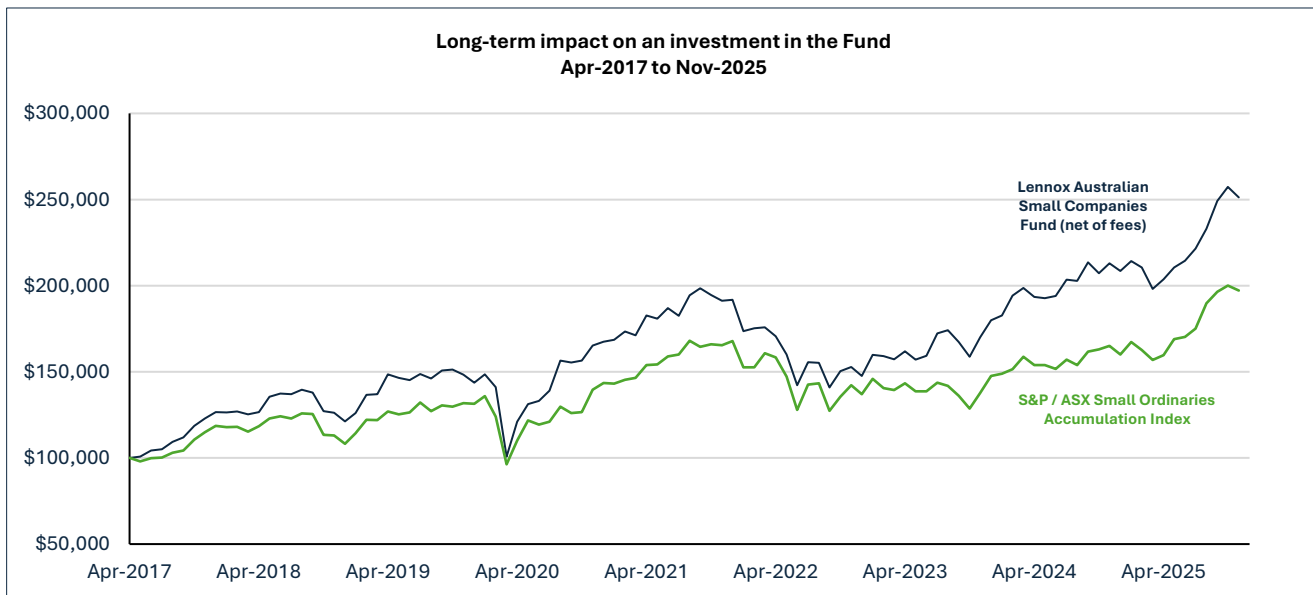


## Monthly Fact Sheet November 2025

### Performance of \$100,000 invested since inception (net of fees)



### Lennox Australian Small Companies Fund Performance (net of fees) as at 30 November 2025

Performance <sup>1</sup>	3 month %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	Inception % p.a. <sup>2</sup>
Fund return (net)	0.87	10.35	15.46	7.32	9.29	10.47
<b>S&amp;P/ASX Small Ordinaries Accumulation Index</b>	<b>3.84</b>	<b>19.43</b>	<b>11.51</b>	<b>7.14</b>	<b>8.28</b>	<b>8.23</b>
Active return	-2.97	-9.08	3.95	0.18	1.01	2.24
<b>S&amp;P/ASX Small Industrials Accumulation Index<sup>3</sup></b>	<b>-2.78</b>	<b>7.57</b>	<b>10.24</b>	<b>4.54</b>	<b>6.59</b>	<b>6.48</b>
Active return	3.65	2.78	5.22	2.78	2.70	3.98

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.

### Investment Insights

The Lennox Australian Small Companies Fund finished November just below the Small Ordinaries Index. A key driver of market performance during the month was the strong rally in gold stocks, which naturally worked against us. Gold can move markets in the short term, but over the long run it's incredibly difficult to forecast and often disconnected from business fundamentals. That's why we stay away from it — our approach is built around predictable earnings and forward visibility, something gold producers simply don't offer.

On the positive side, our core industrial holdings such as NRW Holdings, SRG Global, and Smartgroup continued to provide stability, performing well despite the choppy market backdrop. We also avoided some of the more painful parts of the market, including online retail and defensive names that disappointed — such as Temple & Webster, which sold off after softer trading updates, and DroneShield, which dropped sharply following board share sell-downs. Steering clear of these more volatile or sentiment-driven pockets helped protect capital during a tricky month.

At the same time, we used the volatility to our advantage by reinvesting in Zip and Life360 after both experienced sharp drawdowns. We continue to see Zip as attractive because it has reshaped itself into a more disciplined, cash-generative BNPL (Buy Now, Pay Later) operator with improving credit outcomes and a clearer path to profitability. Life360 remains compelling due to its strong subscriber growth, improving unit economics, and expanding suite of family-safety services, all of which give it a long runway of recurring revenue growth. These pullbacks gave us the opportunity to add to two businesses we believe offer excellent long-term potential despite short-term market noise.

## Performance Summary

The Fund returned –2.35% (after fees) in November, compared with a –1.48% return from the S&P/ASX Small Ordinaries Index and –3.44% from the S&P/ASX Small Industrials Index. The Industrials index excludes resources businesses, which we don't invest in, and this was a headwind in November as gold and other resource names were among the strongest performers across the small-cap market.

### Top Portfolio Contributors

#### **NRW Holdings (NWH.ASX)**

NRW performed strongly in November following a well-received AGM (Annual General Meeting) update. Management tightened FY26 EBITA (Earnings Before Interest, Tax and Amortisation) guidance to \$260–265m and highlighted upside risk given a strong start across all divisions. The company also emphasised solid visibility into FY26–27 supported by a strong work-in-hand position and tender pipeline. Operational momentum was broad-based, with Fredon and Mining outpacing expectations and the Civil division benefiting from ongoing infrastructure and iron ore spending in WA. The AGM reinforced NRW's improving growth outlook, helping drive the share price higher.

#### **Smartgroup (SIQ.ASX)**

Smartgroup outperformed as investors rotated toward companies with predictable earnings, strong cash generation, and defensive characteristics. Stable novated leasing demand, improving vehicle supply conditions, and its capital-light model positioned the company favourably in a market where long-duration growth names were under pressure.

#### **DroneShield (DRO.ASX)**

DroneShield is a non-holding for the Fund, with the Lennox portfolio benefitting relative to the index by its share price fall. DroneShield fell –48.3% in November after the CEO, Chair, and a director sold their entire shareholdings. This raised material corporate governance concerns and triggered a sharp negative market reaction.

### Top Portfolio Detractors

#### **NextDC (NXT.ASX)**

NextDC declined as part of a broad sell-off in technology and high-multiple growth names, driven by rising bond yields and weaker global sentiment toward AI-related and long-duration assets. There was no meaningful change to the company's fundamentals; the pullback was largely valuation-driven.

#### **Aussie Broadband (ABB.ASX) and Superloop (SLC.ASX)**

Both Aussie Broadband and Superloop weakened amid sector-wide pressure in telecommunications and technology. Competitive intensity increased, highlighted by Telstra's aggressive Black Friday broadband promotions, raising concerns around near-term margins and customer acquisition costs across the NBN market.

## Market Summary

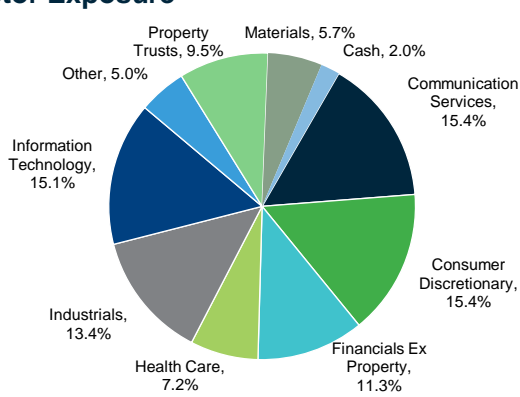
November was a volatile month for small caps, with the S&P/ASX Small Ordinaries Index falling –1.5%, though still outperforming the ASX 200 (–3.2%). Market weakness early in the month was followed by a strong rebound into month-end, reflecting shifting interest rate expectations and mixed global growth signals. Performance was again led by the resources sector, with the Small Resources Index rising +5.9%, while the Small Industrials Index fell –3.5% as investors rotated away from higher-multiple growth and defensive industrial names. Gains were concentrated in gold, copper and spodumene-exposed companies, while technology, defence, and online retail names saw meaningful profit-taking.

At the sector level, Materials (+5.9%) was the standout performer, supported by stronger gold and copper prices, while most other sectors lagged. Information Technology (–7.5%) led declines as the global derating in AI and growth stocks flowed into the Australian market, and Consumer Discretionary was mixed amid softer sales trends and ongoing cost pressures. The dispersion in sector returns remained significant, with investors favouring businesses tied to hard-asset cash flows and avoiding valuation-sensitive growth names.

The strongest performers in the Small Ordinaries Index during the month were Capricorn Metals, Westgold Resources, and Regis Resources, all of which benefited from rising gold prices and improving production outlooks. Liontown Resources also rallied strongly after a spodumene auction result exceeded expectations, and National Storage REIT outperformed following a non-binding takeover proposal. Engineering services company Monadelphous delivered another positive month on the back of A\$570 million in new contract wins.

The weakest performers for the month were DroneShield, Temple & Webster, and Electro Optic Systems (EOS). DroneShield fell sharply after senior board members sold their entire shareholdings, which raised corporate governance concerns. EOS also declined as investors rotated out of defence names following a strong year-to-date rally. Temple & Webster experienced a meaningful sell-off after signalling softer trading conditions and facing earnings downgrades. Other notable detractors included Weebit Nano and Zip Co, both of which were caught in the broader sell-off across high-multiple technology and consumer credit names.

Top Active Positions	Top Contributors	Top Detractors
Firmus Grid NRW Holdings Smartgroup	NRW Holdings Smartgroup DroneShield	NextDC Aussie Broadband Superloop

Fund Facts		Fund Features
<b>Fund Manager</b>	Lennox Capital Partners	<p><b>Alignment:</b> Lennox team majority own the firm and are materially co-invested alongside clients</p> <p><b>Research:</b> Lennox utilises in-depth fundamental research to identify compelling small company investment opportunities</p> <p><b>Conviction:</b> A concentrated portfolio of high quality industrial Australian small companies</p>
<b>Investment approach</b>	Lennox employs deep fundamental research and extensive company engagement to build a concentrated portfolio of best ideas	
<b>Investment objective</b>	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (after fees)	
<b>Inception date</b>	28 April 2017	<p><b>Platform Availability</b></p> <p>AMP, Australian Money Market, BT Panorama, HUB24, Macquarie Wrap, Mason Stevens, MLC Expand, Netwealth, Praemium</p>
<b>Benchmark Index</b>	S&P/ASX Small Ordinaries Accumulation Index	
<b>Management fee</b>	1.10% p.a.	<p><b>Sector Exposure*</b></p> 
<b>Performance fee</b>	15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Performance Benchmark	
<b>Number of holdings</b>	Typically 20 - 40	
<b>Buy/sell spread</b>	+0.39% / -0.39%	
<b>Fund size</b>	\$261M	
<b>Distribution frequency</b>	Half-yearly	

\*Lennox does not investment in mining or energy companies

## Portfolio Managers



**James Dougherty**  
Principal & Portfolio  
Manager



**Liam Donohue**  
Principal & Portfolio  
Manager



## Find Out More

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