ICE Fund

ICE Fund — Monthly Update – July 31 2026

Reporting season – both February and August – is always circled on the calendar at ICE Investors. It's our chance to dig into results, sit down with management across the Fund's franchise holdings, and take the temperature of potential future investments. And this season carries extra weight: with the vast majority of ICE Fund stocks still trading at, or close to, historic price-earnings lows, we're watching with real excitement – see chart on page 3,

As our investors know, earnings power is the lens through which we judge the stocks in the Fund – it's the heart of our process. Share prices ultimately follow earnings, yet earlier this year global markets lost sight of that, gripped by a wave of AI-threat pessimism that swept up good businesses alongside bad. We saw opportunity in that disconnect and doubled down on several Fund holdings caught in the sell-off – Light & Wonder (LNW), AUB Group (AUB), and Life360 (360).

Ahead of August reporting season, company news flow in July is often light – yet share prices can still move materially on thin volume. For July, the ICE Fund returned -1.44%; while benchmark unaware, we'd note the -2.94% return for Small Cap Industrials, the closest comparator to our universe. Positive news flow for fund stocks in July that affirmed our positioning included: -

- Classic ICE Franchises, Skellerup (SKL.NZ) and Supply Network (SNL) both provided positive trading updates for their FY26 results
- The revaluation of our unlisted holding in Firmus Technologies, at more than fivefold uplift
- ICE Fund ahead of the Small Industrials as prior forces receded

[1] *Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").*

[2] *A performance fee of 15.375% (inclusive of GST and an estimate of RITC) of any performance in excess of the performance hurdle (the daily percentage movement in the S&P/ASX 300 Accumulation Index plus 1.20% p.a. calculated on a daily basis gross of fees) may also be payable.*

Key Facts

Investment sub-manager	ICE Investors Pty Limited
Inception date	13 Feb 2006
Distributions	Semi-annual
Buy/sell spread	+0.30%/-0.30%
Minimum initial investment	$20,000
Base currency	AUD
APIR	ETL0062AU
Management fees[1]	1.180%
Performance fees[2]	15.375%
mFund code	SHF02
Domicile	Australia
	Unit price
Application	1.8753
Net Asset Value	1.8697
Withdrawal	1.8641
	Distributions (cpu)
31-Dec-23	1.5449
30-June-24	1.2981
31-Dec-24	1.32
30-June-25	2.10
30-June-26	4.4360

ICE performance

Performance[3]	1 m (%)	3 m (%)	1 yr (%)	3 yrs (% p.a.)	5 yrs (% p.a.)	10 yrs (% p.a.)	15 yrs (% pa)	20 yrs (% pa)	Inception (% pa)
Total net return	**-1.44**	**1.35**	**-16.78**	**1.66**	**-1.52**	**3.82**	**8.14**	**8.17**	**8.22**
S&P/ASX Small Cap Industrial	-2.94	2.61	-8.62	4.06	-0.17	4.25	6.56	4.16	4.11
S&P/ASX 300 Accum Industrials	2.58	5.60	-3.89	9.96	6.78	7.53	10.13	7.39	7.25
S&P/ASX300 Accum. Index	2.13	4.02	5.84	10.28	7.80	8.96	9.10	7.26	7.24

[3]*Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC"). The Fund does not track a benchmark, indices shown are provided for market context only. Performance fees (if applicable) are calculated relative to the S&P/ASX300 Accumulation Index. Past performance is not a reliable indicator of future performance.*

Top 5 Holdings*

AUB Group Ltd
AP Eagers
CAR Group Limited
Light & Wonder Inc
Steadfast Group Ltd

**Top 5 holdings represent 27.2% of the total fund. In alphabetical order.*

Market Cap Analysis	
$10b	12%
$5b - $10b	26%
$2b - $5b	9%
$1b - $2b	22%
$500m - $1b	5%
$100m - $500m	17%
<$100m	1%
Cash	7%

Co. Weight	No. of stocks
4.0%	3
3.0%	12
2.0%	11
1.5%	8
1.0%	7

Growth Maturity	
Peak Cashflow	18%
Growth	72%
Establish	3%
Cash	7%
Total	100%

Investment Objective

To deliver superior medium to long term returns by investing in ASX & NZX listed companies which possess a durable competitive advantage by owning or operating assets that are difficult to replicate.

Investments Held

A portfolio of approximately 30-50 predominantly ASX listed securities (a minimum of 15 and generally no more than 80).

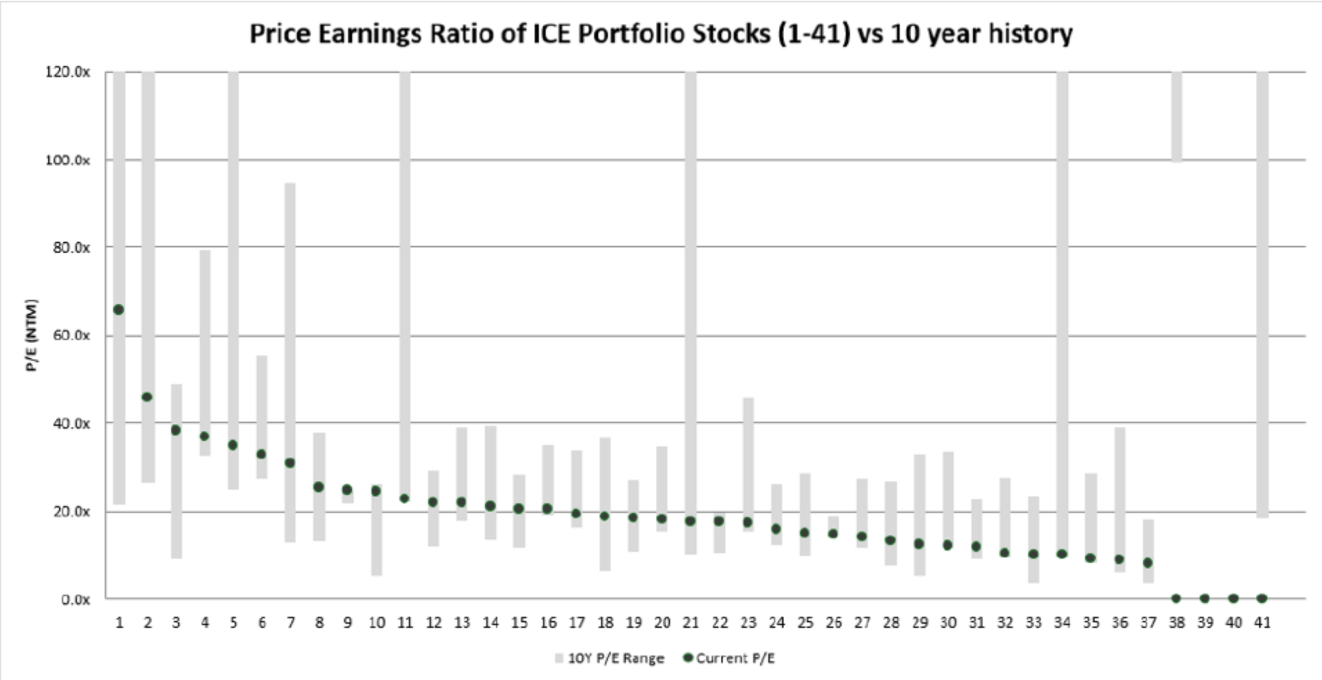
ICE Investment Team

Callum Burns, Portfolio Manager
Roger Walling, Portfolio Manager
Roman Aliev, Portfolio Manager
Seth Hoskin, Deputy Portfolio Manager

For more information visit the **Fund webpage**

- As we write in early August, very solid profit result and business update from LNW, the portfolio's largest position
- Portfolio names including Catapult (CAT) and Car Group (CAR) rallying as "SaaSpocalypse" fears recede

As highlighted on page 1 - Most importantly, we believe the **opportunity is still very much ahead** for the ICE Fund, with the fund's stocks still trading at historically low valuations as per the chart below:



Source: Factset & ICE Investors, as at 3 July 2026

The chart highlights the price earnings ratio of each of the ICE Holdings, numbered 1-41, versus their own 10-year history.

Monthly Performance Commentary

Top contributors to the ICE Fund's performance for July included:

- Leading automotive retail franchise **AP Eagers (APE)** was a solid contributor in July, reflecting strong recent sales for the BYD car brand, together with news that global production and delivery volumes were recovering for Toyota. APE is "overweight" to both of these brands. In the medium term, we expect APE to continue expanding its market share for new cars in both Australia and, increasingly, Canada. Further growth options within APE include its aspirations for EasyAuto123 – APE's scaled, branded car dealership focused solely on the used car market. The scale, buying power, and return profile of the business have seen Japan's Mitsubishi Corporation acquire a strategic stake in EasyAuto123, with a view to taking the brand and strategy overseas.
- Recent IPO SkinKandy (SK1) rose in July, having recently entered the ASX. SkinKandy is Australia's largest body piercing retailer, in an industry with strong growing demand. We think of SkinKandy as

a 'toll road' servicing this demand, while industrialising and professionalising what has been a cottage industry. Led by former Lovisa COO, Dain Friis, SkinKandy is embarking on an ambitious store rollout: doubling ANZ stores in 5 years and expanding internationally. Friis has execution credibility with Lovisa nearly doubling its global store network during his tenure. SkinKandy is extending its market leadership position and ticks a lot of the ICE emerging franchise boxes.

- The ICE Fund's holding in pre-IPO, as-yet-unlisted **Firmus Technologies** added value in the month. Firmus is a "NeoCloud" business – it operates as a specialised landlord and utility for AI compute. Far from an overnight success, Firmus has what we expect to be a technology and cost advantage in its provision of AI compute, partnered with leading players in the booming AI segment, including, of course, Nvidia. Firmus's latest capital raise was struck at more than a five-fold uplift to our initial investment last year.

- Both **Supply Network (SNL)** and New Zealand-listed **Skellerup (SKL.NZ)** delivered positive updates in July. SNL, the leading non-OEM truck parts supplier, continues to take share, confirming 19% profit growth in FY26 and outlining plans that should keep profit growth strong through FY27 and beyond. Skellerup went further, upgrading its FY26 forecast to at least 18% profit growth. Its results keep coming – driven by a loyal customer base, new product launches, and fresh wins – even as US tariffs bite. That resilience speaks to Skellerup's sales culture, industry know-how, and an R&D engine that turns intellectual property into results.

- The ICE Fund's largest position, **Light and Wonder (LNW)** rose in the absence of news flow in July. As we write we do note that LNW has just reported a very solid quarterly update, delivering very solid profit growth, market share gains and solid cash flow. We will provide more details in our August commentary.

Centuria (CNI) was the key detractor in July – fears around the private credit sector and in particular CNI's 100% owned Bass Credit weighed on CNI in July. We don't dismiss these concerns, noting that SQM research downgraded their view of Bass Credit during the month. However, we remain attracted to CNI's ownership interest in ResetData Sovereign AI. Similar to Firmus, we remain positive on the potential for 'Reset' to grow its NeoCloud business to meet the burgeoning demand for AI compute. Similar to Firmus, Reset and CNI have access to land, power (energy) and remain a preferred cloud partner with Nvidia who sit at the centre of the AI boom. We expect that the positive benefits to CNI that can flow from Reset outweigh the Bass Credit risks.

Monthly Portfolio Activity

Ahead of the upcoming reporting season, portfolio activity was reasonably light. We took some profits in Life 360 (360) following strong recent gains, trimmed our position on Steadfast (SDF) following the recent takeover activity and took profits in APE Eagers (APE).

ICE Fund Overview

Our overall goal is to invest (at sensible prices) in companies with a sustainable competitive edge.

This is the focus because these companies deliver more certain earnings growth.

We go through the following steps for each company that is considered for investment:

1. *Find assets that are difficult to replicate e.g. licenses, patents, brands, captive client base.*
2. *Ensure the company has an entrenched market position for its products/services = hard for competitors to take revenues. If steps 1 & 2 are achieved, then we have a company that should deliver higher & more certain earnings growth over the cycle.*
3. *Ensure we are buying the shares at a price will deliver a high internal rate of return to us as the investor. This ensures higher and more certain earnings growth translates into superior share market performance over time.*

Evidence of the more certain earnings growth has been proven over the course of more than a decade.

The earnings of the median company in the ICE portfolio have averaged +10% pa (FY09 to FY24) which compares favourably to the Industrials market which struggled to grow over the same time period.

The end result is a focus on companies with:

- *Organic growth opportunities that are not overly impacted by fluctuations in the economy.*
- *Appropriate debt levels.*
- *Strong cash generation.*

Awards

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