APIR: FHT7012AU

Monthly Performance Report - October 2026

Datt Capital Small Companies Fund (Class B)

Portfolio Review

The Fund returned **-2.05%** in October, outperforming its benchmark by **+4.38%**. 77% of the Fund's capital was deployed as at month end.

October was a month of acute small cap weakness against a backdrop of defensive rotation at the top of the market. The Fund materially outperforming the S&P/ASX Small Ordinaries (XSOA) which fell 6.43%. The outperformance versus benchmark was the Fund's strongest relative result in several months and reflected conservative market positioning and sector rotation within the portfolio itself. Materials and Energy were the principal detractors, partially offset by positive contributions from Financials and Health Care. Portfolio activity in October was substantial. The Fund completed its rotation out of the energy sector, and redeployed capital into opportunities with more idiosyncratic catalysts. It benefitted from a well bought position in Zip Co, which was aggressively sold off on a slightly negative report which allowed an attractive entry price. In addition, Regis Healthcare recovered strongly after the September AN-ACC pricing dislocation.

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

The portfolio held 22 positions at month close with the top 5 positions accounting for approximately 40% of the portfolio. The Fund enters November well positioned, with elevated cash, reduced cyclical commodity exposure, and a portfolio tilted towards names where we see identifiable, company-specific drivers of value creation over the next 12 to 24 months.

Market Review

The S&P/ASX Small Ordinaries (XSOA) fell 6.43% in October, dramatically underperforming the S&P/ASX 200 which rose approximately 1% as investors rotated aggressively into large-cap defensive sectors. The September monthly CPI print showed headline inflation accelerating to 4.3% year-on-year, up from 4.0% in August, driven primarily by higher fuel prices and persistent dwelling inflation. The RBA lifted the cash rate to 4.85%, whilst unemployment rose to 4.7%.

The environment remains challenging for small cap investors but the valuation gap versus large caps continues to widen to levels that do not reflect the underlying fundamentals of the small-cap universe. Offshore buyers continue to prey on vulnerable Australian small caps with a plethora of M&A offers eventuating over the month. The environment remains constructive for active, disciplined stock pickers. Dispersion and the value spread 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	0.7759 (as at 31 October)
Management Fees	1.79% (incl. GST)
Performance Fee (p.a.)	20.5% of outperformance of 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

Fund Performance

	1 month	3 months	6 months	Since inception
Datt Capital Small Companies Fund*	-2.05%	5.01%	-4.58%	-22.41%
Benchmark**	-6.43%	-3.89%	-6.94%	-13.08%
Net Value Add	4.38%	8.90%	2.36%	-9.33%

Note: * Performance is reported after all fees and expenses and relates to Class B units. Inception date of the Class B units is November 2025. Past performance is not an indicator of future performance. ** Benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

Returns by Month

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY26						2.42%	-2.43%	-9.04%	-8.01%	-2.76%	-1.49%	-4.87%	-23.80%
FY27	-3.03%	6.41%	0.74%	-2.05%									1.82%

Note: Actual performance will differ for clients due to timing of their investment. Returns are calculated net of all fees, since inception and relate to Class B units. Inception date of the Class B units is November 2025. Past performance is not an indicator of future performance.

About the Datt Capital Small Companies Fund

The Datt Capital Small Companies Fund invests in high-quality, undervalued companies outside the ASX100 with strong fundamentals and long-term growth potential. We take a disciplined approach to identify scalable businesses often underappreciated or less efficiently covered by the broader market. Our strategy includes:

- **Back Future Leaders:** We invest in tomorrow's blue-chip companies, small and micro-cap Australian businesses with long-term, scalable growth potential.
- **Outperform the Index:** The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index (XSOA) over rolling five-year periods, driven by security selection rather than index replication.
- **High Conviction:** The portfolio generally comprises 15 to 25 Australian small cap positions. Position sizes reflect conviction and risk-adjusted return potential, not index weights.
- **Independent Research:** We rely on original research into competitive advantage, capital allocation, industry structure, and valuation, not consensus views.

How to Invest

Retail investors can now access the Datt Capital Small Companies Fund through approved investment platforms:

- FNZ IDPS,
- Hub24 IDPS,
- Mason Stevens IDPS,
- Netwealth IDPS,
- Olivia123

To invest in these platforms, please contact your financial adviser.

Datt Capital
L3, 390 St Kilda Road, Melbourne Victoria 3004
E: daniel@datt.com.au

The Datt Capital Small Companies Fund Class B (ARSN 692 381 936)(Fund) discussed in this report is offered via a Product Disclosure Statement (PDS). Datt Capital Pty Ltd (ABN 37 124 330 865, AFSL 542100) is the Investment Manager of the Fund. Fundhost Limited (ABN: 69 092 517 087, AFSL 233045) is the issuer and responsible entity of the Fund. Before making any decision to make or hold any investment in a Fund you should consider the PDS in full. Datt Capital provides general information to help you understand our investment approach. Any financial advice we provide has not considered your personal circumstances and an investment in the Fund may not be suitable for you. You should consider seeking your own independent financial advice before making any financial or investment decisions. The PDS and Target Market Determination (TMD) can be located at Datt Capital Small Companies Fund Class B - Fundhost - Fund Administration Trustee & Services Partner Past performance is not an indicator of future performance. Returns are not guaranteed.

The information contained in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation, or which would subject Datt Capital or Fundhost Limited to any registration or other requirement within such jurisdiction or country. To the extent permitted by law, Datt Capital and Fundhost, their officers, employees, consultants, advisers and authorised representatives, are not liable for any loss or damage arising as a result of any reliance placed on this document. Information has been obtained from sources believed to be reliable, but we do not represent it is accurate or complete, and it should not be relied upon as such.