FOR WHOLESALE INVESTORS ONLY – NOT FOR RETAIL DISTRIBUTION

1851 | EMERGING COMPANIES FUND

October 2026 Monthly Report

Net Performance	1m	6m	1 yr (p.a.)	3 yrs (p.a.)	5 yrs (p.a.)	Since Inception (p.a.)	Since Inception*
1851 Emerging Companies Fund^	-4.2%	0.3%	-8.5%	17.3%	5.8%	12.3%	118.2%
S&P/ASX Small Ordinaries Accum Index	-6.4%	-6.9%	-14.3%	10.0%	0.6%	3.5%	26.1%
Outperformance	**2.2%**	**7.2%**	**5.8%**	**7.3%**	**5.2%**	**8.8%**	**92.1%**

^ Performance is reported after all fees and expenses. Past performance is not a reliable indicator of future returns. *31 January 2020.

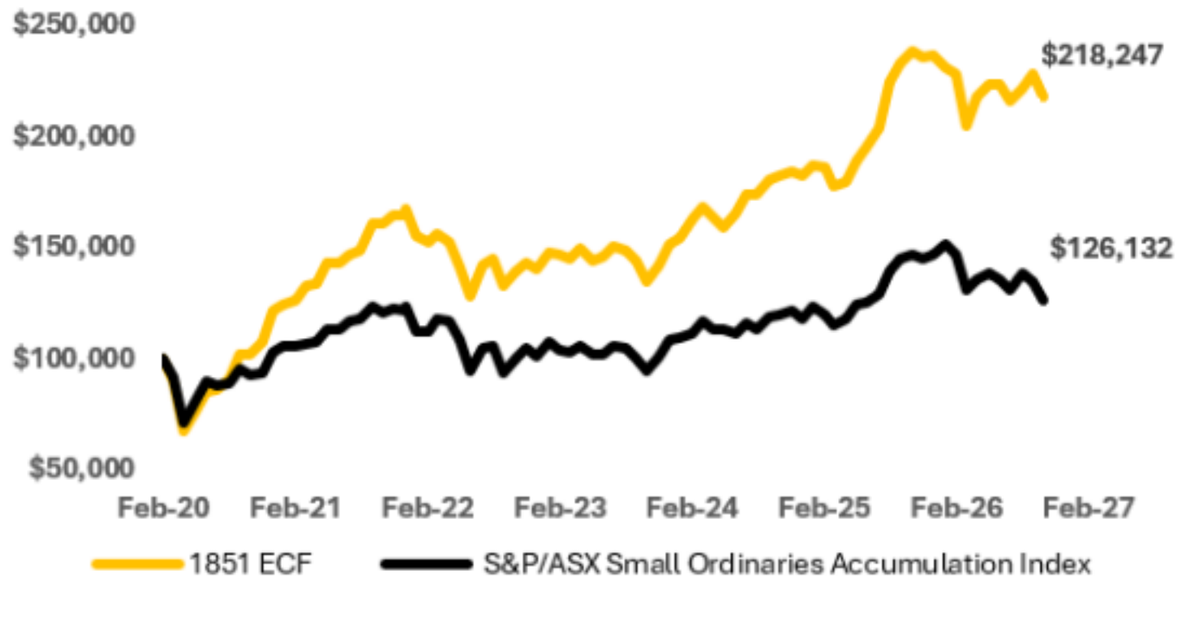
Portfolio commentary

Escalated funding costs drove an unwinding of the Artificial Intelligence (AI) trade in October, with global markets weaker as investors reassessed the enormous funding requirements of the AI value chain. Local markets were swept up in the risk-off thematic, with the Small Ordinaries Accumulation Index falling 6.4%. Whilst not immune, the Fund fared comparatively well, declining 4.2% after fees and outperforming the benchmark by 2.2%. Key contributors to Fund performance included: pathology service providers Healius (+15%) and Australian Clinical Labs (+16%) rallied from depressed levels as upbeat Medicare data published in recent months was reinforced by positive trading updates at their respective AGMs; motor cooling technology leader PWH Holdings (+13%) issued a robust trading update, with Motorsport maintaining elevated levels and the fast-growing Aerospace and Defence segment driving an upgraded group outlook on recent US contract wins; auto retailer Motorcycle Holdings (+13%) rallied post a well-received investor day where ambitious long term targets were provided for both the Motorcycle Retailing business as well as the fast growing Wholesale Brands business (primarily CFMOTO); and diversified financial services provider Generation Development (+13%) delivered a better than feared quarterly update, with flows to the investment bonds franchise proving robust in volatile markets. Our major detractor was electrical contractor SKS Technologies (-44%), unwinding much of its recent stellar gains as beneficiaries of the AI buildout came under intense selling pressure.

Market outlook

Sustained elevated funding costs and mixed returns to date has seen investors reprice risks associated with funding the AI buildout. Combined with the ongoing conflict in the Middle East and pending US midterm elections, volatility is expected to remain elevated in the near term. Domestically, the Reserve Bank has raised the cash rate for the 5th time in 2026, taking the benchmark rate to its highest level in 18 years. Whilst these factors have collectively dampened economic activity, equity markets typically move ahead and we note the Small Industrials decline of over 20% in the last 12 months. To this end, the Fund has capitalised on recent volatility and established a number of new positions with certain stocks offering the strongest valuation appeal in several years.

Return on $100,000 since inception



Top 5 holdings	
BAP	Bapcor Limited
COG	COG Financial Services Limited
WGN	Wagners Holding Company Limited
FDC	FDC Consolidated Holdings Limited
SRG	SRG Global Limited

Fund information	
Fund status	Soft closed
APIR code	PIM5565AU
Inception date	31 January 2020
Fund size	$559m
Unit price	$1.40
Distributions	Annually
Cash	12%

Team	
Chris Stott CIO/Portfolio Manager	**Martin Hickson** Portfolio Manager
Matthew Nicholas Deputy Portfolio Manager	**Tom Camilleri** Equity Analyst/Dealer
Mary-Ann Baldock Chief Operating Officer	

* There is no guarantee that the Fund's investment objective will be achieved. The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective. Neither returns nor your capital invested are guaranteed.