



5 June 2026

By Electronic Lodgement

Market Announcements
Office ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Firetrail 5 i glfU]Ub'Ga U`7 ca dUb]Yg Fund!'5 W]j Y'9H: fASX:: GA @- Monthly Investment Update

Please find attached a copy of the investment update for the month ending 31 May 2026.

For further information, please contact 1300 010 311.

Authorised by:

Terence Kwong
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Firetrail 5 i glfU]Ub'Ga U`7 ca dUb]Yg Fund!'5 W]j Y'9H:

Firetrail Australian Small Companies Fund – Active ETF¹

Firetrail
Invest with Conviction

ASX: FSML | Monthly Report | May 2026

Performance (After Fees)² as at 31 May 2026

	Month	Quarter	6 Months	1 Year	3 Years (pa)	5 Years (pa)	Fund Inception (pa)
Fund	2.47%	(5.68%)	(1.97%)	16.70%	23.83%	10.05%	16.49%
Benchmark³	2.03%	(6.13%)	(4.70%)	11.25%	10.64%	4.03%	4.79%
Excess Return	0.45%	0.45%	2.73%	5.45%	13.18%	6.03%	11.70%

About Firetrail

Firetrail is an investment management boutique which is majority owned by the Firetrail team. The team is invested alongside clients in the investment strategies.

Australian Small Companies Fund

The Australian Small Companies Fund – Active ETF (“Fund”) is a concentrated portfolio of our most compelling Australian Small Company ideas. The strategy is built on fundamental, deep dive research guided by the philosophy that ‘every company has a price’.

Investment Objective

The Fund aims to outperform the ASX Small Ordinaries Accumulation Index over the medium to long term (after fees).

Your Portfolio Managers



Matthew Fist

Matthew is a Co-Founder at Firetrail with over 16 years’ experience. Prior to working in investments, Matthew worked as an engineer and geoscientist.



Eleanor Swanson

Eleanor is a Co-Founder at Firetrail with over 12 years’ experience. Eleanor is a qualified immunobiologist.



Patrick Hodgens

Patrick is Co-Founder and Managing Director at Firetrail. He brings over 41 years’ experience investing in equity markets.

Three Key Holdings



Channel Infrastructure



GemLife



Minerals260

Fund Details

Unit Prices	May 2026
Application Price	\$2.1918
Redemption Price	\$2.1786
NAV Price	\$2.1852
Fund Details	
APIR Code	WHT3093AU
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Inception Date	20 February 2020
Risk/Return Profile	Very High
Number of Holdings	68* (52)
Fund Size	\$843 mil
Management fee*	0.85% p.a.
Performance fee*	20% of outperformance above an annual hurdle of 2% above Benchmark

*Includes 16 event positions held at <1%.

**Please read the Product Disclosure Statement for more details.

Thematic Positioning – May 2026



Source: Firetrail. Relative to the Benchmark

Contact Us



For further information, contact the Pinnacle Investment Distribution team

P: 1300 010 311 (General Inquiries)
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Past performance is not a reliable indicator of future performance.

1. The name of the fund changed to Australian Small Companies Fund – Active ETF on 18 November 2024 to facilitate quotation of the fund on the ASX. FSML Active ETF listing date is 18 November 2024.
2. Firetrail Australian Small Companies Fund – Active ETF (“Fund”). Net Fund returns are calculated based on exit price with distributions reinvested, after ongoing fees and expenses but excluding taxation.
3. The benchmark is the ASX Small Ordinaries Accumulation Index

Portfolio Commentary

The Fund returned 2.47% (after fees) for the month ending 31 May 2026, outperforming the ASX Small Ordinaries Accumulation Index by 0.45%.

Month in Review

The Australian market had another positive month in May, with the ASX200 up 1.1% and the ASX Small Ordinaries up 2.0%

Resources outperformed Industrials, with ASX Small Ords Resources up 2.6% for the month and 47% for the past 12 months, while ASX Small Ords Industrials were up 1.7% for the month and are down 2.4% for the past 12 months. Resource gains were led by miners including Capstone Copper and Minerals260.

Breaking down the industrials performance, the strongest sector was Information Technology, up 12.9% for the month. Cloud network provider Megaport was among the largest gainers, up 69%. Telecommunications was the weakest sector, down 6.4%, and Energy also fell by 6.2% as the market began to price in a US-Iran resolution.

Over the month, the key events were as follows:

US-Iran Conflict: hopes of a Middle East Peace deal buoyed global markets in May. Despite an extended ceasefire, peace talks were volatile, with both nations trading airstrikes and drone attacks as negotiations over nuclear capabilities and the Strait of Hormuz continued.

RBA: The RBA raised the cash rate by 25bps to 4.35% on 5 May, its third consecutive hike of 2026. The global oil shock has landed in an economy where inflation pressures were already building, and higher fuel prices are likely to have second-round effects on other goods and services. April's headline CPI came in softer than expected at 4.2% (consensus 4.4%). The market now expects a hold in June, with a ~50% chance of another hike in August.

The Federal Budget: Chalmers' fifth budget was one of redistribution – heavy on reform but light on near term fiscal impact. Changes to capital gains tax and negative gearing took the spotlight, however most of the key changes were already leaked beforehand and largely priced in. In our view, the key industries winning, losing and with mixed results are as below:

- **Winners:**
 - Annuities and investment bonds
 - Investment platforms
 - Aged care
 - Defence and energy security companies
 - Dividend paying stocks
- **Mixed**
 - Property developers - changes are likely negative for property sentiment but should improve demand for new developments given exemptions to negative gearing changes
 - EV Car dealers – phase out of EV fringe benefit tax exemption is negative, but short-term we could see a pull forward of demand to get ahead of changes
- **Losers**
 - Banks
 - Housing turnover/ discretionary names – we expect negative gearing grandfathering to lead to lower housing turnover
 - Healthcare – removal of additional private health insurance rebate for over 65s

Contributors to Returns

Positive Contributors



Maas Group

Construction materials and services provider Maas Group was up 16% in May after delivering a trading update. The company reconfirmed FY2026 guidance for underlying EBITDA between A\$250-280million. More noteworthy was the update on the A\$200million Firmus contract to build a 100 megawatt AI Factory in Launceston. The build out is now 35% complete with commissioning on track for CY2026. The company anticipates further updates on the 3.3 gigawatt Firmus pipeline over the coming periods, validating the firm's strategic pivot into data centre and electrical infrastructure earlier this year.



Megaport

Cloud network provider Megaport climbed 69% in May after announcing the recently acquired Latitude business had secured 2 new customer contracts with Total Contracted Value of A\$254m, representing A\$91m in Annual Recurring Revenue (ARR). For context, Latitude's ARR was A\$83m prior to the newly announced contracts. Latitude will provide critical AI infrastructure including GPU, CPU, network and storage. McKinsey expects the AI inference market, where Megaport via Latitude is focused, to grow at a 35% CAGR over the next 5 years. Investor confidence is building in the strategic value of Latitude to the core Megaport network platform.



Minerals260

Gold exploration company Minerals 260 rose 21% during the month. The company reported updated drill results from its 100% owned 4.5Moz Bullabulling Gold Project 25km west of Coolgardie in WA. The project is emerging as one of the largest undeveloped gold projects in Australia. The update provided increased confidence in the grade and continuity of mineralization within the existing mineral resource estimate and supports potential for further resource upgrades.

Negative Contributors



Eagers Automotive

Car dealership group Eagers Automotive underperformed alongside the broader automotive sector during the month as evidence pointed to a weakening consumer. Late in the month, the company's AGM trading update confirmed that supply issues will weigh on the first-half result. More positively, the company flagged strong underlying business performance - record order intake and strong growth in its used car business - pointing to a strong second half.



Tabcorp






Tabcorp shares materially underperformed following the announcement of an AUSTRAC enforcement investigation into Tabcorp's compliance with anti-money laundering obligations. AUSTRAC scrutiny introduces a wide range of scenarios, along with a multi-year timeframe of uncertainty as the investigation is conducted. While we acknowledge the potential risk of fines and cost uplift, we believe the share price is currently factoring in outcomes far more extreme than is likely. We met with the CEO and gained comfort that Tabcorp is cooperating fully with AUSTRAC while continuing to progress key elements of its strategy. Our core thesis remains that Tabcorp can successfully reinvigorate its position in the Australian wagering market.



Viva Energy

Fuel refiner and convenience retailer Viva Energy declined 14% during the month. The company provided an update on the Geelong refinery outage caused by a fire mid-April. Repairs are expected to take 6 weeks with the unit returning to operation in June. In the interim, jet fuel is expected to run at 80% of capacity and petrol production at 60% of capacity. The timing of the outage is particularly disappointing given extraordinarily strong refining margins due to the Iran War. Uncertainty remains around the cause of the fire, repair costs and lost production time.

Portfolio Themes

Theme	Position	Example
Australia	Overweight	
Resources	Overweight	
Global Earners	Underweight	
Yield	Underweight	
Rate Sensitive	Underweight	

Check out our latest research insight...

Growth has had a remarkable run — but the recent software sell-off is a reminder that style leadership can change quickly and without much warning. For an insight on Firetrail's stance on the value/growth discussion, check out [Beyond Value and Growth: Why style timing is a trap – and why Australian equities need a more nuanced framework](#). The paper covers:

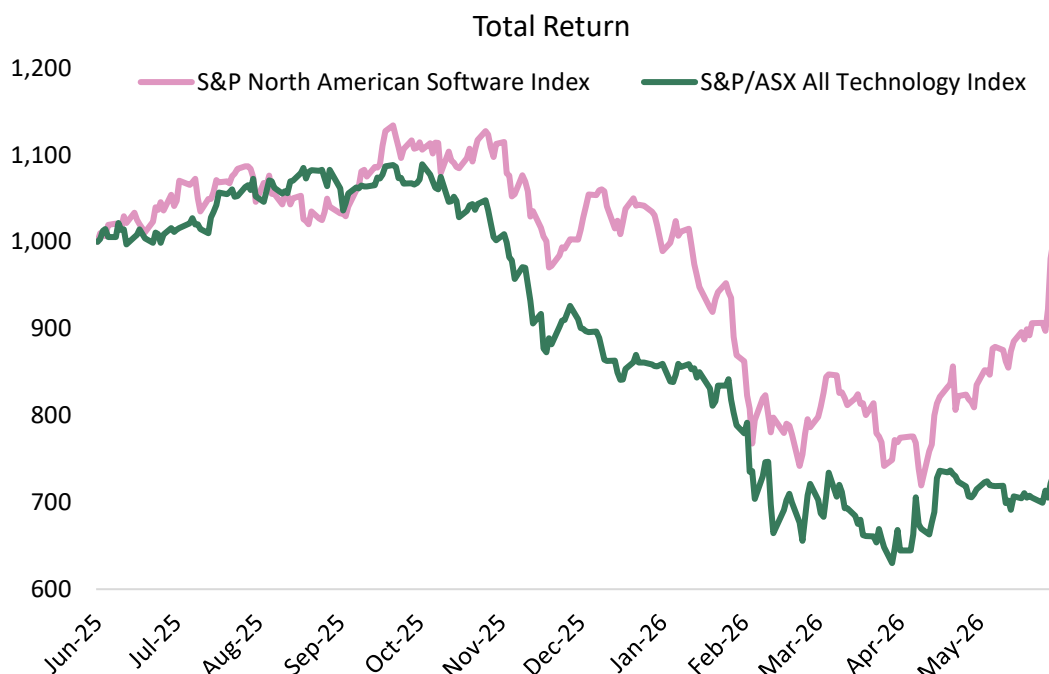
- why style timing is a trap
- why a simple blend of value and growth managers has become less effective in Australia
- why a traditional value/growth split may no longer be enough in Australia, particularly since banks have become such an awkward fit within that framework

One interesting thing that happened this month...

SaaScovery... but not on home soil

May saw US software stage a sharp recovery. However, it was a different story for Aussie tech.

Figure 1: US software stocks bounced back in May while Aussie tech stocks lagged



Source: Bloomberg, Firetrail

The US Software sector has now rallied ~35% off its recent lows. The sector is now within 20% of its all-time high in recorded in September and October 2025, before Claude's potential as a disruptor was fully priced in. The turning point was when investors started to consider that AI will be potentially more beneficial for software companies than a replacement threat.

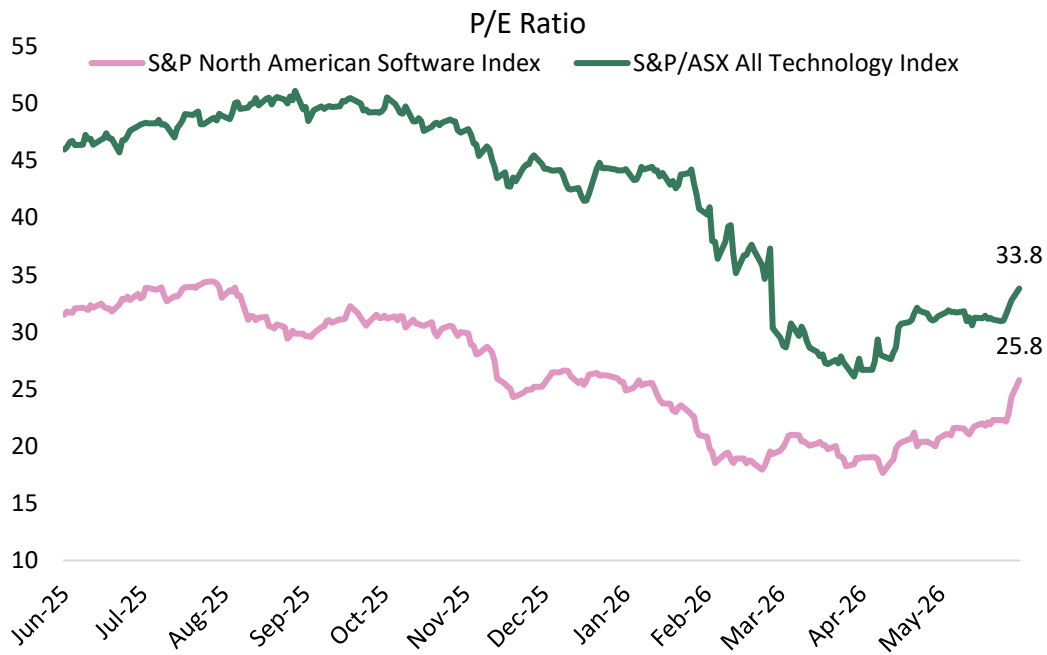
Meanwhile, the ASX tech stocks have not seen the same uplift.

Why the discrepancy?

It comes down to valuation. At the end of 2025, before the “SaaSocalypse”, the S&P North American Software Index was trading on a 25.2x price-to-earnings multiple, while the ASX All Tech Index sat at an eye watering 44.7x. Ultra stretched valuations in Aussie tech were largely driven by too much money chasing too few opportunities in Growth names.

Since the AI driven sell off earlier this year, the valuation gap between US and Aussie tech has narrowed, but not closed. Aussie tech has de-rated to a more reasonable 33.8x, though that remains well above the comparable US index at 25.8x (see figure 2).

Figure 2: Aussie tech valuations remain well above US tech valuations



Source: Bloomberg, Firetrail

Firetrail nominated at the Money Management/Lonsec Fund Manager of the Year Awards

Both the Firetrail Australian Small Companies Fund and Firetrail Absolute Return Fund have been named finalists in their category, and most excitingly Firetrail is a finalist for Overall Fund Manager of the Year.



Firetrail Investments is also the manager of the Firetrail Absolute Return Fund: ARSN 624 135 879. PDS: [WHT5134AU](#). TMD: [WHT5134AU](#).

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PDS: [WHT3093AU](#)

TMD: [WHT3093AU](#)

Historic TMDs: Contact Pinnacle Client Service on 1300 010 311 or service@pinnacleinvestment.com

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