

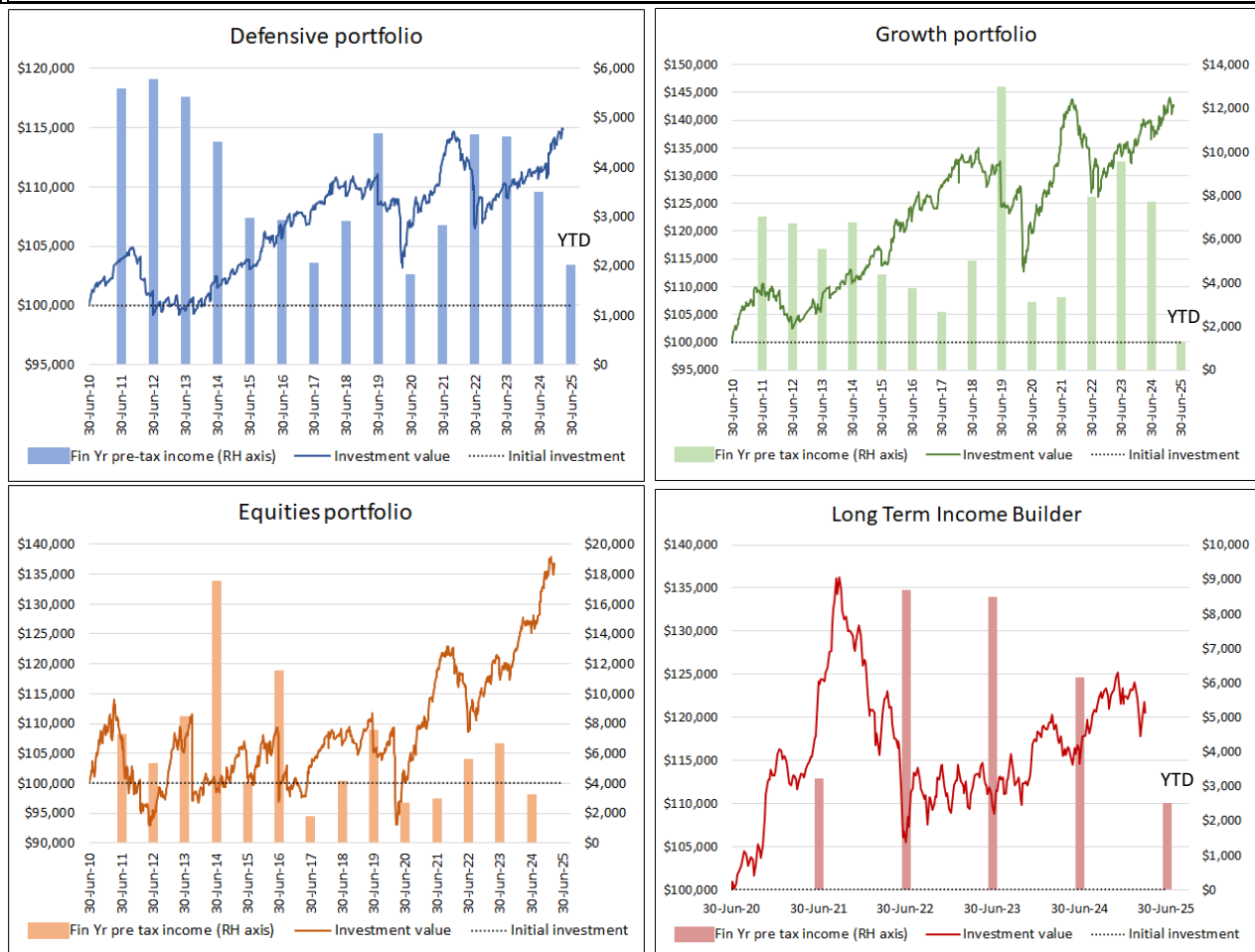
Investment Update

March Quarter 2025

ARA INVESTMENT FUND RETURNS to 31 March 2025

	3 Months %	1 Year %	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.	Since Inception % p.a.
Defensive	1.4	6.5	5.0	5.5	4.1	4.8 (April 2003)
Growth	1.0	6.3	7.6	10.0	7.0	6.8 (April 2003)
Equities	1.3	9.2	9.2	11.5	7.1	7.8 (August 2003)
Long Term Income Builder	-0.8	7.4	5.7	n/a	n/a	9.8 (March 2020)

Illustration of income and capital returns received by an investor from an initial investment of \$100,000 since 1/7/2010 (or 1/7/2020 for the Long Term Income Builder)



* YTD Income return excludes distributions payable in April

Well, the Big D has lobbed his tariff grenade, and at the time of writing the markets were still absorbing the explosion and shrapnel.

Disruption was to be expected, so no surprises there, but what comes next? Who knows, and that might be part of his strategy. If the longer aim of the game is truly to restore American manufacturing, it might work – in time. But it just can't happen overnight, and in the meantime the road ahead is not easy to see.

Rebuilding local manufacturing will require, among other things:

- Infrastructure – factories and capital equipment suitable for industries the country might have mothballed years ago;
- Labour, a lot of which he's booting out of the country;
- Supply chains that have been out of action but now also need to be re-built;
- Investment – which will require confidence that the policy and its instigator will still be relevant a few years hence.

In the meantime American consumers will most likely be hit with higher prices for imported goods, supply shortages and hits to economic growth. While trading partners will have to deal with the fallout, including how much of their own fuel they tip on the fire.

So, hope for the best, but prepare for the worst. Those of you who've been with us for a while will hopefully understand that we worry at least as much about what happens in the bad times as the good. And at our last round of Investor Updates we re-iterated the pillars of our advice, which include:

- At the investment level, it's far more than just chasing returns. It includes analysis of things like worst case scenarios and recovery times;
- At an individual level, organising investors' portfolio mix to minimise the risk of having to sell assets at a bad time – which is what really does the damage. If you are well-placed to ride out the storm, the risk is contained.

The latter is at least as important as the former, particularly in protecting you from

lurching markets. We re-iterate that all our investment clients, whether or not you use one of our personal advice packages for specific advice on your broader financial affairs, are welcome to advice on your investment and portfolio mix, without additional charge. If you would like a check-up, please do not hesitate to call.

One for the community

Twice a year the ARA team fronts up to assist FareShare (now merged with Secondbite) in the preparation of thousands of meals every day for those in need. That it's mainly done with reclaimed food that would otherwise go to waste makes it a win-win! Here's the gang after our last stint in March at the very impressive, expanded premises in Abbotsford.



Wedding Belle

And on February 8 our very own Stephanie and her beau Keith tied the knot in a lovely ceremony down Mornington Peninsula way.

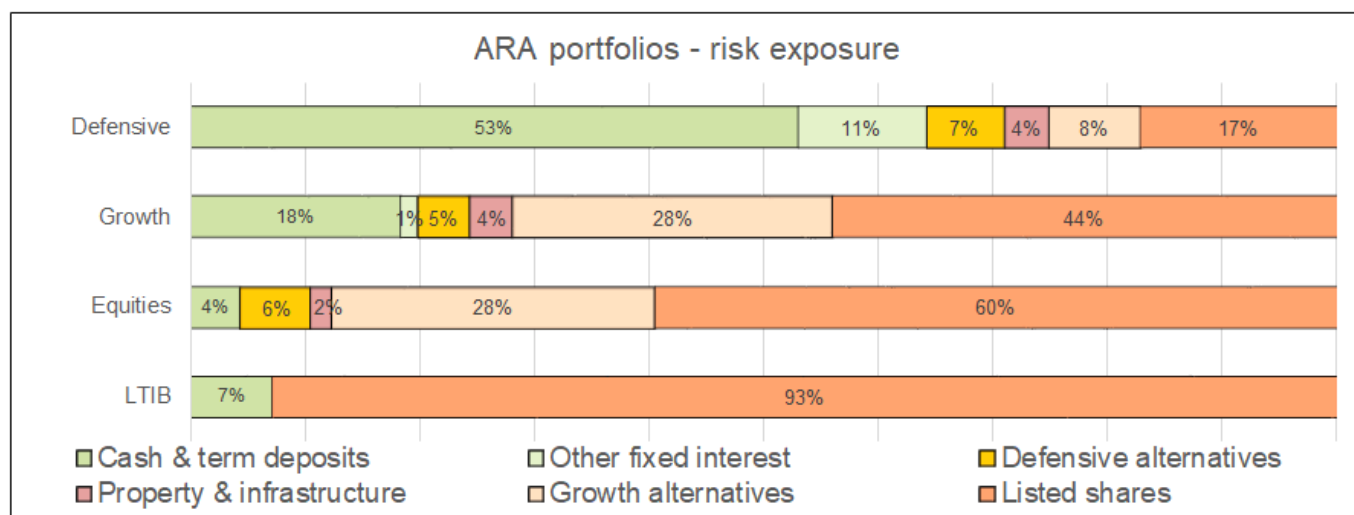
Here they are, about to head off on their honeymoon in the company car.



So, who's got what?

The table below shows the ARAIF's investments at the time of writing. Please note, the percentages refer to the proportion of each portfolio allocated to that investment, not its rate of return.

	Asset Type	Defensive Portfolio	Growth Portfolio	Equities Portfolio	L/T Income Builder
National Australia Bank Cash account	Cash & Tier 1 Fixed Interest	6.9%	1.8%	4.5%	7.3%
Bank Term Deposits		5.8%	4.8%	0.0%	
Challenger Life Guaranteed Annuities		30.5%	11.8%	0.0%	
First Sentier Cash Fund		9.9%	0.0%	0.0%	
Coolabah Active Credit Fund	Other Fixed Interest	11.1%	1.5%	0.0%	
Sterling Equity	Listed Securities	8.8%	10.6%	10.4%	
Anacacia Wattle Fund		6.4%	11.5%	8.1%	
Dimensional Sustainability Aust		0.0%	3.6%	10.2%	
Vanguard World Ex-US ETF		1.2%	5.8%	7.2%	
Anacacia Global Fund		0.8%	2.0%	2.9%	
Dimensional Sustainability Gbl Unhedged		0.0%	5.4%	8.8%	
Dimensional Sustainability Gbl Hedged		0.0%	5.1%	9.0%	
Ironbark Apis Global Small Companies		0.0%	0.0%	2.9%	73.5%
Listed Investment Companies		0.0%	0.0%	0.0%	19.2%
Vanguard Aust Shares High Yield ETF		0.0%	0.0%	0.0%	
Anacacia Capital	Alternative assets (Growth)	2.9%	19.1%	17.9%	
Polaris Marine		1.7%	2.5%	1.1%	
Morrison Utilities Trust		3.9%	3.8%	1.9%	
Proserpine Resources Trust		0.3%	0.6%	0.2%	
Performance Equity Mgrs Fund 4		2.3%	4.1%	4.8%	
Luxury Escapes		0.8%	1.7%	1.7%	
Cheesecake Shop		0.0%	0.0%	2.4%	
Infradebt	Alternative assets (Defensive)	0.0%	1.8%	4.5%	
Fortlake Higher Income Fund		3.0%	1.2%	0.0%	
Quota Trust		3.7%	1.0%	0.7%	
BBUS US Bear ETF		0.0%	0.3%	0.8%	
		100.0%	100.0%	100.0%	100.0%



Major Holdings – diversified portfolios

Apart from bank deposits and other interest-bearing accounts, Defensive, Growth and Equities portfolios invest in a range of assets through the fund managers listed in the table above. If we drill through to the assets selected and overseen by those managers, there are in fact over a hundred individual securities providing diversification of risk and exposure to a wide range of opportunities.

The table below shows the 20 largest individual holdings and what proportion of each portfolio they represent. These are the investments that will have the biggest impact on the portfolios' returns.

Investment	Type	Principal Activity	Defensive Portfolio Exposure	Growth Portfolio Exposure	Equities Portfolio Exposure
Direct Couriers	Private company	Transport & logistics	0.0%	5.5%	5.0%
MGI Golf	Private company	Golf equipment manufacture	1.3%	3.5%	3.8%
RPI Infrastructure	Private company	Project Management	0.0%	2.7%	2.5%
Polaris Marine	Private company	Marine services	1.7%	2.5%	1.1%
Opteon	Private company	Property services	0.0%	2.2%	2.1%
Gentrack	ASX listed company	Software services	1.2%	2.2%	1.6%
Uber	US listed company	Rideshare/tech	1.6%	1.9%	1.9%
Infradebt	Private trust	Infrastructure lending	0.0%	1.8%	4.5%
Luxury Escapes	Private company	Travel agency	0.8%	1.7%	1.7%
Google	US listed company	Technology	1.3%	1.6%	1.6%
Westpac	ASX listed company	Financial services	1.1%	1.3%	1.2%
Florabelle	Private company	Homewares	0.5%	1.2%	1.4%
Schaffer	ASX listed company	Diversified industrial	1.0%	1.2%	1.1%
Force Fire	Private company	Fire Safety services	0.6%	1.1%	0.6%
Duncan Technologies	Private company	Parking technology	0.0%	1.1%	1.0%
Perth Airport	Private company	Transport Hub	1.1%	1.1%	0.5%
Quota Trust	Private trust	Statutory fishing rights	3.7%	1.0%	0.7%
Transgrid	Infrastructure	Electricity transmission	1.0%	1.0%	0.5%
Sureway	Private company	Employment services	0.0%	1.0%	0.9%
SMP	ASX listed company	Financial services	0.4%	0.8%	0.6%

Returns quoted in this report are after all costs, and before the application of management fee rebates. Return figures are pre-tax, and include the value of franking credits from franked dividends. Total return figures assume the re-investment of gross distributions including franking credits. 3-month return figures are for the period to 31 March 2025 and are not annualized.

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