

Celeste Australian Small Companies Fund

Performance Statistics (Total Returns net of fees)

	1 mth %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	10 yrs % p.a.	20 yrs % p.a.
Celeste Aust. Small Co. Fund ¹	+0.3	+12.0	-1.6	+4.3	+7.5	+6.2
Performance (relative to Index)	-1.0	-7.9	-1.5	-0.3	-0.2	+1.3
S&P/ASX Small Ords Acc Index	+1.3	+19.9	-0.1	+4.6	+7.7	+4.9
S&P/ASX Small Inds Acc Index ²	+3.9	+25.5	+0.5	+3.7	+7.3	+5.5
S&P/ASX Small Res Acc Index ²	-5.4	+4.9	-1.1	+9.2	+9.6	+3.6

Past performance is not indicative of future returns.

Portfolio Commentary

The Fund rose 0.3%¹ (net of fees) in November, with its benchmark, the S&P/ASX Small Ordinaries Accumulation Index, increasing by 1.3% for the month. Since inception (May 1998) the Fund's return is 11.6%¹ p.a. (net of all fees), against the Index's 5.7% p.a.

Omni Bridgeway (OBL) rose +12.0% following a quarterly update late in October. Investment completions resulted in proceeds of A\$105.8m over the quarter, with A\$14.2m provisionally attributable to OBL. New commitments of A\$138m were made and there remains a solid pipeline of a further \$198m in investment opportunities. OBL continues to focus on increasing cost coverage with transaction fees now successfully included in the majority of new commitments and term sheets signed in FY25.

IPH (IPH) fell -6.0% in November. The AGM brought a mixed Q1 trading update with improving trends in ANZ and some "green shoots" emerging in Asia offset by weaker Canadian litigation. Investor displeasure with recent company performance was highlighted by IPH receiving a "strike" against the remuneration report. Management remain confident in the business turnaround and will look to convince the market of this at the 1H25 results.

Pinnacle Investment Management Group (PNI) rallied +16.4% over the month. PNI launched a \$425m equity raising to fund strategic investments in VSS Holdings, a New York-based private markets investment management firm specialising in structured capital and Pacific Asset Management, a London-based asset management platform providing support and distribution services and multi-asset portfolio solutions for a combined consideration of \$142.8m. The excess funds raised will allow PNI to continue expanding globally through further M&A.

GQG Partners (GQG) fell -14.1% in November, a result of GQG's exposure to Adani-affiliated stocks. During the month, the US DOJ brought securities fraud charges against Adani Group executives. We note GQG's exposure was approximately 6% of total FUM and that these Adani-affiliated investments have since regained most of their share price declines. We are also encouraged by the A\$100m buyback program announced in response to share price volatility.

Portfolio Top 5 Holdings

Stock	% of Fund
1 JUDO CAPITAL	5.2
2 NETWEALTH	4.6
3 BREVILLE GROUP	4.5
4 AUB GROUP	4.2
5 GQG PARTNERS	3.5

¹ 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.

Global Index Performance (Accumulation)

	1 month %	1 year %	3 years % pa
Australia – S&P/ASX All Ordinaries	+3.7	+23.5	+9.0
USA – S&P 500	+5.9	+33.9	+11.4
USA – NASDAQ Composite	+6.3	+36.1	+8.2
Europe – FTSE (UK)	+2.6	+15.4	+9.5
Europe – DAX (Germany)	+2.9	+21.0	+9.1
Asia – Nikkei (Japan)	-2.2	+16.2	+13.4
Asia – Shanghai Composite (China)	+1.5	+13.2	+0.5

Source: Bloomberg

Market Commentary

The ASX 200 returned a very strong 3.8% for the month, outperforming the Small Ords which finished, up 1.3%. The Small Ords lacklustre relative performance was driven by a -5.4% return from the Small Resources, reversing the prior months +6.1%. US markets were extremely strong, the S&P 500 had its strongest month for calendar year 2024, up 5.9%, while the Nasdaq powered to a 6.3% return.

With Donald Trump elected President of the United States for the second time combined with a Republican Party victory in both the Senate and the House of Representatives, investor focus narrowed in on the implications of the Red Wave mandate. As expected markets initially cheered the certainty of the election outcome, but became quickly nervous about potential inflationary policies, namely the reintroduction of tariffs on imports from a multitude of countries. The US Dollar was the main winner from the election reaction, closing the month up 2% against the DXY.

As widely predicted by market pundits, the RBA remained paralysed by the fear that a number of elements of the Australian economy (labour market strength, consumer spending patterns, and federal fiscal spending) continue to fuel inflation. As a result, the RBA left rates unchanged at their final meeting of the calendar year in November. Moreover, many of those market pundits have pushed their expectations of the RBA first cutting rates this cycle from Feb-25 to May-25.

Overall commodities continued to perform poorly. After the market's disappointment with Chinese stimulus measures in the October, the weakness continued post Trump's victory as the market initially reacted by pushing up bond yields and the USD. This saw gold fall 3.4% and copper 5.8%. The price of coffee beans rose 29%, marking a 72% increase over the past 12 months.

The overall strength of equity markets is creating pockets of extended valuation, particularly in the face of anaemic domestic economic growth and a delayed interest rate cutting cycle. We will continue to shape the Celeste portfolio in a process consistent manner, by investing in long term cash generating companies trading at a discount to intrinsic value.

² 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

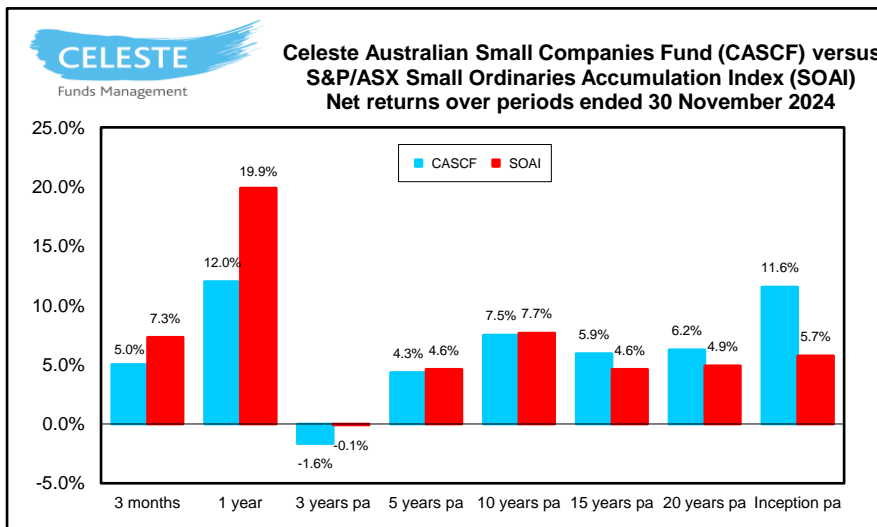
Primary Investments	Shares in listed Australian smaller companies
Investment objective	Exceed Small Ordinaries Accumulation Index over rolling 5 year periods
Unit price (redemption) as at 30.11.2024	\$3.8503
Unit price (application) as at 30.11.2024	\$3.8735
Fund Size as at 30.11.2024	\$64m
Minimum investment	\$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 (<https://documents.feprecisionplus.com/tmd/PCT/TMD/N8Z8-FAM0101AU.pdf>) for further information.

Fund Returns



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

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** CPU / unit price at beginning of period

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