1851 | EMERGING COMPANIES FUND

February 2026 Monthly Report

NET PERFORMANCE	1M	6M	1 YR (p.a.)	3 YRS (p.a.)	5 YRS (p.a.)	SINCE INCEPTION (p.a.)	SINCE INCEPTION* (Total)
1851 Emerging Companies Fund^	-1.5%	1.4%	22.6%	15.8%	11.4%	14.5%	127.8%
S&P/ASX Small Ordinaries Accumulation Index	-2.6%	5.4%	23.1%	12.5%	6.6%	6.6%	47.3%
OUTPERFORMANCE	**1.1%**	**-4.0%**	**-0.5%**	**3.3%**	**4.8%**	**7.9%**	**80.5%**

^ Performance is reported after all fees and expenses. Past performance is not a reliable indicator of future returns. *31 January 2020.

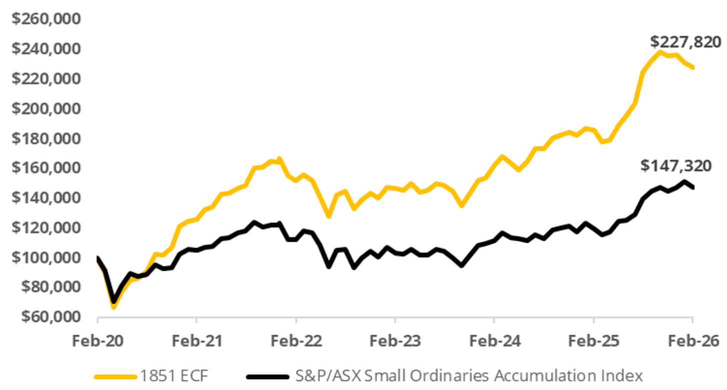
Portfolio commentary

The Fund declined 1.5% after fees in February, outperforming the Small Ordinaries Accumulation Index which fell 2.6%. The perceived threat of Artificial Intelligence (AI) dominated sentiment through February reporting season, with unprecedented volatility resulting in over one quarter of the stocks in the benchmark down over 10% for the month. What didn't change was the continued outperformance of resources (+1%), with the Small Industrials index down another 4.5% in February. Key contributors to performance included: internet reseller Aussie Broadband (+12%) announced both the acquisition of AGL's telecommunication business and Nexgen, a leading provider of business communication solutions; electrical contracting specialist SKS Technologies (+26%) upgraded guidance yet again amidst surging demand from clients in the data centre construction phase; wagering giant Tabcorp (+21%) reported a half year result 10% ahead of analyst expectations as the business continues to regain market share, reduce costs and reforms key partner arrangements; and Queensland based construction materials player Wagners (+30%) beat elevated expectations for its December result, and upgraded full year forecasts by ~18% driven by the strengthening south-east Queensland economy. Our key detractor was Nick Scali (-24%), which despite a strong result, provided a January trading update which proved softer than elevated expectations. In addition, Flight Centre (-20%) reported an interim result ahead of expectations, with an upbeat outlook on travel for the coming half overshadowed by concerns around the impact of AI on travel agent economics.

Market outlook

If global market volatility was driven by geopolitical instability in January, the baton was undoubtedly passed onto AI in February. With this revolutionary technology purported to threaten the existence of companies spanning the software, professional and even educational services industries, the sharp decline in stocks perceived to be victims of this transition has been indiscriminate (and likely overdone). Many impacted companies both domestically and globally declined over 20% for the month, regardless of a solid result being presented to the market. Combined with the usual heavy news flow in reporting season, the team has taken advantage of this heightened volatility to both establish new positions in the Fund and add to existing stocks, particularly names where conviction has increased post results.

Return on $100,000 since inception



Top 5 Holdings

IRE	IRESS
ABB	Aussie Broadband
FLT	Flight Centre Travel Group
PFP	Propel Funeral Partners
TAH	Tabcorp Holdings

Fund information

Fund status	Soft closed
APIR code	PIM5565AU
Inception date	31 January 2020
Fund size	$619m
Unit price	$1.72
Distributions	Annually
Applications/Redemptions	Monthly
Cash weighting	9%

Team

Chris Stott CIO/Portfolio Manager	**Martin Hickson** Portfolio Manager
Matthew Nicholas Deputy Portfolio Manager	**Tom Camilleri** Equity Analyst/Dealer
Mary-Ann Baldock Chief Operating Officer	

* There is no guarantee that the Fund's investment objective will be achieved. The investment objective is not intended to be a forecast. It is merely an indication of what the fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective. Neither returns nor your capital invested are guaranteed.