

Ironbark Apis Global Small Companies Fund

BENCHMARK

MSCI ACWI Small Cap Index AUD

OBJECTIVE

The Fund seeks to outperform the Benchmark (after management fees and costs but before performance fees) over the long term (typically 5 to 7 years).

APIR

DAM7739AU

FUND SIZE

\$51.5m

ARSN

656 347 018

EXIT PRICE

\$1.7408

INCEPTION DATE

30 November 2022

Net performance (%)

| | 1 month | 3 months | 1 year | 3 years p.a. | 5 years p.a. | 7 years p.a. | 10 years p.a. | Since inception p.a. |
|-----------------------------------|-------------|-------------|--------------|--------------|--------------|--------------|---------------|----------------------|
| Fund | 5.57 | 7.54 | 47.08 | 21.32 | n/a | n/a | n/a | 20.17 |
| Benchmark | -0.72 | 2.12 | 11.67 | 15.81 | n/a | n/a | n/a | 13.69 |
| Active | 6.29 | 5.42 | 35.41 | 5.51 | n/a | n/a | n/a | 6.48 |
| Apis Composite¹ | -- | -- | -- | -- | 15.47 | n/a | n/a | 21.28 |
| Composite Benchmark ² | -- | -- | -- | -- | 10.98 | n/a | n/a | 10.20 |
| Active | -- | -- | -- | -- | 4.50 | n/a | n/a | 11.08 |

Top 5 holdings³

| Stocks | Sector | Country (domicile) |
|-------------------|-------------|--------------------|
| Celcuity | Healthcare | United States |
| Garrett Motion | Industrials | United States |
| Intellian Tech | Technology | South Korea |
| Aris Mining | Materials | Canada |
| Friedrick Vorwerk | Industrials | Germany |

Sector allocation (%)³

| Sector | Allocation |
|-------------|------------|
| Consumer | 4.86 |
| Financials | 0.00 |
| Healthcare | 13.90 |
| Industrials | 29.45 |
| Materials | 20.92 |
| Technology | 27.13 |

Regional allocation (%)³

| Region | Allocation |
|---------------|------------|
| Asia ex-Japan | 26.69 |
| Canada | 10.17 |
| Europe | 20.79 |
| Japan | 7.93 |
| United States | 29.16 |
| Other | 1.52 |

Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Returns are rounded to two decimal places. Slight variations to actual calculations may occur. Significant investor activity can impact performance returns in a fund or of a class of a fund.

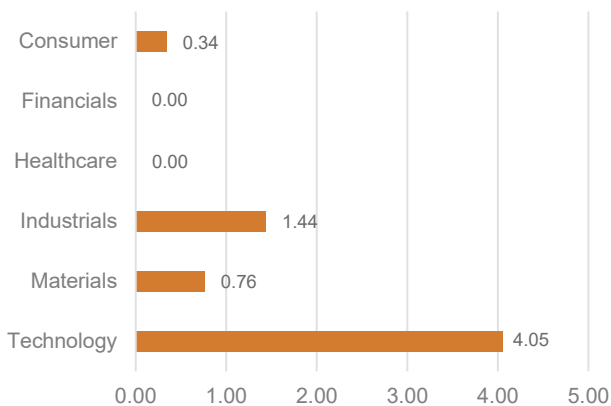
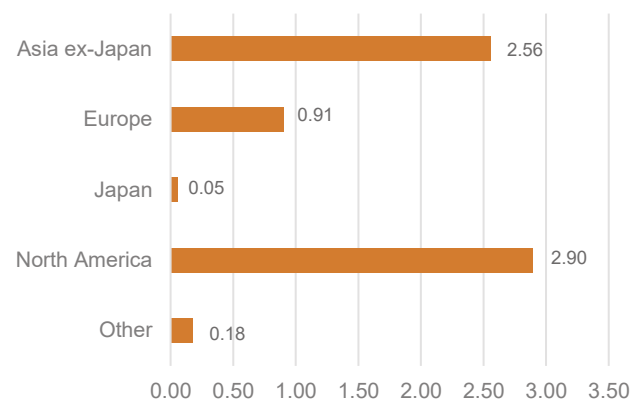
¹To provide a longer-term view of the Fund's strategy, performance periods from 1 January 2020 to 30 November 2022 for the Apis Composite represent the net returns of the Apis Global Discovery Fund in USD terms, converted to AUD terms. The Apis Global Discovery Fund follows the same strategy as the Fund, the inception date of the Apis Global Discovery Fund was 1 January 2020. Performance periods from 1 December 2022 to month-to-date are the actual net returns of the Ironbark Apis Global Small Companies Fund. Source: Apis Capital Advisors, SSAL and Morningstar Direct.

²Source: Morningstar Direct.

³Totals may not equal due to rounding. Allocations are based on the representative account for the Fund. Source: Apis Capital Advisors.

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1-month sector contribution (%)¹

1-month regional contribution (%)¹


¹The contribution to returns data is based on the representative account for the Fund. Source: Apis Capital Advisors.

All currency references in the commentary below are in US dollar terms unless stated otherwise.

Performance review

The Ironbark Apis Global Small Companies Fund (the 'Fund') returned 7.54% (net) for the quarter, outperforming the MSCI ACWI Small Cap Index AUD return of 2.12% by 5.42% in Australian dollar terms.

December 2025 marked a strong finish to an exceptional year for the the Fund. The Fund widely outperformed in the month. While small-capitalisation stocks modestly trailed large-cap benchmarks in 2025 (approximately 19.3% versus 22.3%), this represents a meaningful improvement from the previous year, when small caps underperformed by nearly 10.0% (MSCI ACWI vs. MSCI ACWI SMID Cap Index). International equities (outside the US) also delivered notably stronger returns, rising about 32.4% compared to 17.3% in the US (MSCI ACWI ex-USA vs MSCI USA index). From the investment manager's perspective, it's been nice to see international markets outperform, especially as it supports the investment manager's bottom-up view on growth and valuations, which aligns with the Fund's strategy's consistently skewed exposure outside the US, particularly in Asia.

Stock selection shined, with returns broadly balanced across regions and sectors. Asia and North America contributed the majority of gains, while Europe's contribution was more modest but consistent with its regional weighting. In a departure from prior quarters, technology and healthcare were the leading contributors during the fourth quarter; however, industrials and basic materials accounted for the largest portion of gains for the year.

The top contributor in the fourth quarter was Celcuity, a healthcare name highlighted in the prior quarterly report, which added 3.6% during the quarter and 4.2% for the full year. A basket of memory semiconductor holdings was another meaningful contributor, adding approximately 3.0% in the quarters, led by Japan-based Kioxia, which was also discussed in the third quarter report. Offsetting these gains, Uniqure, detracted about 1.2%, while several of the Fund's Korean defense-related companies collectively detracted about 1.5% during the quarter. The investment manager attributes this weakness to a period of consolidation following strong prior performance rather than any change in underlying fundamentals. In fact, two of the top ten contributors for the year Hyundai Rotem and Poongsan combined to add nearly 9.0% to annual performance. Friedrich Vorwerk of Germany was another standout for the year, ranking as the second-best performer after Hyundai Rotem and adding 4.8%.

The largest detractor in 2025 was Red Cat Holdings (the Fund's largest winner in 2024). Despite a roughly 20% decline for the year, the investment manager choses to exit the position mid-year as quarterly earnings failed to meet their expectations.

Portfolio outlook and positioning

The investment manager's has consistently emphasized on the relative merits of smaller-cap companies and the attractive opportunity set, especially outside the US markets. For the first time in many years, this perspective was reflected in market performance, as US equities underperformed and saw their worst relative performance versus the MSCI World ex-US in more than 15 years.

Even from a longer-term perspective, the relative underperformance of non-US markets remains pronounced. This is particularly evident in markets like Korea, with roughly half the historical upside despite consistently higher GDP growth. Even Japan has woken up who knew that excluding currency effects, Japanese equities have outperformed the US over the one, three, and five-year periods. Unlike the US, many of these economies have preserved a substantial industrial base and remain strategically competitive in critical industries such as semiconductors, shipbuilding, and defence, among others.

Portfolio outlook and positioning (continued)

Several themes from 2024 continued to influence portfolio construction during the year, most notably exposure to defence and electrification. However, these exposures have evolved toward smaller companies with niche IP. New themes emerged in 2025, including exposure to memory within the semiconductor complex and to mining and mining equipment. Another area of “bombed out” cyclical exposure beyond mining where the investment manager has added is European building materials. In these segments, valuations remain cheap and expectations modest, yet early signs of demand are emerging, supported by fiscal stimulus programs. A resolution to the war in Ukraine could further enhance the long-term growth outlook for well-positioned companies in this space. Finally, the investment manager continues to pursue more idiosyncratic opportunities, particularly in healthcare, alongside select “value going to growth” ideas such as Garrett Motion.

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