

LAKEHOUSE SMALL COMPANIES FUND

MONTHLY LETTER

30 September 2026



To our Fellow Investors,

September was a tough month for equities as macroeconomic concerns continued to weigh on markets. Rather than reacting to this short-term volatility, we remain focused on our core strategy: holding high-quality businesses with strong balance sheets, pricing power, and long-term growth potential. As mentioned last month, we're particularly enthused about the current portfolio with over half of the portfolio holdings trading among their lowest multiples in a decade despite, in our view, bright prospects ahead. For patient, long-term investors, we believe this is exactly the kind of setup from which attractive future returns tend to emerge.

Fund Metrics	
Companies Held	17
Cash Allocation	2.5%
Top 5 Portfolio Holdings	47.3%
Fund Net Asset Value (NAV)	\$175.2 million
NAV per Unit (mid)	\$1.4199
Benchmark	S&P/ASX Small Ordinaries Accumulation Index

The Fund returned -4.8% (after fees and expenses) for the month compared to -2.3% for the benchmark. Since inception in mid-November 2016 the Fund has produced a net total return of 133.6% compared to 93.1% for the benchmark. On an annualised basis, the Fund has returned 9.0% per year (net of fees and expenses), compared to 6.9% per year for the benchmark.

	1 Month	1 Year	3 Year (p.a.)	5 Year (p.a.)	Inception (p.a.)
Lakehouse Small Companies Fund*	-4.8%	-32.4%	4.3%	-4.2%	9.0%
Benchmark**	-2.3%	-6.7%	10.4%	2.2%	6.9%
Excess Return	-2.5%	-25.7%	-6.1%	-6.4%	2.1%

* Performance calculations are based on exit price with distributions reinvested, after fees and expenses, since inception in mid-November 2016. Returns greater than one year are annualised. Past performance is not indicative of future returns.

**Benchmark: S&P/ASX Small Ordinaries Accumulation Index.

Company News

At the portfolio level, the Fund's five largest holdings at month end accounted for 47.3% of the portfolio and are named in order of allocation: **Cogstate**, **Catapult**, **Fineos**, **SiteMinder** and **Pinnacle Investment Management**.

Cogstate (+10.7%) was the Fund's most significant contributor during September, despite no material news over the month following its FY26 result. We continue to be drawn to its widening pipeline of Phase 2 studies, a growing contracted backlog that underpins future revenue visibility, and expanding channel partnerships that further its distribution reach, all of which reinforce its position as the Fund's largest holding.

Pinnacle Investment Management (-17.3%) was the portfolio's heaviest detractor this month on concerns around affiliate, Metrics. Metrics are largely a private credit manager, but also hold some private equity investments, with both being impacted by the weaker Australian property market. The release of unaudited accounts for Metrics ASX-listed funds was followed by modest private credit asset revaluations and larger write-downs on some equity investments. The revaluation of private credit and equity assets saw freezes to applications and redemptions in Metrics unlisted funds -- to ensure fair treatment of investors while audited valuations were finalised, rather than reflecting a run on funds -- however, there's little doubt it added to investors' concerns.

In our view, the sell-off has been out of proportion to the underlying issue. Metrics, in which Pinnacle holds a ~35% stake, contributed \$12.6 million of FY26 net profit, less than a tenth of underlying earnings, yet the market has wiped off several times its entire value to the group. And while private credit has dominated recent headlines, we remind investors that our attraction to Pinnacle has always been its diversification, with 19 affiliates across public and private markets spanning a range of asset classes and styles, that together grew funds under management 28% to \$229.4 billion in FY26. Despite earnings looking set to roughly double over the next three years, the shares trade near the lowest valuation multiples in their history. We continue to monitor Metrics closely but see the sell-off as an overreaction and remain comfortable long-term owners.

Thank You

As always, thank you to all our investors for your support and trust.

Best regards,

Donny, Erwin, Nick, and the Lakehouse Team

For more information call us on +61 2 8294 9800, email investorsupport@lakehousecapital.com.au or visit www.lakehousecapital.com.au

Equity Trustees Limited ('Equity Trustees') ABN 46 004 031 298 | AFSL 240975, is the Responsible Entity for the Lakehouse Small Companies Fund ('the Fund') ARSN 615 265 864. Equity Trustees is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is Lakehouse Capital Pty Ltd ('Lakehouse') ABN 30 614 957 603 | AFSL 526842. This publication has been prepared by Lakehouse Capital Pty Ltd to provide you with general information only. All company related key financial statistics and metrics are provided in good faith and are sourced from the latest available information on the relevant listing exchanges and/or data providers sourced by Lakehouse Capital Pty Ltd. However, they should not be relied upon to make financial decisions for your own personal circumstances. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Lakehouse, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement available here at - <https://www.lakehousecapital.com.au/lscf/> - before making a decision about whether to invest in this product.

Lakehouse Small Companies Fund's Target Market Determination is available here - <https://www.lakehousecapital.com.au/lscf/>. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

Lakehouse, its directors, employees and affiliates, may, and likely do, hold units in the Fund and securities in entities that are the subject of this report.