

### Celeste Australian Small Companies Fund

#### Performance Statistics (Total Returns net of fees)

	1 mth %	1 yr %	3 yrs %	5 yrs %	10 yrs %	20 yrs %
			p.a.	p.a.	p.a.	p.a.
Celeste Aust. Small Co. Fund <sup>1</sup>	-5.1	-5.6	-1.7	+10.6	+6.4	+6.0
<b>Performance (relative to Index)</b>	<b>-1.5</b>	<b>-4.3</b>	<b>-0.9</b>	<b>+0.4</b>	<b>+0.1</b>	<b>+1.5</b>
S&P/ASX Small Ords Acc Index	-3.6	-1.3	-0.8	+10.2	+6.3	+4.5
S&P/ASX Small Inds Acc Index <sup>2</sup>	-6.7	-3.8	+0.4	+8.6	+5.4	+5.0
S&P/ASX Small Res Acc Index <sup>2</sup>	+4.6	+5.4	-4.8	+16.3	+9.8	+3.5

Past performance is not indicative of future returns.

#### Portfolio Commentary

The Fund declined 5.1%<sup>1</sup> (net of fees) in March, with its benchmark, the S&P/ASX Small Ordinaries Accumulation Index, decreasing by 3.6% for the month. Since inception (May 1998) the Fund's return is 11.2%<sup>1</sup> p.a. (net of all fees), against the Index's 5.5% p.a.

**IPH (IPH)** fell 5.0% in March. The stock weakened on news of the CFO's resignation to pursue external opportunities. We expect that the new appointment will bring a fresh perspective to cost reduction and accountability. In the meantime, IPH's buyback has remained active in the market, continuing to retire shares at an attractive valuation.

**Infomedica (IFM)** fell 2.2% in March. The company Chairman resigned effective immediately after just a few months in the role following a recent melanoma diagnosis. This served to compound the broader market sell-off, with the suggestion of 25% tariffs on the auto sector serving to create industry uncertainty for IFM and its customers in the Americas. IFM completed the 50% acquisition of EU AI start-up Intellegam during the month.

**Pinnacle (PNI)** was down 21.4% over the month driven by market declines and higher volatility. Concern around stocks, specifically the US large cap tech space and private credit caused PNI investors to take profits post what had been a strong share price move post the 1H25 result. Despite the headline market moves PNI continues to raise FUM across a broad array of managers with a varied set of investment markets and asset classes. We continue to think that the distribution capability of the PNI business remains first rate and should continue to underpin FUM, revenue and earnings growth.

**Collins Foods (CKF)** was up 2.4% in the month and as it reports out of cycle (Dec & June) with the broader ASX it can tend to get missed in the busy February/August periods. The QSR stocks that did report in February spoke to a strengthening environment around LFL sales and this was also supported by offshore QSR businesses with an Australian presence. Despite exiting the ASX200 in the month, the stock has been well supported with market expectations that sales and earnings improve as interest rates get cut and both wallets and belt buckles begin to loosen.

**Fleet Partners (FPR)** was up 6.3% over the month and completed their \$30m share buyback program. Since May 2021, the company has repurchased 33% of the issued capital. The company reiterated 1H25 NPATA guidance of \$37.5m-\$39.5m with this range ahead of market expectations. This result is even stronger when you consider that the new business written in the half has been softer driven by the Accelerate program systems cutover. The Accelerate program has now been fully implemented and management reiterated that it would deliver \$6m in savings equally apportioned over FY25 and FY26. With management expectations that end of lease income will remain higher for longer, the outlook for medium term earnings remains very positive.

#### Portfolio Top 5 Holdings

Stock	% of Fund
1 JUDO CAPITAL	5.5
2 MA FINANCIAL	4.5
3 AUB GROUP	4.5
4 NETWEALTH	4.3
5 BREVILLE GROUP	4.2

#### Global Index Performance (Accumulation)

	1 month %	1 year %	3 years % pa
Australia – S&P/ASX All Ordinaries	-3.5	+2.2	+5.1
USA – S&P 500	-5.6	+8.3	+9.1
USA – NASDAQ Composite	-8.1	+6.4	+7.6
Europe – FTSE (UK)	-2.0	+11.9	+8.5
Europe – DAX (Germany)	-1.7	+19.9	+15.4
Asia – Nikkei (Japan)	-3.3	-10.1	+10.8
Asia – Shanghai Composite (China)	+0.4	+13.4	+3.8

Source: Bloomberg

#### Market Commentary

Markets over March were pummeled as the current US administration bulls smashed their way through the tariff shop causing collateral damage across the global economy and significantly raising investors' concerns. With S&P500 valuation multiples around 21x and some concern around the economic outlook, investors appear to have lowered their equity weightings in total while rotating into value at the expense of growth. While year to date the Mag-7 has declined 12% the PER of 27x remains unexciting, despite structural growth and strong cash generation. The uncertainty around tariffs and the end game need for US corporates to relocate manufacturing back to the US adds capex, supply chain fears and lower ROE's and so the adage of shoot first seems to be playing out with equity money flows. The current economic climate remains challenging with the Fed deciding not to lower interest rates in March. US policymaker dot plot tea leaf reading still suggests 100bps of reduction this calendar year but remains subject to inflation remaining on a downward trend. Elsewhere, Canada reduced interest rates by 25bps to 2.75%, following the lead of the ECB earlier in the month cutting the deposit facility rate by 25bps to 2.5% citing the disinflation process was well on track.

In March, Eurozone business activity accelerated to a seven-month high, driven by an easing manufacturing downturn, despite slower growth in the services sector. The German parliament approved a significant increase in spending, marking a departure from decades of fiscal conservatism. Post the uncertainty around US defence support for allied nations it is expected EU defence spending and manufacturing will see strong growth. Global political unrest remains, widespread protests in Türkiye and anti-corruption brawls in the Serbian National Assembly. In China, the National People's Congress (NPC) convened with a key outcome setting a GDP growth target of around 5% for the year. China's four largest state-owned banks announced plans to raise a total of 520b yuan (US\$71.6b) through private placements to bolster core capital and support increased lending. China's official manufacturing PMI rose to 50.5, marking a 12-month high.

The Australian federal election was called for 3<sup>rd</sup> May and remains a close race. Electioneering has revolved around cost-of-living relief, healthcare expansion and housing affordability for the Labor Party and economic management, energy policy and immigration reform for the Liberal Party. An ANU study has found life satisfaction in January 2025, dropped to its lowest level since COVID-19 lockdowns with 50.3% of Australians believing life will be worse in 50 years (versus 16.3% for better). We continue to build the Celeste portfolio in a process consistent manner, by investing in long term cash generating companies trading at a discount to intrinsic value.

<sup>1</sup>Total returns shown for the Celeste Australian Small Companies Fund has been calculated using exit prices after taking into account all of the Fund's ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry fees or taxation. You should not base an investment decision simply on past performance. Past performance is not an indicator of future performance. Returns are not guaranteed and so the value of an investment may rise or fall.

<sup>2</sup>The S&P/ASX Small Industrials Accumulation Index and the S&P/ASX Small Resources Accumulation Index are used in the table for illustrative purposes. The S&P/ASX Small Industrials Accumulation Index represents all industrial companies within the S&P/ASX Small Ordinaries Accumulation Index. The S&P/ASX Small Resources Accumulation Index represents all resource companies within the S&P/ASX Small Ordinaries Accumulation Index.

## Fund at a Glance

### Fund Information

Primary Investments	Shares in listed Australian smaller companies
Investment objective	Exceed Small Ordinaries Accumulation Index over rolling 5 year periods
Unit price (redemption) as at 31.03.2025	\$3.5944
Unit price (application) as at 31.03.2025	\$3.6160
Fund Size as at 31.03.2025	\$57m
Minimum investment	\$25,000
Minimum additional investment	\$1,000
Minimum balance	\$15,000
Redemption will generally be available in	7 days
Distributions	30 June and 31 December
Entry fee*	0%
Exit fee*	0%
Buy/Sell differential*	0.30%
Management fee*	1.10% p.a
Performance fee**	20% of return above benchmark

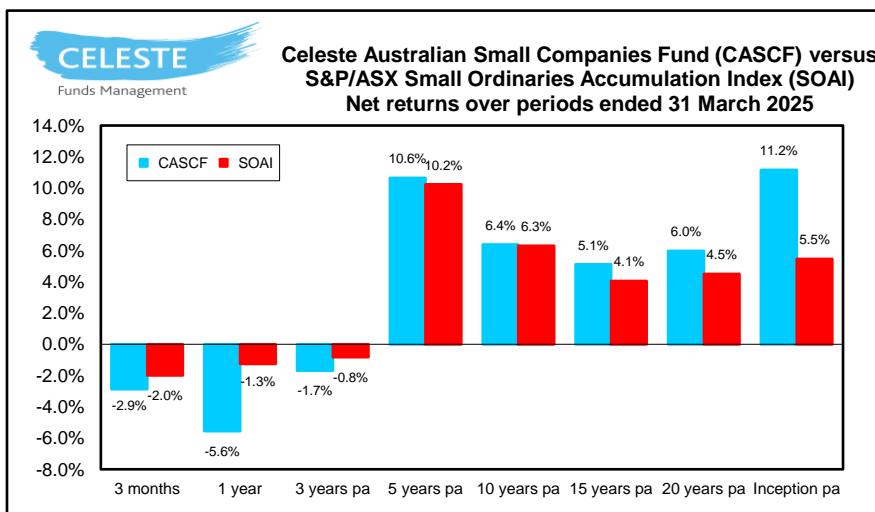
\* These fees and charges apply for the duration of the Product Disclosure Statement (PDS) and are inclusive of the Goods and Services Tax.

\*\* A fee charged on performance of the investments of the Fund above the nominated benchmark performance. The benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

This fund is appropriate for investors with “High” risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the fund’s Target Market Determination for more information.

(<https://documents.feprecisionplus.com/tmd/PCT/TMD/N878-FAM0101AU.pdf>)

### Fund Returns



Past performance is not indicative of future returns. Total returns shown for the Celeste Australian Small Companies Fund has been calculated using exit prices after taking into account all of the Fund’s ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry fees or taxation.

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### Distribution History

Total distribution year ended	Cents Per Unit	Annual Yield %**
June 15	12.67	4.5
June 16	9.95	4.0
June 17	6.87	2.6
June 18	7.01	2.2
June 19	10.46	2.9
June 20	9.51	2.8
June 21	14.02	4.3
June 22	25.05	5.5
June 23	8.93	2.7
June 24	11.98	3.4

\*\* CPU / unit price at beginning of period

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