

## EQUITY ALPHA PLUS FUND

**PARADICE**  
 INVESTMENT MANAGEMENT

PERFORMANCE NET (%)	1 MONTH	3 MONTHS	1 YEAR	3 YEARS	4 YEARS	SI* P.A.
Equity Alpha Plus Fund	-1.03	3.37	10.09	12.38	19.67	13.54
S&P/ASX 200 Total Return Index	-2.94	1.04	9.07	7.30	12.74	6.81
Excess Return	1.91	2.33	1.02	5.08	6.93	6.73

\*since Inception date (SI) - 12 July 2019

Past performance of the Fund is not a reliable indicator of future performance. The value of an investment in the Fund may rise or fall. Returns are not guaranteed by any person. Fund returns are calculated before tax, after ongoing management costs and any accrued performance fees, and assumes the reinvestment of distributions. Returns greater than 1 year are annualised.

## INVESTMENT OBJECTIVE

The Fund aims to outperform the S&P/ASX 200 Total Return Index (after fees and before taxes) over the long term.

## LEAD PORTFOLIO MANAGER

Tom Richardson

## FUND OVERVIEW

This Fund uses a detailed fundamental research process to invest in stocks that are well placed for the future (longs) and takes advantage of stocks we believe have cyclical and structural headwinds (shorts). The Long/Short investment style is designed to enhance returns and manage downside risks.

## KEY DETAILS

Number of Holdings	82
Portfolio Dividend Yield	3.38%
Fund Size (AUD)	\$ 151M
Redemption Price	\$1.3465

## TOP 10 POSITIONS

## WEIGHT %

BHP Group Ltd.	11.62
Newmont Corporation Registered	5.78
Resmed Inc	5.01
Telstra Group Ltd.	4.70
CSL Ltd.	4.66
ANZ Group Holdings Ltd.	4.48
Commonwealth Bank of Australia	4.27
Rio Tinto Ltd.	4.04
Block, Inc.	3.98
Brambles Ltd.	3.79

## MARKET EXPOSURES

Long	117.19
Short	-21.60
Net	95.59

## SECTOR ALLOCATION

Communication Services	5.23 %
Consumer Discretionary	6.37 %
Consumer Staples	4.75 %
Energy	7.03 %
Financials	25.47 %
Health Care	9.26 %
Industrials	3.80 %
Information Technology	3.54 %
Materials	27.23 %
Real Estate	-0.59 %
Utilities	3.49 %
Cash <sup>3</sup>	4.41 %

## FUND DETAILS

APIR Code	ETL8096AU
Distribution Frequency	Semi-Annually
Management Fee <sup>1</sup>	0.99% p.a.
Performance Fee <sup>2</sup>	15% p.a.
Buy Sell Spread	+/- 0.30%
Minimum Investment	\$20,000
Stock Range	Long 20–60, Short 0–50
Cash Range	0–20%

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## PERFORMANCE

The Fund fell 1.03% in April outperforming the Index which dropped 2.94%. Our Long book outperformed the Index due to two key holdings. Newmont Corporation announced their first quarter results which showed operational improvements, while supportive gold and copper prices helped push the stock higher in the month. We continue to see considerable upside for Newmont and it remains one of the largest positions in the Fund. ResMed delivered their third consecutive quarterly showing momentum in their business. Top line trends are supportive and profit margins continue to improve. We took a small amount of profit in the month. However, the Company continues to trade at a sizeable discount to Industrial and Health Care peers and remains one of the largest active weights in the Fund. The Short book underperformed in the month, helping drive performance for the Fund. We saw a broad range of contributors in the short book which can occur in a month like April when risk-off trades are prevalent.

## MARKET WRAP

After a strong first quarter the Australian equity market fell as inflation indicators surprised to the upside and geopolitical tensions persisted. Materials and Utilities were the best performing sectors as commodities prices rallied. Interest rate sensitive sectors fared worst with Real Estate and Consumer Discretionary falling 8% and 5% respectively.

## LOOKING FORWARD

Australia and offshore markets have re-rated in anticipation of stabilised economic growth, sustained disinflation, and a peak in interest rates. However recent inflation data has remained stubbornly high both here and abroad, and interest rate cuts have been wound back. We have increased our Materials weight and commodity prices have inflected higher. Recent additions include South32, Alumina and Jupiter Mines. We reduced our BHP overweight following the Company's proposal for Anglo American.