

Monthly Report | February 2026

NorthStar Impact Australian Equities Fund



February Highlights

For the month, the Fund returned **-2.36%** vs the Small Industrials **-4.52%**. The biggest positive contributors in the Fund were **Chrysos, Southern Cross Electrical, and Aspen**; whilst the largest detractors included **AI Media, Aeris Resources, and Neuren**.

We are pleased to have released the North Star 2025 Impact Report. The full report can be read [HERE](#)

February saw a clear split between larger, more liquid names and the smaller-cap end of the market. Small caps were more volatile as investors continued to price a “higher-for-longer” cost of capital and demanded clearer evidence of earnings quality and cash conversion. Sector leadership rotated quickly: defensives and yield plays found intermittent support as bond yields steadied, while growth names were treated more selectively—rewarded when catalysts were tangible and near-term, and sold off on concerns particularly around AI disruption and geopolitical tension.

Within the portfolio, healthcare was particularly headline-driven. Neuren (NEU) was weak amid uncertainty around the European regulatory pathway (and broader sentiment concerns), even as the company announced an on-market buyback of up to 5% of issued capital. In industrials, Vysarn (VYS) was in focus following its February half-year release, which pointed to strong earnings momentum and management’s confidence around delivering the full-year target. We caught up with the CEO, James Clement, and continue to see multiple ways of winning over the next 12 months from his strategy across the business segments that will result in a more resilient and higher growth company.

Looking ahead, the key for smaller caps across healthcare, industrials, technology and REITs remains the same: balance sheet resilience, repeatable cash generation, and credible capital allocation. In healthcare, regulatory milestones and commercial traction are the key market focus. In industrials, pricing power and returns on incremental capital discriminate between companies. In technology, we see the debate over the winners and losers of AI continue, but valuations have pulled back which may provide support. In REITs, gearing, funding costs and asset quality continue to determine who can grow distributions versus merely defend them.

We continue to see the smaller cap segment offering compelling opportunities, but selectivity is critical. Many businesses in healthcare, industrials and technology retain strong structural growth drivers over a three-to-five-year horizon, yet capital discipline and balance sheet strength are increasingly important in a more normalised cost of capital environment.

Exits: Telix Pharma

Portfolio Managers



Kerry Series
Managing Partner



Claudia Kwan
Managing Partner



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STOCK IN FOCUS – Southern Cross Electrical (SXE: ASX)

SXE: ASX is a specialist electrical, instrumentation, and communication services contractor operating across the resources, infrastructure, and renewables sectors in Australia.

The company delivers large-scale electrical installations, commissioning, and maintenance services for major mining projects (particularly in iron ore), as well as infrastructure developments such as data centres, transport projects, and renewable energy facilities. Its reputation has been built on executing technically complex, large-contract works for Tier-1 clients, particularly in Western Australia, where electrical scope is critical to mine development, processing plants, and associated infrastructure.

As mining investment and renewable energy construction activity rise, demand for high-voltage electrical infrastructure and grid connection work increases, providing earnings leverage during strong project cycles.

Beyond financial returns, SXE plays an important role in enabling energy transition projects and expanding critical infrastructure, supporting electrification, renewable generation capacity, and the reliable operation of Australia's resource sector.

The stock is trading on ~17x F P/E and expected to grow >20% into FY2027. We expect the company to continue in an earnings upgrade cycle into FY2030.

Monthly Portfolio Engagement Summary

During the month, we had **30 meetings** with positive impact companies and other stakeholders. We continued to engage with portfolio companies to assess operational progress, strategic developments, and the advancement of impact-related initiatives across sectors. Key company discussions included understanding the capital needs, both concessional and market-rate, for several portfolio companies.



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Fund performance

	1m	3m	6m	1yr	2yr p.a	5yr p.a	Inception p.a
Fund (gross)	-2.55%	3.41%	14.99%	20.00%	17.23%	3.74%	9.24%
Fund (net of fees)	-2.36%	3.08%	14.27%	18.41%	18.82%	2.43%	7.28%
Index*	-452%	-8.26%	-10.81%	1.08%	3.83%	2.17%	5.86%
Active Return (net of fees)	2.16%	11.34%	25.08%	17.33%	13.40%	0.26%	1.42%

Growth of \$100,000 AUD



As at 28 February 2026. Source: Apex Group, NorthStar Impact.

Past performance is not an indicator of future performance.

*Index means the S&P/ASX Small Ordinaries Industrials TR Index. This index is used for performance reference purposes only. The S&P/ASX All Ordinaries Accumulation Index is the hurdle rate for the calculation of the Fund's performance fee. Total returns include realised and unrealised gains and losses plus income and are time-weighted rates of return that adjust for external cash flows. Valuations are computed and performance reported in Australian dollars. Performance returns are presented after management and performance fees and all trading expenses. Inception was 31 January 2017.

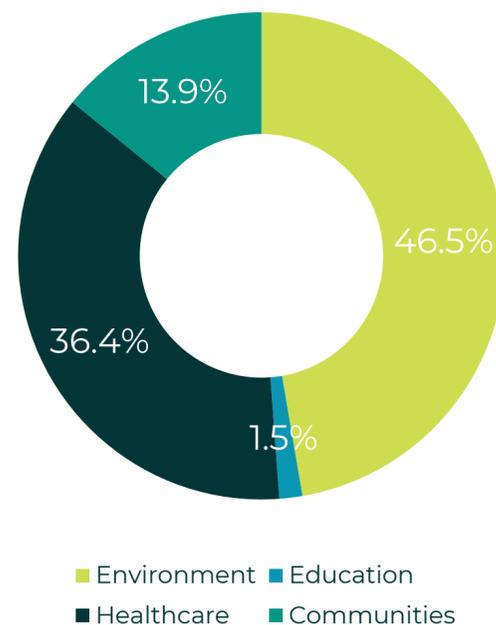
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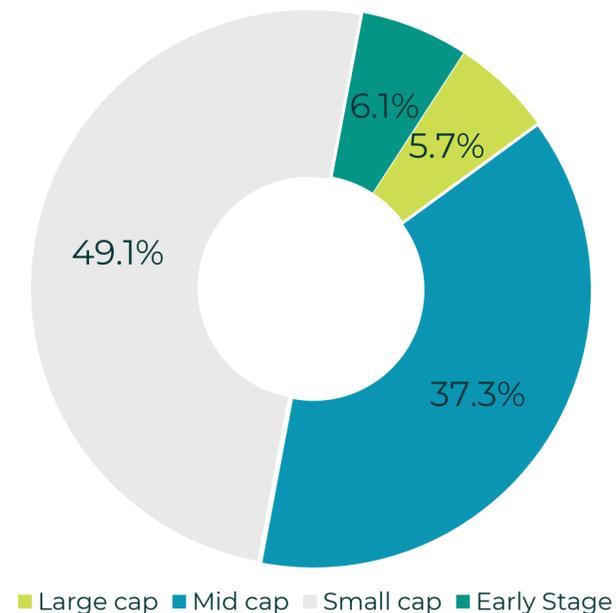
Top 5 Holdings

- Mesoblast
- Eureka
- Chrysos
- 4D Medical
- Vysarn

Impact Focus Areas



Market Cap



Sector allocations

Cash	1.8%
Consumer	3.5%
Materials	15.2%
Financials	0%
Health Care	36.4%
Industrials	22.7%
Information Technology	7.2%
Real Estate	11.3%
Utilities	2.3%

Source: NorthStar Impact. Accurate as at 28th February 2026.

Important Information

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298) AFSL 240975, is the Responsible Entity for the NorthStar Impact Australian Equities Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is North Star Impact Pty Ltd ("NorthStar") (ABN 56 635 773 974), an Authorised Representative of Longreach Alternatives Pty Ltd ("Longreach") (ABN 25 082 852 364) AFSL 246747. This publication has been prepared by NorthStar to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information.

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The Fund's Target Market Determination is available here: [NorthStar-Target-Market-Determination.pdf](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

Key Facts

Inception	31/01/2017
Domicile & Status	Registered Managed Investment Scheme domiciled in Australia
Holdings	50 stocks
Liquidity	Daily
Base currency	Australian dollars
Distributions	Paid annually, shortly after 30 June; reinvested unless otherwise instructed
Minimum investment	\$10,000
Fund identifier	APIR: ETL6826AU

Fees & Charges

Investment management fee	1.03% pa
Other fees & expenses	Up to 0.36% pa
Total management costs	1.39% pa
Performance fee	20.5% over benchmark
Performance hurdle	S&P All Ordinaries Accum Index