

Datt Capital Small Companies Fund (Class B)

Portfolio Review

The Fund returned **0.74%** in September outperforming its benchmark by **3.08%**. 82% of the Fund’s capital was deployed as at month end. September was a month characterised by extreme dispersion and acute single-stock events, as the market absorbed a cluster of significant regulatory, corporate and policy developments across the small-cap universe.

The Fund’s outperformance was driven by a combination of a pre-IPO uplift, defensive positioning, and timely exits ahead of adverse events. The dominant contributor to performance was the successful IPO round of Normandy Minerals (ASX: NMD), in which the Fund had held pre-IPO scrip.

The successful IPO capital raise at an issue price of 20 cents per share crystallised meaningful value and delivered the single largest contribution to the Materials sector during the month. Offsetting this was Regis Healthcare (ASX: REG) which fell approximately 27% in a single session following the Government's announcement that AN-ACC aged care funding would rise 2.55% from 1 October, below the sector's cost inflation. The Fund took advantage of the value dislocation to increase its position given the extremely strong tailwinds and fundamentals the aged sector enjoys at present.

Reflecting the Fund's defensive view through what is historically the weakest month of the year for Australian equities, the Fund further increased liquidity during September. Cash weighting rose from approximately 12% at August close to over 17% at September close.

Small cap valuations continue to screen attractively on an absolute basis, and single-stock dislocations of the magnitude seen in September provide precisely the kind of entry opportunities that reward patient, selective capital.

The portfolio held 25 positions at month close with the top 5 positions accounting for approximately 41% of the portfolio. The S&P/ASX Small Ordinaries Accumulation Index fell approximately 2.3% in September, reversing most of August's gain and underperforming large caps. September is historically the weakest month of the Australian equity calendar, and 2026 proved no exception.

The July monthly CPI print showed headline inflation at 3.5%, with trimmed mean inflation stuck at 3.6% — persistently above the RBA's 2–3% target band and reinforcing the hawkish shift in RBA communication through the month, with Governor Bullock explicitly flagging that upside inflation risks flagged in August had begun to materialise. The environment remains constructive for active, disciplined stock pickers. Dispersion across the small-cap universe is as wide as it has been at any point in recent memory, and continues to provide a rich opportunity for fundamental research and contrarian positioning to generate returns above the benchmark.

Key Information	
Unit Price	0.7921 (as at 30 September)
Investment Management Fees (incl. GST)	1.79%
Performance Fee (p.a.)	20.5% > benchmark
Other Fees	0.52% (Transaction costs are not included in this figure. Please refer to the PDS for more information.)
Benchmark	S&P/ASX Small Ordinaries Accumulation Index (XSOA)
Responsible Entity	Fundhost
Auditor	William Buck
Custodian	HSBC
Platform Availability	• FNZ IDPS, • Hub24 IDPS, • Mason Stevens IDPS, • Netwealth IDPS, • Olivia123