Auscap Newsletter

NOVEMBER 2026

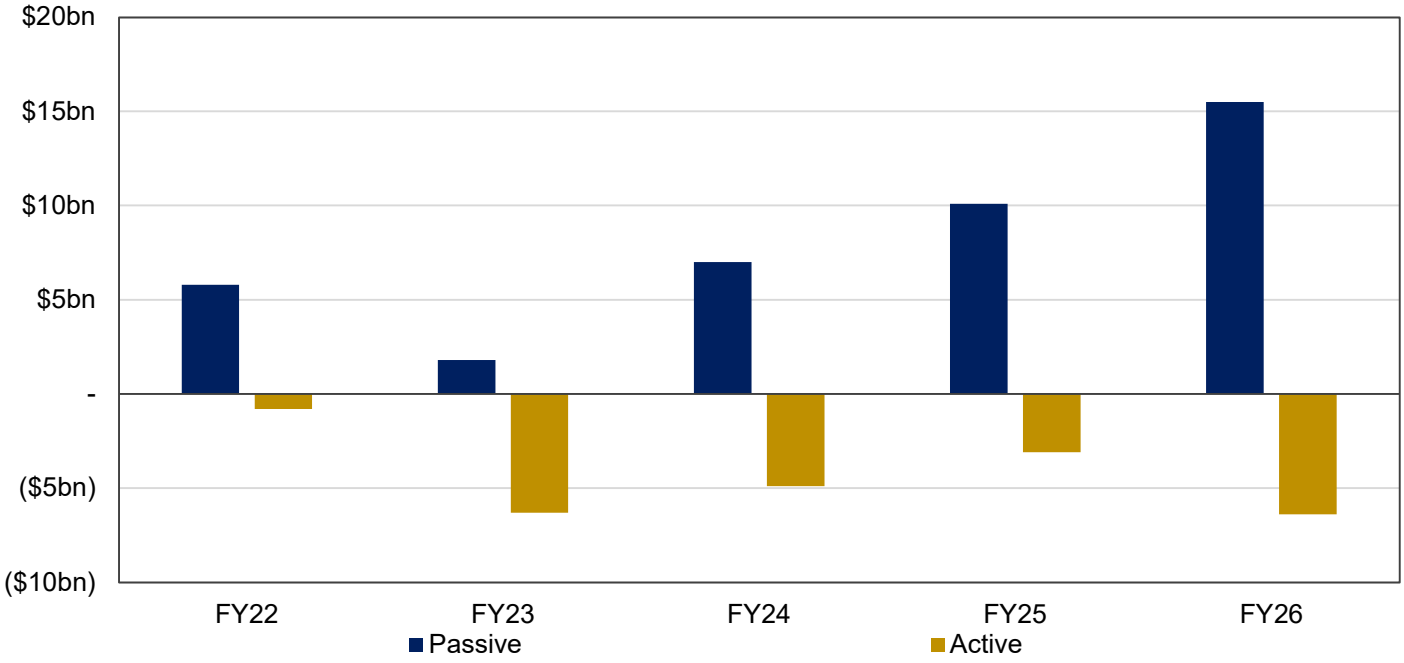
AUSCAP ASSET MANAGEMENT LIMITED

Best In Class, High Quality, Fundamentally Cheap: Calling All Fundamental Investors

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We think the current market is presenting attractive opportunities, in both an absolute and relative sense. Many high quality businesses are trading at depressed prices, a function of the combined fears around artificial intelligence, inflation, property prices, interest rates, the conflict in the Middle East, Australian productivity and, potentially most significantly, the continued trend towards passive investing. This trend is highlighted by the net inflows to passive strategies witnessed over recent years, and the outflows from active management, as seen below. This trend is most likely understated, with passive-like quantitative strategies masking the true abandonment of genuine active equities management in the domestic market. However, we suspect that this phenomenon is likely to be cyclical, even if the cycle is elongated and feels particularly tortuous to active managers at present.

Net Flows into Australian Equity Funds

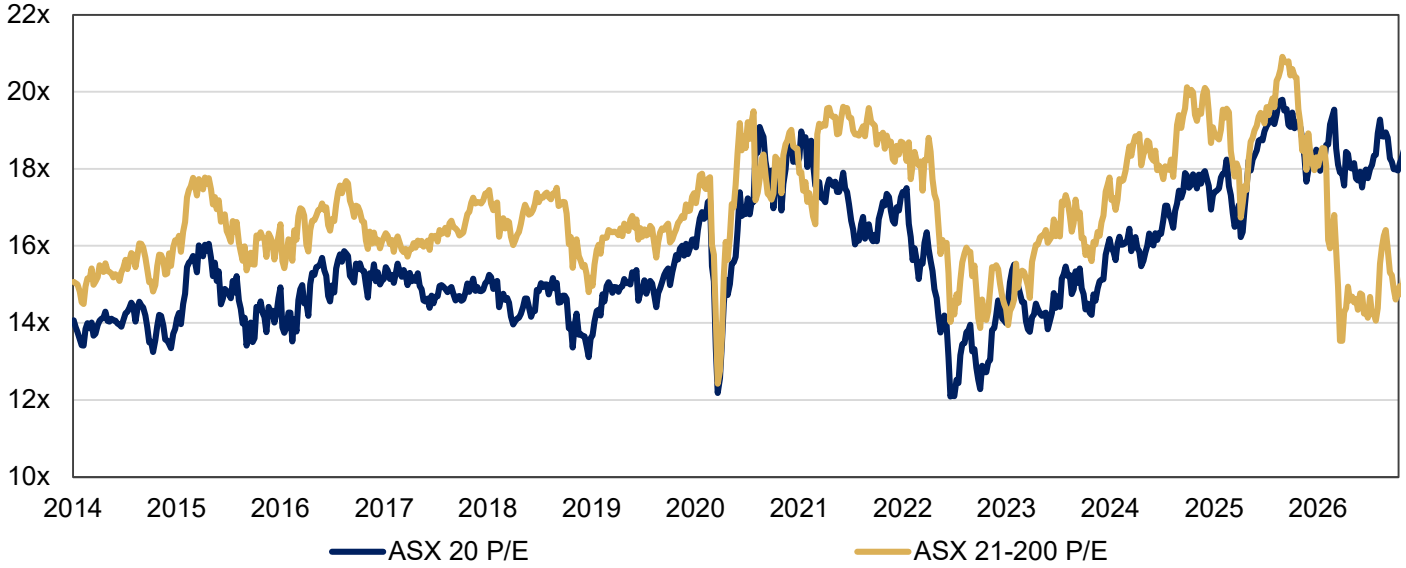


Source: Betashares, AFR, Auscap

The pressure on short term performance is driving a lot of investor behaviour, with a heavy focus at present on picking companies that are likely to beat short term earnings estimates, as opposed to evaluating the long-term prospects for a given business and pricing it accordingly. We think this is presenting some compelling opportunities in the domestic stockmarket for anyone brave enough to have a very different portfolio to everyone else.

As we have discussed before, companies outside of the ASX20 are trading at a materially lower collective price to earnings (P/E) multiple than Australia's twenty largest businesses. This is despite a long track record of collectively growing earnings at a significantly faster rate than their larger peers. Over the last decade, the ex-ASX20 universe has demonstrated 4.8% earnings growth per annum compared with just 0.8% for companies in the ASX20.

ASX Forward Price to Earnings Ratios



Source: FactSet, Auscap

Private equity firms have the luxury of not having to concern themselves with the increasingly short periods over which active managers appear to be judged. They have recognised opportunities in the listed market created by this short-term focus, the overreactions to transitory business hiccups and the move to passive by trying to take many of these businesses private. They have successfully taken private, or are in the process of taking private, many well known domestic businesses including Cleanaway, FleetPartners, Reliance Worldwide, Steadfast, National Storage REIT, Qube, Ingenia and oOh!media to name but a few in the last 12 months. And now Blackstone is attempting to buy another great listed business in the domestic market, IDP Education (ASX:IEL), and do it at an extremely low valuation.

IDP Education: A Compelling Opportunity

Whilst there is currently uncertainty in regard to IDP Education's (IDP) earnings outlook, based on our understanding of the business and given current conditions, we view the range of potential return outcomes, even premised on conservative assumptions, to be very attractive. We suspect the return skew around our base case is asymmetrically positive, and our view of fair value is materially higher than the share price, before accounting for a premium required to justify a change of control. We struggle to find many opportunities in the domestic market that have an investment case as compelling.

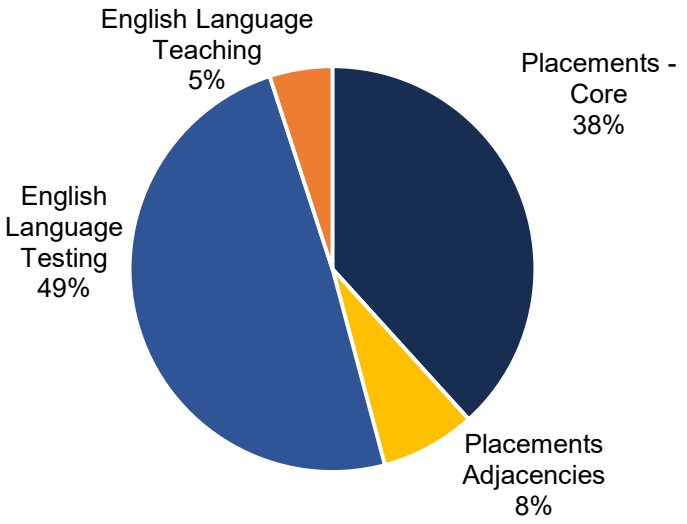
IDP Education's Business Model

IDP has been operating as a leading provider of education related services for more than 50 years. It was born out of an Australian university collaboration that commenced in 1969 to help universities in South-East Asia build their teaching and research capability. In 1981 it was renamed the International Development Program of Australian Universities and Colleges, which is where the name IDP comes from. In the mid-1980s it moved to focusing on full fee paying international students, recruiting for its member universities. In 1989 it joined with the British Council and Cambridge's exams body (UCLES) to launch IELTS (International English Language Testing System), which became the leading English test for study and migration globally. In 1996 IDP was incorporated, owned at the time by 38 Australian universities. The universities sold 50% to SEEK in 2006, and IDP then listed on the ASX in 2015. The universities have gradually sold down their stake but a number still hold a position in the company today. Its two main lines of business remain the student placement business and the English testing business.

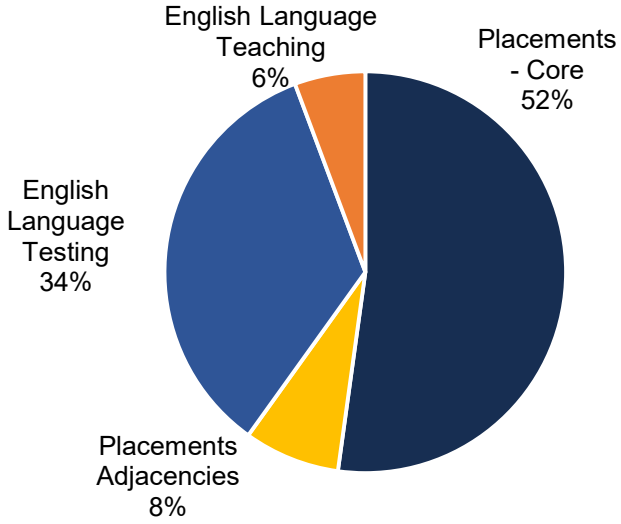
IDP's student placement business assists students to choose a course, apply for a program and get through the visa process. IDP has relationships with over 1,000 university partners spanning Australia, the United Kingdom (UK), Canada, the United States of America, Ireland, New Zealand and Malaysia. Its largest destination markets are Australia and the UK, followed by Canada. It employs expert education counsellors who guide students through the application process. In FY26, IDP placed over 54,000 students into higher education facilities. The largest source markets are India, China, Vietnam, Bangladesh and Australia. Students do not pay IDP directly for this service. Rather, the relevant university shares part of the student's first year fees with IDP.

IDP's second business is the provision of English language testing services. It is the world's largest provider of such services under the IELTS brand, which remains jointly owned by IDP, the British Council and Cambridge University Press & Assessment. English testing is conducted for students wishing to enter English speaking universities, but also for professionals migrating under working visas, for Government officials meeting set standards and for local citizenship requirements. This testing business operates in over 600 locations spanning 60 countries. In FY26 IDP delivered 1.2 million IELTS tests around the world. Its largest markets for testing services globally are China, India, Bangladesh, Vietnam, Indonesia, Australia and Canada. Historically the British Council has operated exclusively in China while paying IDP a royalty on these tests. IDP gave up the royalty arrangement in 2024 and entered the Chinese market in FY26 under a partnership model with a local provider, expanding quickly to currently have 25 testing centres as at October 2026. The company also has a smaller English language teaching business and a Student Essentials add on services business. In FY26, IDP delivered over 108,000 English language teaching courses.

FY26 Revenue



FY26 Gross Profit

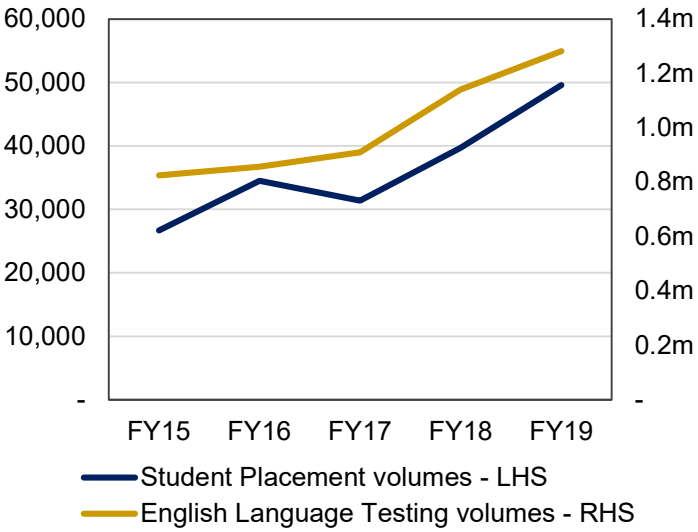


Source: Company Disclosures, Auscap

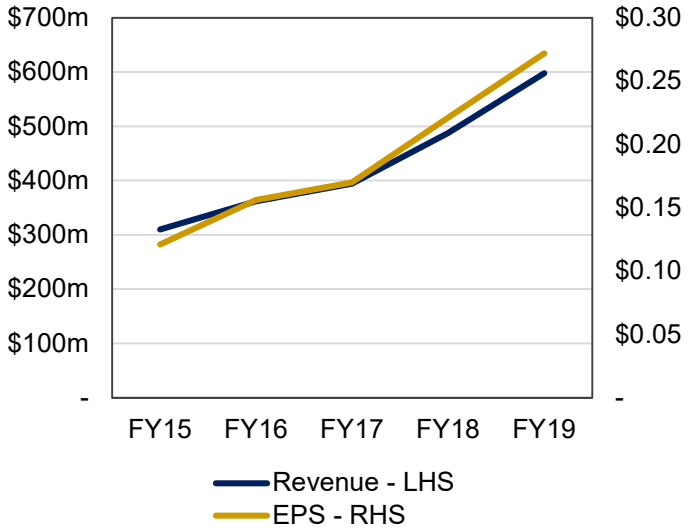
Smooth Sailing Post Listing, And Then COVID

IDP was steadily growing revenues and earnings from its ASX listing in 2015 until the onset of COVID-19. Placement and testing volumes had grown at compound annual rates of 17% and 12% respectively from FY15 to FY19. This had resulted in compound revenue and EPS growth of 18% and 22% over that period.

IDP Volumes



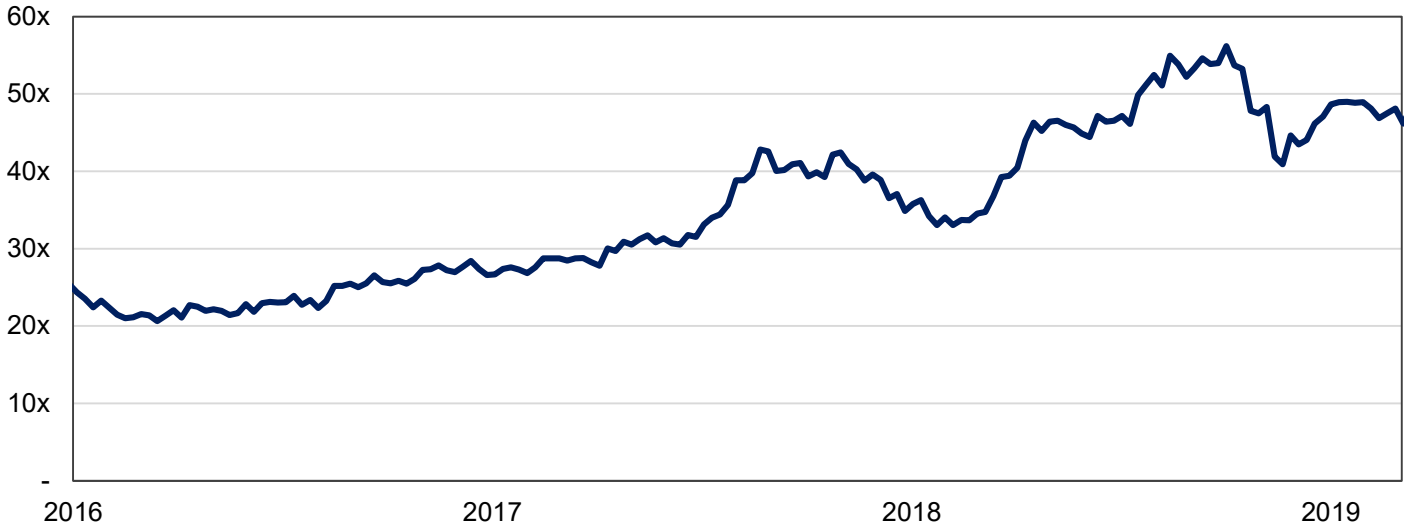
IDP Financials



Source: Company Disclosures, FactSet, Auscap

The business had all the hallmarks of a best in class, capital light, genuine long term compounding growth business. As market confidence in the business grew, the P/E multiple the market was willing to ascribe to the business also expanded. It averaged 47x over 2019 and 33x over the period from listing until the end of 2019.

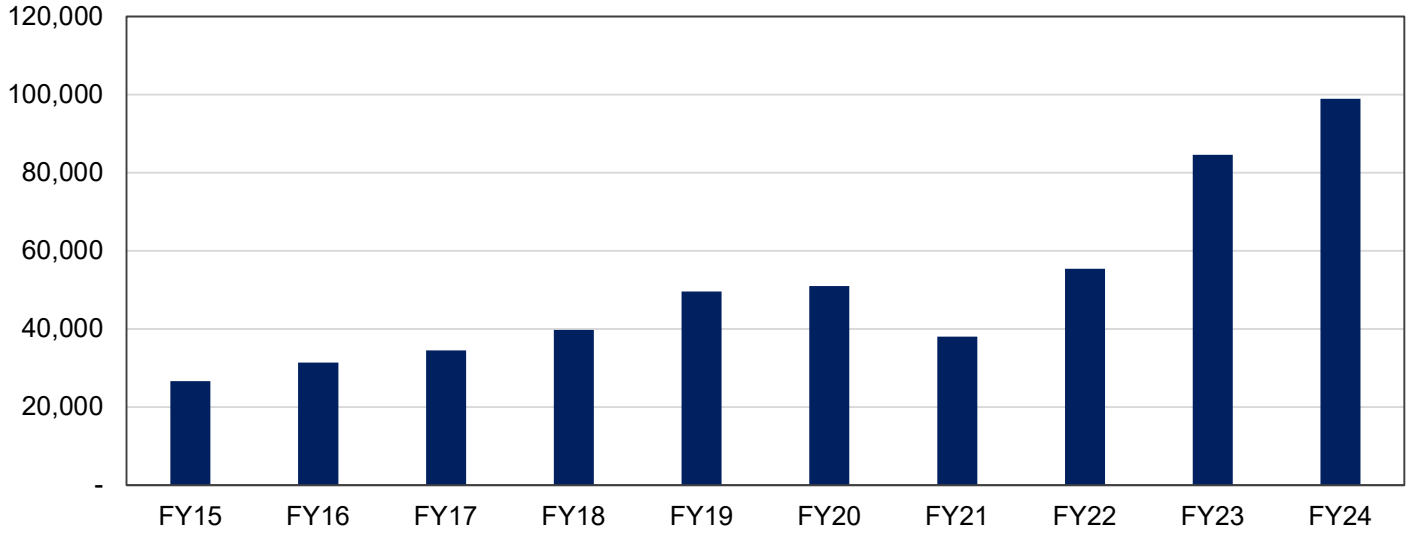
IDP P/Es since IPO



Source: FactSet, Auscap

The outbreak of COVID-19 changed all of this. It severely disrupted travel and migration around the world. Many countries went into lockdown with citizens unable to migrate as they otherwise might have. This negatively affected testing volumes in FY20 and FY21, and placement volumes in FY20 to FY22. IDP's revenue and earnings took a significant hit in FY21. IDP conducted a capital raising in April 2020 shortly after the onset of the pandemic to raise $254m to shore up its balance sheet. The share price held up surprisingly well post the capital raising as investors recognised the likely short term duration of the impact of the pandemic. The company bought the British Council's IELTS India business in July 2021 for £130m (A$238m). Coming out of the pandemic, pent-up demand swung the pendulum the other way. In FY24, IDP's placement volumes were up approximately 150% from the FY21 lows and were around double the pre-COVID levels.

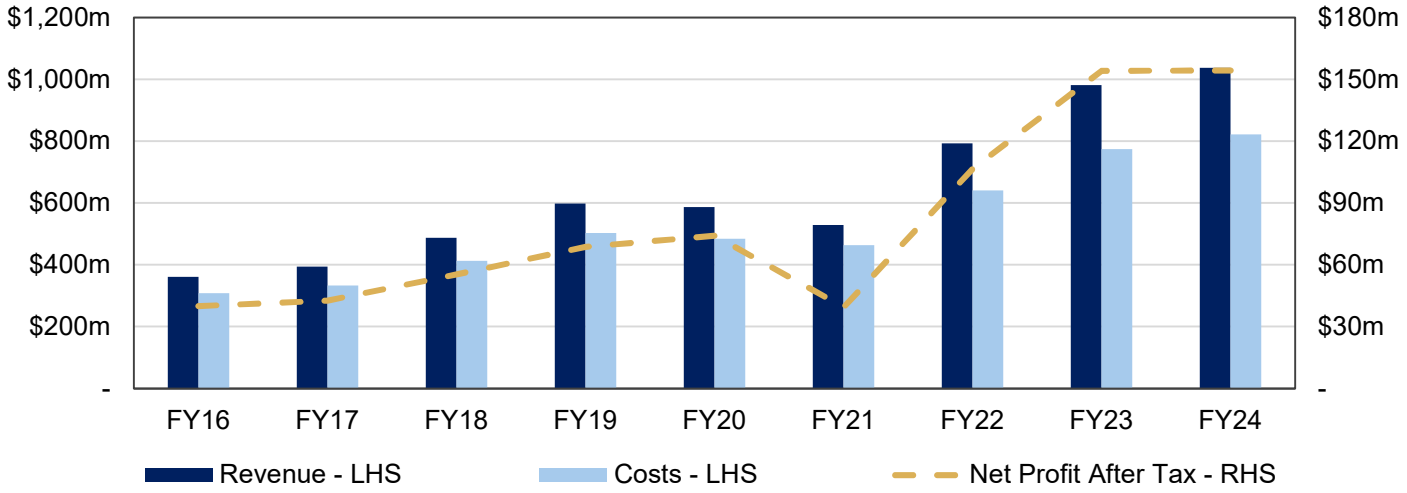
IDP Student Placement Volumes



Source: Company Disclosures, Auscap

The difficulties currently being experienced by IDP were seeded at this time. The business experienced record revenue and profitability as travel restrictions were eased globally. However, the cost structure within the business increased dramatically, growing 78% from FY21 to FY24.

IDP Financial Profile

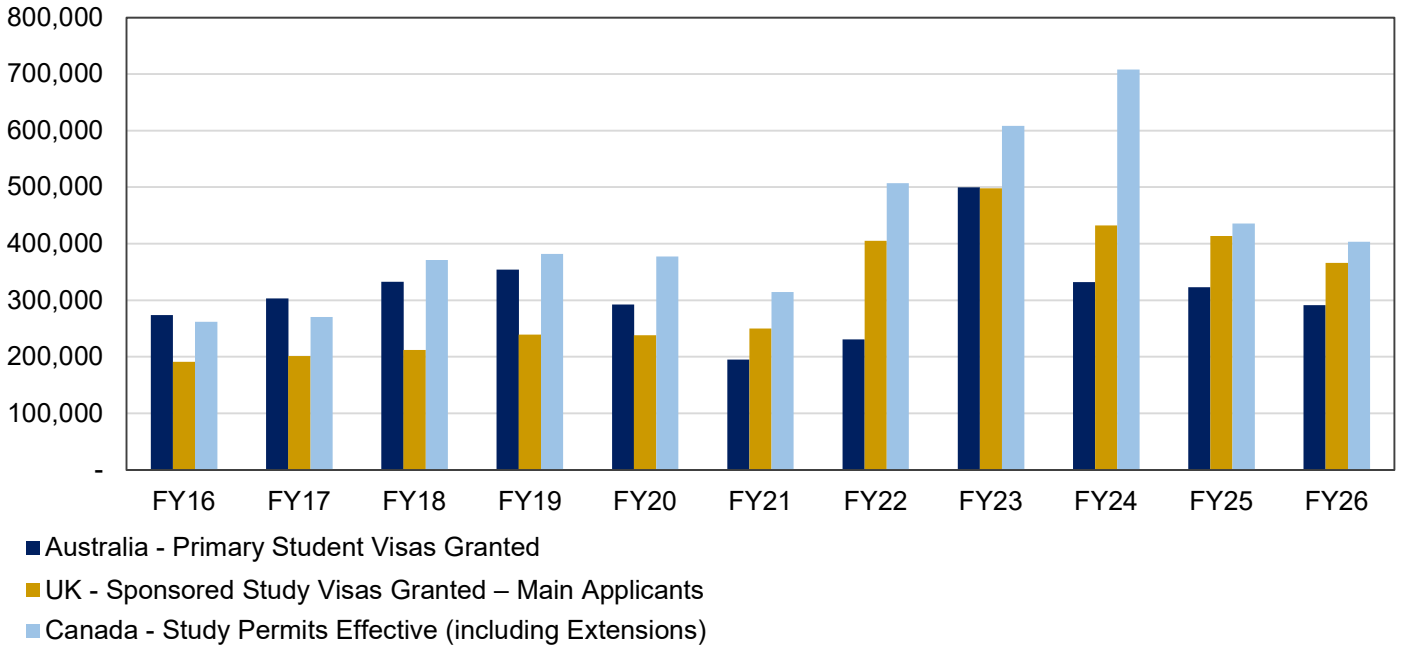


Source: Company Disclosures, Auscap

The cyclical surge in student migrants led to various degrees of community backlash, with housing, infrastructure and social pressures creating a groundswell of political pressure to curb net migration levels globally in developed countries. Governments responded to public sentiment with a range of different initiatives to cut their student intakes. This occurred simultaneously across all the main markets serviced by IDP including the very important markets of Australia, the UK and Canada.

Since the end of FY24, international student numbers have fallen significantly in IDP's major markets. In Australia, 291,536 primary student visas were granted in FY26. If the September 2026 quarterly decline was annualised, visa grants in FY27 would be below FY16 levels. In Canada, over the last 12 months new student visas becoming effective (including extensions) are currently annualising 396,000, roughly equivalent to 2019 levels. However, Canada's new student arrivals to the country are currently annualising 91,000 relative to a high of 358,000 achieved in 2024. In the UK, student visa grants have held up reasonably well, albeit they are currently experiencing a significant decline that will likely see student numbers only marginally above 2019 levels.

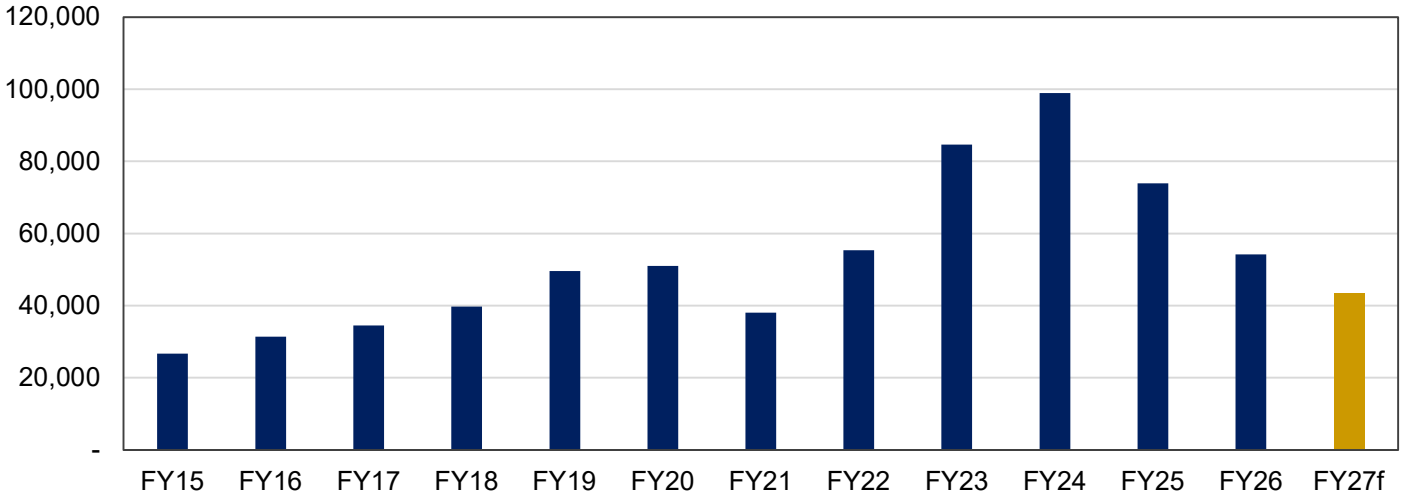
International Student Volumes - Australia, UK & Canada



Source: Australian Department of Home Affairs, GOV.UK, Government of Canada, Auscap

So now we find our forecasts for FY27 for IDP's student placements at 20% below FY26 levels, equivalent to numbers more than 10% below 2019 levels, and well below the trend growth rate that was in place at that time.

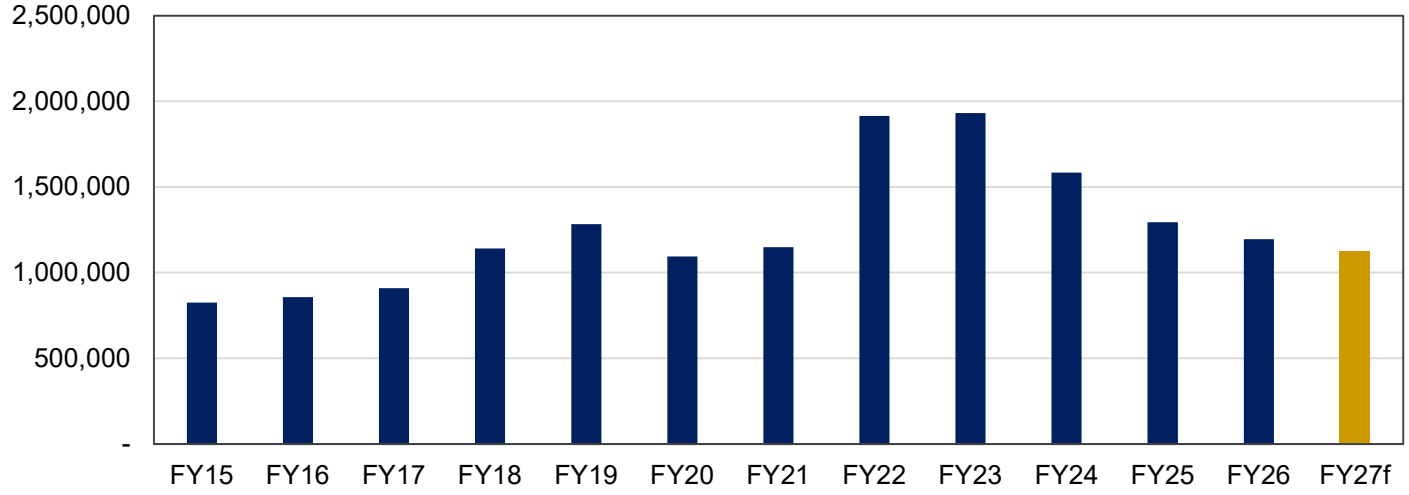
IDP Student Placement Volumes



Source: Company Disclosures, Auscap

A very similar cyclical trend has occurred in IDP's English language testing business, but the numbers are somewhat distorted by the acquisition of the British Council's IELTS business in India as evidenced by the jump in testing volumes in FY22. At the time of the acquisition, the British Council's IELTS business in India had conducted over 400,000 tests in the prior year. The chart below is for reference, but it is perhaps more instructive to focus on the placement volume chart above to understand the industry environment. However, it is useful to highlight that we are currently forecasting IDP's IELTS volumes for FY27 to be below FY18 levels, despite the acquisition of the British Council's IELTS business.

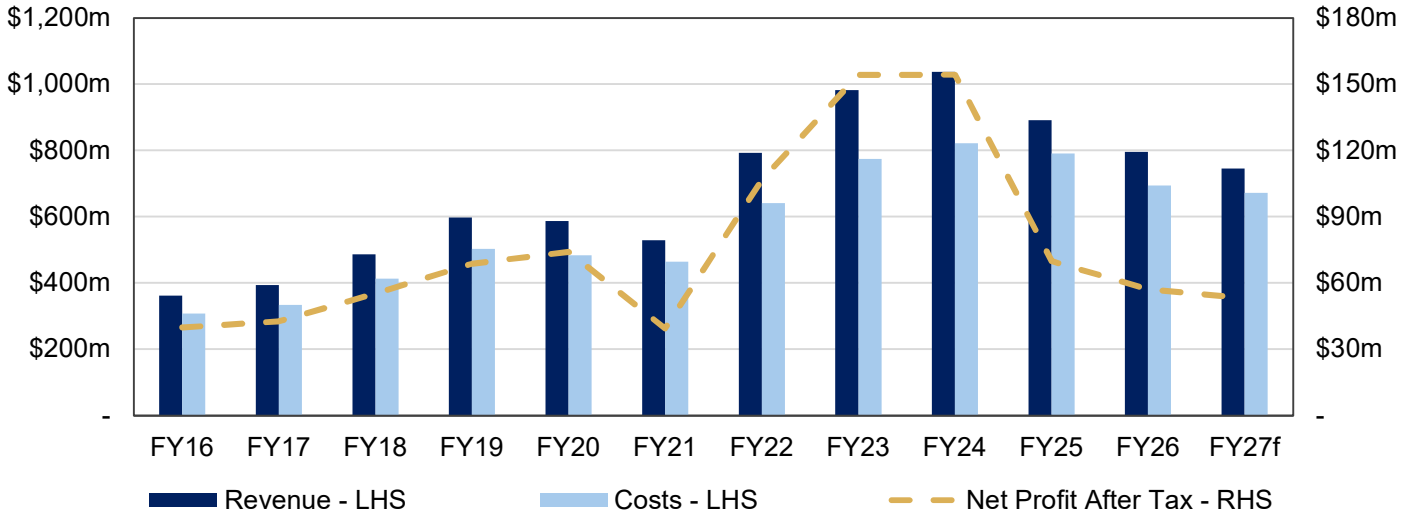
IDP Education English Language Test Volumes



Source: Company Disclosures, Auscap

IDP's revenue deteriorated quickly in the FY24 to FY26 period as student placement and testing volumes retreated, leaving the company's bloated cost base exposed. The result has been a significant hit to earnings. The current CEO and CFO were employed in 2023 and 2024 respectively just as this decline was commencing. It was undoubtedly difficult to adjust the cost base quickly enough in an environment where revenues were falling rapidly. Adding to the pain, the geographic split of the business and applicable withholding taxes saw the tax rate jump from the 30% it averaged from FY16 to FY25 to an adjusted tax rate of 43.7% in FY26, with an elevated tax rate also expected in FY27. As shown below, adjusted net profit after tax (NPAT) has fallen more than two thirds since FY24.

IDP Financial Profile



Source: FactSet, Auscap

The Pro Cyclical Price to Earnings Multiple

So how has the stockmarket rated IDP during this cyclical downturn? As discussed, the multiple gradually crept higher ranging from circa 20x to 50x prior to COVID. The peak of the multiple up near 100x was distorted by the earnings dip that COVID created. But interestingly, by 2022 the market was still pricing the stock on 40x earnings that were now reflecting the post-COVID surge. An elevated multiple on cyclically elevated earnings became a toxic future combination for shareholders at the time.

Fast forward to the current day, and earnings have declined due to the cyclical downturn and the stock's multiple has followed the earnings down. So IDP now has depressed earnings and a depressed multiple, the exact opposite of 2022 and the exact opposite potential future scenario for shareholders. In an efficient market, a cyclical business should theoretically have an inversely correlated relationship between its earnings and P/E multiple. A rational market would take a view on the typical earnings through the cycle and price the company as such. This would result in a company trading on an elevated P/E multiple at cyclically difficult periods, and a low P/E multiple at cyclically elevated earnings. However, this has not happened with IDP. Instead, we are seeing a direct or pro cyclical correlation, which exacerbates share price movements.

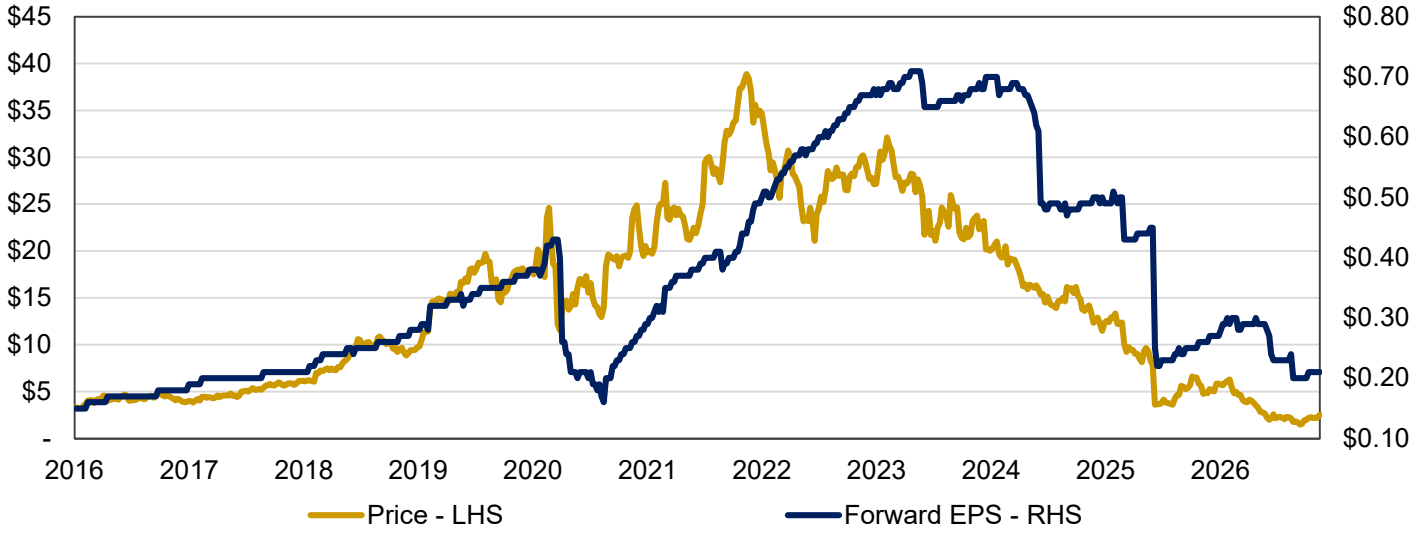
IDP Education P/E multiple



Source: FactSet, Auscap

It is of little surprise to us that private equity are interested, with their playbook undoubtedly based on a cyclical recovery in earnings, combined with a future sale of the business at a much higher multiple. This is a recipe for a fantastic Internal Rate of Return (IRR), which would be at the direct expense of whoever sold them the business.

IDP Share Price vs EPS



Source: FactSet, Auscap

Cyclical or Structural?

The counter-argument to this thesis is if there has been a structural decline in IDP's business that might justify a permanent multiple de-rating. A P/E de-rating is not cyclical if structural change is at play. Undoubtedly a lot is changing in the world and IDP also faces the uncertainty created by artificial intelligence (AI). Might AI agents allow students to avoid using a placement agent? Might university education become less popular with fewer white collar jobs available? Will English language testing/learning still be undertaken in the same manner going forward?

AI is challenging established norms, business and societal practices. However, the ability to understand which question is the right one to ask may well be more important going forward than it has been. We think it is highly likely that educational institutions which can teach independent thought will see no shortage of demand going forward. We believe the student trends witnessed recently have been highly cyclical in nature, driven by countries limiting inbound student numbers, rather than reflecting weakness in demand. We continue to see a structurally growing industry.

The issues involved are complicated, but we think the lure of an education and higher quality life offshore will remain a strong attraction for IDP's potential student base, and there is no incentive for these students to bypass an agent that they do not actually pay for, since the universities pay IDP's fees. The trusted agent provides a level of reassurance and support that students have indicated they value. IDP is also actively employing and developing AI applications within its own business. And, of course, the interest from private equity in IDP provides another endorsement of the perceived future of the business.

Have We Even Seen Structural Improvement?

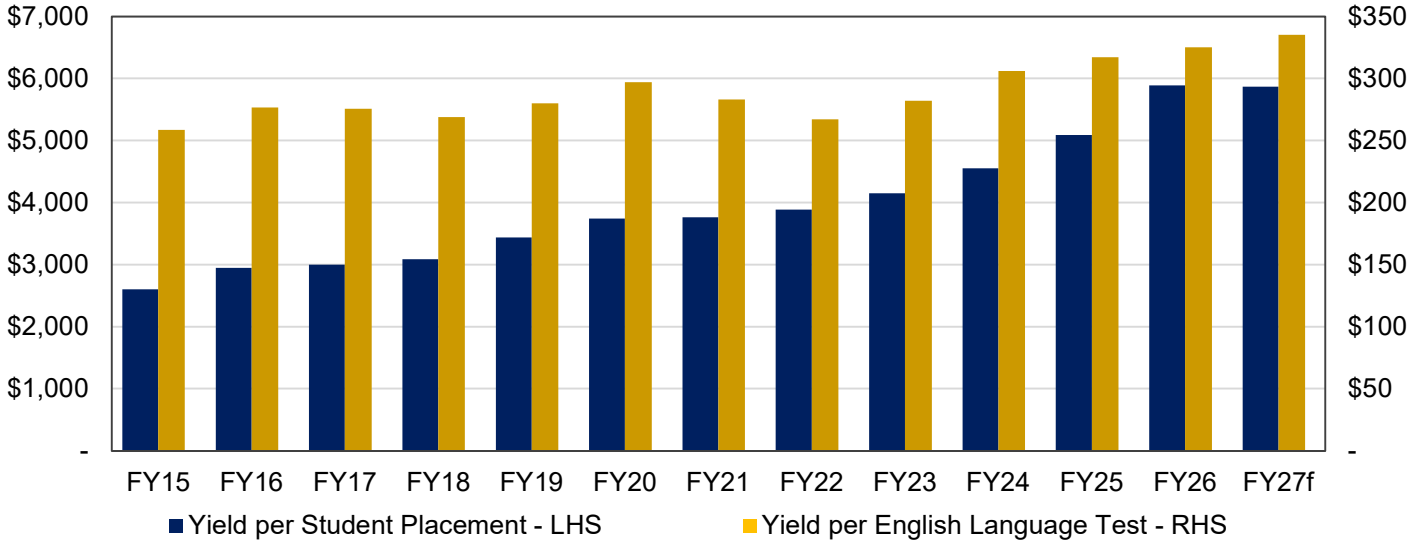
We would even suggest that the hard times experienced by IDP over recent years have forced some structural improvements, as management seek to offset earnings pressures. While the political environment and therefore student numbers in each of IDP's major markets are beyond its control, IDP has focused on improving productivity, accelerating adoption of technology and managing the cost base so that it is right sized for the market.

In FY24, the normalised overheads of the business were $372m. In August 2025, IDP announced its FY25 result which demonstrated a $20m reduction in adjusted overhead costs from FY24 to FY25, and outlined an additional $25m net reduction in the cost base for FY26. Over the course of the following year the company exceeded this target, delivering a $32m net reduction in the cost base, and promising a further $15m net cost reduction in FY27. We estimate that the normalised overheads for the business are likely to be around $290m in FY27, a reduction of 22% over 3 years in nominal dollars and significantly more in inflation-adjusted or *real* terms.

IDP has also achieved significant increases in its average student placement fees (yield) and English language testing fees. The charts below show the impressive growth in these statistics, which have been partly driven by price increases and partly by mix changes with a focus on more profitable business channels.

The real upside for shareholders comes from the leverage that higher fees and cost improvements create during a cyclical improvement. We have assumed these factors might moderate to some degree in our forecasts, but we think there is a high likelihood that many of these earnings enhancements will be retained.

IDP Education Average Yield Per Placement / Test



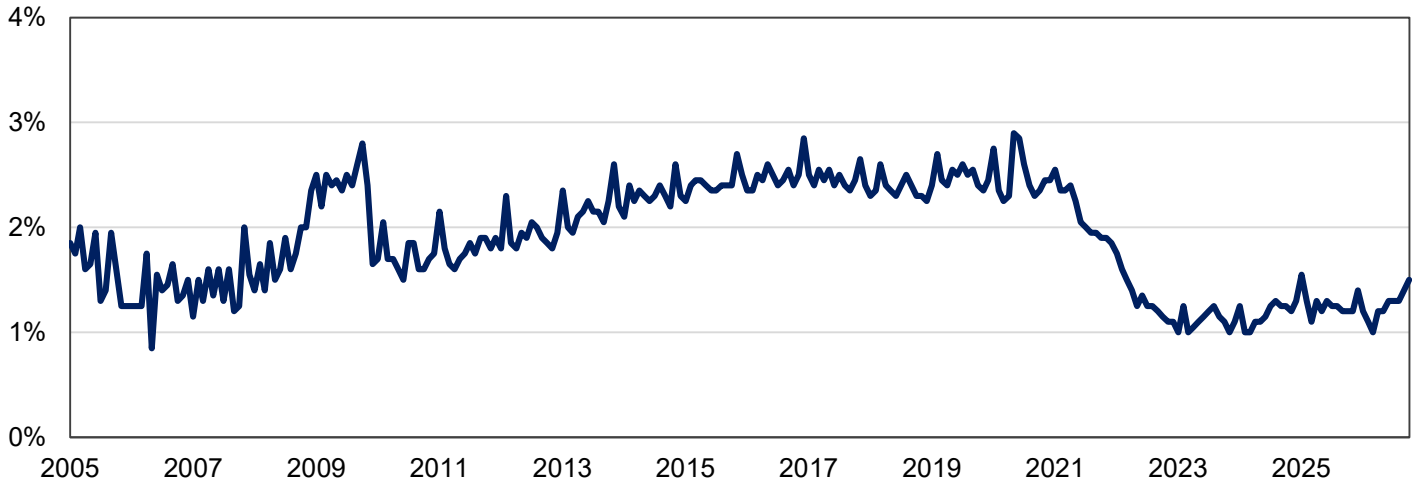
Source: Company Disclosures, Auscap

Significantly, IDP's tax rate is expected to be elevated in FY27. Its tax rate from this point should normalise, and absent any other improvement in the business this alone will see NPAT and Earnings Per Share (EPS) materially higher in coming years.

Hypothetical Future Scenario

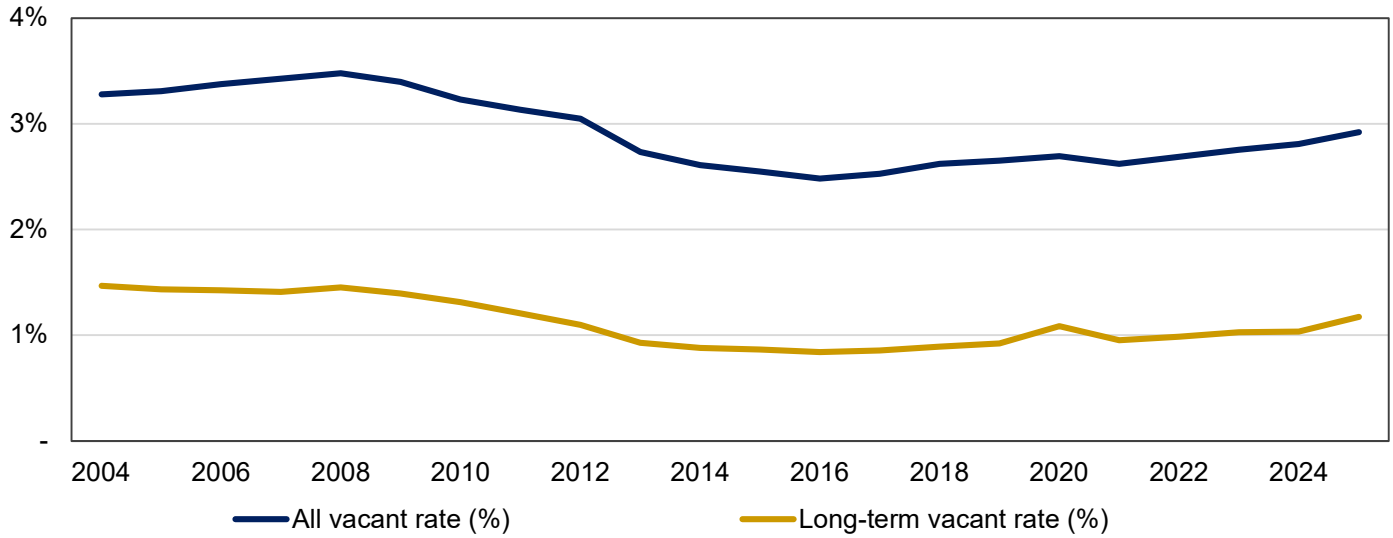
History suggests that predicting earnings for IDP is extremely difficult in the short term and we do not claim to have special insight into the vagaries of political immigration cycles. However, pressure on housing has been one of the driving forces behind a pushback on net migration. While it will take time for current settings to have an impact on migration, there are early indicators of improving housing vacancy across IDP's major markets, as seen below.

Australia Rental Vacancy Rate



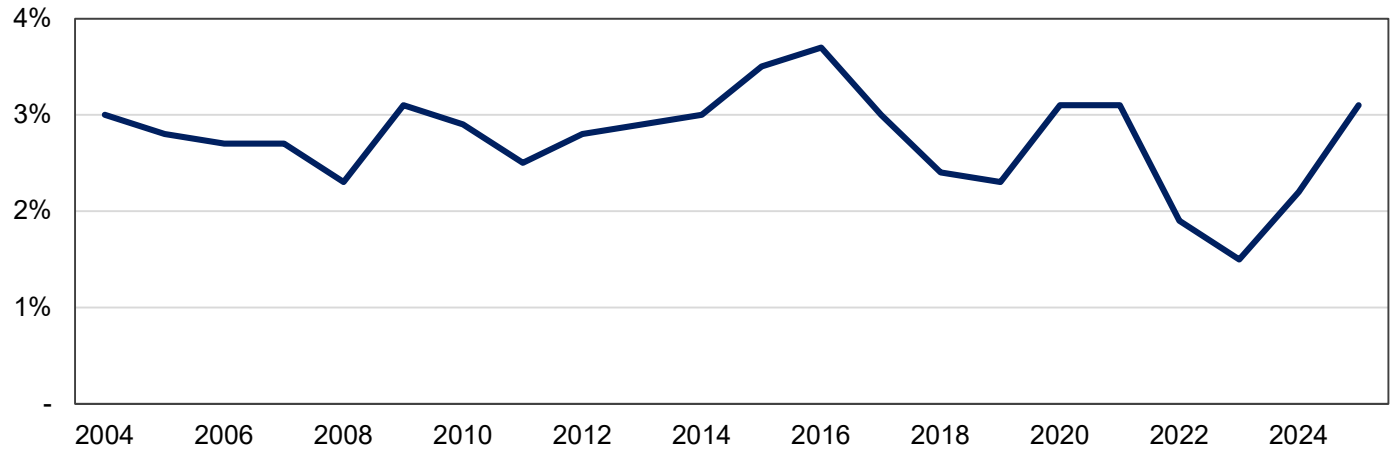
Source: SQM, Auscap

England Rental Vacancy Rate



Source: GOV.UK, Auscap

Canada Rental Vacancy Rate



Source: CMHC, Auscap

Given the significant retracement in student intakes in recent years and the importance of education as an export for Australia, the UK and Canada, our base case is that FY27 will likely be a cyclical low in IDP's aggregate student numbers. If this is true, and there is a return to modest volume growth over coming years, then we would expect to see this growth significantly leveraged through to IDP's bottom line, especially given the current tax rate is abnormally high due to temporary factors.

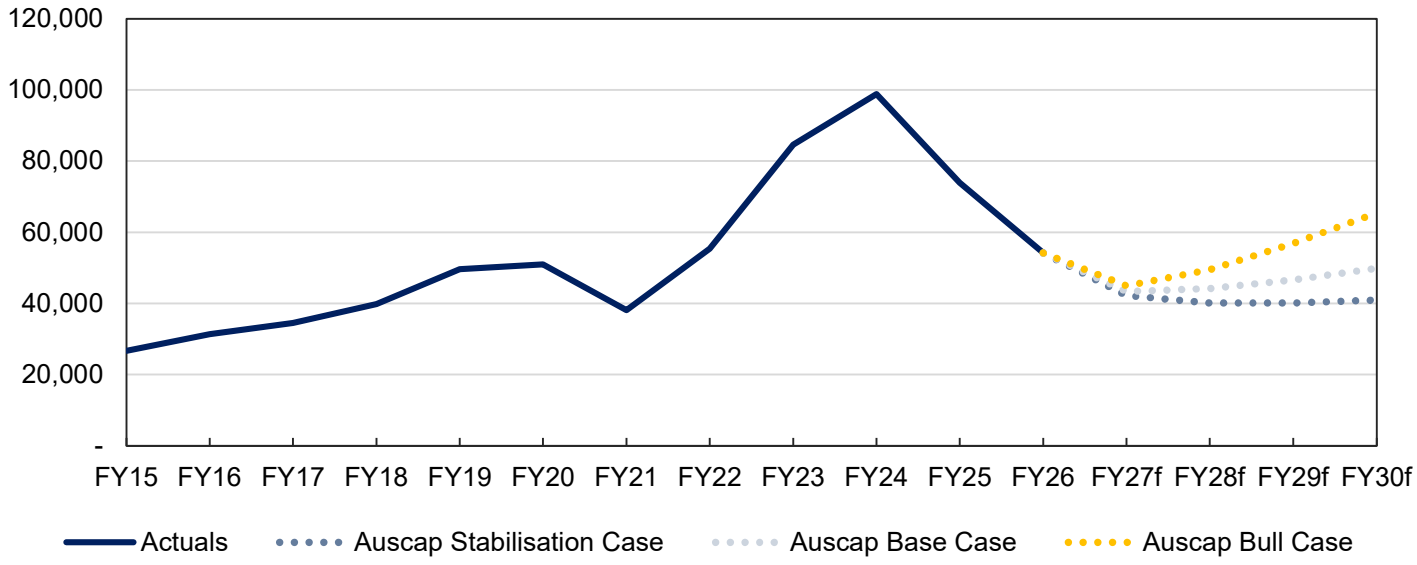
Rank	Australia	(FY25, A$bn)	UK	(Latest, £bn)	Canada	(2024, C$bn)
1	Iron ore	116.4	Power generators (incl. jet engines)	47.3	Mineral fuels (oil and gas)	199.5
2	Coal	71.3	Pharmaceuticals	43.3	Vehicles and parts	79.4
3	Natural gas	64.7	**Education**	**36.7**	Machinery	56.2
4	**Education**	**53.6**	Cars	26.3	**Education**	**47.5**
5	Gold	46.9	Crude oil	20.6	Precious metals and gems	46.9

Source: DFAT, ABS, UK Department for Business and Trade, UK Department for Education, ONS, Global Affairs Canada, Statistics Canada, Claude.

We often discuss time horizon arbitrage being one of the advantages of the genuine long term investor. We believe that focusing on where a business is likely to be in a number of years, while other investors are focused on short term performance, can serve to highlight the biggest market opportunities.

In relation to IDP, our focus is primarily on what the path for student numbers might look like for IDP's two major businesses to get to an estimate of FY30 student volumes. In our base case, volumes decline significantly in FY27, flatten in FY28 and then grow again at modest rates in FY29 and FY30. Our stabilisation case involves a significant decline in FY27 followed by another year of volume declines in FY28 before stabilisation in FY29 and FY30. Our bull case assumes a cyclical low in volumes which we anticipate being down materially in FY27 followed by a strong recovery in the following years. These scenarios for IDP's student placement volumes are shown below.

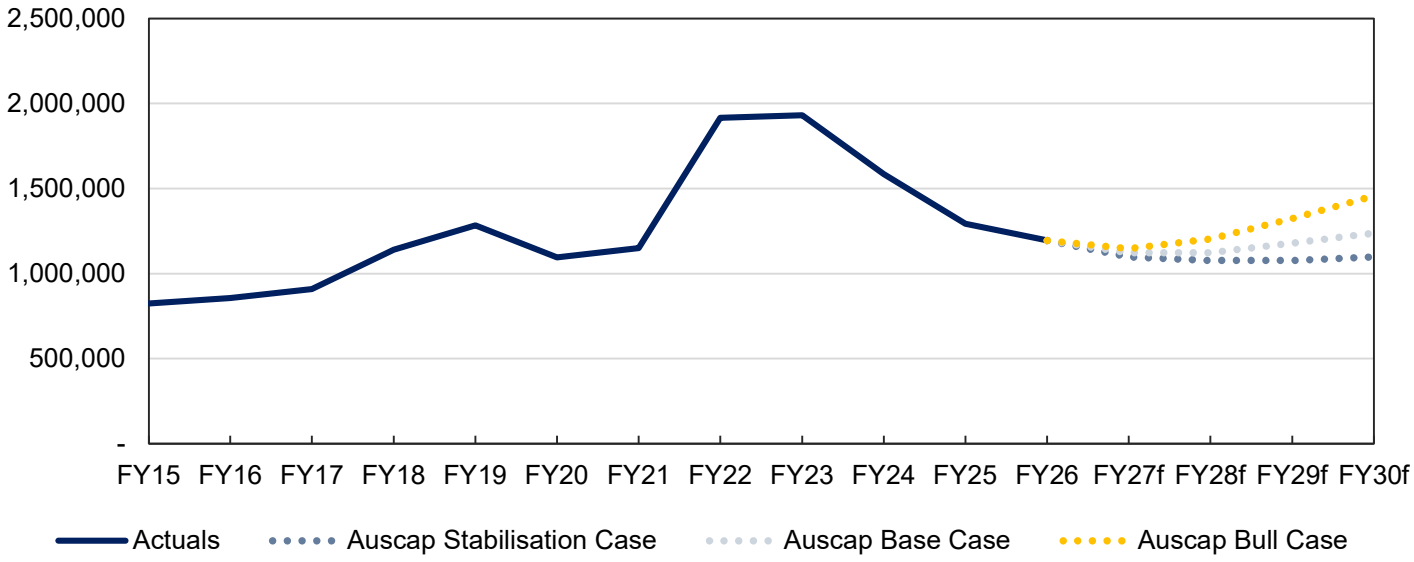
IDP Student Placement Volumes



Source: Company Disclosures, Auscap

Testing volumes are less sensitive to changes in the education sector because of other uses of the IELTS tests. However, we still anticipate a decline in volumes in FY27, despite the company highlighting in November 2026 that "*the scale up of China IELTS operations is progressing well*."

IDP IELTs Volumes

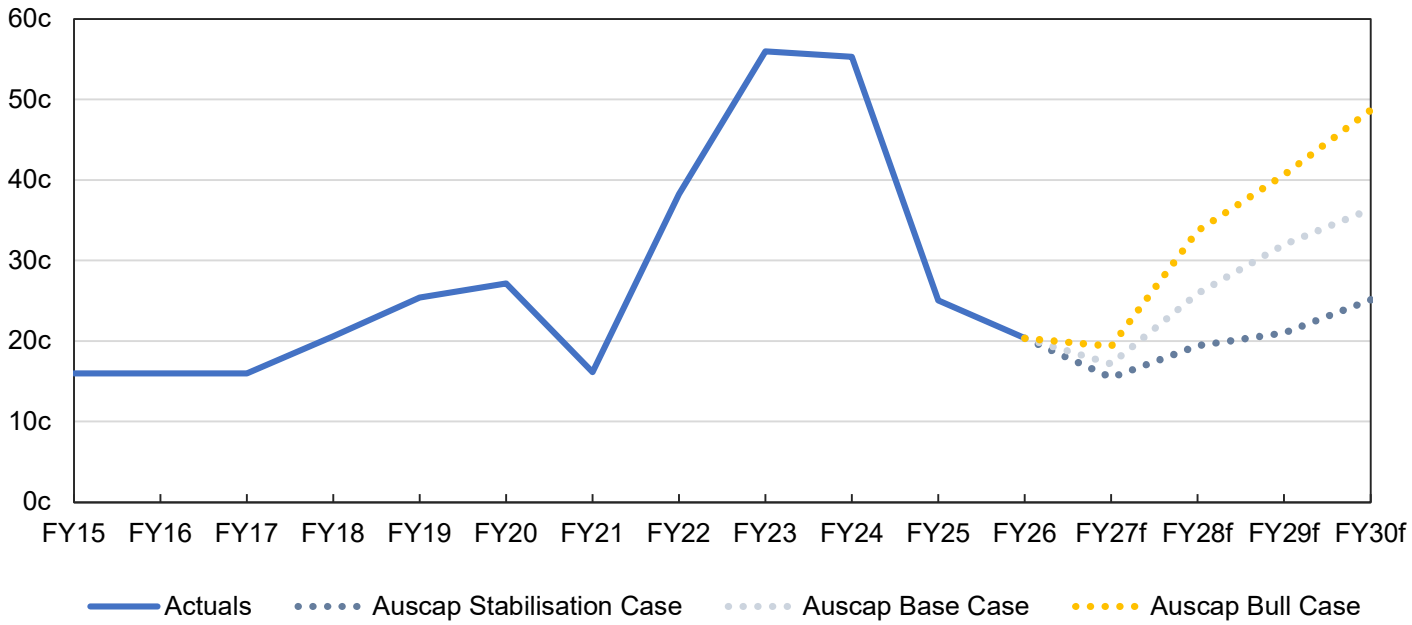


Source: Company Disclosures, Auscap

Of course, actual student volumes in the next few years might be better or worse than our bull and stabilisation cases respectively. But we use these case studies illustratively to project a range of outcomes that highlight the value on offer.

Based on these scenarios and a number of other assumptions, we generate a range of forecasts for the company's earnings over coming years. These are highlighted below.

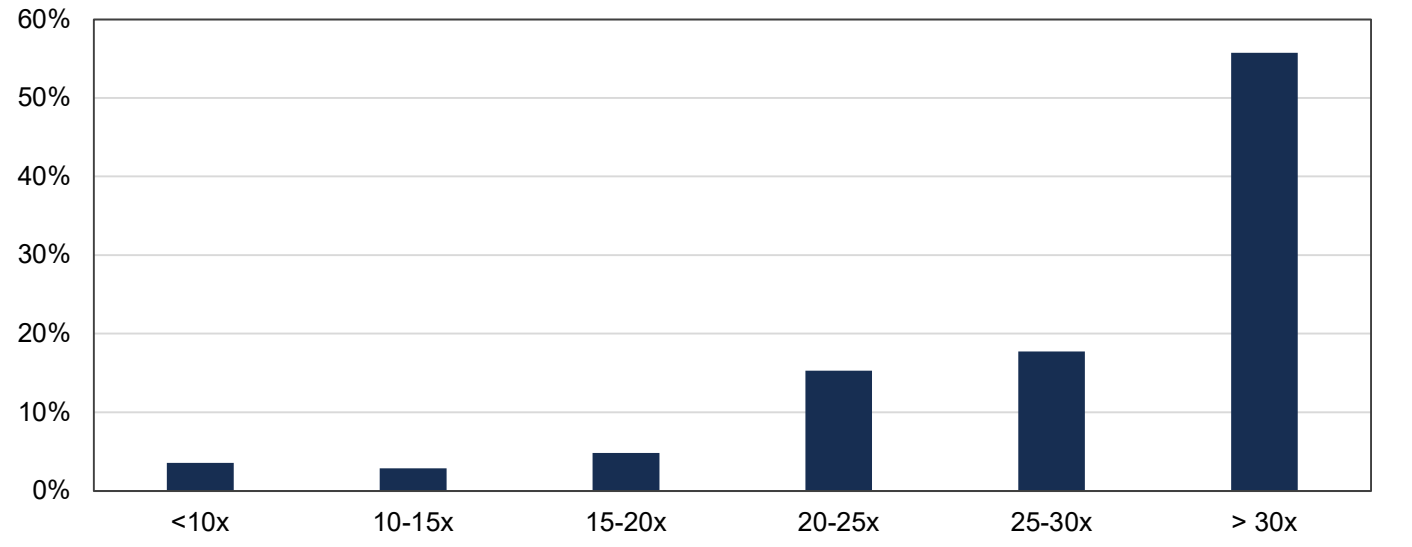
IDP Earnings Per Share



Source: Company Disclosures, Auscap

We discussed the pro cyclicality of the P/E ratio earlier in this newsletter. We expect that once the market has confidence earnings have troughed and are likely to grow we will see a higher P/E multiple ascribed to the business than is currently the case. The business is one of the best in its field, has a strong balance sheet, high cash generation and strong incremental returns on capital. Below is a histogram of the multiple IDP has traded on over its life as a listed company. On consensus expectations the current P/E multiple is 12.6x FY27 earnings on a share price of $2.50.

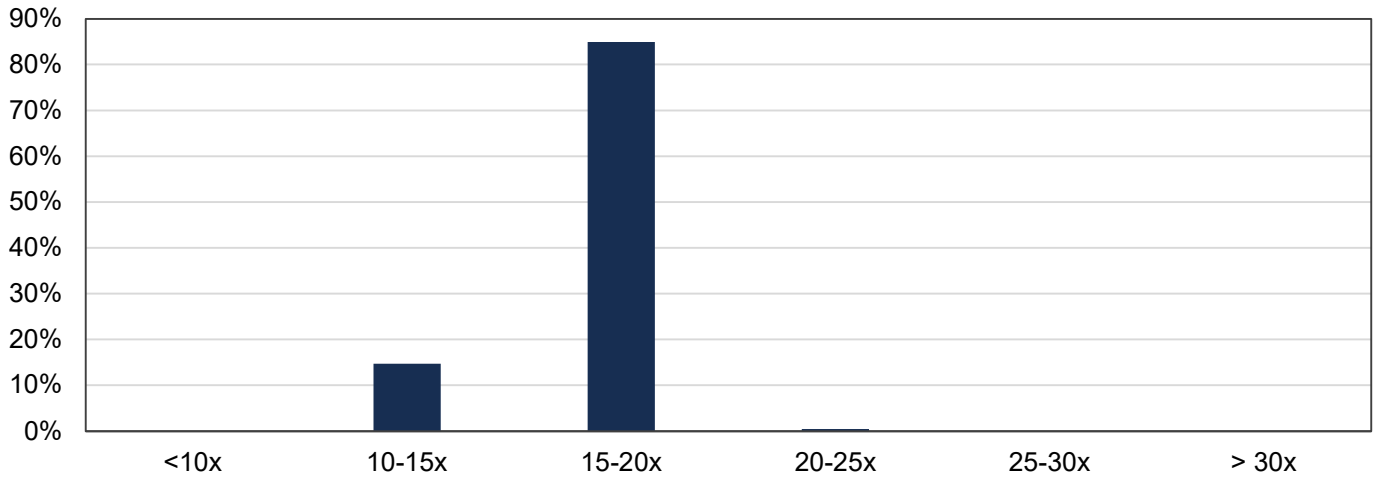
IDP Forward P/E Since Listing: Percentage of Days



Source: FactSet, Auscap

Similarly, below is a histogram of the ASX200's P/E multiple over the same period.

ASX 200 Forward P/E Since IDP's Listing: Percentage of Days



Source: FactSet, Auscap

Under each scenario modelled we expect medium term earnings growth that is likely to exceed that of the ASX200. Based on the evidence above, we use a bear, base and bull case P/E multiple of 15x, 20x and 25x respectively on a one year forward basis.

Given the future path for earnings is uncertain, rather than overly finessing the FY27 forecasts, we focus further out on what is likely in FY30 once we have progressed beyond the short term retracement in student volumes following the large intake seen in FY23 and FY24. We have a wide range of EPS outcomes in FY30. When we combine this with the range of multiples specified, we get the following range of share prices. Each future valuation looks compelling to us compared to the current share price of circa $2.50.

Forecast Share Price by FY30F Multiple

Case	15.0x	20.0x	25.0x
Stabilisation	$4.43	$5.90	$7.38
Base	$5.42	$7.23	$9.04
Bull	$7.03	$9.37	$11.71

Source: Auscap

The company is highly cash generative, as evidenced by its recent dividends and current share buyback. Whilst the company's dividend policy is at least 70% of cash NPAT less capex, for simplicity we assume a consistent payout ratio of 50%, albeit we believe this is likely to be conservative. We have also assumed no further accretion from the share buyback, despite the high likelihood that it will continue to be active. When combined with our forecast share prices by the time the market is focused on FY30 earnings, we derive the following compound IRRs on an investment made at a share price of $2.50.

Forecast IRRs by FY30F Multiple

Case	15.0x	20.0x	25.0x
Stabilisation	25.7%	39.0%	50.2%
Base	35.8%	49.9%	62.0%
Bull	49.2%	64.8%	78.0%

Source: Auscap

Investing is an imperfect science. Forecasts will be prone to significant error. As facts change, we will amend our forward estimates. With that caveat in mind, based on our understanding of the business and of current conditions, we view the range of potential return outcomes premised on our assumptions to be very attractive. Our base case has a target share price following the FY29 result of over $7 and results in an IRR of nearly 50% per annum over the intervening period. We suspect the skew is asymmetrically positive around this base case and our view of fair value is higher than this. This is before the premium required to justify a change of control. We struggle to find many opportunities in the domestic market that are as compelling an investment case.

Conclusion

We live in very unusual times. It is becoming more common to own a passive exchange traded fund than it is shares of individual listed companies. But we believe there is a place for rational, objective, long term stock picking. The trend towards passive investing may well end up being cyclical itself. As Warren Buffett quipped, "*what the wise do in the beginning, fools do in the end*". The current environment for active stock picking appears ripe. Many large established businesses face significant risk of disruption from challengers, yet are trading at some of the most expensive valuations in their history as listed companies. These companies dominate the domestic all capitalisation indices. By contrast, many mid and smaller capitalisation companies are trading at some of the lowest multiples we have seen in years.

IDP is the market leader in both placement and English language testing services globally. The company is weathering the cyclical storm of declining student volumes with management focused on right sizing the business for the eventual recovery. The company has demonstrated its belief in the business with the CEO and multiple directors buying stock in recent years and the company launching and enacting a $50m share buyback which it is part way through executing.

Private equity can see the opportunity. Blackstone has made three bids for the company in recent months which we believe to be considerably undervaluing it. The Board has, in our view, quite rightly rejected the bids as opportunistic. As the Board commented in their release dated 16 November 2026, Blackstone's recent $3.00 bid "*represents a substantial discount to the Board's assessment of IDP's fundamental value and fails to recognise the strategic benefit of IDP as the market-leading global student placement platform and its co-ownership of the valuable IELTS English-language testing network*."

There has been a consistent hollowing out of the Australian equities market in recent years. Blackstone's recent bids for IDP have been made at a historically low P/E multiple of cyclically depressed earnings. While we cannot forecast the future, and we do not know when or if the political pressures affecting migration in IDP's key markets will change, the facts presently available suggest to us that there is material potential upside for IDP's shareholders over the medium to long-term. To allow private equity to purchase the company at this stage of the cycle would, in our view, see the loss of another great Australian success story from the domestic stockmarket to the detriment of shareholders. We believe IDP represents an opportunity to take advantage of time horizon arbitrage and own part of a business that we think represents one of the most compelling long-term opportunities available in the Australian market.

Auscap High Conviction Australian Equities Fund

Fund Performance*

Period	Auscap	All Ords
October 2026	4.6%	0.7%
Calendar Year To Date	(8.4%)	2.9%
Since Inception (Dec 2012)	466.8%	243.9%
Annualised Returns	13.3%	9.3%

Fund Exposures

October 2026 Average	% NAV	Index
Equities	98%	100%
Cash	2%	0%
Beta Adjusted Exposure+	98%	100%
Positions	38	500

Portfolio Commentary*

The Fund returned 4.6% net of fees during October 2026. This compares with the All Ordinaries Accumulation Index return of 0.7%.

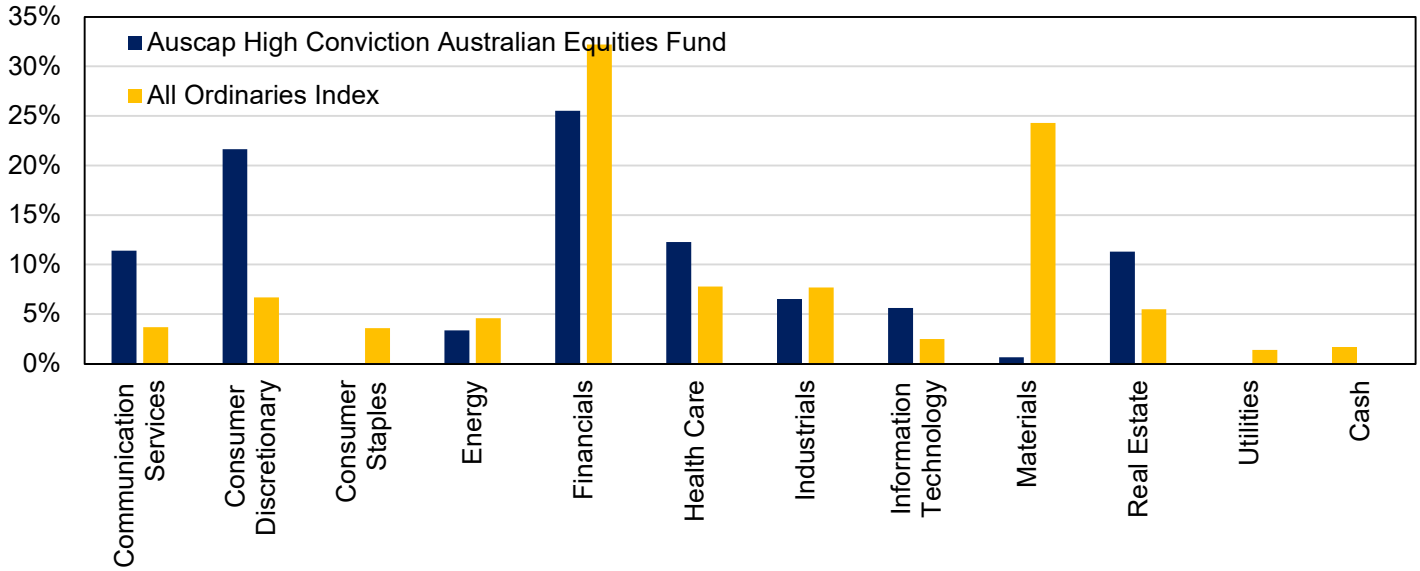
During October, the Fund's exposures to the Healthcare, Information Technology, Communication Services, Real Estate and Financials sectors were the largest contributors to returns.

Over the month, Resmed, WiseTech Global, CAR Group, IDP Education, AUB Group, Australian Clinical Labs, Charter Hall Group and HomeCo Daily Needs REIT were the largest contributors to returns. Nick Scali and Barrenjoey Group were the largest detractors from performance.

Top 20 Investments^

ARB Corp	Life360
Australian Clinical Labs	Lovisa Holdings
AUB Group	Macquarie Group
Barrenjoey Group	Netwealth Group
CAR Group	Nick Scali
Charter Hall Group	REA Group
CSL	Reece
Eagers Automotive	Resmed
HomeCo Daily Needs REIT	Santos
IDP Education	WiseTech Global

Sector Exposure - October 2026#



* *Performance figures are calculated for the Monthly Class net of all fees and expenses and assuming the reinvestment of all distributions. Note, as at 1 January 2021, the Series Class was consolidated into the Monthly Class. Prior to 1 December 2024, the fund was called the Auscap Long Short Australian Equities Fund and was able to short sell and use leverage as part of its investment strategy. Past performance is not a reliable indicator of future performance.*

\+ *Beta adjusted exposure adjusts the portfolio for the beta, or share price volatility, of the stocks relative to the All Ordinaries Accumulation Index.*

^ *Top 20 investments in alphabetical order as at 31 October 2026.*

\# *Average sector exposure during October 2026.*

Auscap Ex-20 Australian Equities Fund

Fund Performance*

Period	Auscap	Index**
October 2026	1.6%	(1.3%)
Calendar Year To Date	(8.8%)	(6.3%)
Since Inception (Dec 2023)	31.2%	28.3%
Annualised Returns	9.8%	8.9%

Fund Exposures

October 2026 Average	% NAV	Index
Equities	99%	100%
Cash	1%	0%
Beta Adjusted Exposure+	101%	99%
Positions	61	280

Portfolio Commentary*

The Fund returned 1.6% net of fees during October 2026. This compares with the S&P/ASX 300 Ex S&P/ASX 20 Index return of negative 1.3%.

During October, the Fund's exposures to the Healthcare, Information Technology, Financials, Real Estate and Communication Services sectors were the largest contributors to returns. The Fund's exposure to the Materials sector was the largest detractor from returns.

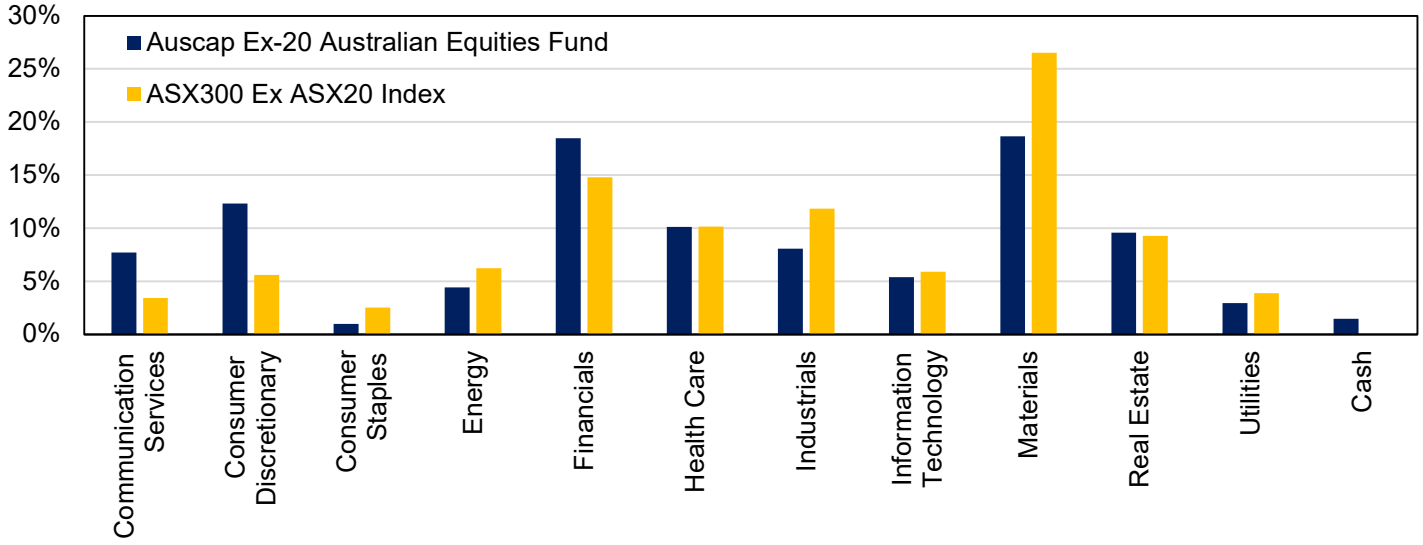
The Fund's holdings in WiseTech Global, Resmed, CAR Group, AUB Group, Australian Clinical Labs and IDP Education were the largest contributors to returns.

The Fund's holdings in PLS Group, Benz Mining Corp, Ramelius Resources, Nick Scali and Barrenjoey Group were the largest detractors from returns.

Top 20 Investments^

ASX	Life360
AUB Group	Nick Scali
Australian Clinical Labs	Ramelius Resources
Barrenjoey Group	REA Group
CAR Group	Reece
Charter Hall Group	Resmed
Charter Hall Retail REIT	Santos
Computershare	Suncorp Group
HomeCo Daily Needs REIT	Vault Minerals
IDP Education	WiseTech Global

Sector Exposure - October 2026#



* *Performance figures are calculated for the General Class net of all fees and expenses and assuming the reinvestment of all distributions. Past performance is not a reliable indicator of future performance.*

** *Index used is the Benchmark for the Auscap Ex-20 Australian Equities Fund, being the S&P/ASX 300 Ex S&P/ASX 20 Index.*

\+ *Beta adjusted exposure adjusts the portfolio of the Fund and of the Benchmark (being the S&P/ASX 300 Ex S&P/ASX 20 Index) for the beta, or share price volatility, of the stocks relative to the All Ordinaries Accumulation Index.*

^ *Top 20 investments in alphabetical order as at 31 October 2026.*

\# *Average sector exposure during October 2026.*

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