17 | 25 |
| Compound annual average returns % | | | | | | | |
| | Australia | USA | Japan | Europe | China | World | EM |
| 1 year | 12 | 21 | 27 | 20 | 21 | 22 | 28 |
| 3 year | 13 | 23 | 23 | 19 | 11 | 22 | 21 |
| 5 year | 13 | 18 | 19 | 17 | 4 | 16 | 7 |
| 10 year | 10 | 15 | 10 | 8 | 2 | 12 | 8 |
| 15 year | 9 | 15 | 12 | 8 | 2 | 11 | 4 |
| 20 year | 8 | 11 | 6 | 6 | 7 | 9 | 7 |
| Since 2000 | 9 | 9 | 6 | 4 | 3 | 7 | 9 |

Source: YarraCM

Australia has sold growth and economic resilience



Long history of delivering strong and consistent economic growth



A global leader in trade and tourism



Demand for services underpinned by long-term population growth

Source: YarraCM, ABS

Australia has favourable industry structures = resilience and strong returns

| GICS Sector | ASX 200 Weight (%) | Top 3 stocks share of sector | Top 3 stocks | Number of stocks in sector |
|------------------------|--------------------|------------------------------|--------------------|----------------------------|
| Financials | 28.3 | 55% (66% top 4) | CBA, NBA, WBC, ANZ | 32 |
| Materials | 22 | 71% | BHP, RIO, NEM | 41 |
| Healthcare | 10.5 | 64% | CSL, RMD, SIG | 13 |
| Consumer Discretionary | 7.5 | 64% | WES, ALL, JBH | 22 |
| Industrials | 6.9 | 41% | TCL, BXB, QAN | 23 |
| Real Estate | 6.5 | 54% | GMG, SCG, SGP | 22 |
| Information Technology | 3.5 | 60% | XRO, WTC, TNE | 11 |
| Consumer Staples | 4.5 | 72% | WOW, COL, A2M | 10 |
| Energy | 4 | 73% | WDS, STO, ALD | 12 |
| Communication Services | 3.8 | 78% | TLS, REA, NWS | 11 |
| Utilities | 1.9 | 100% | ORG, APA, AGL | 3 |

Thirteenth largest stock exchange in the world

Australian dollar the fifth most traded currency

Fifth largest pool of investment funds under management (US\$2.7 trillion).

Superannuation generated >\$200b of inflows in 2024-25.

Key features of the Australian equity market include:

- High brand recognition
- High barriers to entry
- Pricing power
- High margins / high ROE
- Strong influence over regulators

The composition of the economy and the stock market are different

| GICS Sector | ASX 200 Weight (%) | Australian economy share (% of GDP) | Notes |
|------------------------|--------------------|-------------------------------------|--|
| Financials | 34.3 | ~7 | Overrepresented due to large banks and insurers |
| Materials | 18.8 | ~14 | Includes mining giants like BHP and Rio Tinto |
| Healthcare | 8.5 | ~8 | Roughly aligned; CSL and Cochlear are major contributors, predominately offshore revenue |
| Consumer Discretionary | 3.6 | ~5.5 | Includes retail and leisure companies |
| Industrials | 6.7 | ~15.0 | Underrepresented; many industrial firms are private |
| Real Estate | 6.9 | ~2.5 | Overrepresented due to listed REITs |
| Information Technology | 3.5 | ~6.0 | Underrepresented; many tech firms are unlisted |
| Consumer Staples | 7.6 | ~5.0 | Fairly aligned; includes major supermarkets |
| Energy | 5.1 | ~6.5 | Underrepresented despite Australia's energy exports |
| Communication Services | 2.4 | ~3.0 | Roughly aligned; includes Telstra and media firms |
| Utilities | 2.6 | ~2 | Aligned |

Note: Government sector is ~25% of the economy

At a time when the US presents unique risks, viable alternatives exist

| | Australia | USA |
|--|-----------|-------|
| Net Government Debt (% of GDP) | 19% | 98% |
| Federal Government Deficit (% of GDP) | -1.0% | -6.5% |
| Consumer inflation (core) | 3.0% | 3.0% |
| Consumer inflation (core) less Central bank's inflation target | 0.50% | 1% |
| Real GDP growth | 1.8% | 2.1% |
| Nominal GDP growth | 4.1% | 4.6% |
| Tech as share of Index | 3.50% | 35% |
| World uncertainty index (EIU 3Q 2025) | 0.17 | 2.05 |



Australia is a strong beneficiary of de-dollarisation



Stability in a world of uncertainty. Effective institutions



A hedge against tech exuberance

The highest bond yields and dividend yields

| Valuation metrics | Australia | Japan | USA | Europe |
|--|-----------|-------|-----|--------|
| Equity reviews | | | | |
| 12 month forward dividend yield (%) | 3.5 | 2.2 | 1.2 | 3.4 |
| 12 month forward dividend yield (%) historical average | 4.6 | 2.8 | 2.0 | 3.8 |
| Listed real assets | | | | |
| 12 month forward dividend yield (%) | 4.3 | 2.5 | 3.2 | 4.4 |
| 12 month forward dividend yield (%) historical average | 5.8 | 1.9 | 3.7 | 4.9 |
| Bond markets | | | | |
| 2-year bond yield | 3.6 | 0.9 | 3.6 | 2.0 |
| 10-year bond yield | 4.3 | 1.7 | 4.1 | 2.0 |

Notes: Australian equity statistics refer ASX200 and MSCI Australia data. Japan equity data refers to TOPIX. US equity data refers to S&P500. European equity data refers to Euro STOXX600.

Australia deserves a dedicated investment sleeve



Research process

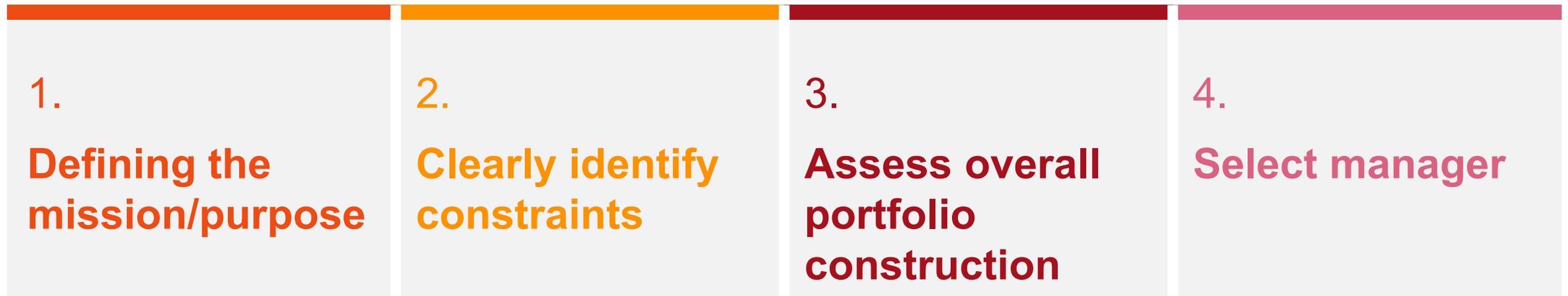


Paul Newfield,
Director of Research and
Specialist Services,
Frontier Advisors



Portfolio construction (equities as an example)

Great portfolios in all asset classes follow a disciplined process



CRITICAL = Customisation and tailoring for every client

Characteristics of international equities strategies

High-level overview of strategies available for investors

| Strategy | Return potential | Tracking error | Diversification | Fees | Liquidity** | Capacity |
|--------------------------------------|------------------|----------------|-----------------|--------|-------------|----------|
| Active global | Yellow | Yellow | Yellow | Yellow | Green | Green |
| Multi-factor quant | Yellow | Yellow | Yellow | Yellow | Green | Green |
| Global income | Yellow | Yellow | Yellow | Yellow | Green | Green |
| Index/Low carbon index | Red | Green | Yellow | Green | Green | Green |
| Enhanced passive | Red | Green | Yellow | Green | Green | Green |
| Emerging markets | Yellow | Red | Yellow | Yellow | Green | Green |
| Asia ex-Japan | Yellow | Red | Yellow | Yellow | Green | Green |
| Global small caps | Green | Yellow | Yellow | Red | Yellow | Yellow |
| Emerging markets small caps | Green | Red | Green | Red | Red | Red |
| Single country (e.g. China A-Shares) | Green | Red | Green | Yellow | | Green |

Traffic light colour-coding identifies areas of relatively greater risk, complexity, or attractiveness.

**Liquidity traffic lights are relative to equity sub-asset classes.

Frontier Advisors research program is extensive

Frontier Advisors research program is extensive

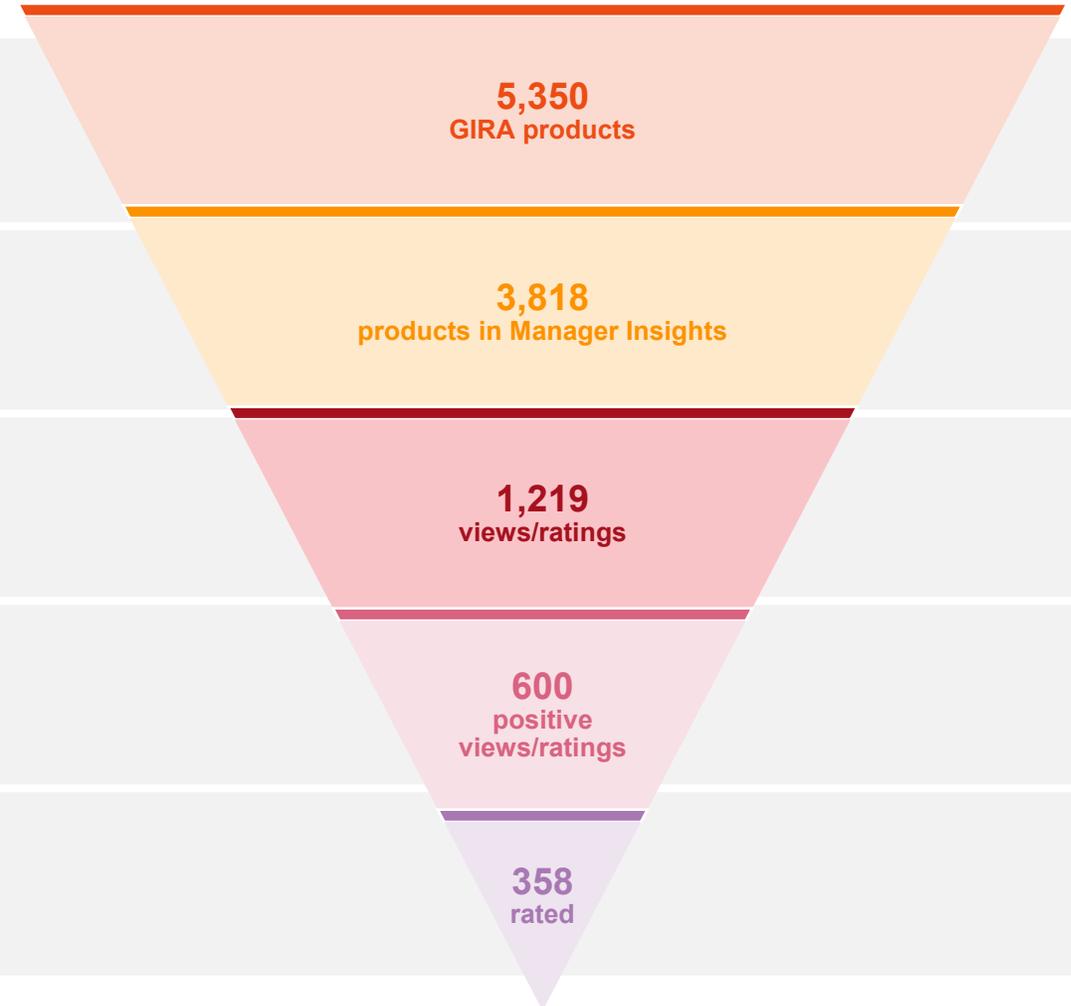
One of the largest research programs of any Australian based asset consulting team.

A client centred, evolving and adaptable program.

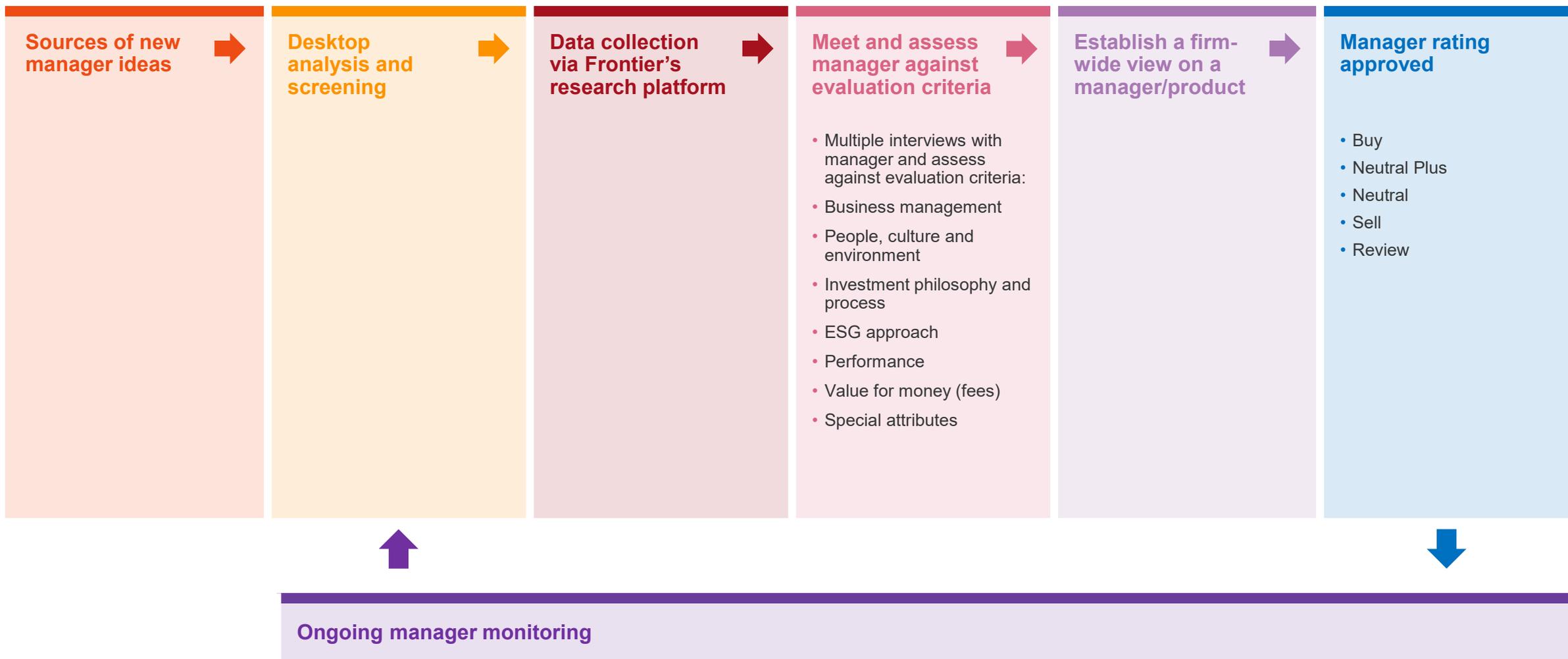
Filtered for client investable ideas.

Multiple and regular offshore trips to meet and assess managers around the world in person.

All research completed and posted within tight timeframes which all clients see simultaneously.



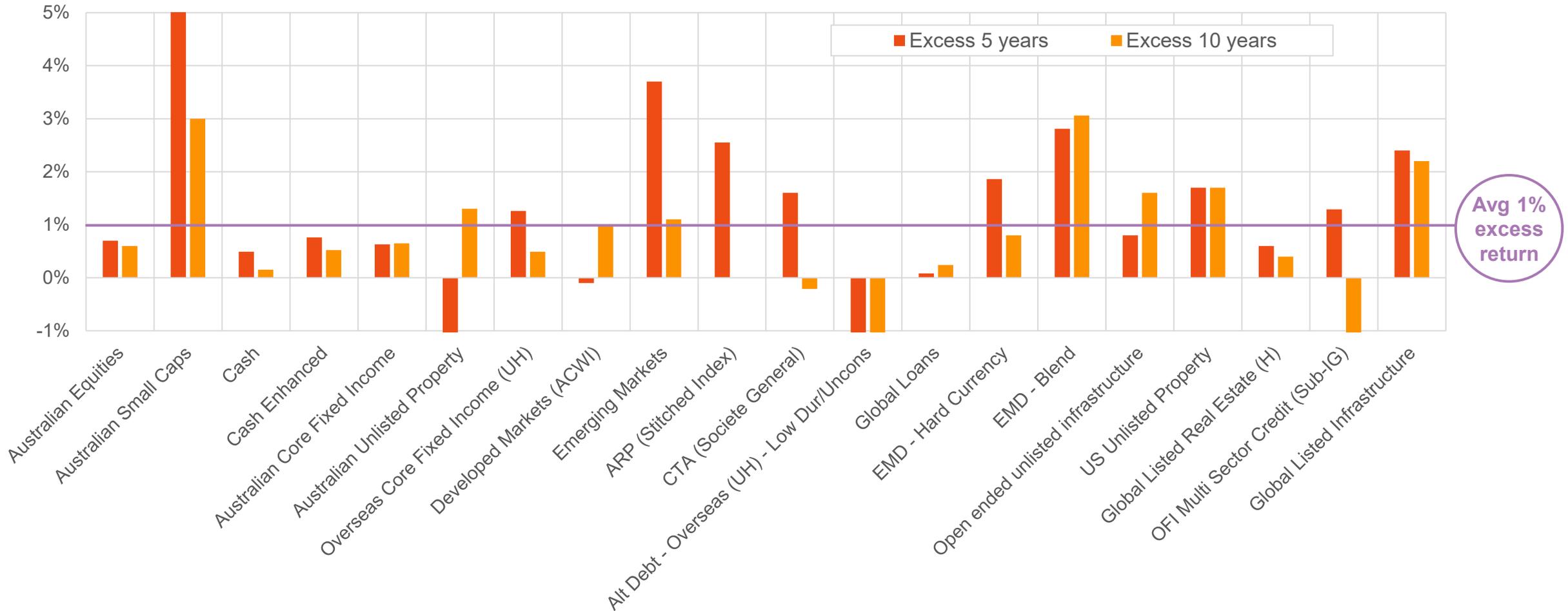
Frontier Advisors research program is extensive



Frontier's asset class and manager research

Across sectors, the top-rated Frontier managers have consistently added value

Excess return generated by Frontier Buy rated managers versus benchmark over 5 and 10 years to 30 June 2025



Infrastructure



Lucy Minichiello,
Head of Real Assets
Frontier Advisors



Roger Llyod, Chief
Executive Officer,
Palisade Investment
Partners



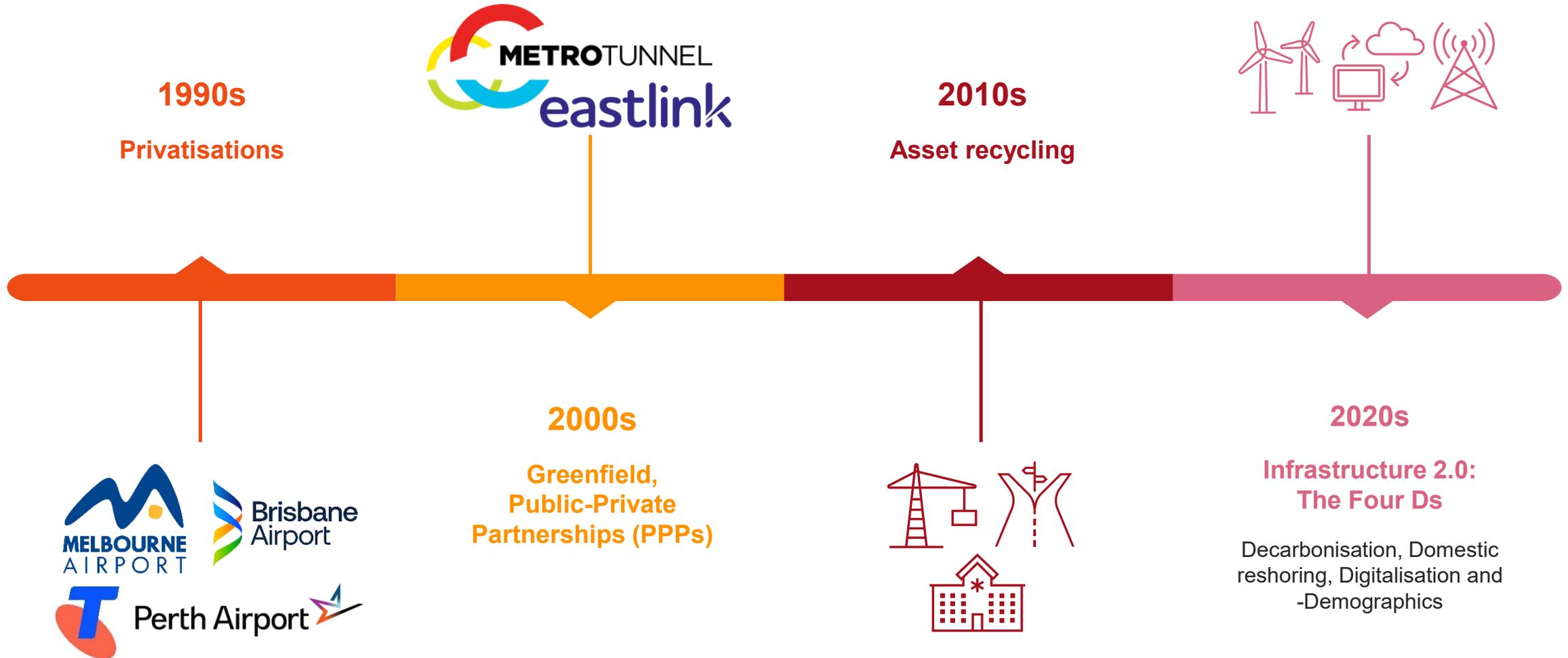
Sam Reynolds, Chief
Executive Officer,
Octopus Investments



TUNNEL
CLEARANCE 4.4m

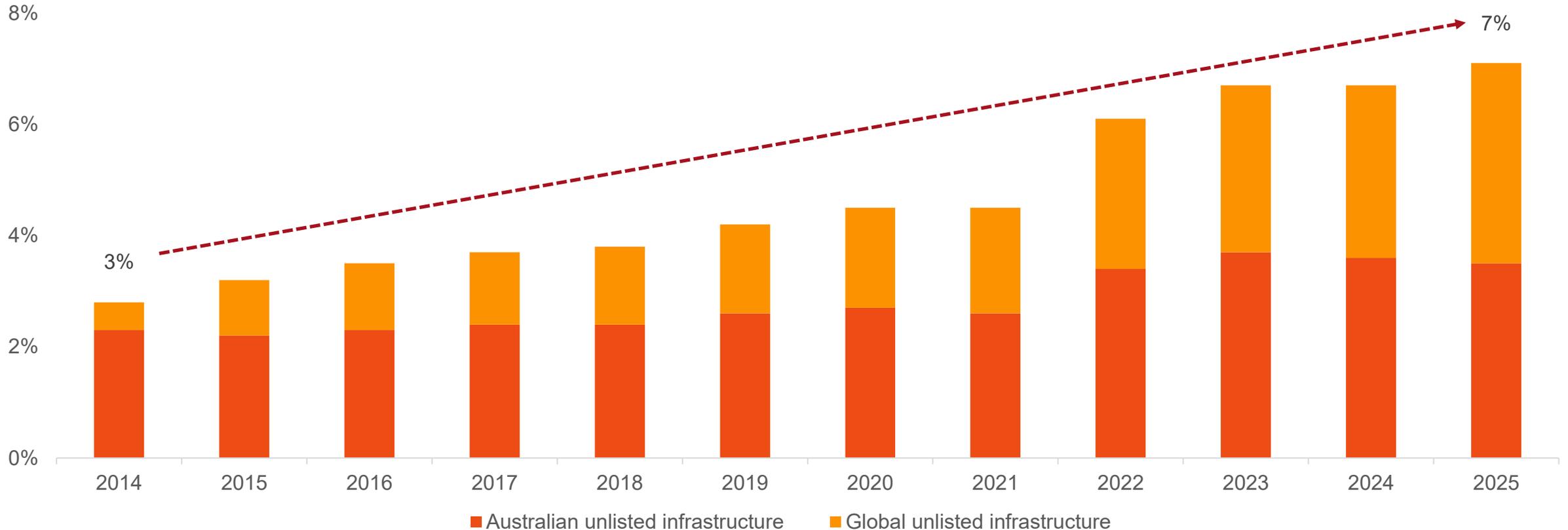
PENALTY EXCEEDS \$2000
AND LOSS OF REGISTRATION

The pioneering role of Australian superannuation funds



Australia: Early adopter of the infrastructure asset class

Australian super funds have been increasing their allocation to unlisted infrastructure since the early 2010s

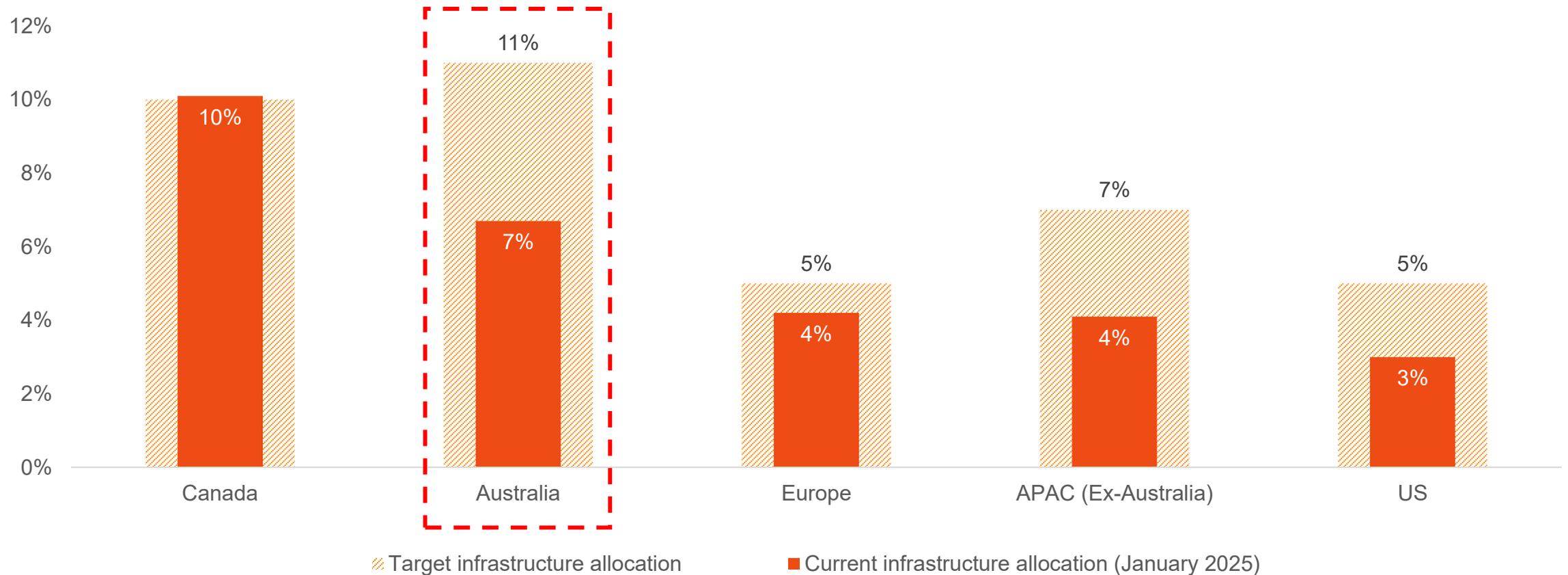


Source: Australian Prudential Regulation Authority (APRA), Manager research. Data as at 30 June 2025.



Allocations to infrastructure by investor geography

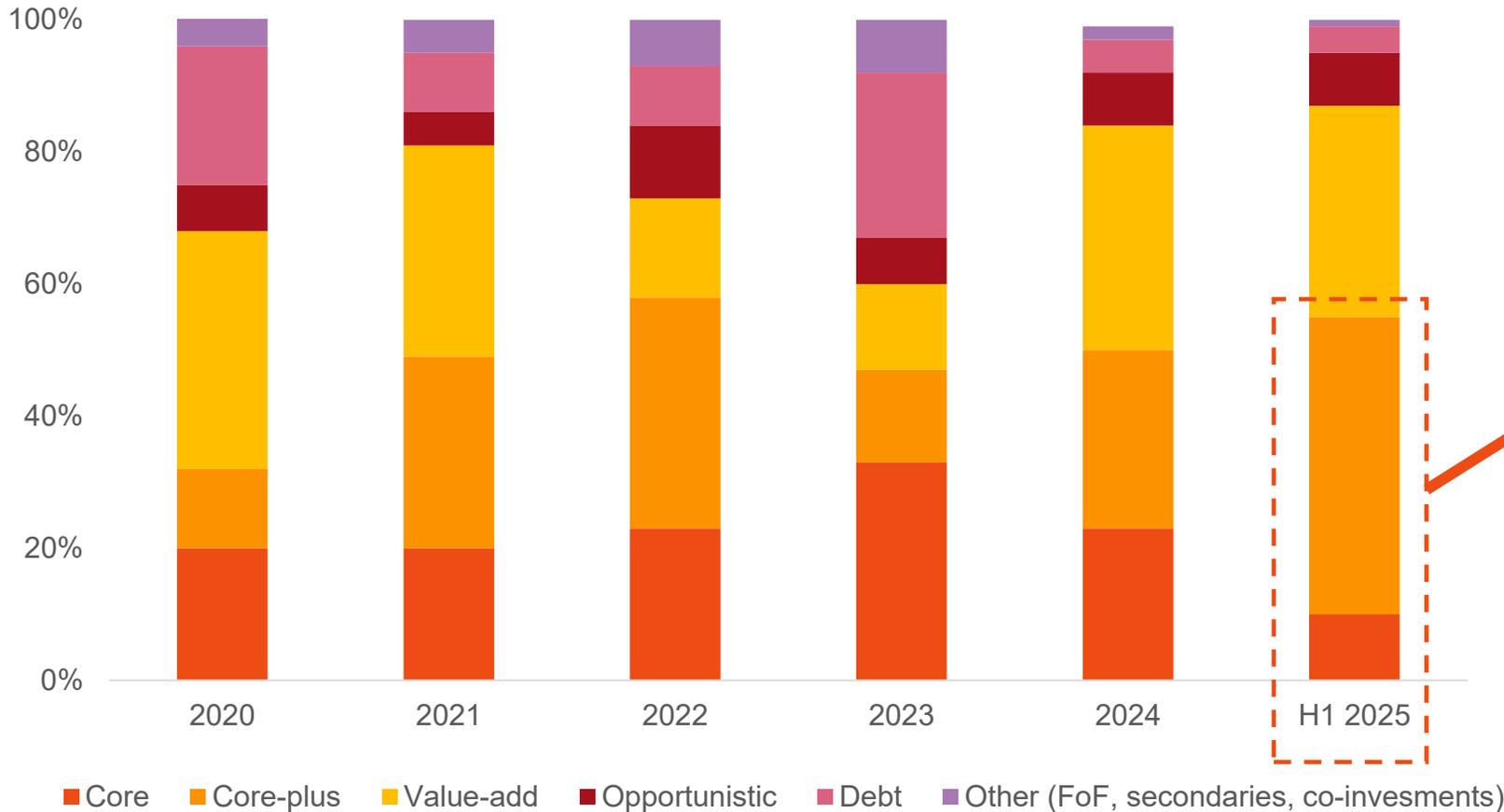
Australian institutional investors hold a larger allocation to infrastructure compared to the rest of the world



Source: Manager research, Prequin. Data as at 31 January 2025.

Shifting from the core

Investor focus on core fundraising has declined sharply in recent years



In H1 2025, 45% of commitments to funds reaching final close went to core-plus and only 10% to core.

Source: Infrastructure Investor. Data as at 30 June 2025.

Key elements to consider for an investment in Australian infrastructure

Australia continues to offer attractive risk-adjusted returns for investors looking to allocate to infrastructure



A mature and sophisticated infrastructure market with compelling investment opportunities



Offshore investors can access via direct investment or funds (domestic, diversified global or dedicated pan-Asia strategies)



Strong returns from the asset class, supported by stable political & regulatory frameworks



Frontier undertakes significant sector level/thematic and manager research



Contact Frontier if you would like to discuss our manager line up and views in more detail



Roger Lloyd

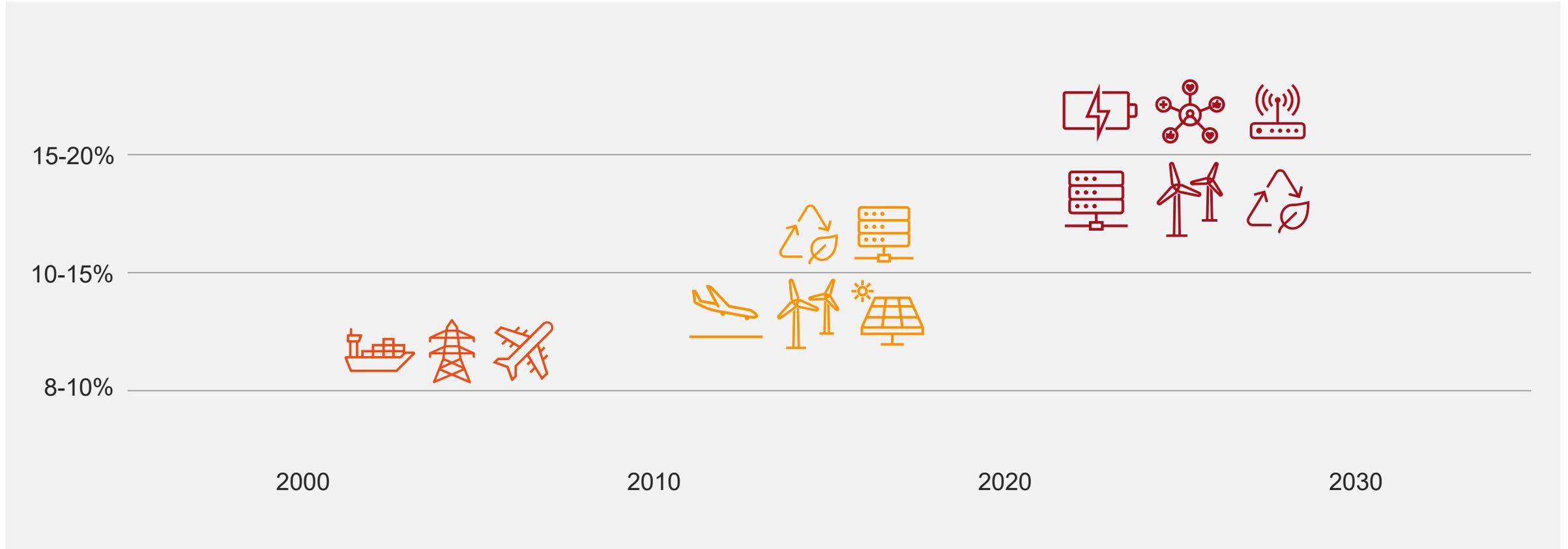
Chief Executive Officer,
Palisade Investment
Partners



TUNNEL
CLEARANCE 4.4m
PENALTY EXCEEDS \$2000
AND LOSS OF REGISTRATION

Evolution of infrastructure investing

Investors have focused on growing their infrastructure portfolios by investing in more nascent subsectors to achieve higher returns



Sector tailwinds

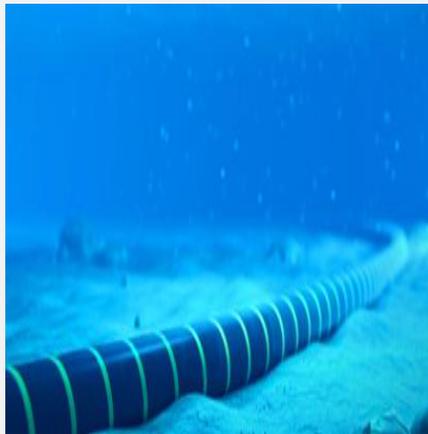
Key Infrastructure investment thematics over the next decade



Energy transition



Digital infrastructure



Transport and supply chain infrastructure



Care economy



Circular economy



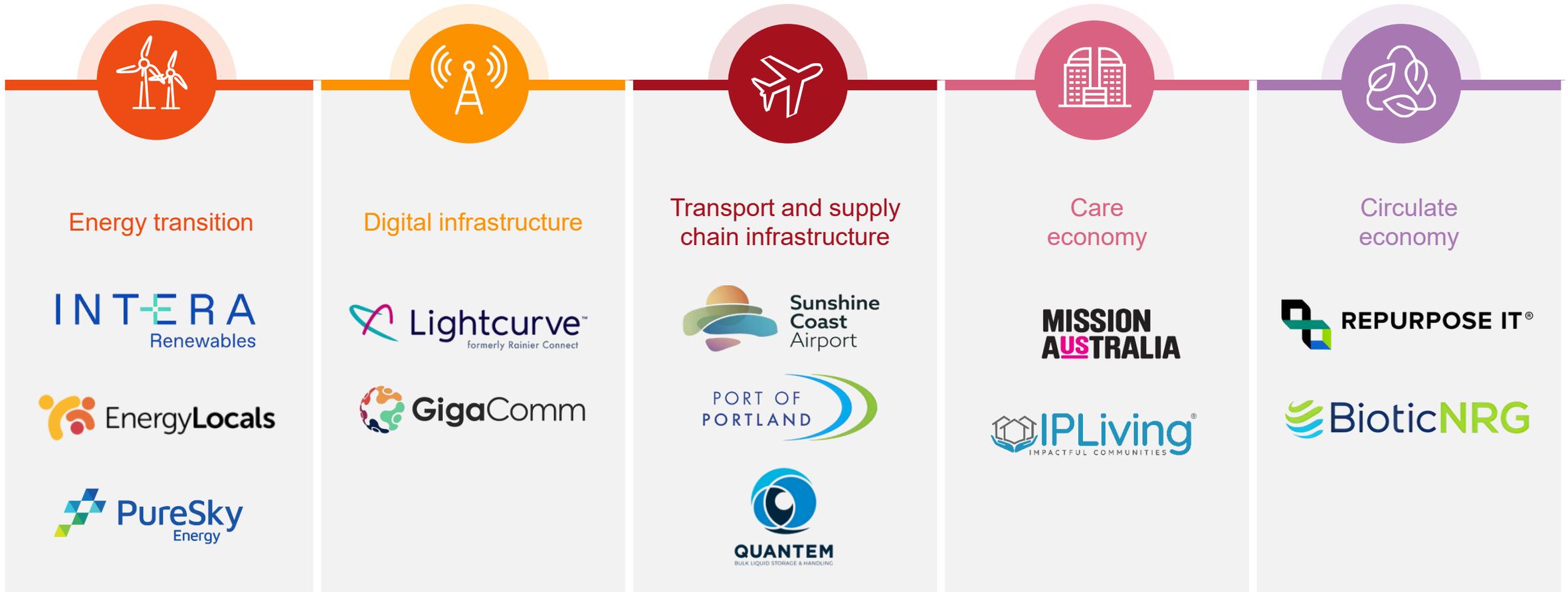
Mid-market infrastructure tailwinds

In addition to sector tailwinds, certain macro themes are creating significant opportunity in Australia



Value creation through platform investing

Investors are increasingly investing through platforms to maximise value and minimise single asset risk



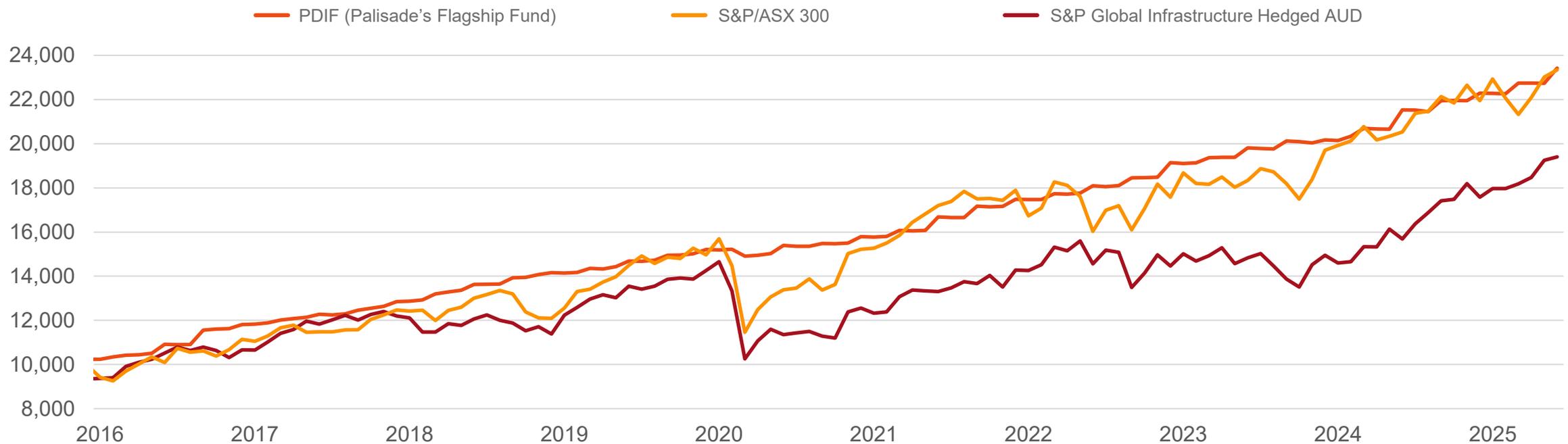
Listed versus unlisted

Over the last 10 years, Palisade has generated a 11.5% gross return for investors, including 7.1% yield¹

Lower volatility than other asset classes

Low correlation to traditional asset classes

Inflation-linked cash flows



1. As at 30 Jun 2025, including franking credits. Past performance is not a reliable indicator of future performance.

2. Source: Morningstar Direct. Total returns excluding franking credits per annum from 30 June 2015 to 30 June 2025, and indexed to starting investment of \$10,000.

Sam Reynolds

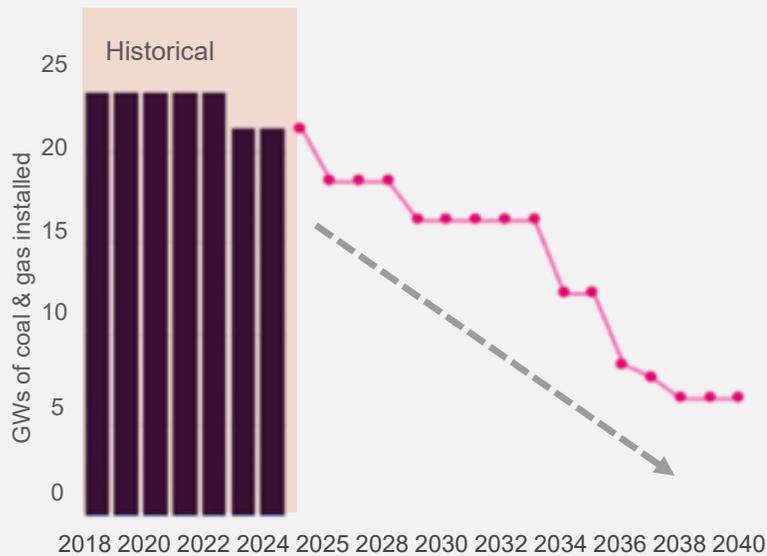
Chief Executive Officer,
Octopus Investments



Australia's current energy opportunity

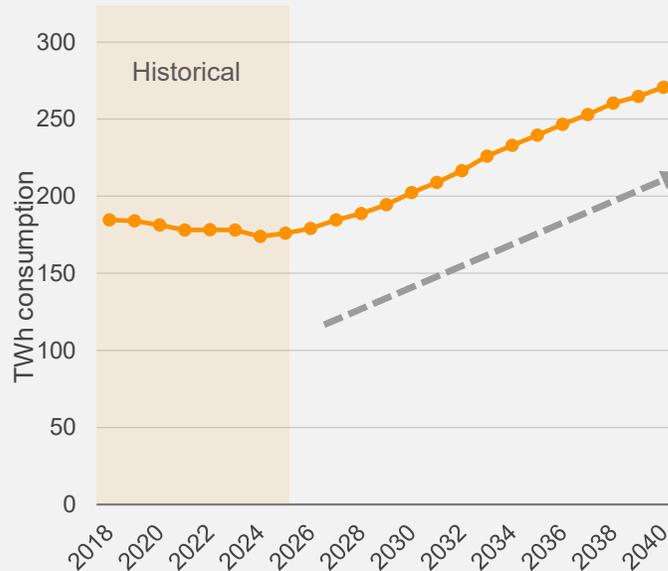
Supply decreasing

80% of coal fired power station fleet to retire over next 10 years.



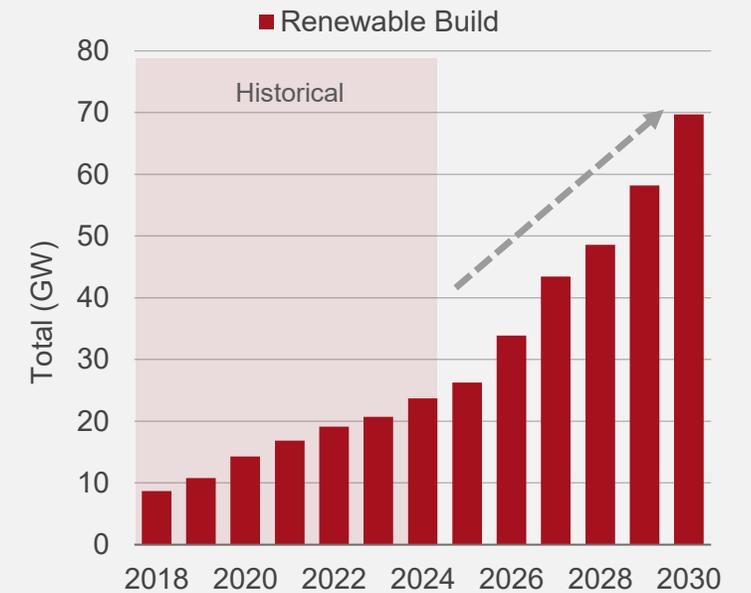
Demand accelerating

Energy demand growth projected to double by 2050.



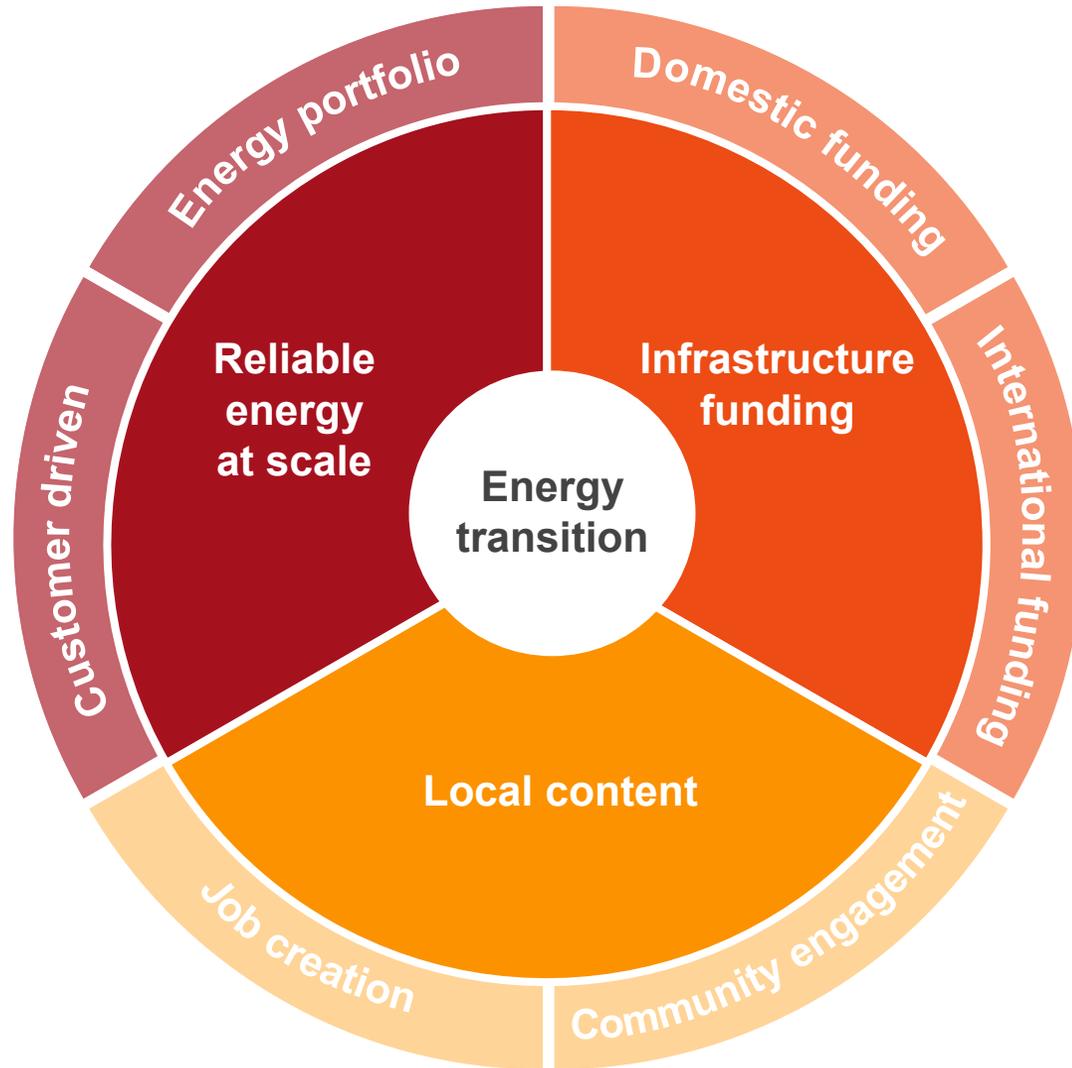
Significant investment gap

\$500bn investment required between now and 2030.



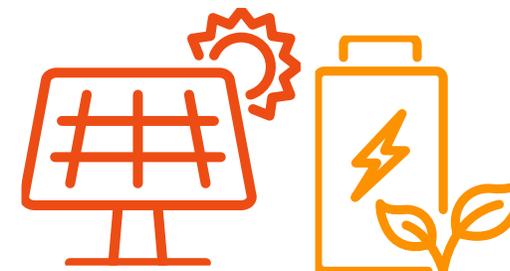
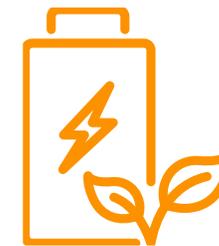
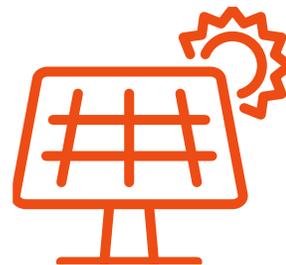
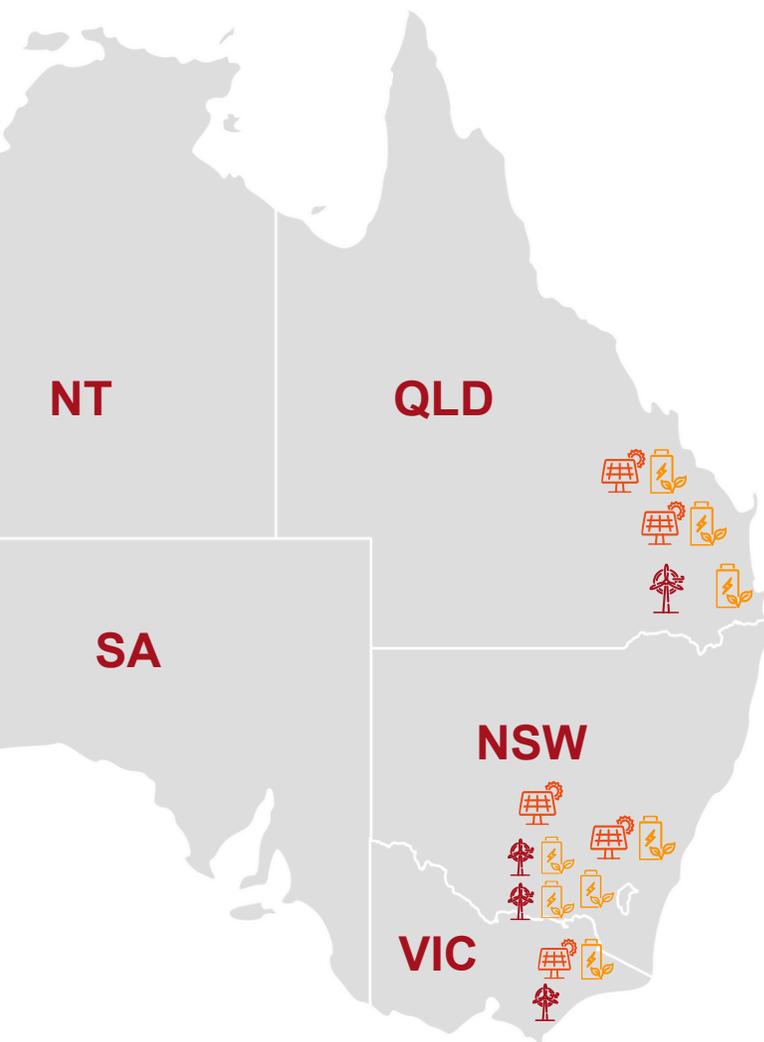
Unique investment situation resulting in significant market volatility, high energy pricing, and upside returns for the right strategy.

Key components for a successful energy transition



What does a diversified renewable energy portfolio look like?

Exposure to high quality generation and capacity across attractive QLD, NSW and VIC markets



Portfolio diversification benefits

Reliable energy strategy: Fixed block premium PPA

Stacking generation from wind, solar and battery assets enables us to supply reliable, efficient and sustainable generation that competes with baseload coal and gas. This type of generation offers return upside for investors.



Innovative and in-demand offtake product



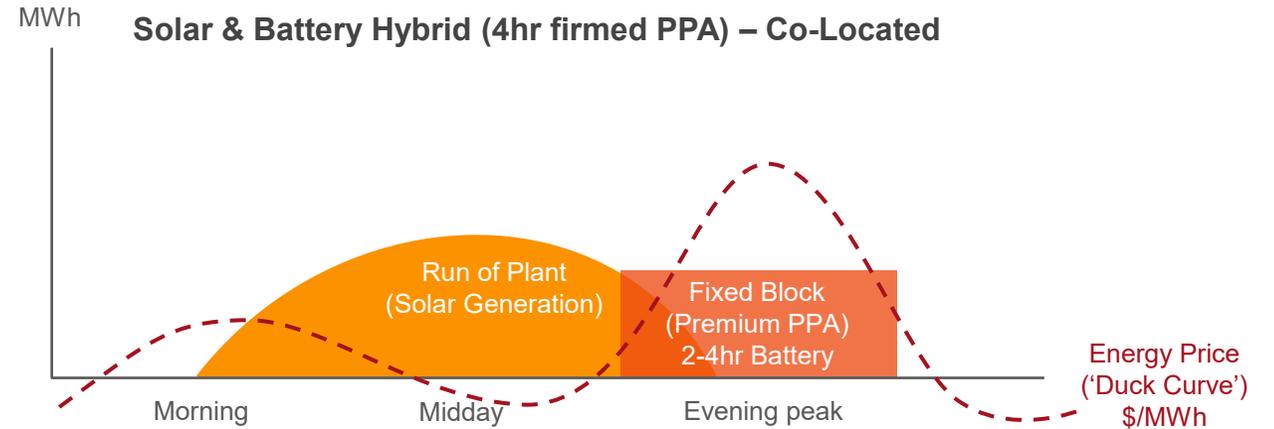
Includes run of plant and fixed block generation



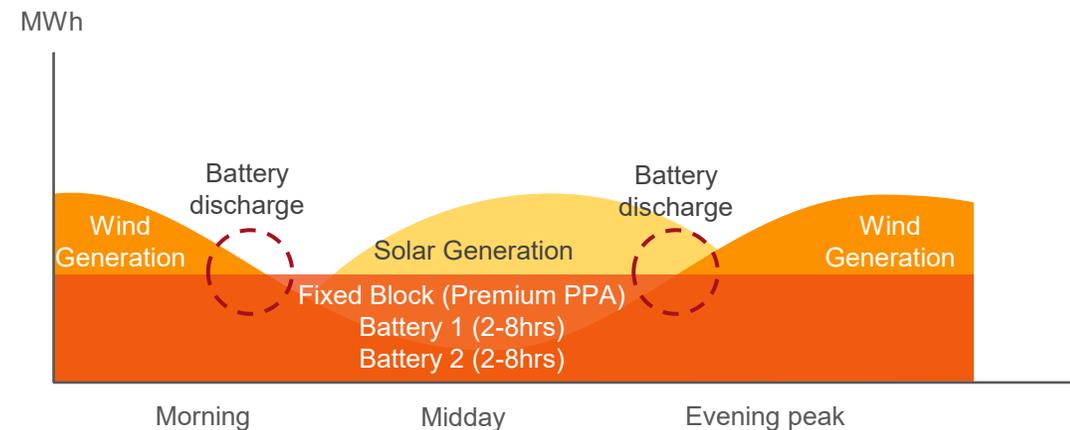
Contract terms typically span 10+ years



Optimising energy dispatch and investor returns



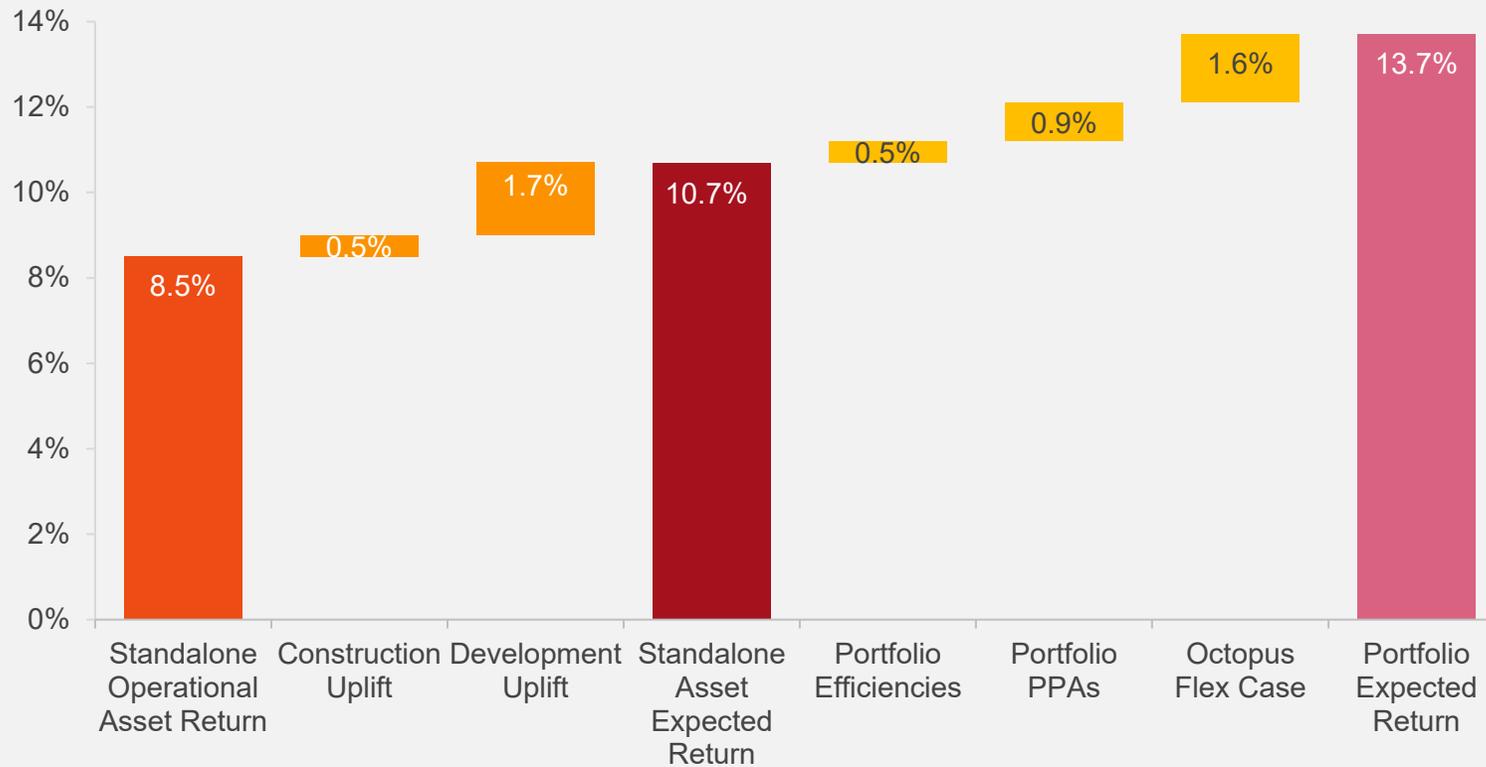
Solar, Wind & Battery (24hr firming PPA) – Grid Diversification



Sources of return from a renewable energy portfolio

Premiums are achieved from originating assets early in development and operating them as an integrated portfolio of generation and storage

Long-term equity IRR waterfall (gross)



Standalone operational asset: Typical returns from operating assets on a standalone basis.

Construction uplift: Returns from bringing assets through construction and into operations.

Development uplift: Returns from bringing assets through major development milestones.

Portfolio efficiencies: Uplift from portfolio level insurance, financing and O&M costs.

Portfolio PPAs: Long-term premium from firmed green PPAs, shifting generation into high-priced evening peaks.

Octopus optimisation: OA's internal origination and energy markets capability to capture observed energy market volatility.

Portfolio expected return: long-term return expected from operating assets within the OASIS portfolio.

Natural real assets



Dan Cave,
Senior Consultant
Frontier Advisors



Steve Jarrott,
Portfolio Manager,
Warakirri Asset
Management



Skye Macpherson,
Head of Global Asset
Management,
Nuveen Natural Capital

Agenda

Key considerations for investment in Australian natural real assets



Opportunities: Agriculture, timber, water and restoration markets



Globally competitive and world-class primary production industries



Diverse opportunity set supported by leading investment managers



Sustainability practices can enhance return while being nature-positive



Can play a key role in portfolios for Japanese investors



Frontier undertakes sector level/thematic and manager research



Contact Frontier to discuss the sector and our research in more detail



Select asset owners invested in Australian natural real assets

Strong interest and activity from large global asset owners



Select Australian agriculture acquisitions by Canadian investors

Canadian investors are highly active in Australian agriculture

| Deal size (million) | Name | Sectors | Date | Buyer |
|---------------------------|------------------------------|---|----------------|---|
| Undisclosed | Central Queensland Portfolio |   | September 2025 | La Caisse and Clean Energy Finance Corporation (CEFC) via Meldora |
| A\$500 | Kooba |   | April 2025 | PSP via Australian Food & Fibre, Stahmann Webster |
| A\$70 | Timbercombe |   | April 2024 | PSP via Altor Ag |
| A\$180 | Ellerslie Free Range Eggs |  | March 2024 | PSP |
| A\$100 | Macadamias Australia |  | January 2024 | PSP |
| Undisclosed | Mitolo Family Farms |   | August 2023 | Ontario Teachers' |
| A\$200 | Wilga Farming |   | July 2023 | La Caisse and CEFC |
| Undisclosed | Lawson Grains |  | January 2022 | AIMCo |
| A\$300 | Kimberly Cattle Portfolio |  | November 2023 | AIMCo |
| A\$854 (ASX take private) | Webster Ltd. |     | July 2020 | PSP |

An aerial photograph of a vineyard. In the foreground, there are rows of grapevines in a field. A paved road runs diagonally across the middle of the image. In the background, there is a pond, some trees, and rolling hills under a clear blue sky. The lighting suggests it's either early morning or late afternoon, with a warm glow on the right side.

Skye Macpherson

Head of Global Asset
Management, Nuveen
Natural Capital

Natural capital global investable universe

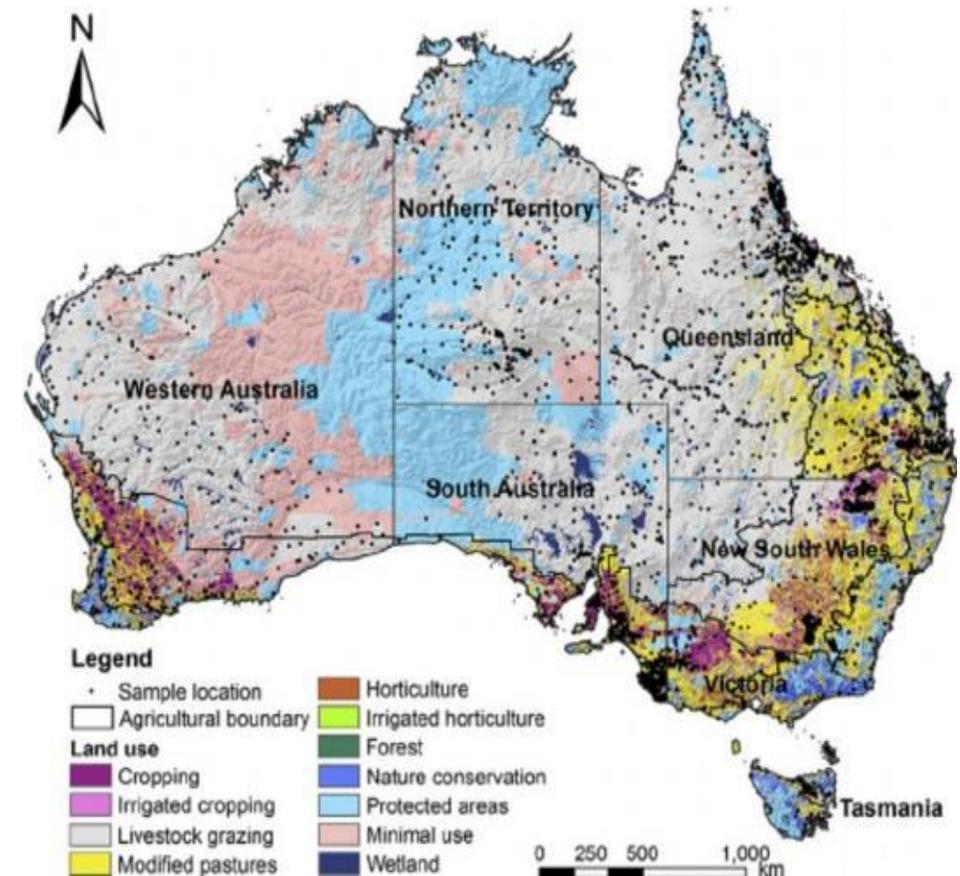
Incorporates 44 unique farmland strategies, 15 row crop and 29 permanent crop (horticulture and viticulture) and 22 unique timberland strategies, 17 traditional and 5 climate solutions

Institutional investable universe of US\$1.13 trillion



Why Australian natural capital assets?

Competitive advantages



Sources: Assimilating satellite imagery and visible–near infrared spectroscopy to model and map soil loss by water erosion in Australia, March 2016. CSIRO's Biodiversity Book, July 2014. NSW Department of Planning and Environment, May 2023.

An aerial photograph of a vineyard landscape. In the foreground, there are rows of grapevines in a field. A paved road runs diagonally across the middle ground. In the background, there are rolling green hills, a small pond, and a clear blue sky. The overall scene is bright and sunny, with a warm orange glow on the right side of the image.

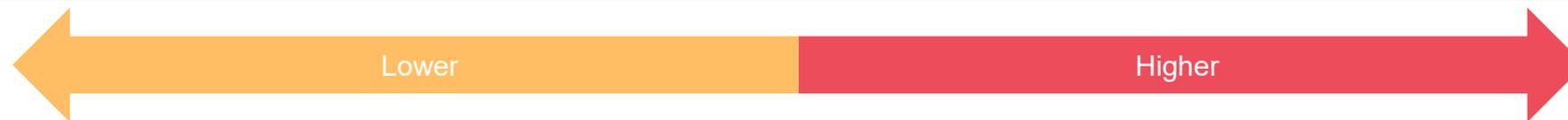
Steve Jarrott

Portfolio Manager,
Warakirri Asset
Management

Australian natural real asset sectors

Sectors provide diverse risk and return profiles

| | Forestry | Row-crop | Livestock | Dairy | Viticulture | Horticulture |
|--------------------------------|----------|----------|-----------|-------|-------------|--------------|
| Scalability | | | | | | |
| Natural diversification | | | | | | |
| Natural capital | | | | | | |
| Emission intensity | | | | | | |
| Operating complexity | | | | | | |
| Expected income return | 3-4% | 4-5% | 3-6% | 4-8% | 5-9% | 6-10% |
| Expected capital return | 3-4% | 5-6% | 5-6% | 4-7% | 4-5% | 4-5% |
| Total return | 6-8% | 9-11% | 8-12% | 8-15% | 9-14% | 10-15% |



Investing in Australian agriculture

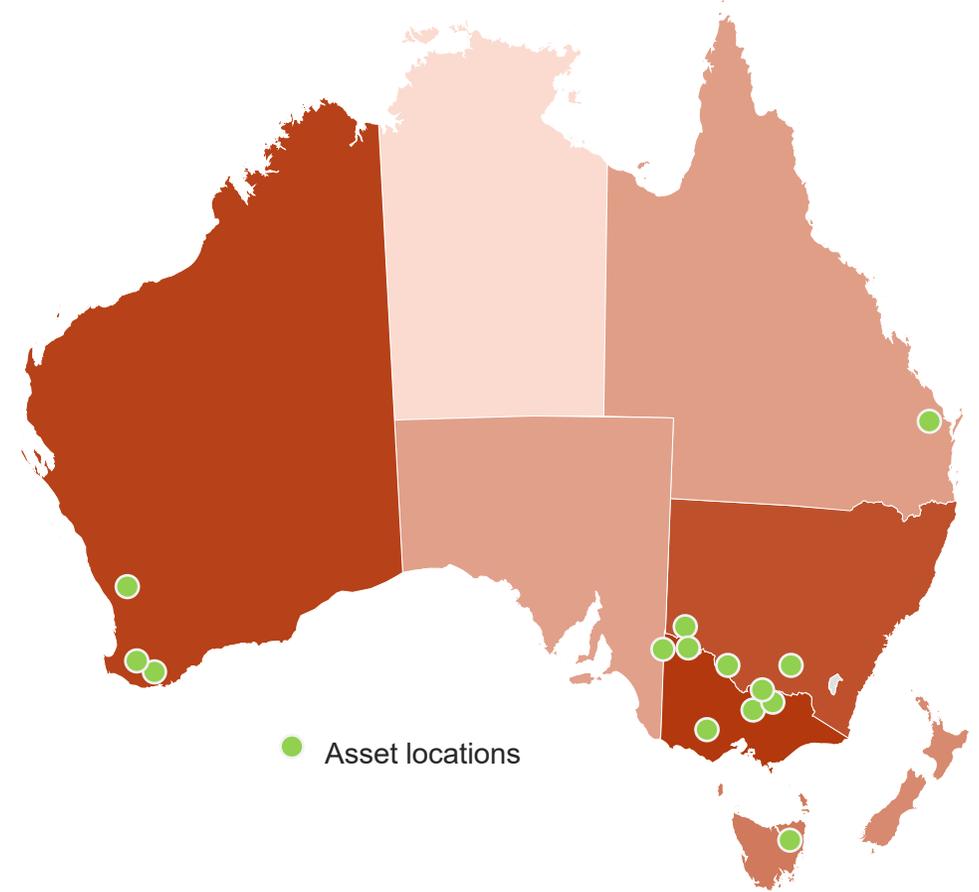
Investment strategy options

| Passive lease investment Total return 8-10% | Primary operate Total return 8-12% | Permanent crop operate Total return of 10-14% | Opportunistic deals Target total returns >14% |
|--|--|--|--|
|  |  |  |  |
| <ul style="list-style-type: none">• High-quality tenants• High value, permanent crop sectors• Stable income from long dated leases | <ul style="list-style-type: none">• Large-scale assets• Economies of scale and operational efficiency• Row-crop, livestock and dairy• Geographic, commodity and climate diversification | <ul style="list-style-type: none">• Large-scale operating business• Economies of scale and operational efficiency• Higher operating income and higher risk profile• Crops include citrus, nuts and grapes | <ul style="list-style-type: none">• Land-rich private equity style investments• Brownfield/green field developments |

Case study: Leased permanent crop assets

Premium permanent crop assets leased to tenant partners

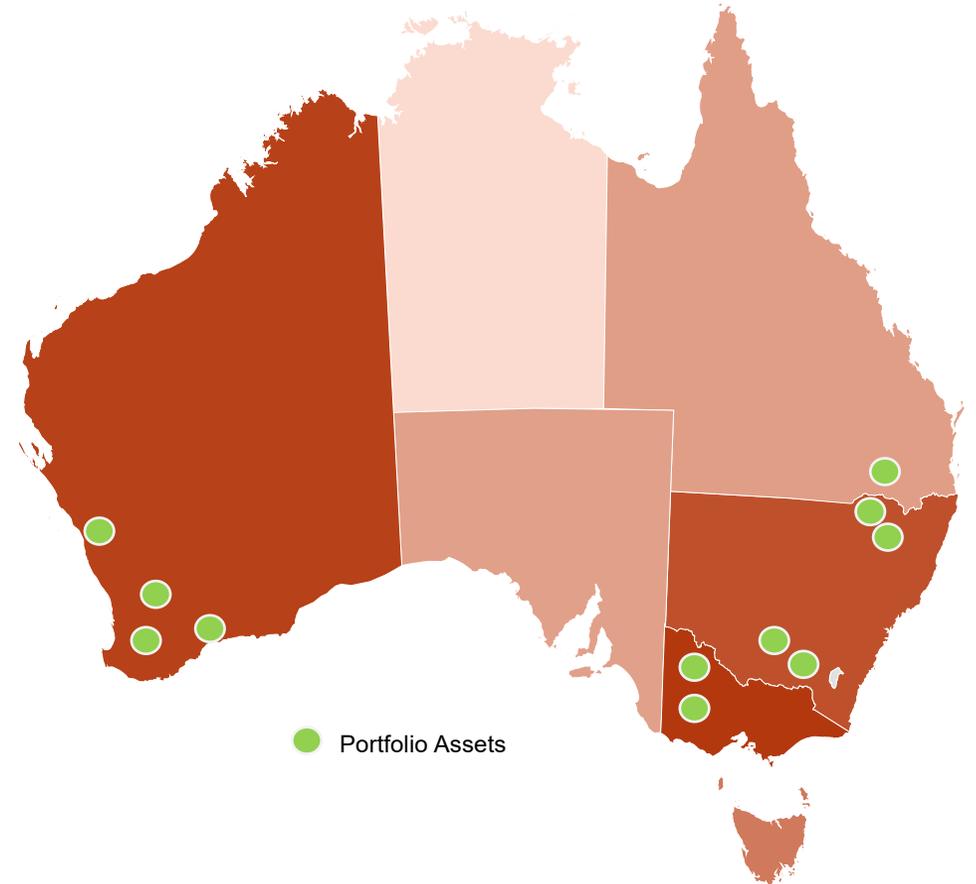
| | |
|-----------------------|--|
| Crop/asset types | Tree fruit, berries, wine & table grapes, nuts, soft vegetables, agri infrastructure, row crop, water entitlements |
| Expected total return | 7-11% p.a. |
| Expected income | 6% p.a. |
| Typical WALE | ~10 years |



Case study: Own and operate broadacre cropping

Large scale - economies of scale, operating efficiency and diversification

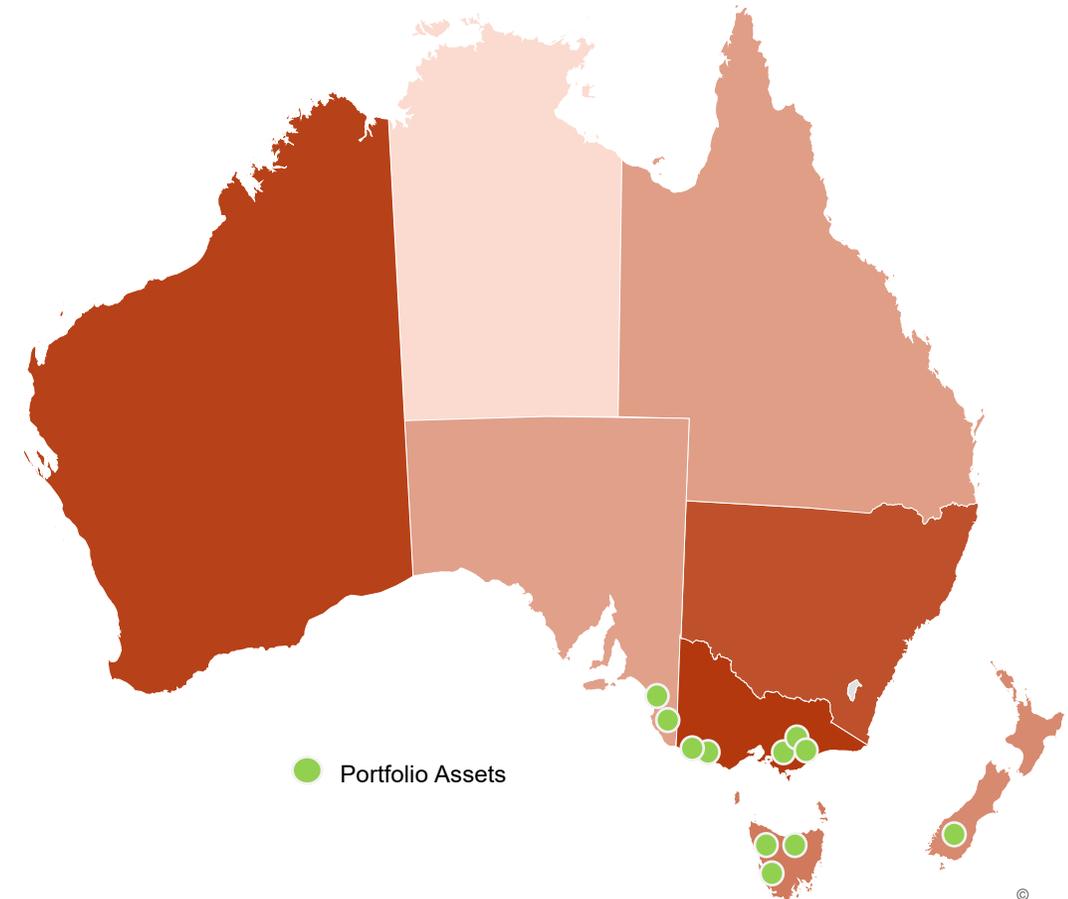
| | |
|-------------------------|---|
| Crop type | Dry land and irrigated annual crops: grain, oilseeds and cotton |
| Portfolio/assets | 7 production regions; 11 aggregations; 180,000 hectares |
| Assets under management | A\$1.4bn |
| Annual grain production | 500,000 tonnes (FY26 forecast) |



Case study: Develop, own and operate dairies

One of Australia's largest milk producers with a large-scale dairy portfolio

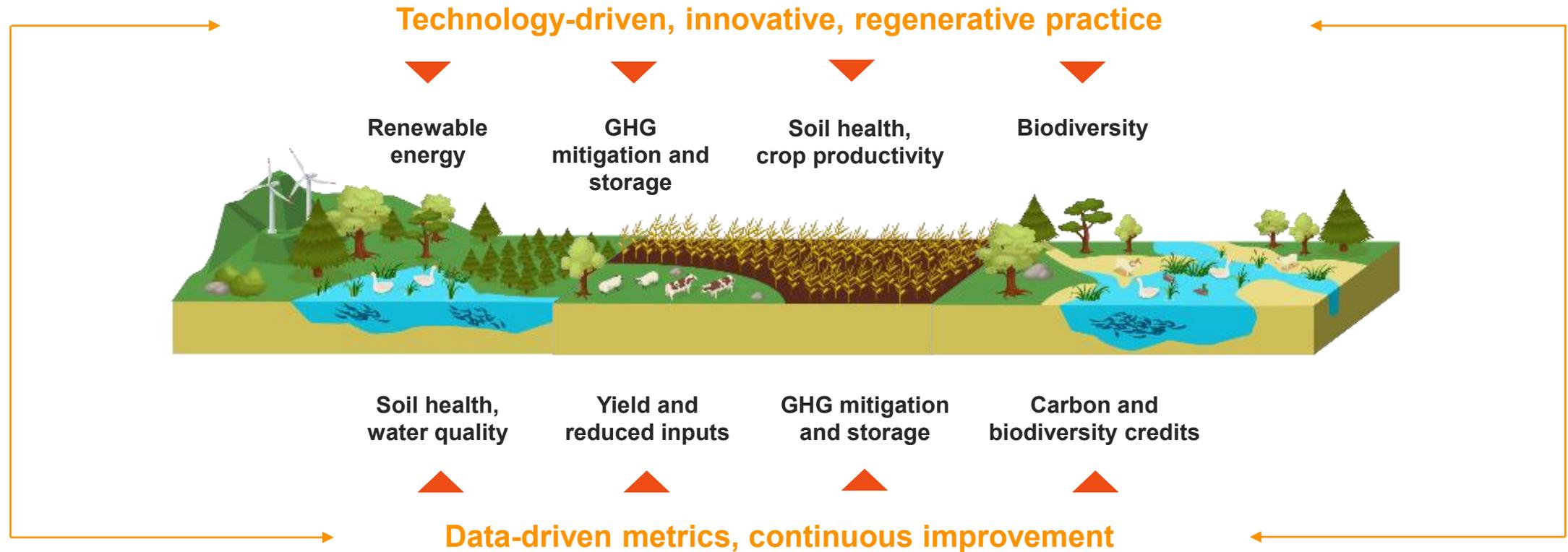
| | |
|------------------------|--|
| Commodity | Milk; production 300,000 million litres p.a. |
| Portfolio/assets | 50 dairy farms; 50,000 milking cows; Over A\$1 billion in AUM |
| Production regions | Australia and New Zealand |
| Expected total returns | 10% - 15% p.a. |



Sustainable natural real asset practices

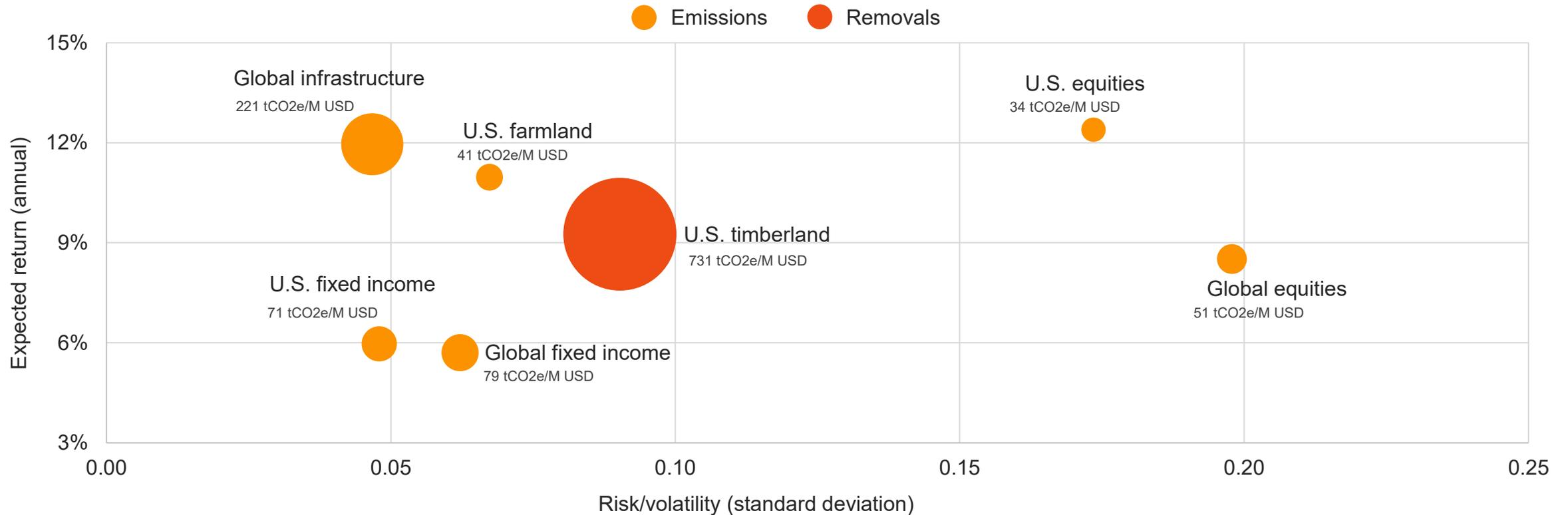
More resilient land drives potential for strong total returns with additional ecosystem services benefits

CREATING REGENERATIVE, RESILIENT FARMLAND



Carbon intensity relative to risk/return by asset class

Risk-return and carbon intensity (tCO₂e/M USD)

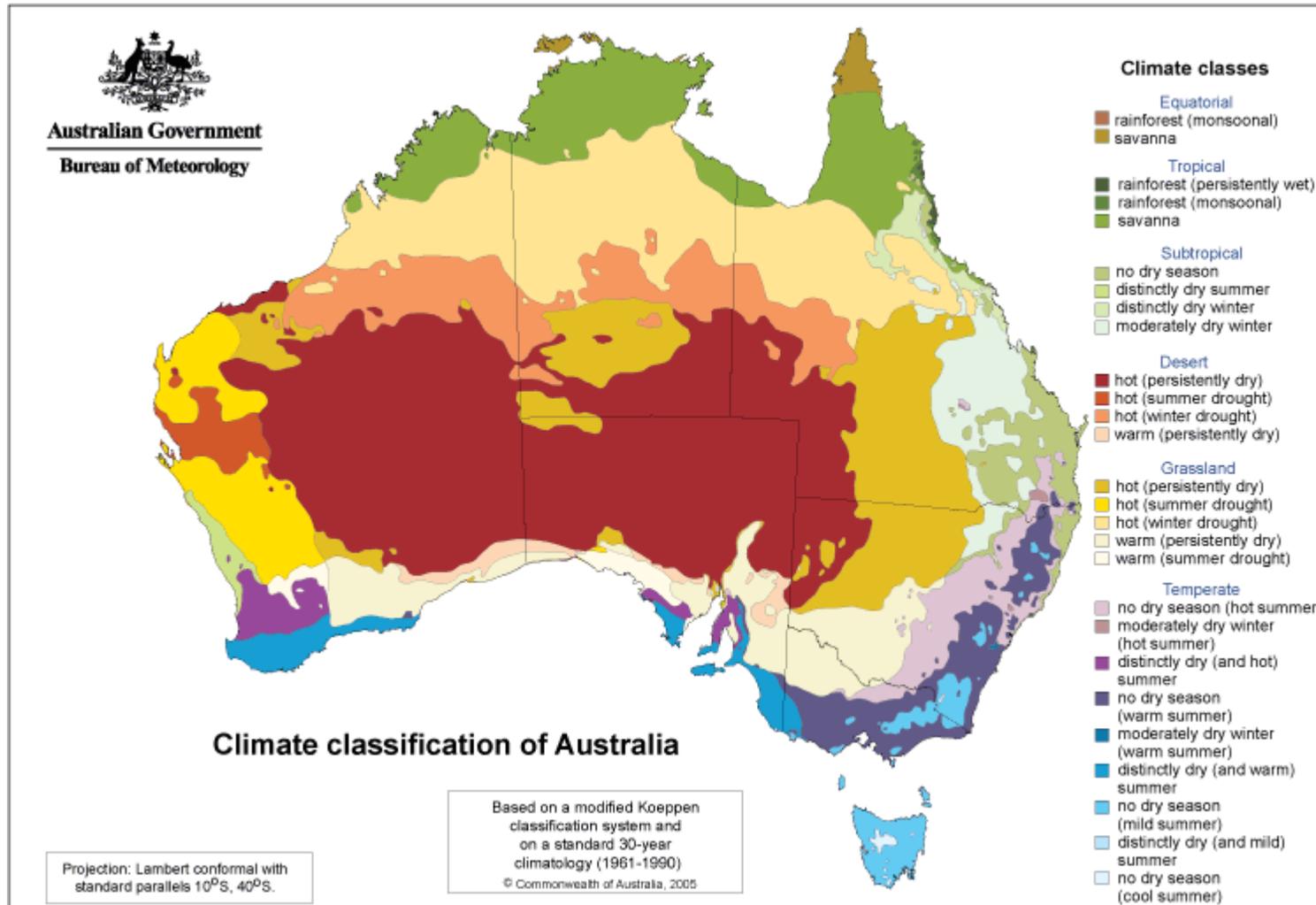


Sources: MSCI; Factset; Nuveen Real Assets. Asset class risk and return represented by the following indices: U.S. fixed income: Bloomberg US Aggregate Index; Global fixed income: Bloomberg Global Aggregate ex-USD Total Return Index, value unhedged USD; U.S. equities: Russell 3000 Index; Global equities: MSCI ACWI ex-US Index; Infrastructure: MSCI Private Global Infrastructure Index; Farmland: NCREIF Farmland Index; Timberland: NCREIF Timberland Index. All returns in USD. Carbon intensity estimates are sourced from MSCI for the following indices: U.S. fixed income: Bloomberg US Aggregate Index; Global fixed income: Bloomberg Global Aggregate ex-USD Total Return Index, value unhedged USD; U.S. equities: Russell 3000 Index; Global equities: MSCI ACWI ex-US Index; Infrastructure: S&P Global Infrastructure NR USD; Nuveen internal estimates for Farmland and Timberland.

There is no guarantee that the returns illustrated will be achieved

Australian climate zones

Diversification is critical but achievable



Asset class correlations

Australian agriculture offers attractive diversification benefits

Asset class correlations - 10 years to 30 June 2025

| Asset class | Aust. equities | Global equities | Property | Infrastructure | Growth alts | Defensive alts | Aust. bonds | Agriculture |
|-----------------|----------------|-----------------|----------|----------------|-------------|----------------|-------------|-------------|
| Aust. equities | 1.00 | | | | | | | |
| Global equities | 0.91 | 1.00 | | | | | | |
| Property | 0.88 | 0.71 | 1.00 | | | | | |
| Infrastructure | 0.54 | 0.45 | 0.61 | 1.00 | | | | |
| Growth alts | 0.87 | 0.91 | 0.68 | 0.49 | 1.00 | | | |
| Defensive alts | 0.92 | 0.89 | 0.76 | 0.53 | 0.97 | 1.00 | | |
| Aust. bonds | 0.18 | 0.24 | 0.36 | 0.35 | 0.07 | -0.03 | 1.00 | |
| Agriculture | -0.21 | -0.30 | -0.40 | -0.34 | -0.23 | -0.14 | -0.85 | 1.00 |

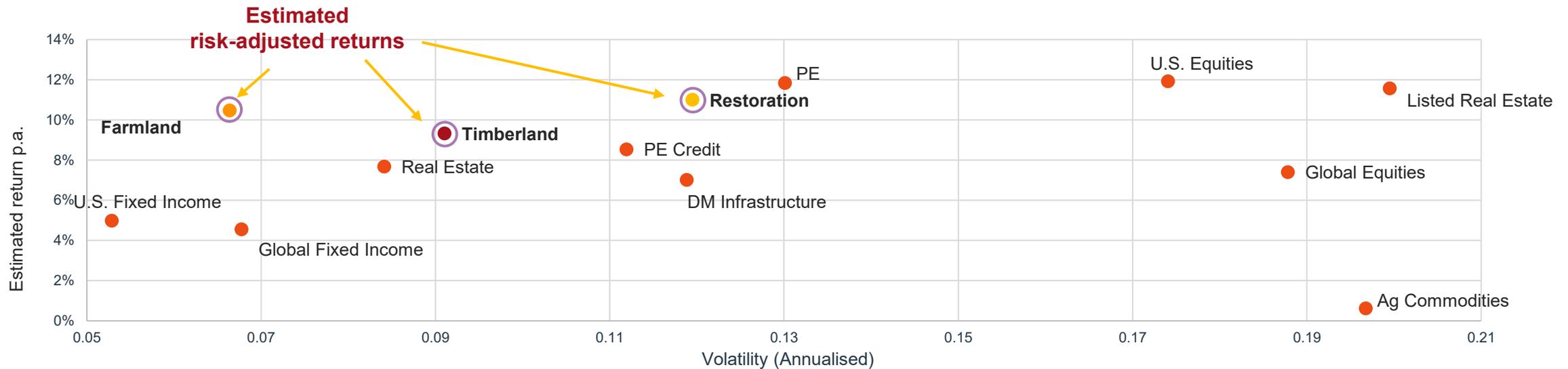
Source: Warakirri Asset Management; Bloomberg

Natural capital characteristics relative to other asset classes

Natural capital offers meaningful portfolio benefits

Natural capital can improve the risk-return profile of an overall portfolio.

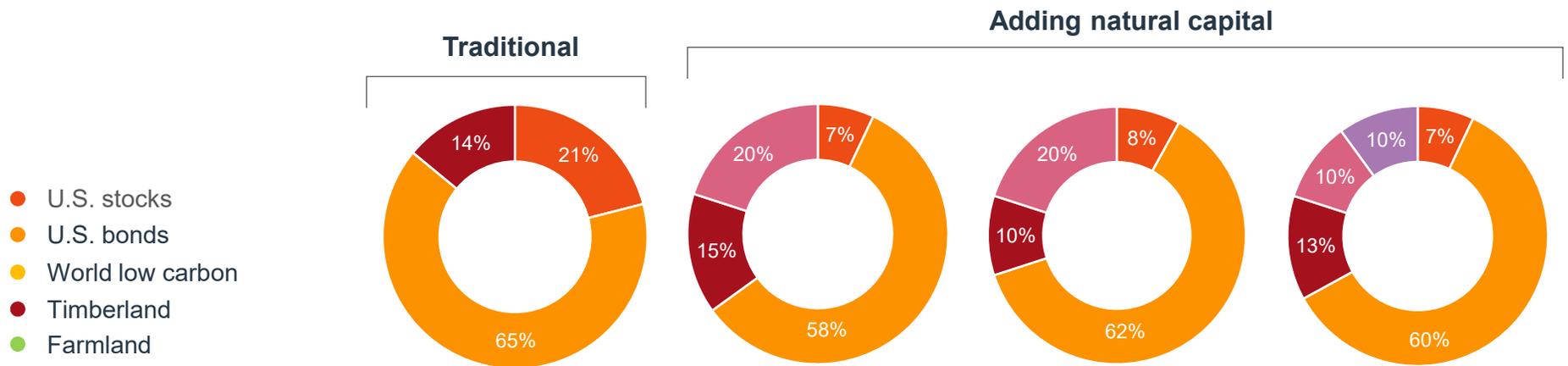
Attractive risk adjusted total returns (*Return vs. volatility (1991-2024)*)¹



Performance data shown represents past performance and does not predict or guarantee future results. 1 Data are based on rolling one-year total returns, calculated on a quarterly basis for periods ended 31 Dec 1991 through 31 Dec 2024 unless otherwise stated. Sources: NCREIF; Bloomberg; FactSet; Nuveen, LLC. Data are based on rolling one-year total returns, calculated on a quarterly basis for periods ended 31 Mar 1991 through 31 Dec 2024. Asset classes represent the following indexes: U.S. Equities – Russell 3000 Index, Global Equities – MSCI ACWI ex-U.S. Index; U.S. Fixed Income – Bloomberg U.S. Corporate Total Return Index Value Unhedged USD; Global Fixed Income – Bloomberg Global Agg Corporate Total Return Index Value Unhedged USD; PE – Bloomberg Buyout Private Equity Index (from 31 Mar 2007); PE Credit – Bloomberg Debt Private Equity Index (from 31 Mar 2007); Listed Real Estate – FTSE NAREIT US Real Estate Index Series; Real Estate – privately held U.S. commercial real estate, NCREIF Real Estate Index; Ag Commodities – S&P GSCI Agriculture Index; Farmland – privately held U.S. farmland, NCREIF Farmland Index; Timberland – privately held U.S. timberland, NCREIF Timberland Index; DM Infrastructure – Cambridge Associates Developed Markets Infrastructure Index (from 1998); Restoration – risk reflects YoY change in average annual mitigation bank credit pricing (from 2014 to 2023) for a mature portfolio of banks in five U.S. States; expected return from NNC, forward-looking return projections with a 10-year hold. Performance for indices does not reflect investment fees or transactions costs and does not predict or guarantee future results.

Modeling optimal natural capital allocations

Improve risk/return profile and with a lower carbon intensity



| | 100% Stock-Bond | Adding only timberland | Adding only farmland | Adding timberland and farmland at 10% each |
|--|--------------------|---------------------------|-------------------------|---|
| Expected return (%) | 7.8 | 7.7 | 7.9 | 7.8 |
| Standard deviation (%) | 8.4 | 6.5 | 6.0 | 6.1 |
| Sharpe Ratio | 0.61 | 0.78 | 0.88 | 0.84 |
| Carbon intensity (tCO₂e / M USD) | 48.1 | 37.7 | 46.5 | 42.2 |

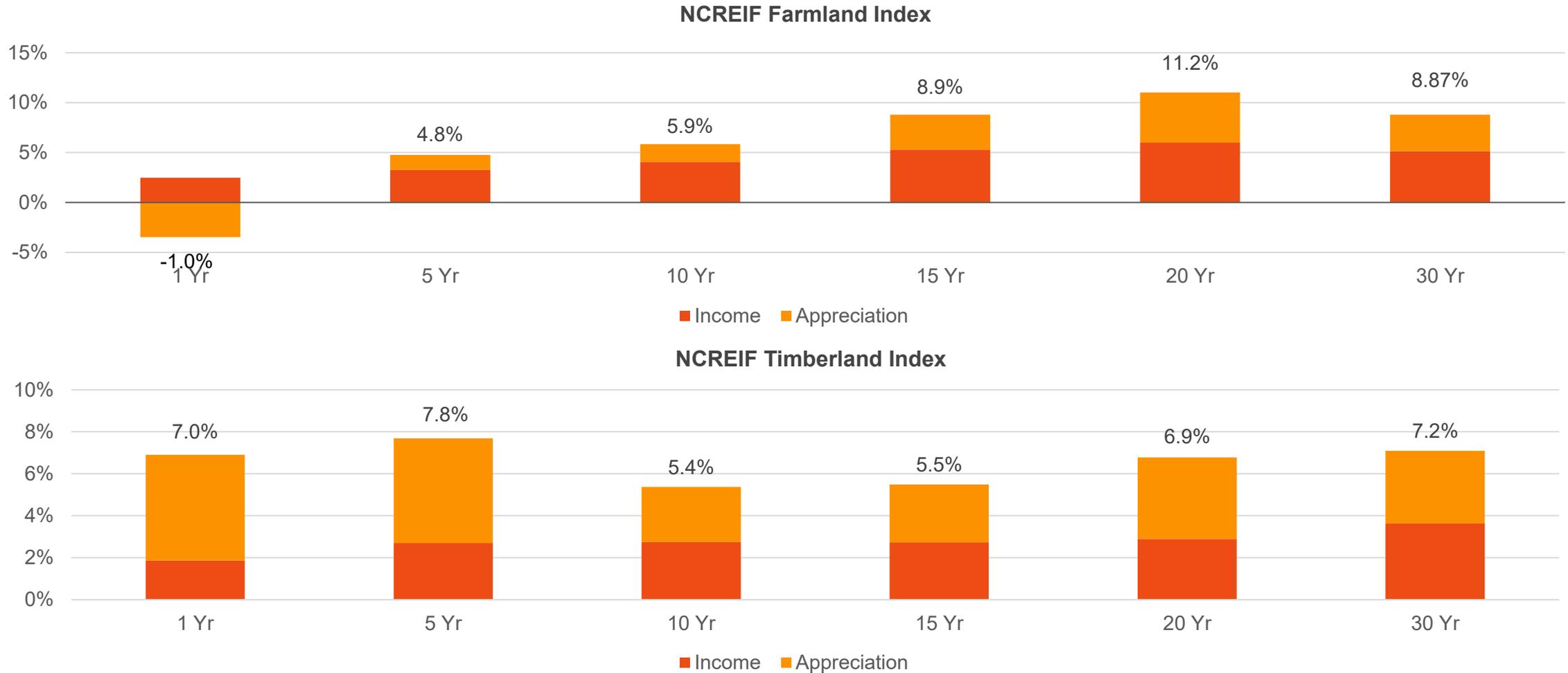
Sources: NCREIF, FactSet, Nuveen, LLC.

Data are based on rolling one-year total returns, calculated on a quarterly basis for periods ended 31 Dec 1991 through 31 Dec 2022. See notes to Figure 1 for representative indexes and carbon intensity information. Allocations may not sum to 100% due to rounding. Mean-variance optimization based on historical returns is intended for illustration purposes only and should not be considered investment recommendations. Hypothetical examples are shown for illustrative purposes only and do not represent the performance of a specific portfolio or investment.

Past performance does not guarantee future results. It is not possible to invest directly in an index.

Natural capital returns Index

Performance supports long-term hold nature of asset class returns



NCREIF Farmland Index, NCREIF Timberland Index. Data is through to Q4-2025.



Australian agriculture returns

Return premium achievable for best-in-class

Average annual returns by quartile: Australian annual cropping farmland 1991 – 2022



Source: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)



Investing into Australia



Yuichi Takayama,
Head of Japan,
Frontier Advisors



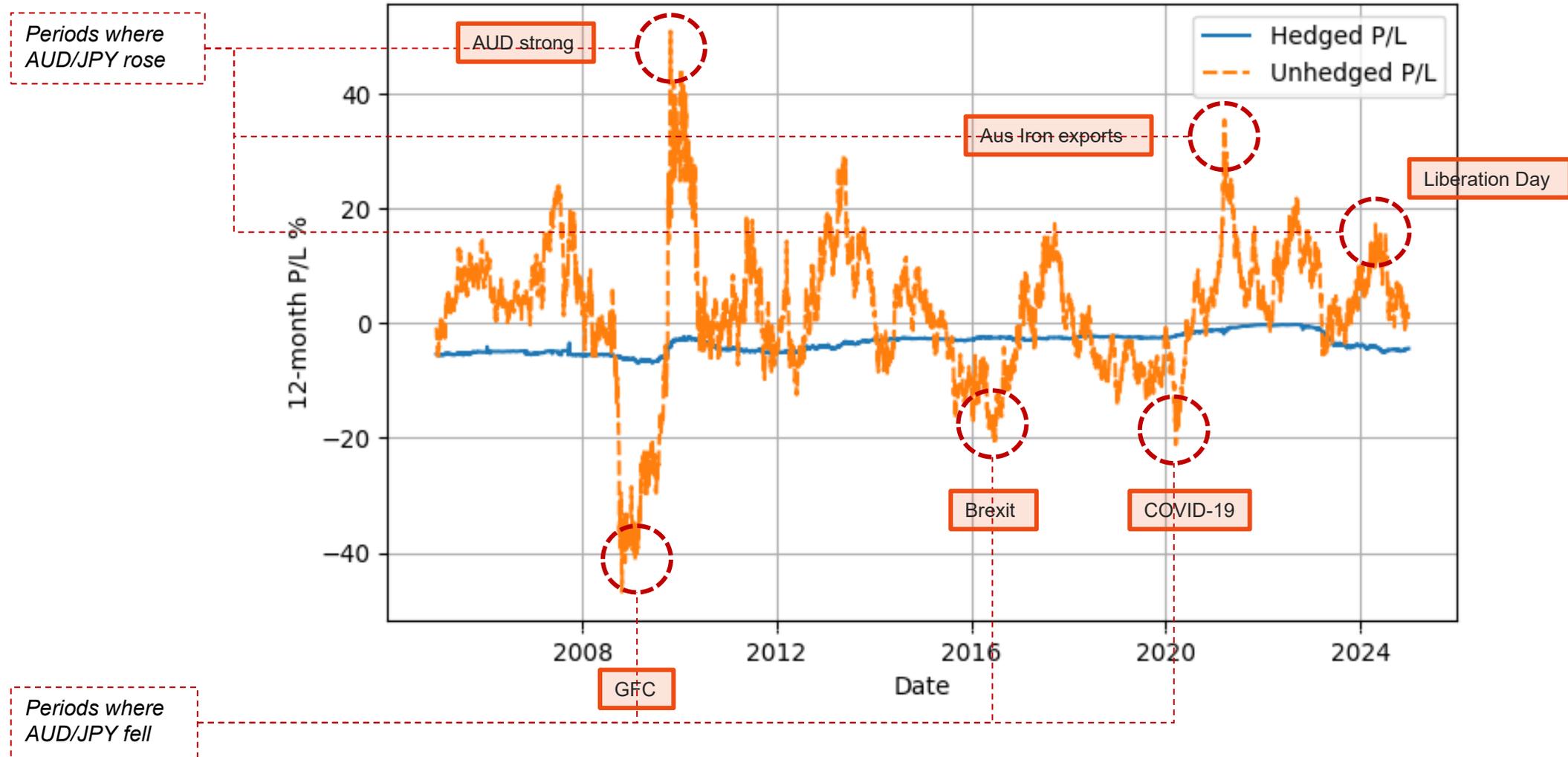
Jamie Bonic, Head of
FX and Commodity
Sales, National
Australia Bank

Considerations when hedging your AUD investments

Macro, liquidity and regulatory themes

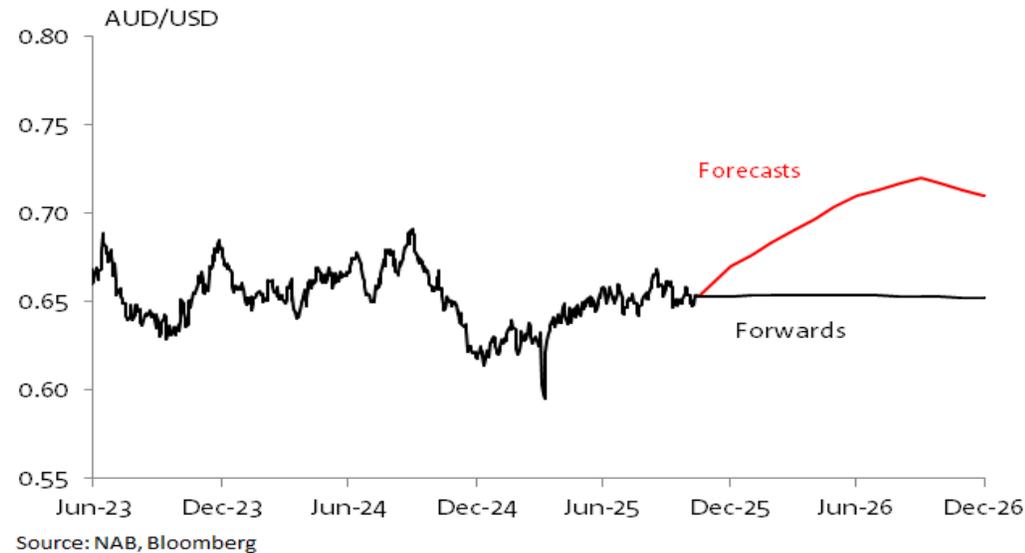
- **Macro-economic factors**, like:
 - Interest rate cycle
 - Hedging will potentially have an impact on performance (negative interest carry), and diversification benefits / opportunity cost.
 - In times of risk-off events, AUD falls and JPY strengthens
- **Costs of hedging**, especially in time of market volatility
- **Liquidity and regulatory considerations**:
 1. AUD is the seventh most trade currency globally (JPY is fourth most traded)
 2. Different accounting treatment for derivatives hedging cash instruments
 3. Japan Government sees derivatives as important in growth of Asset Management
- **Documentation** with existing banking partners and legal arrangements (i.e. ISDA, and potentially CSA)

AUD/JPY trends – hedged vs unhedged



AUD/JPY & AUD/USD history and forecasts

AUD/USD forecasts vs. outright forwards



AUD/JPY – NAB forecasts vs. outright forwards



- Sanae Takaichi as new PM is a game-changer for thinking about USD/JPY and AUD/JPY, diminishing expectations for the timing and extent of further BoJ policy normalisation – key to a stronger JPY.
- NAB Forecast for AUD/JPY falling back below Y100, and USD/JPY to well below Y150, contingent on several BoJ 25bps rate hikes through 2026, starting one side or other of year end. But far from assured under the new Takaichi-led government
- AUD/JPY (and AUD/USD) remain the most vulnerable G10 currency pairs to periodic ‘risk-off’ episodes but falls in AUD/JPY from this source liable to be temporary barring a major and/or drawn-out risk-asset market correction.
- No more RBA rate cuts (NAB view) is AUD positive but multiple Fed rate cuts/weaker USD needed for AUD/USD to reach 0.70

Hedging strategies

Hedging at the asset level

- **Different hedge ratio for different asset type:**
 - Equity + listed – hedge ratios vary based on investor appetite – Australian funds typically hedge 30% international equity exposure. Allows for portfolio diversification
 - Fixed Income – typically 100%
 - Infra, property – 100% due to annuity-style, stable returns.
- **Operational considerations:** do you have back-office expertise, or do you outsource?
- **Credit and capital charges**
- **Tenor mismatches** between the underlying hedge tenor vs hold period of the asset
- **Carry:** cyclical cost of hedging between currencies (interest rate cycle)
- **Liquidity**

Hedging strategies

Currency overlay – hedging a diversified investment portfolio

- **Portfolio Hedging** – can cover a range of asset classes and strategies
 - Hedging implemented at portfolio level but allocated to individual investment strategy
- **Netting benefits** across the portfolio
- **Efficient** from a cost perspective
- **Flexible**, where new assets, strategies or currency targets can be applied easily
- **Currency manager** is responsible for:
 - **Implementing hedges** based on pre-agreed risk tolerance levels
 - **Consolidated reporting** of investments - covers each underlying asset class – includes compliance reporting, MTM P&L, performance reporting
 - **Operational oversight** – monitoring NAV's, hedge MTM, settlement and payments
 - **Outsource operational risk**

Worked examples

Asset level



Scenario

Investor A invests AUD 50 million in an Australian infrastructure asset priced in AUD.

Assumptions:

- AUD/JPY = 100
- Investment value in JPY = AUD 50 million × 100 = JPY 5,000,000,000

Hedge:

Investor A enters a **1-year FX forward** to sell **AUD 50 million** and buy **JPY** at a **Fwd rate of 97.00 (JPY 4,850,000,000)**

If AUD weakens to 80.00:

- Without hedge, **AUD 50 million** in JPY would be 4,000,000,000
- With hedge, investment of **AUD 50 million** in JPY would be 4,850,000,000 – protected by forward contract.

Pros and cons

Pros

- Directly targets the currency risk of that specific asset
- Precise alignment with the investment

Cons

- More complex and time-consuming to implement for multiple assets
- Requires detailed tracking of each position

Worked examples

Portfolio level



Scenario

Investor B manages a diversified investment portfolio worth AUD 50 million (25% Australian listed equities, 100% Australian unlisted property, 75% private credit).

They want to hedge the portfolio via FX forwards, as follows:

- Australian listed equities – hedge ratio 25%
- Australian unlisted property – hedge ratio 100%
- Australian private credit – hedge ratio 75%

Outcome

This partial hedge reduces portfolio volatility while maintaining some exposure to potential FX gain/loss.

Pros and cons

Pros

- Simpler and more cost-effective to manage
- Reduces overall portfolio currency volatility
- Tailored structure and reporting

Cons

- Less precise – individual asset currency movements may not be fully offset
- Residual risk if portfolio composition changes

Considerations when hedging your AUD investments



Macro-economic factors, such as an ageing population and low interest rates, impact investment allocations and slowed derivatives use.

Hedging will have an impact on performance (negative interest carry). In times of risk-off events, AUD falls, and JPY strengthens.

Increasing need and use of derivatives to manage FX and rising inflation. 80% respondents of ISDA 2025 study of Japanese investors see derivatives as an essential tool for managing investment strategy – otherwise subject to volatility in JPY terms.

Liquidity and regulatory considerations, like:

- AUD is the seventh most trade currency globally (JPY is fourth most traded).
- Different accounting treatment for derivatives hedging cash instruments.
- The Japanese Government sees derivatives as important in growth of asset management.

Documentation with existing banking partners and legal arrangements (i.e. ISDA, and potentially CSA)

Thank you for attending

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