Renaissance Emerging Companies Fund
Quarterly Report – March 2025

Renaissance Asset Management

Fund Performance

	3 Months	1 Year	3 Years p.a.	5 Years p.a.	10 years p.a.	Since Incept. p.a.^
Renaissance Emerging Companies Fund*	-4.04%	1.19%	1.82%	19.40%	16.23%	13.42%
S&P/ASX Small Ords Acc. Index	-2.00%	-1.26%	-0.82%	10.24%	6.10%	5.43%
Value added	-2.04%	2.45%	2.64%	9.16%	10.13%	7.99%

*Fund returns are calculated net of all fees and expenses and assume reinvestment of distributions. Past performance is not a reliable indicator of future performance, the value of investments can go up and down. The fund name was changed from Renaissance Smaller Companies Fund to Renaissance Emerging Companies Fund as of 1 July 2015. The Information Memorandum was changed to reflect name and change of strategy for this fund from a small cap strategy to an emerging company's strategy. Please refer to the Information Memorandum for further details. ^ Inception date 1 July 2004.

Portfolio Commentary

For the March quarter, your portfolio returned -4.0% whilst the Small Ordinaries benchmark returned -2.0%, resulting in underperformance of -2.0%. For the year to March, the Portfolio returned 1.2% while the benchmark returned -1.3%, outperforming by 2.5%.

Index Returns

Index	Qtr %	1 Year %
Small Ords	-2.0	-1.3
Small Industrials	-6.0	-3.8
Small Resources	9.1	5.4
ASX 100	-3.0	3.1
ASX 100 Ind.	-3.5	7.7
ASX 100 Res.	-0.7	-11.3

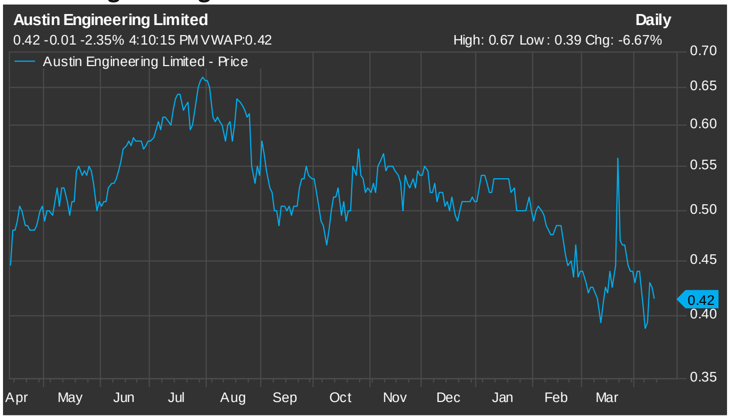
Australian equity markets followed the US lead and were generally in negative territory for the quarter, the exception being the S&P/ASX Small Resources which was up a robust 9.1% driven by gold stocks as the yellow metal broke through US$3,000 an ounce amid increased demand for safe-haven assets. The S&P ASX 300 was down -2.9%, the S&P ASX 100 -3.0% and the Small Ordinaries -2.0%. The RBA cut rates in February lowering the cash rate to 4.1%, after underlying inflation moved closer to the target range. Markets are now predicting the RBA will cut rates in May and potentially another three times after that as the Trump tariffs will cause a global slowdown which will have a direct impact on the Australian economy.

Your Portfolio

Your portfolio underperformed over the quarter but thankfully outperformed over the year, but we remain disappointed by the level of value added to your portfolio during the year. The portfolio is benchmarked to the Small Ordinaries Index, but we hold few Index stocks, anecdotally the microcap sector appears to be doing worse than the portfolio and any downgrade or outlook disappointment sees these stocks under significant pressure. Stocks that detracted from portfolio performance included Airtasker (-39%), MoneyMe (-34%), Trajen (-24%) and Terracom (-51%). On the other side Antipa Minerals (+84%), Pantoro Ltd (+89%), Fleetwood (+37%), Aurelia Minerals (+51%) and Dropsuite (+24%) were all key contributors to your portfolio. We sold out of Noble Helium, Qoria Ltd, Duratec and Auswide Bank (Scrip bid by MyState) and we added Smart Parking, Findi, Mystate Ltd and Peel Mining.

Well, that's the formal part of the review out of the way so now let's look at some investment ideas. Last Quarter we reviewed Airtasker Ltd (ART) which we purchased around the current share price (28c) and it rallied above 40c but has come all the way back to our purchase price. We remain confident regarding the company's medium-term prospects, outlook and valuation. This quarter we are going to look at a stock that we have held for a while, and it is somewhat representative of the market. The earnings have been robust, its exposed to the resources sector including the gold market, its diversified by geography, commodity and client and its good value. Unfortunately, it detracted from returns during the quarter.

Austin Engineering Ltd



Austin Engineering (ANG) has a long history of servicing the resources sector in Australia with major clients including BHP and Rio Tinto and from that base they have stepped out to serve other key resources markets including Asia, South and North America and these markets have provided strong growth for the company. ANG developed lightweight and long-lasting truck trays for mine fleets and the key benefit is that the truck can carry more ore per load which increases the efficiency of the mine. The ROI for the miner is measurable and significant hence ANG prospered. They were a victim of their own success and rapid growth led to some inefficiency, but strategies were put in place over the last five years to improve efficiency and to grow in key overseas markets.

Sales and profitability grew, they are paying dividends, and they have made some bolt on acquisitions and funded these internally. They are a growing supplier in the USA and tariffs were seen as a perceived risk so they shifted production during the last half of 2024 such that they could deliver trays to the growing US market without fear of tariff. They did experience some abnormal costs in this process and the market sold off on the result of the poor explanation of the costs incurred which are mostly one off in nature and it does secure the growth platform in the US.

ANG is trading on 6.9X 2026 PER with approximately 4% DY, the company is well capitalised and has been reviewing acquisitions. Recent acquisitions have proven lucrative and if they acquired something it would be internally funded and very accretive. We think that ANG is well placed to outperform over the next year, and we continue to hold the stock.

Outlook and Strategy

Heading into 2025 we were expecting volatility to be a key theme under a Trump administration particularly given his rhetoric around tariffs. He surpassed our expectations FYI. We don't believe we were the only ones taken by surprise of the enormity of the tariffs unleashed by Trump and the market chaos that ensued. Global markets are in turmoil with US markets in bear territory and triggering recession warnings for the world's largest economy. Investor sentiment is in the bin, with fear and uncertainty the prevailing emotion as it stands. We use these markets as opportunities as micro-cap stocks can get aggressively sold down (throwing the baby out with the bathwater) and it's a great opportunity to build some new positions.

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Top 10 Holdings		
Company Name	**Portfolio %**	**Index %**
Antipa Minerals	4.7	0.0
Acrow Limited	4.0	0.0
Fleetwood Limited	4.0	0.0
Viva Leisure Ltd.	3.7	0.0
MLG Oz Ltd	3.3	0.0
Alfabs Australia Ltd.	3.1	0.0
Mayur Resources	3.0	0.0
Pantoro Limited	2.9	0.0
Fiducian Group Ltd	2.9	0.0
IPD Group Ltd	2.8	0.0
Total Top 10	**34.4**	**0.0**

Sector Exposure		
Sector Exposure	**Portfolio %**	**Index %**
Communication	4.9	5.5
Consumer Discretionary	9.9	15.4
Consumer Staples	--	2.6
Energy	1.3	5.0
Financials	9.0	13.0
Health Care	15.6	7.2
Industrials	22.4	7.8
Information Technology	10.9	8.0
Materials	16.6	23.8
Property Trusts	5.4	11.5
Utilities	--	--

Growth of Emerging Companies Fund