

Monthly Fact Sheet February 2025

Performance ¹	3 month %	1 year %	3 years % p.a	5 years % p.a	7 years % p.a	Inception % p.a ²
Fund return (net)	-1.11	8.47	6.32	8.34	7.49	9.97
S&P/ASX Small Ordinaries Accumulation Index	-1.46	7.33	2.13	5.56	4.70	6.40
Active return	0.36	1.14	4.19	2.78	2.80	3.57
S&P/ASX Small Industrials Accumulation Index ³	-2.37	6.65	3.68	4.44	4.78	5.81
Active return	1.26	1.83	2.64	3.90	2.71	4.17

Past performance is not a reliable indicator of future performance. Numbers may not add due to rounding.

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

² The inception date for the Fund is 28 April 2017

³ The benchmark for the Fund is the S&P/ASX Small Ordinaries Accumulation Index. For comparison purposes, the S&P/ASX Small Industrials Accumulation Index is displayed as the Fund does not typically invest in resource securities.

Fund facts	
Portfolio managers	James Dougherty, Liam Donohue
Inception date	28 April 2017
Investment objective	To outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (before fees)
Management fee	1.10% p.a.
Performance fee	15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Performance Benchmark
Buy/sell spread	+0.39% / -0.39%
Fund size	\$224.7M
Distribution frequency	Half-yearly

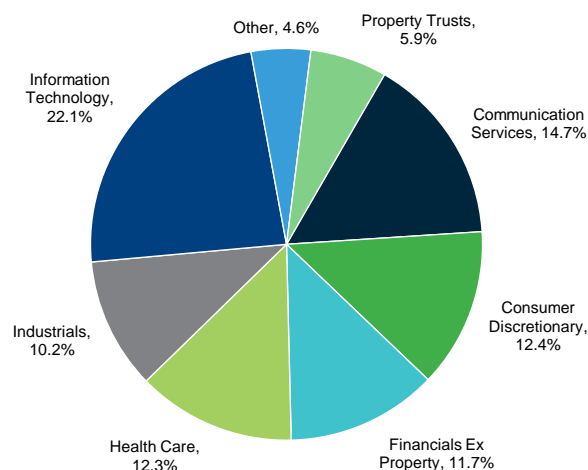
Fund features
An actively managed portfolio of small companies: Lennox invests using both qualitative screening and in-depth fundamental research to identify investment opportunities.
Experienced investment team: The investment team has a long and successful history investing in Australian small and micro-cap companies.
A refined and tested investment process: Lennox have a robust investment process which is combined with key insights gained through deep-dive research 'on the ground'.
Risk aware: Lennox embed risk management at the centre of their investment philosophy and portfolio construction.

Asset allocation	Actual %	Range %
Security	93.76	80-100
Cash	6.24	0-20

Top 3 active positions (alphabetical)
Aussie Broadband Pty Ltd
Telix Pharmaceuticals Ltd
oOh!media Ltd

Stock attribution
Top 3
oOh!media Ltd
Megaport Ltd
Imdex Limited
Bottom 3
Integral Diagnostics Ltd
Iress Limited
Siteminder Ltd

Sector exposure



Fund highlights

The Fund returned -1.7% (after fees) for the month of February, while the S&P/ASX Small Ordinaries Accumulation Index (Small Ords) returned -2.8% and the S&P/ASX Small Industrials Accumulation Index returned -2.5% (the Small Industrials index excludes resources and energy companies, which the Fund does not invest in).

The largest contributors to performance included overweight positions in outdoor media player oOhmedia, network software provider Megaport and exploration drilling technology company Imdex. Shares in oOhmedia added 28.8% after delivering its CY24 result in-line with guidance and a strong Q1 trading update with revenues +14% which compared to expectations of +9%. Megaport surged 30.5% on the back of its 1H25 result which delivered a solid improvement in forward looking growth KPIs along with a stabilisation in the performance of the Company's back book as represented by NRR (net revenue retention). Imdex gained 14.8% as management indicated the outlook for exploration activity – the Company's key economic driver – would return to growth in FY26.

The largest detractors from performance included overweight positions in diagnostic imaging player Integral Diagnostics, financial technology provider Iress and hotel technology company Siteminder. Integral Diagnostics pulled back 31.7% on the back of a 1H25 result which failed to deliver margin expansion due to higher labour costs and contract mix. Shares in Iress retraced 15.3% after delivering softer than expected CY25 guidance which is yet to receive the P&L benefits from the sale of the Company's Super business, expected to complete in mid-25. Siteminder slid 17.3% after serving up an underwhelming 1H25 result due to a mix of factors which included FX headwinds, higher than expected growth incentives for new subscribers and ongoing noise around a change in revenue recognition for one of its transaction products.

During the month, the fund topped up its position in Integral Diagnostics which sold off aggressively on the back of a weak 1H25 result. We were disappointed with the financial result from the IDX side of the business which failed to deliver operating leverage despite +9% top-line growth for reasons outlined above. Post completion of the merger with Capitol Health, we believe the combined group remains well positioned to deliver margin expansion and naturally de-gear over the medium term.

Market overview

Communication Services was the best performing sector in February, up 6.5%, followed by Materials (-1.2%) and Industrials (-1.6%). Energy was the worst performing sector over the month, down 13.6%, followed by Health Care (-6.9%) and Information Services (-6.5%).

The top performers for the month included online property platform Domain, generic drug manufacturer Mayne Pharma and medical device company Nanosonics. Shares in Domain surged 59.4% after receiving a \$4.20/share all cash bid from US online media player CoStar Group. Mayne Pharma jumped 58.0% on the back of another all-cash bid at \$7.40/share from US based Corsette Pharmaceuticals. Shares in Nanosonics gained 36.2% after delivering a stronger than expected 1H25 result which included positive timing indications regarding FDA approval for its Coris product.

The worst performers for the month included neural technology developer Brainchip, uranium technology company Silex Systems and diagnostic imaging provider Integral Diagnostics. Shares in Brainchip sold off 35.4% after revealing it is considering redomiciling to the US. Silex Systems retraced 33.7% following a softer than expected 1H25 result which saw the company miss consensus and downgrade forward earnings expectations. Integral Diagnostics pulled back 31.7% as outlined above.

What's making waves

Volatility continued to grip equity markets across the month of February with the Small Ords (-2.8%) outperforming the large cap ASX 100 (-3.9%). Under the surface, elevated volatility was driven by outsized intraday reporting season moves (average ~7%) and heightened macroeconomic uncertainty surrounding President Trump's shifting geopolitical and economic agenda. Despite the volatility, our domestic reporting season showed positive signs of life with the number of profit beats outnumbering misses by a ratio of 3:2. Overall market expectations for FY25 EPS were reduced by ~1% to -0.7% before accelerating strongly to +8% in FY26. Corporate activity in the small cap space continued with bids landing for Domain, Pointsbet and Mayne Pharma following the two bids we saw in January (Insignia Financial & Dropsuite). Pleasingly, Lennox benefited from the Domain bid after recently opening a small position in the stock as the divergence between the quality of the asset and its valuation presented a compelling entry point.

For further information, please contact:

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