

Performance

Tura Capital Global Small & Mid Cap Fund decreased 3.69% (net of fees) in March, underperforming the MSCI World SMID TR Index (Net in AUD) by 0.15%.

Net active return as at 31 March 2025

	1mth %	3mth %	6mth %	12mth %	Incep.* % p.a.
Tura Capital Global Small & Mid Cap Fund ¹	-3.69%	-0.79%	5.78%	2.74%	15.38%
MSCI World SMID Total Return Index ²	-3.54%	-2.41%	6.50%	6.70%	15.98%
Excess return	-0.15%	1.62%	-0.73%	-3.96%	-0.60%

*Inception Date—5th December 2023.

¹ Source: Tura Capital and Apex Fund Services.

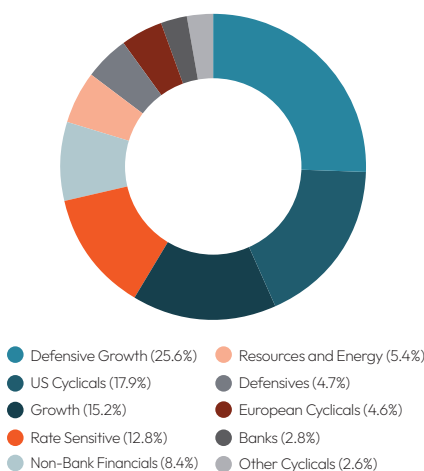
² Source: MSCI Performance is calculated in AUD and assumes reinvestment of dividends net of withholding tax.

Past performance is not an indication of future performance. Total return shown for the Tura Capital Global Small & Mid Cap Fund is in AUD and has been calculated using exit prices after taking into account all of the product's ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry/exit fees or taxation.

Portfolio holdings (alphabetical)

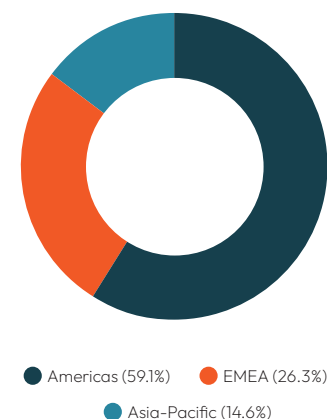
Company name
Advanced Drainage Systems, Inc.
Alliant Energy Corporation
Antofagasta plc
ASM International N.V.
Auto Trader Group PLC
Axon Enterprise Inc
Baker Hughes Company Class A
BJ's Wholesale Club Holdings, Inc.
Brown & Brown, Inc.
Bureau Veritas SA
Carlyle Group Inc
CBRE Group, Inc. Class A
Check Point Software Technologies Ltd.
eBay Inc.
Equifax Inc.
Fastenal Company
Fifth Third Bancorp
Geberit AG
Hemnet Group AB
Hubbell Incorporated
Jack Henry & Associates, Inc.
Japan Elevator Service Holdings Co., Ltd.
Knorr-Bremse AG
Lincoln Electric Holdings, Inc.
LPL Financial Holdings Inc.
Molina Healthcare, Inc.
MSCI Inc. Class A
Paylocity Holding Corp.
Rational Aktiengesellschaft
Regency Centers Corporation
Scout24 SE
SharkNinja, Inc.
Tractor Supply Company
Truecaller AB Class B
USS Co., Ltd.
WD-40 Company

Proprietary risk sector weightings



Source: Tura Capital

Regional revenue exposures



Source: Tura Capital

Portfolio characteristics

Key metrics	Portfolio	Index
Number of holdings	36	4688
Active share	97.0%	-
ROIC	17.4%	8.0%
Leverage (ND/EBITDA)	0.5x	1.4x
EPS growth	13.5%	15.2%
PE multiple	19.9x	13.6x
Average market capitalisation (US\$m)	19,820	13,940

Source: Tura Capital, FactSet and MSCI

Experienced portfolio managers



Brad Partridge, CFA
Portfolio Manager



Oliver Attwater, CFA
Portfolio Manager

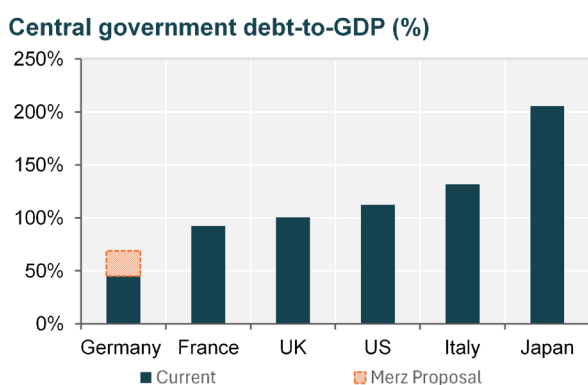
Portfolio and market review

Market review

Global small and mid-cap (SMID) equities fell in March as concerns grew that US President Donald Trump's plans for tariffs and government spending cuts could send the world's largest economy into recession. The MSCI World SMID Cap Index declined 3.5% in AUD terms, outperforming its large and mega-cap counterpart, the MSCI World Index, which fell 4.7%. On a regional basis, the US was particularly weak, suffering its biggest monthly decline since 2022, underperforming Europe and Japan. The USD fell 3.5% against a basket of major trading currencies. Defensive sectors, including Utilities and Consumer Staples, outperformed, while Information Technology (semiconductors and Artificial Intelligence (AI) capital expenditure (capex)) remained weak for a second consecutive month.

The Trump administration's combative approach to Europe and waning support for Ukraine were key drivers of market sentiment in March. European leaders announced historic defence spending proposals, including some joint EU bonds, as they look toward a future with less US military support. Incoming German Chancellor Friedrich Merz successfully amended the German constitution to exclude defence spending above a certain level from debt restrictions, opening the door to hundreds of billions in defence and infrastructure spending over the next decade. It is a material shift for the historically fiscally cautious German government, with commentators dubbing it a "whatever it takes" moment (see Figure 1). The upcoming fiscal boost is expected to help improve business and consumer sentiment in Germany and Europe more broadly, following a challenging few years marked by high energy prices and weak demand. The Euro strengthened, and sovereign yields, particularly in Germany, increased to near-decade highs, capping some enthusiasm for exporters.

Figure 1: The German government will materially increase fiscal power



Source: IMF, Tura Capital

Sentiment about the US economy remained weak through March, with soft consumer and business surveys highlighting concerns about tariff policy and plans to reshape the federal government. President Trump has been more committed to tariff policy than investors had hoped, and he renewed calls for sweeping "reciprocal" tariffs throughout the month. Meanwhile, concerns about federal job cuts began to mount, despite limited early evidence of rising unemployment in employment reports. Trump and key cabinet officials appeared somewhat open to a period of economic weakness to rebalance the economy, suggesting markets are not low enough for the "Trump put" that investors enjoyed during the first Trump term when equity

markets fell. Meanwhile, policies that initially excited investors, such as tax cuts and deregulation, have progressed less than expected. Retailers, airlines, and homebuilders noted that consumer caution has been building, and consumers appear wary of inflation. Benchmark US ten-year yields ended the month little changed at 4.2%.

In Japan, the benchmark ten-year yield reached its highest level since the Global Financial Crisis (GFC) and the yen rose as evidence continues to mount that inflation is sustainably in line with policymakers' targets. Employers continue to increase wages well above historic levels, with Japanese unions negotiating a 5.4% average pay rise for 2025 in March, following a 5.9% increase in 2024, adding to recent real wage gains.

Portfolio review

The Tura Capital Global Small & Mid Cap Fund returned -3.69% during March, modestly underperforming the MSCI World SMID Cap Index by 0.15%, after fees. The investment process remains focused on identifying quality global SMID companies, trading at reasonable valuations.

The February market weakness continued into March, as an aggressive market rotation out of US SMID equities (-5.8% in AUD terms) into Europe (+0.6%) and Japan (+1.3%) gathered steam in the face of further US tariff uncertainty. While the Fund was modestly overweight European businesses, our overweight to US equities and an underweight to Japan, detracted from relative performance.

With Japan and Europe the standout regions, the Fund's holdings in quality Defensive Growth SMID businesses, such as USS Co (Japan - see "Company in focus"), Scout24 (Germany), Bureau Veritas (France) and Auto Trader (UK), contributed positively. However, our lack of exposure to European Cyclical and the European defence sector was a headwind, as seismic shifts in global geopolitics supported a significant step-up in European defence spending. We have several companies under research coverage in this space, although valuations appear stretched in the near-term.

Given the US market correction, defensive US companies generally outperformed cyclicals. The portfolio benefited from holdings in supermarket retailer, BJ's Wholesale Club (See "Quote of the month"); insurance broker, Brown and Brown; and health insurance provider, Molina Healthcare.

US growth companies were again challenged in the weaker market, with our decision back in February to exit Applvoin (-18.7%) and Vertiv (-24.1%) appearing prudent for now. While the current market rotation is a headwind for growth stocks, we retain exposure to several high-quality growth companies with strong competitive advantages such as Hemnet, Axon and SharkNinja.

During March, Tura Capital Portfolio Manager, Oliver Attwater, travelled to the US for a series of company meetings spanning portfolio holdings and new ideas. These engagements increased our conviction in several holdings including Jack Henry, Check Point Software, Equifax and Paylocity. The team travels regularly, with further research trips planned for the coming months.

As we move into April, we keep one eye on the volatile macroeconomic environment, while staying laser-focused on company specifics and the IQ25 results season. We expect most management teams will be cautious in their outlook statements given the uncertain geopolitical environment. As such, this may create further volatility in the near-term, but with this volatility we also are starting to see compelling opportunities emerging in high quality companies at attractive valuations. In this uncertain and choppy

macroeconomic environment, the Tura Capital Global Small & Mid Cap Fund remains concentrated, but diversified, with high-quality exposures across the market:

- Sustainable quality companies (e.g. Rational, Bureau Veritas, Auto Trader)
- Improving quality exposures (e.g. CBRE, Carlyle, eBay)
- De-rated quality opportunities (e.g. Paylocity, Advanced Drainage)
- Select high-quality cyclical exposures (e.g. Equifax, Fastenal, Knorr-Bremse)
- Select defensive exposures (e.g. BJ's Wholesale Club, Alliant)
- Select growth exposures (e.g. SharkNinja, Hemnet, Axon)

Key contributors

- **BJ's Wholesale Club:** US warehouse club retailer, delivered a strong 4Q24 result and FY25 outlook.
- **Scout24:** leading online German real estate marketplace, benefited from positive sentiment regarding German fiscal stimulus.
- **Check Point Software:** global cybersecurity software business, was viewed as a relative safe haven due to its recurring revenue model.

Key detractors

- **SharkNinja:** global consumer small appliance business, was sold-off due to weaker consumer confidence and tariff uncertainty.
- **Hemnet:** dominant Swedish real estate marketplace business, was negatively impacted by weak sentiment towards growth stocks.
- **Carlyle Group:** global alternative assets fund manager, experienced weakness as a high-beta stock in a risk-off environment.

Portfolio changes

After ending February with an elevated level of cash, we selectively deployed some funds into three new European positions during March: Geberit, Truecaller and Knorr-Bremse.

Swiss building products manufacturer, Geberit, is one of the largest building materials companies in Europe and is a previous Fund holding. It has a key focus on the production of sanitary products (i.e. toilet bathroom systems and piping) for both residential and non-residential markets. Following an extended period of weak demand, we believe Geberit's medium-term growth outlook will be supported by a combination of recent European Central Bank (ECB) interest rate cuts and planned German fiscal stimulus.

Stockholm-listed Truecaller, is a consumer cybersecurity business, and is the leading global caller ID and spam blocking platform. Its core service is delivered to consumers and business customers via a mobile app, through which it offers a growing range of additional services. Since its launch in 2009, the company has amassed 420m+ global Monthly Average Users and handles 4bn+ calls each day. Truecaller is following the well-trodden path of internet companies that grow scale through a free service offering, start monetising via advertising, and then leverage their positioning via subscription offerings. Truecaller is still early on this journey today and has emerging markets exposure, so it is a modest portfolio holding size for now.

Knorr-Bremse is a German manufacturer of railway vehicle and truck braking systems. It holds the leading position (~50% market share) in the global duopoly of railway braking systems, supplying train manufacturers worldwide. It is also the global leader in disc brakes and pneumatic brakes for the trucking industry. With legacy COVID-19-era fixed-price contracts rolling off, we believe Knorr-Bremse is a quality European industrial business with an attractive medium-term revenue outlook and profit margin upside.

During March we also exited the holding in US composite decking manufacturer, Trex. We had held Trex since the Fund's inception due to its leading industry position and structural growth, driven by the ongoing penetration of composite decking products away from traditional timber products. However, during March Trex's key competitor, Azek, announced a recommended merger with US building products manufacturer, James Hardie, which would materially alter the competitive landscape for composite decking. Having analysed James Hardie for many years, we believe that a combined James Hardie/Azek offering is likely to drive material market share gains at the expense of Trex. As such, we have exited the Trex holding for now and will continue to assess how the merger plays out.

Finally, speculation regarding a possible tariff on US copper imports drove a rally in the copper price during March. We reduced the holding in copper producer, Antofagasta, on valuation grounds, as we view the current spot copper price strength as unsustainable and disconnected from supply and demand fundamentals. We also trimmed holdings in SharkNinja and Carlyle Group on risk management grounds. We retain a higher-than-normal level of cash and will look to deploy this as the outlook for tariffs and earnings becomes clearer.

Company in focus



USS Co. is the leading player in the used car auction industry in Japan. It organises and operates regular car auctions at physical locations and online, generating revenues from both buyers and sellers. USS Co. has 19 auction sites around Japan and each site generally holds a weekly auction.

Industry quality

The Japan automotive auction industry is an ecosystem that connects car buyers and sellers. It has the high-quality attributes of a marketplace, that is, strong network effects given it is a central meeting point with inventory. Buyers benefit from conveniently viewing a large inventory of cars for sale. Sellers benefit from efficiently accessing a deep pool of buyers. Barriers to entry are high.

Company competitive advantage

USS Co. has the leading position with greater than 40% market share, approximately 4x the nearest competitor. Market share continues to grow, driven by USS Co's dominant footprint of auction locations across Japan. A key competitive advantage for USS Co. is its long-standing reputation as running auto auction markets that are fair and equitable. This requires buyers and sellers to have confidence in the quality of vehicles being consigned. Importantly, USS Co. has been leveraging its strong market position in recent years by increasing the fees paid by successful buyers.

Risk

Automotive auction earnings benefit from relatively stable pricing and margins, however auction volumes and clearance rates can be volatile month-to-month. Many cars auctioned by USS Co. are purchased by exporters for use in offshore markets. Export demand can be cyclical and influenced by foreign exchange rates (a stronger yen may create a headwind to export demand).

Summary

USS Co. is a high-quality marketplace business, demonstrating many of the key characteristics we look for at Tura Capital; strong market position within an attractive industry structure, pricing power over customers, and relatively low earnings risk. Valuation is attractive at ~18x forward price-to-earnings.



Summary and outlook

The Tura Capital Global Small & Mid Cap Fund continues to provide concentrated but diversified exposure to a transparent portfolio of high quality global SMID businesses, with strong long-term growth prospects.

With global SMID cap valuations currently at an extreme discount to global large caps, we believe the fund is well placed to deliver strong medium-term returns.

Quote of the month

BJ's Wholesale Club management outlined why they, and larger peer Costco, are winning market share during the cost-of-living crisis.

"It's not just us gaining share, but the whole club industry is gaining share. And that's really because consumers are tired of paying high grocery store prices."

Robert W. Eddy, Chairman & Chief Executive Officer, BJ's Wholesale Club Holdings, Inc.

6th March 2025

Fund facts

Target market: This product is intended for use as a minor or satellite allocation for a consumer who is seeking capital growth and has a very high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a five-year minimum investment timeframe and who is unlikely to need to withdraw their money on less than 5 business days' notice.

Inception date: 5 December 2023

Minimum initial investment: \$20,000

Risk level: This Fund is appropriate for investors with very high risk and return profiles

Management fee: 0.98% (inclusive GST and RITC) p.a. of the net asset value of the Fund

Performance fee: 15% of out-performance of the Fund relative to the Fund's Benchmark (after the management fee)

Entry/exit fees: Nil

Buy/sell spread: +/- 0.25% of the value of an application or withdrawal of units

Valuation and unit pricing frequency: Each business day

Distribution frequency: Annually

Responsible Entity: The Trust Company (RE Services) Limited as part of the Perpetual Limited group of companies

About Tura Capital and the Fund

Tura Capital is a boutique investment management capability, focused on delivering quality global small and mid cap equity portfolios to institutions, advisers and individual investors.

Key features of our approach:

Experienced and aligned team: The Tura Capital investment team have more than 60+ years of combined investment experience and are invested alongside our clients.

Quality at a reasonable price: A disciplined approach to quality and valuation, utilising our eight factor 'Quality Lens' assessment.

Concentrated but diversified: Investing in typically 25 - 45 high quality global small and mid capitalisation companies.

Transparent: Monthly disclosure of portfolio holdings.

Further information

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