Artefact Opportunities Fund

ARTEFACT CAPITAL

October 2026

The Artefact Opportunities Fund (the Fund) fell 4.3% in October, outperforming the ASX Small Ordinaries Accumulation Index (the Benchmark), which fell 6.4%.

During the month of October, sentiment towards the "AI trade" turned sharply negative, weighing heavily on global equity markets. The major issues in the AI debate have broadened, now encompassing concerns on the availability of capital, delays in data centre construction, the defensibility of LLM business models and the durability of AI's social licence. So far, the selling in AI stocks has been indiscriminate; over the following months, we expect the many different companies bucketed as "AI winners" to further bifurcate and have positioned the portfolio accordingly. Outside of AI, the other major issue facing markets has been the yield on US 10-year bonds, the risk-free rate against which all other investment opportunities are benchmarked against. Whilst still very elevated over the year, this fell 35 bps over the month, and now sits slightly below 5%.

The short book was a strong contributor to Fund performance during the month, with several positions falling more than 20%, and one high conviction short position falling over 50%. The Fund also benefitted from a position in jewellery retailer **Lovisa** (LOV), which rose 7% in October. Earlier in the month, the company announced the departure of its long-standing CFO, and we used the ensuing sell-off to add to our long position. Whilst we are generally bearish on the Australian consumer, Lovisa's young customer base is less exposed to higher interest rates, and its global exposure means any region-specific slowdown is less important at the group level. A long position in **Corporate Travel Management** (CTD) also contributed to performance, rallying 55% over the month. The company provided a positive working capital update in October, alleviating concerns on the balance sheet and driving a sharp improvement in sentiment.

Detractors from Fund performance included a long position in electrical contractor **SKS Technologies** (SKS), which fell 47% over the month. SKS was caught up in the global sell off across AI-beneficiaries, however we remain very confident in the profit outlook for the business. The Fund holds multiple short positions to hedge part of its exposure to the AI thematic, which worked to offset losses in SKS over the month. A long position in **Integral Diagnostics** (IDX) also detracted from performance, falling 17% in October after the company reported a trading update that missed expectations.

Fund Information

Name	Artefact Opportunities Fund
Structure	Australian Unit Trust
Inception	September 2026
Management Fee	1.25% p.a. excl. GST
Benchmark	ASX Small Ords Accumulation Index
Performance Fee	20% above Benchmark
High Water Mark	Yes
Fund Size	A$3.8m
Min. Investment	A$100,000
Subscriptions	Monthly
Redemptions	Monthly
Registry	Automic
Prime Broker	Barrenjoey
Unit Price	$0.944

Performance Data (net)

October Return	(4.30%)
October Alpha	+2.13%
Annualised Return since Inception	-
Annualised Alpha since Inception	-
Annualised Standard Deviation	-
Annualised Sharpe Ratio	-
Rise in NAV since Inception	(5.38%)
2026 Calendar Year Return	(5.38%)
One Year Rolling Return	-

Artefact Capital
info@artefactcapital.com

Performance % (net) [1]

Performance	1 mth	3 mth	6 mth	1 yr	Incep. pa
Artefact Opportunities Fund	**(4.30)**	**-**	**-**	**-**	**-**
ASX Small Ords Accumulation Index	(6.43)	-	-	-	-
Active Return	2.13	-	-	-	-

[1]Past performance is not an indicator of future performance. No guarantee of performance, the return of capital or a particular rate of return is given. All investments involve a degree of risk, including the risk of loss.

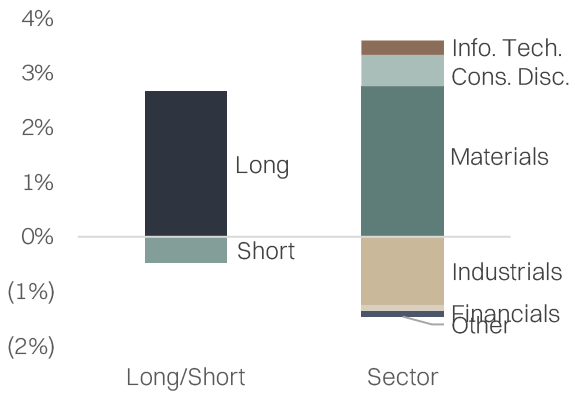
Balance Sheet Exposures (% NAV)

Sector	Long	Short	Net	Active
Communication Services	1	(2)	(1)	(6)
Consumer Discretionary	7	(4)	3	(7)
Consumer Staples	4	(1)	3	(1)
Energy	2	-	2	(3)
Financials	15	(4)	11	(1)
Health Care	0	(2)	(2)	(6)
Industrials	42	(2)	40	23
Information Technology	11	(3)	8	3
Materials	20	(2)	17	(8)
Real Estate	15	(0)	14	4
Utilities	-	-	-	-
Total	**117**	**(21)**	**96**	**(4)**

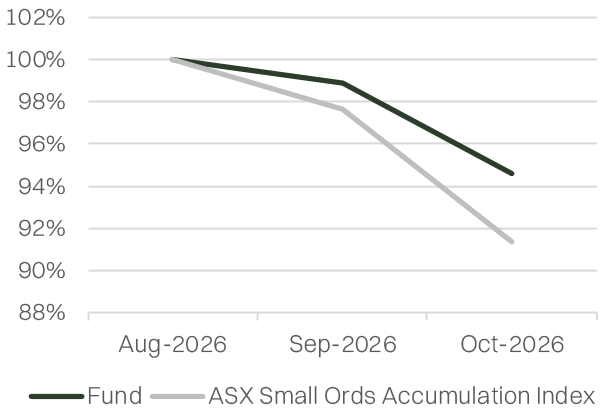
Strategy

The Artefact Opportunities Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index net of fees over a rolling five-year period, utilising a long/short investment approach. The Investment Manager employs a fundamental investment process in constructing the Fund's portfolio of investments. For long positions, this process focuses on key drivers of fundamental value, including business quality, management skill, cash flow generation, balance sheet health, and the broader industry backdrop. For short positions, the Investment Manager has developed a rigorous risk identification and monitoring framework with particular emphasis on the risks specific to short positions. The Investment Manager can also apply a tactical approach in the Fund, seeking to take advantage of short-term mispricing in equity markets.

Attribution of Alpha for October 2026



Investment Performance (cumulative)



Fund Performance[1]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2026									(1.13)	(4.30)			**(5.38)**

About Artefact Capital

Artefact Capital Pty Ltd (ACN 697 418 438, AFSL 700361) is the Trustee of the Fund. Artefact's responsibilities and obligations as Trustee are governed by the Trust Deed of the Fund and general trust law. Artefact Management Pty Ltd (Investment Manager) (ACN 697 658 049) is the Investment Manager for the Artefact Opportunities Fund.

This document has been prepared by Artefact Capital Pty Ltd (ACN 697 418 438) (AFSL 700361) ('Artefact, 'we' or 'us') for general information purposes only. The information described is not an offer or solicitation for the purchase or sale of any financial product or service. The material has been prepared for investors who qualify as wholesale clients under sections 761G of the Corporations Act 2001 (Cth) or to any other person who is not required to be given a regulated disclosure document under the Corporations Act. The material is not intended to provide you with financial or tax advice and does not take into account your objectives, financial situation or needs. Although we believe the material is correct, no warranty of accuracy, reliability or completeness is given, except for liability under statute which cannot be excluded. Investments involve risk. Prior to considering an investment you must obtain the relevant offer document which will outline the risks involved and other relevant information. Please note that past performance may not be indicative of future performance and that no guarantee of performance, the return of capital or a particular rate of return is given. All investments involve a degree of risk, including the risk of loss. This material is proprietary to Artefact. The recipient of this material agrees not to reproduce or distribute this material in whole or in part and not to disclose any of its contents to any other person.

[1]Past performance is not an indicator of future performance. No guarantee of performance, the return of capital or a particular rate of return is given. All investments involve a degree of risk, including the risk of loss.