

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	3.17	4.15	18.61	13.72	18.81	14.45
S&P/ASX 200 Total Return Index	4.20	4.31	13.36	9.62	12.11	7.96
Excess Return	-1.03	-0.16	5.25	4.10	6.70	6.49

*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

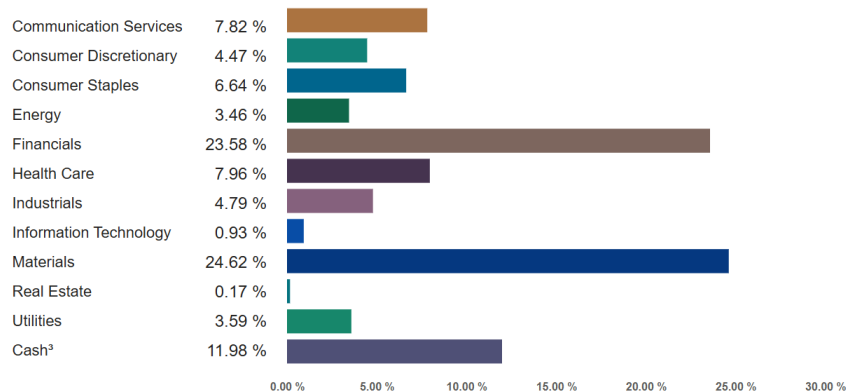
FUND OVERVIEW

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	108.11
Short	-20.10
Net	88.02

SECTOR ALLOCATION



KEY DETAILS

Number of Holdings	84
Portfolio Dividend Yield	3.26%
Fund Size (AUD)	\$ 230M
Redemption Price	\$1.5639

TOP 10 POSITIONS

WEIGHT %

BHP Group Ltd.	9.08
Telstra Group Ltd.	4.30
Macquarie Group, Ltd.	4.10
QBE Insurance Group Ltd.	4.01
Insurance Australia Group Ltd.	3.96
Greatland Gold plc	3.88
Treasury Wine Estates Ltd.	3.70
Origin Energy Ltd.	3.59
Seek Ltd.	3.51
National Australia Bank Ltd.	3.47

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 3.17% in May underperforming the Index which rallied 4.20%. Our Long book narrowly underperformed in the month. Catapult Group was the Fund's largest contributor in the month following a strong earnings result. The business continues to grow its global presence as the leading sports technology company. The stock has re-rated considerably, almost doubling over the last two months. We remain optimistic about the business but have reduced our holding. Seek performed well following an Investor Day which reaffirmed guidance. We have increased our position as we continue to see the upside from better cost management and continued revenue growth. Treasury Wines was the largest detractor to the Fund in the month. The stock fell as a new CEO was named and a change in US distributor was announced. We increased our holding as we believe the stock now offers tremendous value for exposure to Penfolds, while headwinds from other brands are more than captured in the share price. Despite the CEO change, we gain comfort from a very capable Chairman in John Mullen. The Short book outperformed the Index which was a headwind to returns. There were a diverse range of stocks that rallied double digit in the month, many having been sold down in the prior quarter.

MARKET WRAP

The Index rally continued in May as tariff-related issues eased. It was a largely typical "beta rally" with Information Technology and Energy the best performers while Utilities, Staples and Healthcare lagged. Materials were the anomaly in the month, failing to rally with the broader market. Risk assets rallied despite a selloff in bonds which saw 30-year US treasury yields above five percent, the highest since level since October 2023.

LOOKING FORWARD

Despite policy uncertainty in the US, risk assets have rallied as incremental news on tariff outcomes are positive. Investors continue to rejoice at the US tariff rollback and economic data to date has been largely immune. The Fund has reduced some US exposure and is slightly defensively positioned. We expect corporates and consumers to exercise caution in the current economic environment while valuations remain highly extended in multiple segments of the market.

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