Emerging Companies Fund

Monthly Update: August 2026

SAVILLE CAPITAL

Dear Fellow Investors,

Our Emerging Companies Fund was up +6.8%* in August vs +13.9% for the Emerging Companies Accumulation Index (XECAI) and +0.2% for the Small Industrials Accumulation Index (XSIAI). Since inception, the Fund has generated +6.4%* p.a. and a total return of +80.7%* (or +135.8%* if distributions have not been reinvested) vs +170.7% for the XECAI and +57.8% for the XSIAI.

Overall, August continued the recent trend of positive results and news flow for various stocks in the Fund. While the XEC may suggest that it was also a very strong month for micro-caps, this was almost entirely driven by small resources, underpinned by a gold price which surged almost +10%. This can be highlighted by the fact that the small resources index (XSR) was up +17.4% for the month, whereas the small industrials index (XSI) barely moved, at +0.2%. Unfortunately, given the increasing weighting and dominance of small resources within the XEC, it has become largely irrelevant when trying to gauge the performance of the emerging/micro-cap industrials sector, including as a point of comparison to our Fund. Conversely, while the XSI does at least only capture the performance of industrial stocks, the average market cap (and liquidity) of stocks within that index is significantly greater than anything held within our portfolio, which also renders it as a reasonably poor guide, albeit currently more useful than the XEC.

As noted last month, while we are always happy to generate positive performance, we don't think our stocks have re-rated nearly as much as they would have in a "normal" market environment. Unfortunately, with local (and global) bond yields continuing to move higher in response to persistent inflation and growing concerns around unbridled Government spending/deficits, we haven't yet seen the deserved uplift in our Fund's unit price. The silver lining is that market conditions are temporary, whereas the improvements achieved by the businesses we own should be permanent, underpinning ongoing solid performance while we wait for sentiment towards micro-caps to improve. To that end, we are pleased to see that our recent positive momentum has continued into September.

Performance summary*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	3M	12M
2017		-3.2%	+2.6%	-0.6%	-1.0%	+7.6%	+6.4%	+2.7%	+4.0%	+13.2%	+9.5%	+8.1%	+60.1%		
2018	-1.6%	+4.2%	+1.6%	+1.1%	+4.1%	+1.6%	-3.1%	+0.7%	-0.8%	-3.2%	-4.8%	-5.2%	-5.9%		
2019	+6.0%	+4.8%	+3.1%	+4.7%	+10.8%	+0.6%	+17.6%	+1.4%	+6.1%	+4.6%	-0.8%	-1.3%	+73.2%		
2020	-0.6%	-11.7%	-28.4%	+23.3%	+18.4%	+14.1%	+16.0%	+20.7%	+3.1%	+1.0%	+2.3%	+4.0%	+62.3%		
2021	+1.9%	+2.1%	-0.1%	+5.0%	-4.4%	+5.5%	-8.0%	+4.3%	-5.5%	+1.0%	-4.5%	-9.6%	-13.0%		
2022	-7.9%	-9.6%	-3.0%	-5.8%	-17.6%	-15.5%	+10.1%	-0.3%	-6.1%	+2.0%	-3.8%	-6.7%	-49.9%		
2023	-0.2%	-8.1%	-6.1%	+6.1%	-5.4%	-7.8%	+21.2%	-3.7%	-5.6%	-1.8%	+3.9%	+2.6%	-8.1%		
2024	-0.9%	-4.8%	+1.1%	-5.6%	-5.4%	+8.1%	+15.9%	-3.1%	+12.0%	+4.0%	+18.2%	+9.0%	+55.1%		
2025	+2.2%	-3.7%	-10.8%	+8.7%	-1.3%	-4.2%	-1.4%	+6.3%	-0.4%	+0.4%	-3.8%	+1.1%	-8.1%		
2026	+2.0%	-6.5%	-10.7%	-3.7%	-14.6%	+1.9%	+2.2%	+6.8%					-22.2%	+11.2%	-16.5%

Returns are based on the Main Series only, net of all base fees, performance fees and expenses of the Fund

*Past performance is no guarantee of future performance

Performance commentary

The key positive contributors during August were Biome Australia (BIO, +29%), IDT Australia (IDT, +26%), and Imricor (IMR, +5%). The only negative contributor, albeit now an immaterial part of the Fund, was Hydration Pharmaceuticals (HPC, -25%).

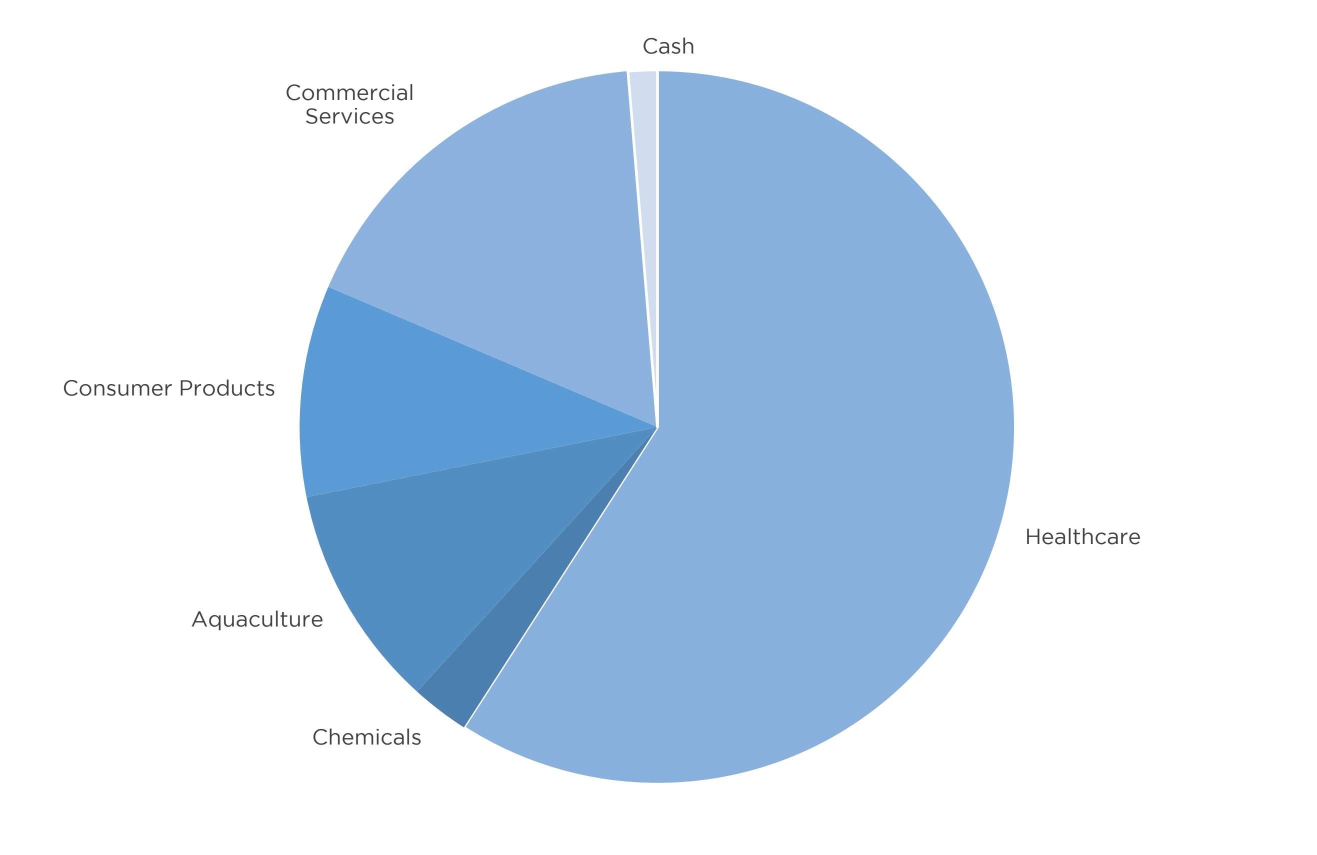
BIO announced that it has signed an exclusive cross-border e-commerce (CBEC) distribution heads of agreement with H&S Global to launch its *Activated Probiotics* range in the Chinese market. Following a thorough review of potential Chinese partners, BIO assessed H&S Global as the strongest fit, with a demonstrated record of building and scaling international health brands in Chinese CBEC, as well as a long-term approach to brand development consistent with BIO's own strategy. China is the largest single-country probiotics market in the world, worth ~US$10.8B in 2025 and forecast to reach ~US$29.3B by 2033, a CAGR of 13%. Importantly, products sold through the CBEC channel do not require Blue Hat registration, provided they appear on China's cross-border positive list and are legally marketed in their country of origin. For BIO that means entry without local product registration, without reformulation and without capex, selling the same products, in the same packs, that already serve Australian pharmacy. Given that Australian provenance and Australian manufacture are the defining trust signals in this channel, BIO's recent agreement with a GMP licensed Australian manufacturer, to progressively transition production of the *Activated Probiotics* range onshore, was critical to the timing of its launch in China. With a launch planned within FY27, it has the potential to have a material impact on its annual sales, serving to underpin management's confidence in achieving its implied FY27 revenue guidance of $32.7m, which would represent +37% growth on pcp.

IMR announced that Philips, one of the world's largest medical imaging companies, has issued a Third-Party Product Compatibility Declaration, covering IMR's interventional magnetic resonance (iMR) products when used with Philips magnetic resonance (MR) systems. This is the last step within Philips to allow IMR's NorthStar mapping and guidance system to connect and operate in a commercial clinical setting with Philips MR scanners. Importantly, IMR and Philips may now collaborate to enable NorthStar guided procedures in iMR facilities with Philips MR systems, including at important sites such as the German Heart Center of Charité in Berlin. In addition to this, IMR announced that the Children's Medical Center Dallas, has agreed to purchase IMR's NorthStar mapping and guidance system, becoming the second commercial US hospital customer just two weeks after its official launch in that market. The hospital has an existing, fully operational Philips iMR lab, meaning that NorthStar-guided procedures can commence rapidly following installation. IMR also stated that several additional US hospitals remain in the final stages of the purchasing process and are not only limited to Children's hospitals, further validating the broad appeal of IMR's globally unique technology platform, with a market opportunity of more than 250 children's hospitals and 2,000 adult hospitals in the US market alone.

While we have previously covered the fact that Murray Cod Australia (MCA, +3%) didn't deliver the financial performance we had initially expected in FY26, it is clear that its revised sales and distribution strategy under the new CEO is rapidly building momentum. New retail ranging has been secured with Coles and expanded with Woolworths, including chilled product in 230 Coles stores, frozen fillets nationally in Woolworths and fresh Murray Cod across approximately 130 Woolworths seafood departments. These programs are expected to launch progressively during the first half of FY27, while its domestic foodservice and distribution network through PFD, Bidfood, Moco Foods and leading state-based distributors, has materially extended its market reach beyond traditional seafood wholesale channels. With biomass reaching ~3,784 tonnes as at 30 June 2026, >$20m of available funding and an updated NTA of $0.51 (vs share price of $0.15), the stock is clearly heavily oversold at current levels. We expect that these new sales channels will deliver significant growth over the next few quarters, which when combined with a cost reduction and productivity program that has already reduced the workforce from 99 to 78, should see the business finally move to being cash flow positive within FY27.

Portfolio characteristics

We currently have ~99% of our capital invested in 10 stocks.



Please get in touch should you have any queries regarding the above. Thanks again for your interest and support and I look forward to providing another update in early October on our performance during September.

Kind regards,

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Important Information