

Global All Cap

Strategy (USD)

30 June 2025

Portfolio Manager



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Portfolio Manager

Joined Paradice: 2023

Investment Objective

The strategy aims to outperform its respective benchmark over a 3-5 year timeframe by investing in a concentrated portfolio of businesses we view as having superior fundamental quality trading at average to below average values.

Key Details

Strategy Inception Date 1 October 2023

Benchmark MSCI ACWI All Cap Net Total Return Index

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Portfolio Characteristics

No. of Holdings	26
Weighted Avg. Mkt. Cap (\$USD)	86.1B
Median Mkt. Cap (\$USD)	82.0B
Active Share (%)	98.3

Quality Metrics*

	Portfolio	Benchmark
ROE (%)	10.6	20.1
ROIC (%)	10.9	16.3
ROA (%)	6.9	10.4
Net Debt / EBITDA	-0.8	0.9

Sector Allocation (%)

Financials	25.7
Industrials	4.2
Health Care	6.5
Communication Services	20.8
Materials	--
Information Technology	22.5
Consumer Staples	--
Consumer Discretionary	20.2
Energy	--
Real Estate	--
Utilities	--
Cash	0.2



Top Five Positions (%)

Robinhood Markets, Inc. Class A	4.8
DoorDash, Inc. Class A	4.7
Nintendo Co., Ltd.	4.5
Shopify, Inc. Class A	4.5
Spotify Technology SA	4.2

Valuation Metrics*

	Portfolio	Benchmark
P/E FY2 ¹	36.8	23.0
P/CF FY2 ¹	28.3	19.1
P/S FY2 ¹	7.4	5.5
Shareholders Yield	0.4	2.8
Dividend Yield	0.3	1.8

Region Allocation (%)

North America	49.8
United Kingdom	11.3
Emerging Markets	14.8
EMEA Developed	12.1
Japan	4.5
Other Asia	7.3
Cash	0.2



Performance (%)

	3M	YTD	1YR	SI
Paradice Strategy - Gross	18.55	17.66	46.93	33.80
Paradice Strategy - Net	18.31	17.19	45.76	32.74
MSCI ACWI All Cap NTR Index	11.64	9.85	15.92	22.22
Excess Return - Net	6.67	7.34	29.84	10.52

¹For P/E, P/CF, and P/S in the above table, "FY2" is defined by Factset as "the unreported fiscal year following FY1 (with FY1 being "the next unreported financial year as of the report date")"

DISCLOSURE Past performance does not guarantee future results. All investments carry inherent risks, and while there is the possibility for investment gains, there is also the possibility of investment loss. The Global All Cap Strategy returns are a composite return series comprised of all portfolios currently employing the strategy, currently one account. Gross returns reflect performance before tax and the deduction of management fees, which will reduce returns. Net returns reflect an applied investment management fee rate of 0.80%, the highest potential rate likely over the periods noted. The returns shown include the reinvestment of dividends and other earnings. Returns greater than one year are annualized. Where performance has been calculated in a currency other than the base currency of strategy, it is converted monthly to US dollars using WM Reuters London 4pm close FX rates. Performance presented may vary if returns are denominated in a currency other than base currency. Comparisons to indices have limitations, please see the end disclosure for additional important information. The Top 5 Positions are based on the market value of each holding expressed as a percent of the total market value of the portfolio. The holdings identified do not represent all securities purchased, sold, or recommended for advisory clients. The reader should not assume that an investment in the securities identified was or will be profitable. Portfolio characteristics, including allocations, are calculated using a representative account and are provided for informational purposes only. Valuation Metrics include loss making companies. Quality Metric data has been adjusted as part of the calculation methodology. Adjustments were made to give a more accurate and complete representation of the securities data. Adjustments were applied consistently for Portfolio and Benchmark values shown. Adjustments were made when a significant variation was identified. Values changed were sourced from company SEC filings. Portfolio yield is only one component of the portfolio return and is not and should not be viewed as a statement of the future performance of the strategy. Benchmark is the MSCI ACWI All Cap Net Total Return Index. The strategy is actively managed and subject to change. Sources: State Street, Paradice, and MSCI. *Please see endnotes for definitions of the Quality Metrics and Valuations Metrics terms used in the tables above.

Commentary

Portfolio Performance & Market Review

The second quarter of 2025 was characterized by significant market volatility driven by trade policy uncertainty, geopolitical tensions, and evolving economic indicators. After a sharp selloff triggered by the April 2nd tariff announcements, the U.S. softened its stance, pausing reciprocal tariffs for 90 days and securing a tariff pause with China leading to a V shaped recovery in global equities during the quarter. Additionally, the Iran-Israel conflict and Russia-Ukraine war raised concerns, temporarily pushing oil prices to \$80 per barrel before eventually receding and tensions failed to escalate further.

Despite these challenges, markets demonstrated resilience, with most major asset classes posting positive returns by quarter-end. The Paradise Global All Cap Strategy returned +18.55% (gross) (18.31% net) during the quarter outperforming its benchmark by +6.91% (gross) (6.67% net). Performance was predominantly driven by stock selection with modest contribution from sector allocation. The Strategy benefitted from robust performance from communication services, consumer discretionary and financials with detrimental performance from information technology as well as industrials and healthcare. All regions were positive contributors in the quarter (with the exception of emerging markets, which was essentially flat).

Outlook

There continues to be no shortage of volatility and headlines to worry about. That said we continue to remain optimistic about single investment opportunities around the world. We do not have a crystal ball, nor do we pretend to carry one. Instead, we just keep our heads down and remain committed to our investment philosophy and process, which we believe should continue to deliver solid gains over the mid to long term.

Portfolio Changes

During the quarter, we added five new positions and exited the same. The Strategy ended the quarter with twenty-six positions.

Portfolio Additions

Sartorius Stedim Biotech: A leading biopharmaceutical supplier, Sartorius Stedim Biotech provides equipment and services for drug development and production, specializing in cell cultivation, fermentation, filtration, purification, and fluid management. It focuses on single-use technologies to enhance efficiency in bioprocessing.

Shopify Inc: Shopify is a global e-commerce platform that enables businesses to create online stores, manage sales, and process payments across multiple channels. It offers tools for website building, marketing, and inventory management to support merchants of all sizes.

Synopsys Inc: Synopsys provides electronic design automation (EDA) software, intellectual property (IP), and services for semiconductor and electronics companies. Its solutions help design, verify, and manufacture complex integrated circuits and systems.

MakeMyTrip: MakeMyTrip is an online travel company offering booking services for flights, hotels, holidays, and transportation in India and abroad. It provides what we see as a user-friendly platform for travel planning and management.

Atlassian Corp: Atlassian develops collaboration and productivity software, including Jira for project management, Confluence for team collaboration, and Bitbucket for code management. Its tools support agile workflows and team efficiency across industries.

Portfolio Exits

Toast Inc: We sold Toast as a forced displacement to buy Shopify. While we like Toast, we believe Shopify has better risk/reward longer term.

Corpay Inc: We sold Corpay due to concerns around their corporate payments segment and competitive threats from stablecoins, which are gaining traction quickly. Longer term we are concerned about maturation in the fleet segment as well as threats from electric vehicles.

Didi Global Inc: During the quarter we started to hear rumblings of Chinese ADR delistings. Given Didi has no local listing, this was too big of a risk for us to take and we therefore exited. We were also looking for a candidate to sell to purchase MakeMyTrip in India, a region and business we like better long term.

Marvell Technologies Inc: We sold Marvell to buy Synopsis. We believe Synopsis is a wider moat higher quality way to invest behind the demand for advanced AI chips.

Gitlab Inc: Exited Gitlab in order to buy Atlassian. We think Atlassian has wider moats and better risk/reward.

New Portfolio Highlight – Sartorius Stedim Biotech

Headquartered in Aubagne, France, Sartorius Stedim Biotech is a global leader in bioprocessing equipment and services, specializing in solutions for the development and production of biopharmaceuticals. Sartorius provides critical technologies for cell cultivation, fermentation, filtration, purification, and fluid management, with a focus on single-use systems. As the biopharmaceutical industry undergoes transformative shifts, Sartorius's unique business model, robust competitive moats, and alignment with industry trends position, in our view, is for sustained long-term growth.

The biopharmaceutical industry is undergoing a paradigm shift that we think plays directly into Sartorius' strengths. The rise of biologics and advanced therapies—projected to account for over half of global pharmaceutical sales by 2030—drives demand for flexible, scalable manufacturing solutions. Single-use systems, which Sartorius (formerly Stedim) pioneered, are increasingly preferred over traditional fixed infrastructure due to their adaptability for small-batch, high-value drugs like cell and gene therapies. Unlike traditional small-molecule drugs, biologics require highly specialized, sterile, and flexible manufacturing processes. Sartorius' single-use technologies—

disposable bioreactors, filters, and tubing systems—replace traditional stainless-steel equipment, offering cost efficiency, reduced contamination risks, and faster production timelines. This innovation aligns with the industry's shift toward personalized medicine and smaller-batch production, making Sartorius a critical partner for both established pharmaceutical giants and emerging biotech firms in our view. The company's comprehensive portfolio, spanning upstream (cell culture) to downstream (purification) processes, provides end-to-end solutions, fostering deep customer integration and recurring revenue from consumables.

We believe Sartorius' competitive advantages are deeply entrenched. First, its regulatory capture creates a significant barrier to entry. Bioprocessing equipment must meet stringent regulatory standards set by agencies like the FDA (Food and Drug Administration) and EMA (European Medicines Agency), requiring extensive validation and qualification processes. Once Sartorius' systems are integrated into a customer's manufacturing process, switching to competitors is costly and risky due to revalidation requirements, which can take years and millions of dollars. This "stickiness" ensures long-term customer retention. Second, Sartorius' technological leadership in single-use systems, backed by over 2,000 patents, reinforces its market dominance. The company's early investment in single-use technology has given it a first-mover advantage, oligopolistic competitive position. Third, its global scale and supply chain resilience—with manufacturing sites across Europe, North America, and Asia—mitigate risks and ensure reliability, a critical factor in an industry where production delays can cost millions. Finally, Sartorius' strong brand and customer relationships, built over decades, are evident in its partnerships with top pharmaceutical companies like Pfizer and Moderna, particularly during the COVID-19 vaccine ramp-up.

In our view, Sartorius Stedim Biotech is uniquely positioned at the heart of the biopharmaceutical revolution, leveraging its leadership in single-use technologies, regulatory capture, and global scale to maintain a formidable competitive moat. As drug manufacturing shifts toward biologics, personalized therapies, and sustainable practices, Sartorius' innovative solutions and sticky customer relationships ensure sustained growth.

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As at 31 March 2025, The MSCI ACWI All Cap NTR Index captures large, mid, small and micro cap representation across 23 Developed Markets (DM) countries* and large, mid and small cap representation across 24 Emerging Markets (EM) countries*. With 14,808 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set. As at 31 March 2025, the MSCI ACWI ex USA NTR Index includes large, mid, small and micro cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). It also includes large, mid, small and micro caps across 24 Emerging Markets (EM) countries*. With 11,372 constituents, the index covers approximately 99% of the global equity opportunity set outside the US. For a complete description of the index methodology for each of the aforementioned indices, please see: <https://www.msci.com/index-methodology>. Each of the aforementioned indices are unmanaged and do not reflect the impact of advisory fees. Any indices and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, and reflect the reinvestment of income and dividends. Investors cannot invest directly in an index.

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Definitions

- **Return on equity (ROE)** is expressed as a percentage and is a measure of financial performance calculated by dividing net income by shareholders' equity (which is equal to a company's assets minus its debt). ROE is considered a gauge of a corporation's profitability and how efficient it is in generating profits.
- **Return on invested capital (ROIC)** is a calculation used to assess a company's efficiency in allocating capital to profitable investments.
- **Return on assets (ROA)** is a profitability ratio that provides how much profit a company is able to generate from its assets. ROA is shown as a percentage, and the higher the number, the more efficient the company is at managing its balance sheet to generate profits.
- A **P/E ratio (P/E)** takes the stock price divided by the company's earnings per share for a designated period and conveys how much investors will pay per share for \$1 of earnings.
- **EBITDA**, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. By including depreciation and amortization as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the company's operations.
- The price-to-cash flow (P/CF) ratio is a stock valuation indicator or multiple that measures the value of a stock's price relative to its operating cash flow per share.
- **The price to sales (P/S)** ratio shows how much the market values every dollar of the company's sales
- **Dividend yield**, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.
- **Shareholder Yield** is the sum of a stock's dividend yield (paid over previous twelve months minus special dividends) and the percentage of net share buybacks over the previous twelve months

Definitions of terminology used can be found <https://www.paradice.com/international/important-disclosures/>

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