

## Fund Performance

	3 Months	1 Year	3 Years p.a.	5 Years p.a.	10 years p.a.	Since Incept. p.a. <sup>^</sup>
<b>Renaissance Emerging Companies Fund*</b>	-16.88%	3.51%	6.32%	3.06%	15.44%	12.94%
<b>S&amp;P/ASX Small Ords Acc. Index</b>	-10.87%	13.66%	8.50%	3.99%	7.86%	5.80%
<b>Value added</b>	-6.01%	-10.15%	-2.18%	-0.93%	7.58%	7.15%

\*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 of 2026, your portfolio returned -16.9% whilst the Small Ordinaries benchmark returned -10.9%, resulting in underperformance of -6.0%. For the year to March, the Portfolio returned 3.5% while the benchmark returned 13.7%, underperforming by -10.1%.

## Index Returns

Index	Qtr %	1 Year %
Small Ords	-10.9	13.7
Small Industrials	-14.3	-0.8
Small Resources	-3.6	52.9
ASX 100	-0.9	11.3
ASX 100 Industrials	-4.8	2.2
ASX 100 Resources	11.3	46.3

Source: Renaissance, Factset

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 25 basis points 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.

## Your Portfolio

The micro-cap market took a beating during the March Quarter and your portfolio wasn't immune. Unfortunately, we had a few disappointing stock announcements and under the current market conditions these stocks were punished. It doesn't help that the Index we measure ourselves against is the Small Ordinaries and the majority of

the micro-cap stocks that we follow are not yet in that Index. Micro-caps tend to underperform in risk averse markets, and the current market has plenty of reasons to be risk averse now.

The table below highlights the stocks that added most value to your portfolio during the Quarter:

Stock	Return	Rationale
Zip Co	-53%	Nil position in large fintech that disappointed the market
Atlantic Lithium	+40.9%	Supportive conditions for emerging lithium player
Volt Group	+18.5%	Guided to \$4.4m EBITDA in 26 & long term \$10m, cheap as \$24m market value
IPD Group	+0.9%	Positive result in a weak market, IPD Group has started to move in April
Saunders Int	+8.4%	Engineering Group specializing in fuel storage facilities, the market is sensing that demand conditions will be improving.

And conversely, the next table highlights the stocks that detracted from most your portfolio during the quarter.

Stock	Return	Rationale
Immutep	-90%	IMM is a biotech stock undergoing a pivotal P3 clinical trial (cancer related) which failed during the quarter. Most of the value in the company was attributed to this prospective drug. The share price collapsed following this announcement and we ultimately sold the stock.
Murray Cod	-53.7%	Weak results and cash flow following H1 result, MCA will require more capital, and the share price has underperformed.
Hipages Group	-43%	News Corp buys more HPG but stock caught up in tech sector sell off
Airtasker Ltd	-33%	Good operating result but caught up in microcap tech sell off
Yancoal Aust	+69.7%	Nil position in large coal miner (outside of investment universe)

During the quarter we sold the following stocks Amaero Ltd, Carma Ltd, Enero Group, ERD Limited, Polymetals and Immutep Ltd. We also built new positions during the quarter, and they included EDU Holdings, Kinatico Ltd, Cyclopharm Ltd, Big River Industries & Count Ltd.

### Technology sell-off is a valuation reset, not the end of software as we know it

Saaspocalypse. A catchy phrase but an accurate one. Since peaking in September 2025, the S&P/ASX All Technology Index has fallen 41%<sup>1</sup> with several former market darlings falling even more. Life360 and Pro Medicus have fallen 63%, while Siteminder is down 61%. Even insurance broker AUB lost one quarter of its value because a tiny Spanish insurance company started quoting home insurance via ChatGPT.

The trigger? Fears that AI will disrupt software economics.

But is AI really destroying these businesses or is this just the latest market obsession set to be forgotten in twelve months' time?

In isolation the sell-off looks overdone. AI is materially lowering the cost of software development which should be a positive, at least near term. This is already evident in recent updates. Atlassian has reduced headcount by 10%, Wisetech by 30%. Praemium cut headcount by 28%, including the complete closure of their entire offshore technology operations. Hansen believes there is at least two years of AI driven cost-out to come.

So why the sell-off?

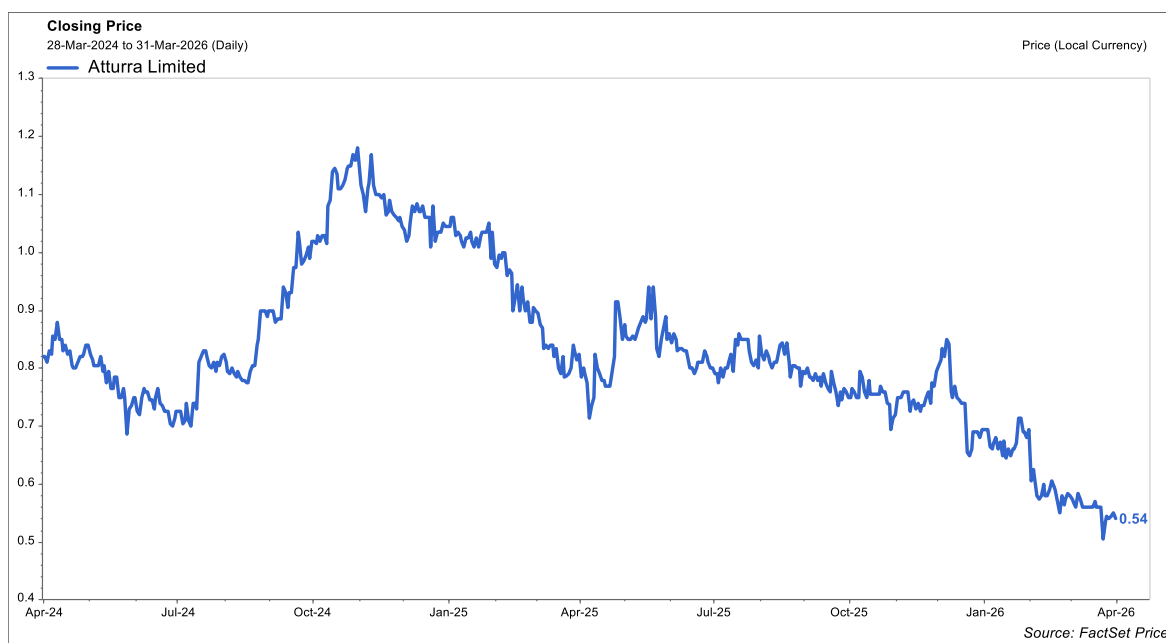
In a word, valuation. AI may have been the catalyst for this sell-off, but if it wasn't AI, it would have been something else. By mid-2025 software stocks were trading in the 99<sup>th</sup> percentile of historical valuations with PE multiples of 60-200x common. Software darling Life360 was trading at 90x PE. At 90x PE a company would need

<sup>1</sup> To 31<sup>st</sup> of March 2026

to grow earnings at 20% p.a. for a decade, with no share price appreciation, just to reach a market multiple of 15x. That left no margin for error. AI may have been the catalyst, but a correction was inevitable.

We see opportunity in this sell-off but it's important to be selective. The sell off is just as aggressive in the micro-cap names but with this rebasing we are starting to add some tech to the portfolio, and these include Kinatico Limited (KYP) and Atturra Limited (ATA). KYP is an emerging SaaS based company in the compliance market and ATA is a more traditional IT Services company.

### Atturra Limited



ATA is an IT advisory and solutions provider delivering services to small to medium sized corporate clients as well as government entities across Australia & New Zealand. ATA has over 1500 clients and 1200 FTE who are skilled in the area. The company has had a strong track record of driving consistent revenue growth at a fair margin. They have also grown by sensible bolt on acquisitions where they typically added skills that were complimentary or gave the company new pathways to growth. They are well capitalised and at the December results they had \$43m in net cash.

So, what went wrong?

Just prior to Christmas ATA notified the market of a contract dispute where a large client discontinued services and payments to ATA which led to a significant hole in earnings, the company has no history of termination and/or contract disputes, but they are now engaged in mediation. A process which may be lengthy. It is possible that ATA win significant compensation & the payments owed to the company are restored. The client is a government entity and has the balance sheet capacity to pay.

Outside of this company specific issue ATA operates in the Tech/AI space, and the thematic is out of favour with investors right now. ATA does have some proprietary technology, but the bulk of its revenues are service orientated. So, one may question whether AI disrupts the actual providers of the service. To a degree it will but clients will need to be guided through the process, it will get more efficient and costs will be eliminated but ATA is engaged in this process, and we expect them to work their way through this maze. ATA reported their H1 results and is consistent with guidance and the outlook remains robust outside of the impact of the lost contract. Looking towards 2027 ATA recovers and looks very cheap as highlighted by consensus forecasts below.

	Jun '24	Jun '25	Jun '26E	Jun '27E
EPS	0.052	0.056	0.036	0.057
Dividends per Share	0.000	0.000	0.000	0.002
Book Value per Share	0.476	0.596	0.599	0.638
<b>Valuation</b>				
	Jun '24	Jun '25	Jun '26E	Jun '27E
Price/Earnings (x)	14.0	14.3	13.3	8.5
Price/Book Value (x)	1.5	1.3	0.8	0.8

Source: Renaissance, Factset

The market expects earnings to recover to 2025 levels in F27 when the earn 5.7cps excluding some amortisation that could be added back to earnings. The stock is trading at a 20% discount to book value which include \$58m in gross cash. The stock is now trading at 49c and has a PER of 8.5 which is cheap relative to its historic valuation.

And what is the company doing?

Every day they are buying back the stock.

## Outlook and Strategy

We believe 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 thematic. 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.

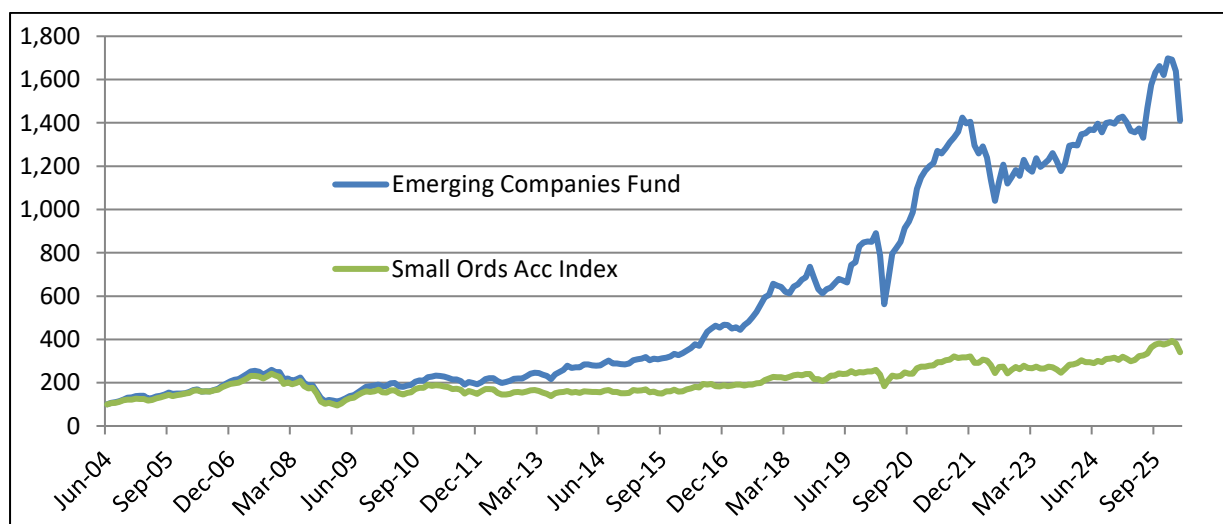
As always though the majority of alpha for the strategy is expected to come from stock selection. It's particularly tough in the micro-cap space right now but typically after periods of pain there is an event and the clouds disappear. We expect a lot of value to be realised when the market returns.

# Renaissance Emerging Companies Fund Quarterly Report – March 2026

Top 10 Holdings		
Company Name	Portfolio %	Index %
Viva Leisure Ltd.	3.8	--
IPD Group Ltd	3.3	--
Coast Entertainment	3.0	--
Bhagwan Marine	3.0	--
Cedar Woods Properties	2.9	--
Antipa Minerals	2.8	--
Fiducian Group Ltd	2.7	--
Advanced Innergy	2.6	--
Cogstate Ltd	2.4	--
MGX Resources	2.4	--
<b>Total Top 10</b>	<b>29.0</b>	<b>0.0</b>

Sector Exposure		
Sector Exposure	Portfolio %	Index %
Communication	2.8	5.4
Consumer Discretionary	12.8	9.9
Consumer Staples	--	3.1
Energy	0.9	8.3
Financials	1.6	--
Health Care	3.3	12.2
Industrials	10.7	4.7
Information Technology	23.8	12.5
Materials	6.1	6.0
Property Trusts	26.4	26.2
Utilities	--	--

## Growth of Emerging Companies Fund



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