Ironbark
Investment Solutions

Ironbark Renaissance Australian Small Companies Fund

Quarterly Report / As at 31 March 2026

Fund facts

Objective:
To outperform the Benchmark (before fees) over rolling 4-year periods.

Benchmark:
S&P/ASX Small Ordinaries Accumulation Index

APIR:
PAT0002AU

ARSN:
114 291 486

Inception date:
30 June 2005

Fund size:
$65.2m

Exit price:
$3.2317

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[1]	**-10.34**	**-8.12**	**23.52**	**13.49**	**4.69**	**5.42**	**6.27**	**10.19**
Benchmark	-10.96	-10.87	13.65	8.50	3.99	5.57	7.29	4.85
Active	*0.62*	*2.75*	*9.87*	*4.99*	*0.70*	*-0.15*	*-1.02*	*5.34*

Top 5 holdings (in alphabetical order)

Stocks	Sector
AUB Group	Financial ex-Property Trusts
Humm Group	Financial ex-Property Trusts
MAAS Group Holdings	Industrial
Macquarie Technology Group	Information Technology
PEXA Group	Property Trusts

[1] Shaded Fund performance prior to 5 September 2022 is not attributable to the current investment manager. From 8 August 2022 to 4 September 2022, State Street Bank and Trust Company was appointed as the Fund's Transition Manager and coordinated an orderly transition of the portfolio from the prior investment manager over this period. Returns prior to 8 August 2022, reflect the previous investment manager(s) of the Fund.

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.

Top 5 monthly contributors

Contributing Stocks	Active weight
Viva Energy Group	Overweight
PEXA Group	Overweight
Regis Resources	Underweight
Greatland Resources	Underweight
Beach Energy	Overweight

Top 5 monthly detractors

Detracting Stocks	Active weight
Pantoro Gold	Overweight
Yancoal Australia	Underweight
Nuix	Overweight
New Hope Corporation	Underweight
Vault Minerals	Overweight

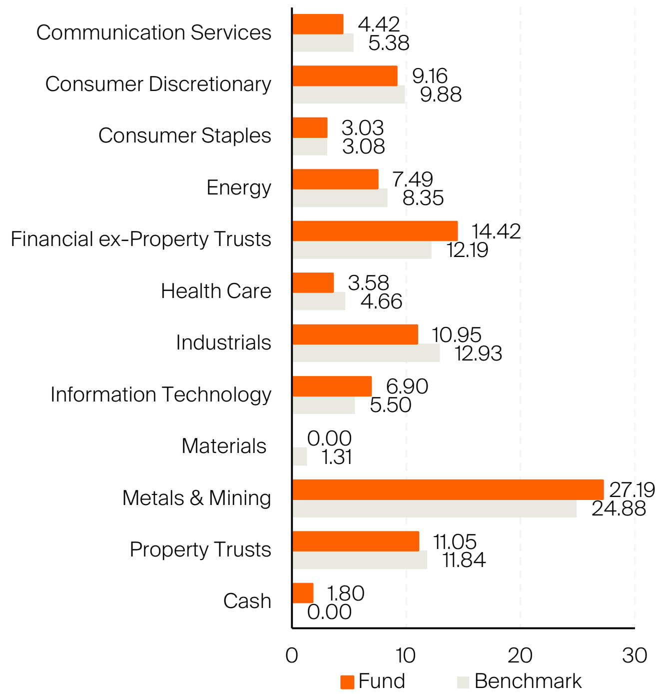
Top 5 quarterly contributors

Contributing Stocks	Active weight
PEXA Group	Overweight
Viva Energy Group	Overweight
Zip Co	Underweight
MAAS Group Holdings	Overweight
Westgold Resources	Overweight

Top 5 quarterly detractors

Detracting Stocks	Active weight
Healius	Overweight
HMC Capital	Overweight
Yancoal Australia	Underweight
New Hope Corporation	Underweight
WEB Travel Group	Overweight

Sector asset allocation (%)[2]



[2] Totals may not equal due to rounding.

Investment manager commentary

Market review

Global equity and bond markets were volatile over the March quarter, driven primarily by escalating geopolitical tensions stemming from the ongoing conflict in Iran. The disruption has had a material impact on global energy markets, with approximately one-fifth of global crude oil and natural gas supply affected, leading to a sharp rise in energy prices. The conflict has also severely disrupted global fertiliser markets, as the Strait of Hormuz accounts for roughly 30% of global urea trade, a critical input for agricultural production. Rising energy costs, supply interruptions, the risk of lower crop yields and higher food prices have shifted investor focus toward upside inflation risks, outweighing concerns around slowing economic growth. Government bond markets reflected this change in sentiment, experiencing heightened volatility and selling off sharply as expectations moved from rate cuts to the prospect of further interest rate increases to combat persistent inflation.

Australian equity markets also experienced significant volatility during the quarter as Middle East tensions intensified. The Reserve Bank of Australia raised the cash rate by 0.25% to 4.10% at its March meeting, following a similar increase in February, reinforcing a "higher-for-longer" policy stance in response to stubborn inflation. Financial markets began pricing in up to three additional rate hikes during 2026. Consumer sentiment deteriorated markedly, with confidence falling to a record low, while short-term inflation expectations surged to an unprecedented 7.3%. Against this backdrop, Australian small caps underperformed, with the Small Ordinaries Index declining 10.9% for the quarter, compared with a 0.9% fall in the ASX 100, as higher interest rate expectations weighed more heavily on smaller, growth-oriented companies.

Performance review

The Ironbark Renaissance Australian Small Companies Fund (the 'Fund') returned -8.12% (net) for the quarter, an outperformance of 2.75% when compared to the S&P/ASX Small Ordinaries Accumulation Index which returned -10.87%.

The portfolio outperformed over the quarter with stock selection in electronic conveyancer PEXA Group (+13.3%) being the largest contributor to the portfolio. PEXA Group reported a 10% revenue increase in first half of 2026 financial year compared to 2025 financial year, driven by transaction growth and a regulator-approved price adjustment, with EBITDA rising 19%. Viva Energy (+27.8), a diversified petroleum refiner, was also strong for the portfolio over the quarter, being a beneficiary of the conflict in the middle east but also reporting a 33% year-over-year increase in second half EBITDA. The Fund's holding in MAAS Group (up 6.4%) also benefited as it reported a 26% year-over-year increase in underlying NPAT for the first half of financial year 2026. Additionally, the company raised its financial year 2026 EBITDA to $250-280 million up from $240-270 million.

Stocks that detracted included Healius Limited (-38.1%), as it reported underlying EBIT significantly lower than what the market was expecting. Subdued pathology volumes, soft GP activity, and Medicare funding changes contributed to the earnings miss. HMC Capital (-39.5%), a real estate funds management firm, reported a sharp decline in operating earnings from the prior year with total revenue contracting 31%. Market volatility and variable investment income underscored the company's sensitivity to market cycles and asset revaluations. WEB Travel Group (-45.4%) the online travel agency declined after several brokers raised concerns about potential disruption.

Market outlook

The investment manager believes the current geopolitical environment warrants a cautious and selective approach to equity markets. Elevated global uncertainty, driven by ongoing Middle East tensions and their flow-through effects on energy, fertiliser and broader supply chains, has reinforced inflationary risks at a time when economic growth is already moderating. Equity valuations remain elevated in parts of the market, particularly where investor enthusiasm has been concentrated in narrow thematics. Investors are increasingly focused on economic data to assess whether slowing growth coincides with persistent inflationary pressure, a challenging backdrop that has heightened volatility across both equity and bond markets.

Against this backdrop, the investment manager believes the portfolio is well positioned. Direct exposure to tariffs and geopolitically sensitive supply chains remains limited, and Australian small caps generally have lower exposure than their larger global peers. While indirect impacts will be felt across the economy, Australia appears relatively well placed given its resource base and resilient financial system, though uncertainty remains elevated. The investment manager expects the de-rating of high multiple growth stocks to persist and see opportunities emerging within core small industrials where valuations have become increasingly attractive. Portfolio positioning will continue to emphasise quality businesses with stable earnings and cash flows, strong balance sheets and disciplined capital management, trading at justifiable valuations. The investment manager believes this approach will allow the portfolio to generate meaningful long-term returns as conditions gradually normalise.

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