

Macquarie Australian Small Companies Strategy

Monthly report – 30 September 2025

Model portfolio details

Investment objective	Aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to longer term (before fees).
Inception date	19 August 2014

The performance information and commentary is based on a model portfolio. The information does not take into account differences between the model portfolio and the actual portfolio implemented by the operator of your managed account or any fees, expenses or other costs charged by the operator of your managed account.

The performance of your managed account will differ to that of the model portfolio (and may differ significantly) due to factors including an incomplete implementation of all trades, the timing of trades, the individual circumstances of an investor as well as the fees, expenses and other costs charged by the operator of your managed account.

All references to selling, investing, participating, positioning or similar are references to the model portfolio only and may not reflect the holdings in your actual portfolio.

Please contact the operator of your managed account for further information.

Model Portfolio performance to 30 September 2025

	Total model portfolio return (gross)	Total model portfolio return (net)	Benchmark return	Total excess return (net)
1 month (%)	3.89	3.81	3.44	0.37
3 months (%)	19.23	18.97	15.31	3.66
1 year (%)	32.75	31.56	21.50	10.06
3 years (% pa)	22.28	21.18	15.54	5.64
5 years (% pa)	16.18	15.12	9.27	5.85
10 years (% pa)	15.67	14.62	9.62	5.00
Since inception (% pa)	13.73	12.70	7.60	5.10

Past performance is not a reliable indicator of future performance.

Gross returns are quoted prior to the deduction of all fees and expenses. Net returns are quoted after the deduction of the management fee of 0.615% (inclusive of GST), the highest management fee applicable for an SMA managed in accordance with the Macquarie Growth Australian Equity Portfolio.

Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions. Due to individual investor circumstances (including different management fees), the net returns may differ from the net returns quoted above.

The performance provided in previous performance reports for the period to 30 April 2018 reflected the performance of the Macquarie Australian Small Companies Fund (inception 6 July 2006). As a result, there will be deviations between the performance shown above and the previous performance reports. From 18 December 2017, the model portfolio (previously managed with a fundamental approach) was restructured so that it is managed with a quantitative, systematic investment approach.

Top 5 overweight positions (alphabetical)

Charter Hall Retail REIT

Hub24 Ltd

Pantoro Gold Ltd

Perseus Mining Ltd

Ramelius Resources Limited

Top 3 stock attribution (alphabetical)

Pantoro Gold Ltd

Perseus Mining Ltd

Ramelius Resources Limited

*Italics denotes underweight

Bottom 3 stock attribution (alphabetical)

Capricorn Metals Ltd

Hub24 Ltd

Pinnacle Investment Management Group Ltd

*Italics denotes underweight

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Sector allocation

Sector	Portfolio (%)	Benchmark (%)
Energy	2.33	6.07
Materials	32.25	25.03
Industrials	10.21	10.99
Consumer Discretionary	9.78	15.04
Consumer Staples	1.85	2.99
Health Care	1.37	4.51
Financials	18.76	11.63
Information Technology	4.11	7.20
Communication	4.40	5.50
Utilities	12.34	11.03
Real Estate	0.00	0.00
Cash	2.58	0.01

Model portfolio highlights

The Fund returned 3.89% (pre-fees) for the month of September, outperforming the benchmark which returned 3.44%.

Key contributors to relative performance included overweight positions in Vault Minerals (VAU), Pantoro Gold (PNR) and Ramelius Resources (RMS). All 3 stocks were up over 15% for the month, with physical gold up 10.2% for the month after renewed Fed easing and increased concerns about Fed independence.

Key detractors from relative performance included overweight positions in Super Retail Group (SUL) and Pinnacle Investment Management (PNI) an underweight position in Droneshield Limited (DRO). Super Retail's share price fell during the month after terminating the Group's CEO Anthony Heraghty. Regis Healthcare saw its share price fall after the Government announced lower than expected increases in funding to aged care which led to FY26 guidance below consensus. Droneshield shares continued to rally in September after announcing further expansion in the US.

Market overview

The ASX Small Ordinaries index was up 3.44% in September outperforming both the ASX 200 and ASX 300, which were down in September. Inflation risk reappeared in September across both Australia and the US, with domestic CPI rising to 3.0% p.a. in August from 2.8% p.a. in July. This led to the RBA holding rates at the end of September, and flagging that rates may need to stay on hold if inflation continues to surprise to the upside. Market pricing now suggests no further rate cuts in Australia this year.

The best performing sector was Materials (+15.94%). This was driven by a broad rally in precious metals with gold (+10.2%), silver (+14.5%) and platinum (+17.2%) all up strongly in September. Gold stocks were the best performers again led by Regis Resources (+33.5%), Bellevue Gold (+33.1%) and Emerald Resources (+32.8%). Healthcare was the worst performer, with a fall of -6.00% with Regis Healthcare (-22.3%) and Healius (-12.8%) down for the month.

Nvidia and OpenAI announced a USD \$100 billion partnership to build data centres around the chipmaker's AI processors. Also in September, Oracle and OpenAI signed a USD\$300 billion, five-year cloud computing deal where Oracle will provide the necessary computing power for OpenAI's artificial intelligence development. Developed Markets were also in positive territory, up +2.03% for the month.

In the bond market, Australian yields remained steady through September. On September 30, the Reserve Bank of Australia left the cash rate unchanged at 3.60% following mixed signals of a softening labour market combined with an uptick in inflation to its highest level in a year. In the US, the Federal Reserve cut the cash rate by 0.25% in line with expectations and is the first cut since last December. Weakening economic data in the US, particularly in the labour market, is paving the way for further rate cuts.

The Australian dollar ended September less than half a cent higher against the US Dollar and about two pence higher against the Sterling. In addition to continued momentum in precious metals (primarily silver and gold), copper also had a strong month.

From a factor perspective, size (small caps) led the way with mid-caps and momentum also strong contributors. Value and quality both contributed, however dividend yield and growth underperformed.

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Model portfolio changes

Stock	Action
AUB Group Ltd (AUB)	Added 0.2%
Capstone Copper Corp CDI (CSC)	Added 0.3%
Catalyst Metals Limited (CYL)	Added 0.1%
Develop Global Ltd (DVP)	Added 0.2%
Generation Development Group Ltd (GDG)	Added 0.3%
Helia Group Ltd (HLI)	Added 0.2%
Karoon Gas Aust. (KAR)	Exited -1.8%
Pantoro Gold Ltd (PNR)	Added 0.3%
Ramelius Resources Limited (RMS)	Trimmed -2.1%
Super Retail Group Ltd (SUL)	Added 0.1%
Tabcorp Holdings Limited (TAH)	New 1.5%
Tuas Ltd (TUA)	Added 0.2%
Ventia Services Group (VNT)	Added 0.6%
West African Resources Ltd (WAF)	Added 0.1%
Yancoal Australia Ltd (YAL)	Added 0.2%
Zip Co Ltd (ZIP)	Trimmed -0.3%

Outlook

With August earnings season behind us and the RBA now seemingly on hold for the rest of the year, global influences are likely to be the key market drivers for Australian equities in Q4. The evolution of sentiment toward incredibly vast capital expenditure by key US AI players, the strong momentum in the price of gold, developments in both the Middle East and Russia/Ukraine war theatres, and the nature of the resolution to the current US Government shutdown will all be a key focus for investors. Nevertheless, global liquidity remains strong and the US Federal Reserve appears to remain open to further cuts, which may help to dampen the impact of emerging volatility.

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For queries regarding your managed account, please contact your adviser or the managed account provider.

For any investment related queries, call us on 1800 814 523 or email mam.clientservice@macquarie.com

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