

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	1.41	5.52	14.46	11.81	18.86	13.62
S&P/ASX 200 Total Return Index	0.92	1.16	12.93	6.80	11.80	6.89
Excess Return	0.49	4.36	1.53	5.01	7.06	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	86
Portfolio Dividend Yield	3.22%
Fund Size (AUD)	\$ 140M
Redemption Price	\$1.3656

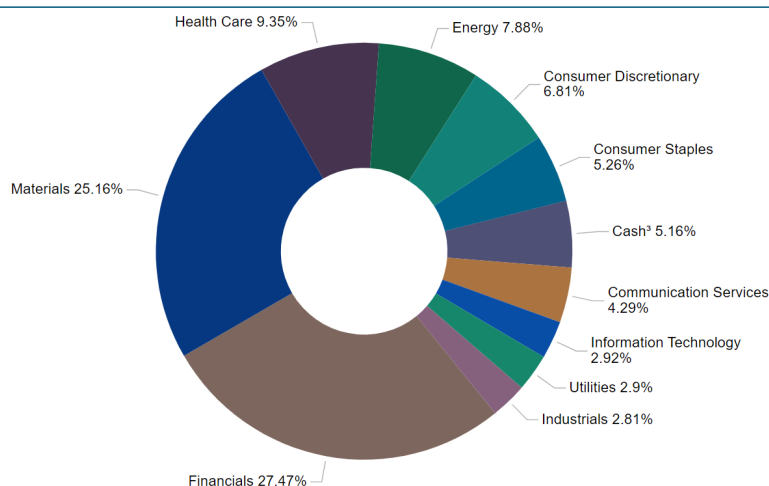
TOP 10 POSITIONS

	WEIGHT %
BHP Group Ltd.	11.22
Newmont Corporation Registered	5.59
Macquarie Group, Ltd.	4.94
Resmed Inc	4.72
CSL Ltd.	4.65
ANZ Group Holdings Ltd.	4.43
Commonwealth Bank of Australia	4.39
Rio Tinto Ltd.	3.94
Brambles Ltd.	3.86
Block, Inc.	3.77

MARKET EXPOSURES

Long	116.83
Short	-21.97
Net	94.86

SECTOR ALLOCATION



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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PERFORMANCE

The Fund rose 1.41% in May outperforming the Index which rallied 0.92%. Our Long book outperformed the Index with two small cap stocks being the top contributors in the month. Spartan Resources rose on positive drill results and a buoyant gold price. The company is in an enviable position with an increasing gold resource and mine infrastructure largely in place. Catapult Group rallied on the release of their annual results which showed an inflection in profitability. We have owned the company for over 12 months and we viewed the result as consistent with recent performance. The company is a global leader in sports technology, and we remain excited by the upside in the stock. Our holding in Block detracted from performance in the month. We remain excited by the product development that we expect to see this year. The Short book underperformed in the month, helping drive performance for the Fund. We closed out the short position in our top contributor for the past year as the stock has fallen 67%.

MARKET WRAP

After a strong start, a higher-than-expected inflation print towards month end weighed on the market. Consumer discretionary and Real Estate sectors sold off in response to the inflation numbers.

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, with interest rate cut estimates being wound back recently. In aggregate, large company valuations appear full or require an acceleration of earnings that we are not currently seeing. We have been selectively increasing our small company exposure and maintain an overweight position in the Materials sector.