

## 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	3.95	6.02	22.22	14.95	15.03	15.01
S&P/ASX 200 Total Return Index	4.57	5.11	15.17	11.44	7.97	8.38
Excess Return	-0.62	0.91	7.05	3.51	7.06	6.63

\*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	115.77
Short	-21.20
Net	94.57

## SECTOR ALLOCATION

Communication Services	3.33 %	
Consumer Discretionary	4.85 %	
Consumer Staples	5.92 %	
Energy	3.03 %	
Financials	27.50 %	
Health Care	13.38 %	
Industrials	4.73 %	
Information Technology	1.29 %	
Materials	27.32 %	
Real Estate	-0.74 %	
Utilities	3.96 %	
Cash <sup>2</sup>	5.43 %	

## KEY DETAILS

Number of Holdings	84
Portfolio Dividend Yield	2.78%
Fund Size (AUD)	\$ 167M
Redemption Price	\$1.5373

## TOP 10 POSITIONS

## WEIGHT %

BHP Group Ltd.	7.66
Resmed Inc	5.75
Macquarie Group, Ltd.	5.60
QBE Insurance Group Ltd.	5.29
Block, Inc.	5.23
Brambles Ltd.	4.52
Alcoa Corporation	4.46
Origin Energy Ltd.	3.96
CSL Ltd.	3.80
Newmont Corporation	3.59

## 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%

**Disclaimer:** This information is prepared by Paradise Investment Management Pty Ltd (ABN 64 090 148 619, AFSL No. 224158) (Paradice, we or us). This material is not intended to constitute advertising or advice (including legal, tax or investment advice) of any kind. These materials are not to be distributed and must not be copied, reproduced, published, disclosed or passed to any other person at any time without the prior written consent of Paradise. Equity Trustees Limited (ABN 46 004 031 298, AFSL No. 240975) (Equity Trustees) is the responsible entity of, and issuer of units in, the Paradise Equity Alpha Plus Fund (ARSN 631 044 678) (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). In deciding whether to acquire, or to continue to hold, units in the Fund please read the current [product disclosure statement](#) available from Paradise. We encourage you to think of investing as a long-term pursuit. In preparing this information, we have not considered your investment objectives, financial situation or needs and therefore the Fund may not be suitable for you. You should have regard to your own individual objectives, financial situation and needs and, if necessary, seek independent professional advice before you make any investment decision. Neither Paradise, Equity Trustees, nor any of their respective related parties, directors or employees, make any representation or warranty as to the accuracy, completeness, reasonableness or reliability of the information contained in this publication or accept liability or responsibility for any losses, whether direct, indirect or consequential, relating to, or arising from, the use or reliance on any part of this material. Any rates of return, forecasts or estimates contained in this publication are not guaranteed. The content of this publication is current as at the date of its publication and is subject to change at any time. It does not reflect any events or changes in circumstances occurring after the date of publication. Unless stated otherwise, there are no material changes to the Funds risk profile, strategy, key service providers or to the individuals playing a key role in investment decisions for the Fund. The method of calculating net asset value can be obtained by emailing [distribution@paradice.com](mailto:distribution@paradice.com). The Target Market Determination (TMD) for the Fund is [available here](#). A TMD describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how it can be distributed to investors. <sup>1</sup>The management fee is effective 3 April 2020. Prior to this date the management fee was 1.15% p.a. <sup>2</sup>Applies to the investment performance achieved by the Fund (after management fees and costs) in excess of the Benchmark. Refer to PDS for more information. <sup>3</sup>The Cash percentage in the Sector Allocation chart is inclusive of derivatives held in the Fund, if any.

# EQUITY ALPHA PLUS FUND

**PARADICE**  
INVESTMENT MANAGEMENT

## PERFORMANCE

The Fund rose 3.95% in January underperforming the Index which lifted 4.57%. Our Long book narrowly underperformed as holdings in Alcoa and Origin fell. Alcoa declined as the Alumina price retreated from its 2024 highs, while mining shares were generally weaker in response to a rising US dollar. We remain constructive on the Aluminium sector and Alcoa remains a large position in the Fund. Origin announced a soft quarterly result with Australian Pacific LNG<sup>1</sup> production issues to weigh in 2025. The broader back drop for Origin remains supportive and their investment in Octopus is, in our view, increasingly valuable. The Short book narrowly underperformed the Index in the month which contributed to performance.

## MARKET WRAP

The MSCI World Total Return Index in USD rose 3.4% in January vs prior comparable period, partly on relief that Trump did not introduce tariffs during the month. The S&P/ASX 300 Total Return Index bounced 4.5%. The emergence of DeepSeek, a low-cost and supposedly more efficient alternative to the likes of ChatGPT, rattled the Artificial Intelligence theme and caused underperformance of the NASDAQ late in the month. In Australia, the cost of living pressure is a media focus, but the data suggests the consumer is holding up well. The Labour market remains strong adding 56,300 jobs, and Retail sales rose 4.6% (year on year) in December 2024<sup>2</sup>. The S&P/ASX300 Consumer Discretionary sector outperformed and rose 6.8% in January.

## LOOKING FORWARD

Pockets of the share market remain extremely stretched in terms of valuation, noticeably the Banks and some large capitalisation stocks. Price momentum has also been a key driver of returns, with Technology, Financials and Consumer Discretionary shares large beneficiaries. The share price response of AI exposed companies to the DeepSeek news was insightful. A large and rapid drawdown suggests investor concentration and unsupportable valuations. With this backdrop we are approaching 2025 with a degree of caution and continue to find companies where we can invest in quality businesses with supportable valuations. Materials companies have understandably suffered relative underperformance as a strong US dollar and emerging tariffs weigh on the sector. Interestingly however, commodity prices have remained resilient and appear to be bottoming. This is increasing the attractiveness of the Materials sector, a sector which the Fund is overweight.

**Disclaimer:** This information is prepared by Paradise Investment Management Pty Ltd (ABN 64 090 148 619, AFSL No. 224158) (Paradise, we or us). This material is not intended to constitute advertising or advice (including legal, tax or investment advice) of any kind. These materials are not to be distributed and must not be copied, reproduced, published, disclosed or passed to any other person at any time without the prior written consent of Paradise. Equity Trustees Limited (ABN 46 004 031 298, AFSL No. 240975) (Equity Trustees) is the responsible entity of, and issuer of units in, the Paradise Equity Alpha Plus Fund (ARSN 631 044 678) (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). In deciding whether to acquire, or to continue to hold, units in the Fund please read the current [product disclosure statement](#) available from Paradise. We encourage you to think of investing as a long-term pursuit. In preparing this information, we have not considered your investment objectives, financial situation or needs and therefore the Fund may not be suitable for you. You should have regard to your own individual objectives, financial situation and needs and, if necessary, seek independent professional advice before you make any investment decision. Neither Paradise, Equity Trustees, nor any of their respective related parties, directors or employees, make any representation or warranty as to the accuracy, completeness, reasonableness or reliability of the information contained in this publication or accept liability or responsibility for any losses, whether direct, indirect or consequential, relating to, or arising from, the use or reliance on any part of this material. Any rates of return, forecasts or estimates contained in this publication are not guaranteed. The content of this publication is current as at the date of its publication and is subject to change at any time. It does not reflect any events or changes in circumstances occurring after the date of publication. Unless stated otherwise, there are no material changes to the Funds risk profile, strategy, key service providers or to the individuals playing a key role in investment decisions for the Fund. The method of calculating net asset value can be obtained by emailing [distribution@paradice.com](mailto:distribution@paradice.com). The Target Market Determination (TMD) for the Fund is [available here](#). A TMD describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how it can be distributed to investors.

1. Origin owns 27.5% of Australia Pacific LNG.

2. Seasonally adjusted rates.

3. All MSCI data is the property of MSCI. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI and its affiliates assume no liability for or in connection with the data. Please see complete disclaimer in <https://paradice.com/au/terms-conditions/>