30 SEPTEMBER 2025

# AUSTRALIAN SMALL CAP OPPORTUNITIES FUND – CLASS A

PARADICE
INVESTMENT MANAGEMENT

| PERFORMANCE NET (%) | 1 MONTH | 3 MONTHS | 1 YEAR | 2 YEARS | SI* P.A. |
|---|---|---|---|---|---|
| Australian Small Cap Opportunities Fund - Class A | 11.23 | 21.89 | 43.22 | 36.03 | 34.23 |
| S&P/ASX Small Ordinaries Total Return Index | 3.44 | 15.31 | 21.50 | 20.14 | 15.14 |
| Excess Return | 7.79 | 6.58 | 21.72 | 15.89 | 19.09 |

*Since Inception date (SI) – 20 July 2023

Past performance of the Fund is not a reliable indicator of future performance. The value of an investment in the Fund may rise or fall. Returns are not guaranteed by any person. Fund returns are calculated before tax, after ongoing management costs and any accrued performance fees, noting that performance fees were waived prior to July 2024, and assumes the reinvestment of distributions. Returns greater than 1 year are annualised.

## INVESTMENT OBJECTIVE

The Fund aims to outperform the S&P/ASX Small Ordinaries Total Return Index over the longer term, (after fees and before taxes).

## LEAD PORTFOLIO MANAGER

Sam Theodore

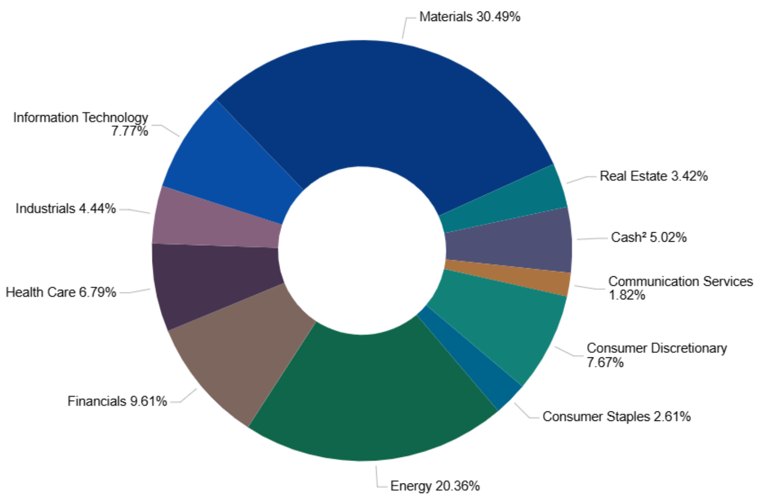
## FUND OVERVIEW

The highly experienced team employs a detailed fundamental research process to identify undervalued stocks on a risk-adjusted basis. The Fund is style agnostic, favouring well-managed, good value companies that have significant growth opportunities through their comparative advantage.

| KEY DETAILS | |
|---|---|
| Number of Holdings | 64 |
| Portfolio Dividend Yield | 1% |
| Fund Size (AUD) | $ 32M |

| TOP 5 POSITIONS |
|---|
| Bannerman Energy Ltd. |
| Genesis Minerals Ltd. |
| Life360, Inc. |
| Light & Wonder, Inc. |
| NexGen Energy Ltd. |

## SECTOR ALLOCATION




| FUND DETAILS | |
|---|---|
| APIR Code | ETL4624AU |
| Distribution Frequency | Semi-Annually |
| Management Fee | 1.00% p.a. |
| Performance Fee[1] | 20% p.a. |
| Buy Sell Spread | +/-0.30% |
| Minimum Investment | $20,000 |
| Stock Range | Typically 30–70 |
| Cash Range | Typically 0–10% |

# AUSTRALIAN SMALL CAP OPPORTUNITIES FUND – CLASS A

PARADICE
INVESTMENT MANAGEMENT

*Performance in AUD unless otherwise noted.*

## MARKET REVIEW

Global equities ended Q3 on a positive note. In the US, major indices hit record highs – the NASDAQ Total Return Index climbed roughly 11% for the quarter and the S&P 500 Total Return Index advanced 8% (both in USD). This was supported by a 25bps Federal Reserve rate cut in mid-September (bringing the Fed funds rate to 4.00–4.25%) and continued strength in technology and AI-related sectors. The broad MSCI World Total Return Index similarly gained around 7% (in USD) over the quarter.

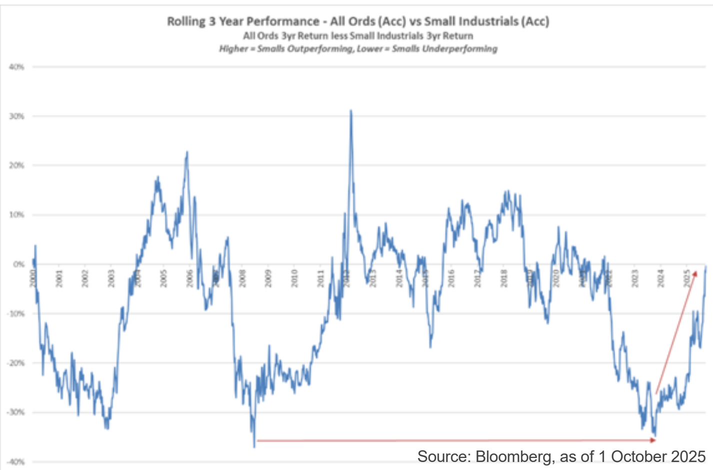
In Australia, smaller stocks outperformed larger caps; the S&P/ASX Small Ordinaries Total Return Index rallied 15% while the S&P/ASX 200 Total Return Index rose c.5%, supported by gains in materials and resources (particularly in the month of September).

Domestic monetary policy remained accommodative: the RBA cut the cash rate by 25bps in August to 3.60%, then held unchanged in late September, citing sticky inflation that remains near 3%.

Geopolitical tensions and rising safe-haven demand continued to lift commodities such as gold, though oil prices remained rangebound (Brent crude ~US$67/bbl). Overall, markets remained buoyant on the back of strong corporate earnings and easing monetary conditions, though central banks – including the RBA – emphasized data-dependence and the risk that inflation may persist above target.

The Fund's long positions in gold and uranium were rewarded this quarter. Gold continued its historic rally, reaching record highs of around US$3,728/oz in late September as central banks increased bullion purchases and investors sought safety amid geopolitical tension. Uranium prices also strengthened sharply, with the spot U3O8 price climbing from the low-US$60s to the mid-US$80s per pound, reflecting the global acceleration in nuclear power policy support and limited new mine supply. This buoyant gold and uranium environment provided strong tailwinds for several of our portfolio holdings. Other commodities saw modest moves.

The current environment has delivered strong returns for small caps relative to large caps. As can be seen in the chart below Small Cap Industrials (on a 3-yr rolling return basis) have gained back much of the ground lost relative to the broader All Ordinaries Accumulation Index since early 2022.



Source: Bloomberg, as of 1 October 2025

## ATTRIBUTION[1]

### Positive Contributors

**Life360 (360) – Overweight:** Life360 delivered another strong quarter operationally, with its August update confirming continued momentum across both subscription and advertising revenue streams. Total revenue rose 36% year-on-year in Q2, supported by sustained Monthly Active User (MAU) growth in international markets (+38% YoY) and steady gains in the US (+15% YoY). The company upgraded its FY25 guidance and highlighted increasing monetisation from premium tiers and cross-platform product integration. Investors responded positively to improving operating leverage, with cash flow continuing to build and gross margins expanding. The stock has now rallied more than 60% over the calendar year and we remain constructive on management's disciplined approach to growth and the scalability of the business, even as we trim modestly into strength.

[1]Attribution may not represent the most material contributors or detractors to the Fund for the quarter.

**Peninsula Energy (PEN) – Overweight:** Peninsula Energy was a key beneficiary of the sharp recovery in uranium prices over the quarter, with the U3O8 spot price rising from ~US$62/lb to above US$80/lb by quarter end. The company successfully completed a A$70m equity raising to fund the ramp-up of its Lance Project in Wyoming, with construction and commissioning now well underway. Investor sentiment was further supported by strengthening policy support for nuclear energy in the US and renewed financial flows into physical uranium funds. We continue to view PEN as a leveraged play on the structural uranium supply deficit. With first production targeted for mid-2026 and an improving price environment, we expect the company's progress toward steady-state operations to be a meaningful catalyst over the next 12 months.

**Black Cat Syndicate (BC8) – Overweight:** Black Cat Syndicate performed strongly during the quarter following a series of positive exploration and development updates across its Kalgoorlie and Coyote gold projects. The commencement of mining at the Majestic deposit and confirmation of high-grade intersections at Coyote significantly improved market confidence in the near-term production profile. Management reaffirmed a clear path toward a 100koz per annum production run-rate while maintaining a conservative balance sheet position. The company remains well leveraged to the record gold price environment, and we believe the combination of rising production, disciplined capital management and favourable gold market fundamentals supports further upside potential. The company is approaching a market cap of $1bn and was added to the ASX 300 Index in Sep 2025, yet we find it interesting that there is currently no sell-side coverage of the company. This is another example of a stock we find attractive that has flown under the radar.

**Ora Banda Mining (OBM) – Overweight:** Ora Banda Mining was one of the Fund's stronger contributors this quarter, rebounding sharply after a significant de-rate we saw in the previous quarter. We remain supportive of management's disciplined operational turnaround and view the company's exploration pipeline as a key medium-term value driver, with potential for significantly higher production (which will likely require milling investment) and longer mine life.

**Genesis Minerals (GMD) – Overweight:** Genesis Minerals continued to perform well, supported by robust operating results and a record gold price environment. Quarterly production and cash flow exceeded internal expectations, with the company reaffirming FY25 guidance and highlighting the successful integration of St Barbara's Leonora assets. The market also reacted positively to GMD's inclusion in the S&P/ASX 100 Index in September, which reflected its growing scale and liquidity profile. We remain confident in management's track record and disciplined approach to capital deployment

### Detractors

**Light & Wonder (LNW) – Overweight**: Light & Wonder detracted from performance as the market continued to digest the primary listing change and on-going litigation overhang. The company's August quarterly update showed solid operational execution but softer momentum in its Gaming segment, with some customer caution emerging around discretionary capital budgets. Despite reaffirming FY25 guidance (maintaining a robust US$1.4bn EBITDA target), investors appeared to focus on the near-term revenue slowdown and ongoing litigation risks that continue to weigh on sentiment.

# AUSTRALIAN SMALL CAP OPPORTUNITIES FUND – CLASS A

PARADICE
INVESTMENT MANAGEMENT

The primary listing change to the ASX (and delisting from Nasdaq) is expected to occur by the end of November. We are focused on the medium-term growth trajectory (FY28 AEBITDA guidance implying 12% CAGR), underpinned by a healthy R&D pipeline, and attractive current valuation.

**Regis Healthcare (REG) – Overweight:** Regis Healthcare's share price fell during the quarter following confirming that the Federal Government's aged-care funding indexation would increase by only 2.6% for REG from October 2025, below market expectations. While occupancy trends remain positive and operational metrics continue to improve, the moderation in funding growth led to a de-rating. We continue to view REG as well positioned within a structurally undersupplied industry, with ageing demographics and strong demand fundamentals providing a supportive backdrop.

**Findi Ltd (FND) – Overweight:** Findi's shares declined over the quarter. Despite management reaffirming confidence in sustained momentum into 2026, there was an expectation that there would be more newsflow around how the business was operating, integration and contribution from recent acquisitions and the progress around the Indian IPO (which has been highlighted as a key potential value unlock for shareholders). The fact that this has not been updated has disappointed investors.

**Eagers Automotive (APE) – Underweight:** Eagers Automotive detracted from relative performance as the stock outperformed the market during the quarter, supported by a resilient interim result and continued strength in used-vehicle pricing. The company reported record first-half earnings and a healthy order book, despite a normalisation in new vehicle deliveries. While the company remains well managed, we see limited valuation appeal following the recent re-rating and prefer exposure elsewhere in the consumer discretionary sector.

**Droneshield (DRO) – Underweight:** Droneshield's share price rallied over the quarter, detracting from the Fund's performance on a relative basis. Following several contract announcements earlier in the year, the stock continued to perform strongly as investors factored in the potential for further wins. Anti-drone and broader defence-sector sentiment was boosted by several drone incursions in Europe, which were followed by government and NATO responses that supports continued investment in counter-drone technology. While we recognise the company's innovative technology and growing export pipeline, we remain cautious given the elevated valuation and dependence on lumpy government contracts.

## MARKET OUTLOOK

As we start the December quarter, domestic and global equity indices are at record highs buoyed by continued positivity around AI investment and the expectation of further rate cuts, particularly in the US. This is despite an environment of relatively high geopolitical instability with the Trump administrations trade policies and the on-going conflict in Eastern Europe.

We continue to focus on medium-term mispricing opportunities. We have added a number of new positions across a diverse range of sector/industry exposures that we believe fit our investment process.

The on-going rally in our benchmark has increased the divergence amongst the stocks in our universe.

The increasing valuation divergence particularly between the large industrial stocks versus smaller stocks is creating potential opportunities. We continue to focus on owning companies with relatively simple business models, strong management teams displaying good governance, that have strong balance sheets, and that are mispriced in our view.

We remain well positioned for the positive medium-term supply/demand outlook for nuclear fuel. We also see attractive dynamics in gold and are positioned with exposure to well-managed emerging producers. Other themes we have exposure to include the mining capex, the aging population and housing shortage. We continue to have limited exposure to the Consumer Discretionary, Real Estate and industrials sectors. That said we are selectively adding names in these sectors which fit our investment philosophy and process.