

EQUITY ALPHA PLUS FUND

PARADICE
INVESTMENT MANAGEMENT

PERFORMANCE NET (%)	1 MONTH	3 MONTHS	1 YEAR	3 YEARS	5 YEARS	SI* P.A.
Equity Alpha Plus Fund	1.00	6.20	18.59	11.41	14.83	14.24
S&P/ASX 200 Total Return Index	0.47	5.74	14.90	6.73	8.14	7.70
Excess Return	0.53	0.46	3.69	4.68	6.69	6.54

*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.

MARKET EXPOSURES

Long	116.50
Short	-22.10
Net	94.40

SECTOR ALLOCATION

Communication Services	3.74 %	
Consumer Discretionary	6.02 %	
Consumer Staples	4.82 %	
Energy	3.09 %	
Financials	29.43 %	
Health Care	12.35 %	
Industrials	5.89 %	
Information Technology	1.31 %	
Materials	24.14 %	
Real Estate	0.15 %	
Utilities	3.47 %	
Cash ³	5.60 %	

KEY DETAILS

Number of Holdings	83
Portfolio Dividend Yield	2.88%
Fund Size (AUD)	\$ 151M
Redemption Price	\$1.4037

TOP 10 POSITIONS

	WEIGHT %
BHP Group Ltd.	7.53
Resmed Inc	6.60
Brambles Ltd.	5.76
QBE Insurance Group Ltd.	5.48
Macquarie Group, Ltd.	5.16
Newmont Corporation Registered	5.09
CSL Ltd.	4.73
ANZ Group Holdings Ltd.	4.55
Block, Inc.	3.87
Commonwealth Bank of Australia	3.81

FUND DETAILS

APIR Code	ETL8096AU
Distribution Frequency	Semi-Annually
Management Fee ¹	0.99% p.a.
Performance Fee ²	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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EQUITY ALPHA PLUS FUND

PERFORMANCE

The Fund rose 1.0% in August outperforming the S&P/ASX 200 Total Return Index (the Index) which rallied 0.47%. Our Long book performed broadly in line with the Index. Good results from key positions in Brambles and ResMed were offset by softer results from The A2 Milk Company and QBE Insurance. We have maintained or increased our holdings in these positions. The Short book fell by nearly 4% in the month, contributing to the positive return of the Fund. A handful of short positions in the small cap sector delivered weak results with share prices falling considerably. Encouragingly, these were across multiple sectors in Industrials, Information Technology and Healthcare.

MARKET WRAP

After falling nearly 6% at the beginning of the month, the Index rallied to end the month positively. Returns were led by Financials, Technology and Industrials, offsetting losses in Materials and Energy. The August reporting season delivered broadly in line with expectations although aggregate earnings estimates for Financial Year 2025 were reduced through the month. Dividends beat estimates as Balance Sheets remain in good shape for most corporates.

LOOKING FORWARD

Australia and offshore markets have re-rated in anticipation of stabilised economic growth, sustained disinflation, and a peak in interest rates. In aggregate, large company valuations appear full or require an acceleration of earnings that we are not currently seeing. We have increased our Base Metals exposure as shares have retraced. The Fund is overweight Alcoa and South 32 as Alumina and Aluminium markets remain attractive. We have been increasing the size of the short book in companies where valuations have become extreme, and underlying fundamentals appear to be weakening. This appears to be most noticeable in Technology, Consumer Discretionary and Real Estate.