

## 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	2.78	5.58	15.45	16.64	18.22	14.46
S&P/ASX 200 Total Return Index	2.36	8.17	11.81	12.33	12.26	8.40
Excess Return	0.42	-2.59	3.64	4.31	5.96	6.06
*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	122.69
Short	-26.78
Net	95.91

## SECTOR ALLOCATION

Communication Services	7.47 %	
Consumer Discretionary	4.42 %	
Consumer Staples	6.05 %	
Energy	4.78 %	
Financials	27.01 %	
Health Care	8.33 %	
Industrials	4.99 %	
Information Technology	2.23 %	
Materials	23.93 %	
Real Estate	2.78 %	
Utilities	3.93 %	
Cash <sup>3</sup>	4.09 %	

## KEY DETAILS

Number of Holdings	91
Portfolio Dividend Yield	3.44%
Fund Size (AUD)	\$ 231M
Redemption Price	\$1.5335

## TOP 10 POSITIONS

## WEIGHT %

BHP Group Ltd.	9.47
Macquarie Group, Ltd.	6.02
Seek Ltd.	5.05
Xero Ltd.	4.58
Telstra Group Ltd.	4.55
Brambles Ltd.	4.47
Alcoa Corporation	4.46
Insurance Australia Group Ltd.	4.09
Origin Energy Ltd.	3.93
Treasury Wine Estates Ltd.	3.79

## 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 rose 2.78% in July outperforming the Index which rallied 2.36%. Our long book outperformed in the month rising over 3%. A large underweight position in CBA was the largest contributor to the Fund with the stock falling 3.7%. Lynas Rare Earths and Newmont were also key contributors. In the US, the Department of Defense invested in Lynas' peer MP Materials and underwrote the price of Neodymium-Praseodymium (NdPr) at \$110/kg, roughly double prevailing spot prices. This announcement greatly benefitted all rare earth players, including Lynas, in which we have increased our position in the company. Newmont delivered their best quarter in recent times and the stock advanced nicely. After years of Newcrest integration and portfolio optimisation the benefits are becoming clearer to see. Greatland Resources on the other hand was the largest detractor in the month. Greatland was listed on the ASX in June 2025, having previously been solely listed on the UK market. The company downgraded their 2026 production in July. The stock was rightfully punished falling 23% in the month. After being a key contributor to the Fund over the preceding 12 months, we had reduced the position to 1% prior to the downgrade. While the long-term opportunity remains, the company will need to win back investors, and in a crowded mid-cap gold space, this may take some time. The short book outperformed in the month, detracting from Fund performance. The short book was more exposed to small cap industrials and this segment was very strong in the month rising over 5%.

## MARKET WRAP

The S&P/ASX 200 Total Return Index rose 2.36% over July with a mixed backdrop of macro signals. The RBA held the cash rate at 3.85% against wide expectations for a cut. "Rotation" was the theme of the month with Healthcare and Materials reversing recent trends and rallying strongly, while banks, and more broadly Financials, declined. While there were no obvious catalyst for banks' underperformance, the strength in other sectors certainly contributed. Iron ore rallied 6.5% (in USD) with the major miners benefiting. China's emerging "Anti-involution" policy, aimed at cutting surplus capacity, also sparked a rally in multiple commodities.

## LOOKING FORWARD

Economic data in the US and globally has remained resilient in the face of policy disruption. Tariff effects will begin to filter through to the economy in the second half of the year, however increasing expectations of a global interest rate easing cycle should buffer the downside. Valuations remain stretched in certain segments of the markets and the upcoming reporting season will shine more light on corporate performance.

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