30 APRIL 2026

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	2.98	-0.34	13.84	13.48	13.51	14.03
S&P/ASX 200 Total Return Index	2.18	-1.22	10.12	9.66	8.36	7.73
Excess Return	0.80	0.88	3.72	3.82	5.15	6.30

*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

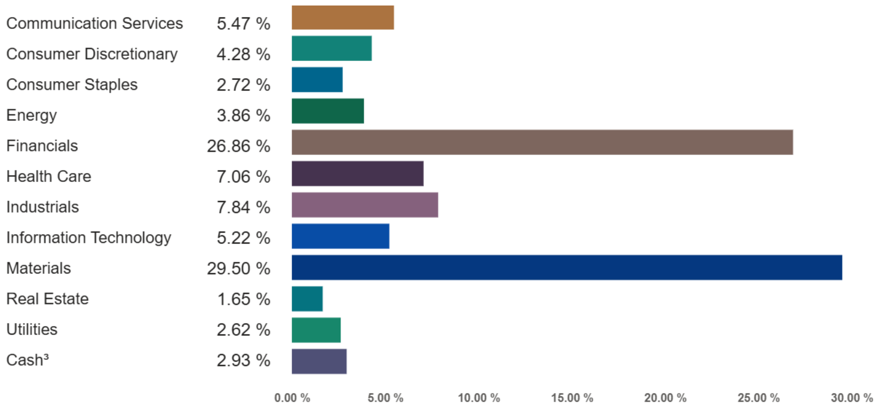
Tom Richardson

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	114.23
Short	-17.16
Net	97.07

SECTOR ALLOCATION



KEY DETAILS	
Number of Holdings	82
Portfolio Dividend Yield	3.18%
Fund Size (AUD)	$ 447M
Redemption Price	$1.6535

TOP 10 POSITIONS	WEIGHT %
BHP Group Ltd.	14.20
Macquarie Group, Ltd.	7.41
Xero Ltd.	5.08
National Australia Bank Ltd.	4.80
QBE Insurance Group Ltd.	3.84
Insurance Australia Group Ltd.	3.31
Brambles Ltd.	3.21
Commonwealth Bank of Australia	3.12
Seek Ltd.	3.10
GPT Group	3.07

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 2.98% in February outperforming the S&P/ASX 200 Total Return Index Index which increased 2.18%. Our long book outperformed in the month with Financials and Materials being the key positive sector contributors. Our lithium exposures, PLS Group and Elevra, performed well with both companies delivering compelling operational quarterlies. Energy Storage Systems (ESS) growth may have been accelerated by the Middle East conflict which has pushed up lithium prices to incentivise new production. Bluescope Steel and BHP were also positive contributors, while our underweight to Gold further assisted returns. Macquarie Group was another key contributor as the stock rallied on conflict de-escalation. The Company has seen recent earnings upgrades after multiple years of small downgrades. We attribute the key drivers to the Commodities division and asset realisations in Macquarie Asset Management. We added to the position, and it remains a top holding for the Fund. A nil weight position in CSL continued to positively impact relative returns as the stock drifted lower in the month. Lastly, a positive update from Treasury Wines was welcomed. We have maintained a reduced position size, but believe the turnaround is seeing some signs of improvement. This initial result is encouraging, and we look forward to more evidence.

The short book rose more than the market, but slightly lower than our long book, ultimately being a small detractor to returns. While we had covered a number of Technology shorts in the prior months, a few small positions bounced on the better macro environment. There was minimal stock specific news in the month, and we currently hold a broad short book with several positions in each sector. The recent market rally is, in our view, creating some shorting opportunities as we see signs of speculative activity in the market increasing.

MARKET WRAP

The MSCI World Total Return Index rebounded 10.2% (USD) in April on the Middle Eastern ceasefire and strong US earnings that also drove the US S&P 500 Total Return Index up 10.5% (USD). The median S&P 500 March quarter EPS surprise was 6%, driven by Information Technology, Financials, Industrials and Consumer Cyclicals, which then drove 4% EPS revisions for the next 12 months. The S&P/ASX 200 Total Return Index rose only 2.2%, lacking the strong earnings benefit and small technology weighting.

Healthcare was the worst performing ASX 200 sector, falling 8.7%, with Cochlear warning on weak demand and margins. Within Consumer Staples, which dropped 4.1%, Woolworths warned on rising fuel costs and supplier cost pressure, and several smaller stocks also flagged weaker consumer sentiment. Energy eased 2.7% as Brent oil backed off 3.7% (USD) and JKM LNG fell 16.0% (USD) on the ceasefire. Materials rose 4.3% on slightly better commodities pricing, with Spodumene lifting 16.7% (USD) on supply cuts and restocking, while Aluminum, Gold and Iron Ore were all flat. Information Technology bounced 13.3% on improving offshore sector sentiment.

Macro data remained solid. The US ISM Manufacturing PMI held flat at 52.7 in April. The Australian PMI composite improved to 50.1 from 46.6, and China Manufacturing PMI to 52.2 from 50.8. It appeared that the March Inflation in the US remained acceptable at 2.6%, US 10-year Treasury yields rallied 5bps in April, the US Fed held rates steady, and futures are pricing no changes for the next 12 months. However, in Australia March quarter Core Inflation bounced to a less acceptable 3.5%, which led to the RBA raising rates to 4.35% in early May. The AUD/USD rallied 4.4% in April on this interest rate differential dynamic.

LOOKING FORWARD

Global share markets have rallied considerably since we witnessed some de-escalation in the Middle East conflict around early April. Earnings growth through the US reporting season has been very strong, ultimately driving their market higher. Australia has lagged as three rate rises have driven softer consumer results and earnings downgrades from the major banks. We believe we are in an inflationary growth environment which supports an overweight position in commodities and select industrials. The Fund has also been increasing its exposure to software as a service (SAAS) companies that have suffered large de-rates on AI fears. Xero is currently the largest active position in the portfolio.