31 OCTOBER 2025

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	0.66	6.46	17.50	16.71	19.32	14.98
S&P/ASX 200 Total Return Index	0.39	2.70	12.46	13.08	12.64	8.51
Excess Return	0.27	3.76	5.04	3.63	6.68	6.47

*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

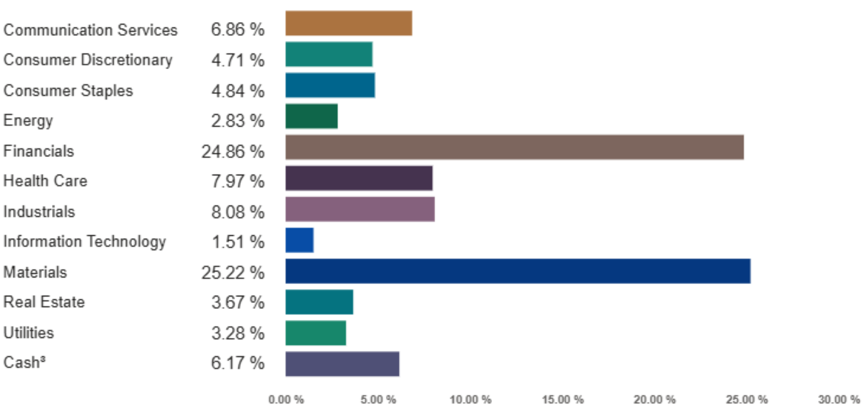
Tom Richardson

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	116.16
Short	-22.33
Net	93.83

SECTOR ALLOCATION



KEY DETAILS	
Number of Holdings	90
Portfolio Dividend Yield	3.15%
Fund Size (AUD)	$ 306M
Redemption Price	$1.6325

TOP 10 POSITIONS	WEIGHT %
BHP Group Ltd.	12.68
Macquarie Group, Ltd.	5.63
Seek Ltd.	5.21
Brambles Ltd.	4.23
National Australia Bank Ltd.	3.82
QBE Insurance Group Ltd.	3.61
Ansell Ltd.	3.60
Xero Ltd.	3.58
GPT Group	3.47
Insurance Australia Group 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 0.66% in October outperforming the Index which rallied 0.39%. Our long book narrowly underperformed in the month. Healthcare was a key positive contributor in the month with Ansell announcing a guidance upgrade at their AGM. Ansell is a key active position in the Fund. The business is well placed to benefit from an increase in industrial activity in the US while harvesting synergies from the recent KBU acquisition. On the flip side, CSL announced a further downgrade at their AGM. Headwinds are persisting and while the stock has fallen considerably, we maintain a large underweight. A small position in emerging healthcare technology Artrya also assisted performance in the month. Treasury Wine Estates was a key detractor to returns in the month with the Company removing guidance prior to the AGM. Two issues have caused the setback; distributor changes in California and the evolving weakness in alcohol consumption in China. While we expect the US distribution changes to be resolved and non-repeatable, the China demand trends for Penfolds may limit the medium-term growth. While we believe the stock remains undervalued, we reduced the position size following the downgrade. We look forward to meeting the incoming CEO this month. The short book underperformed in the month, which drove the positive Fund performance. A handful of high growth, and high p/e multiple stocks fell considerably in the month, as well as some giveback on previously high-flying materials stocks.

MARKET WRAP

The S&P/ASX 200 Total Return Index saw modest gains, up by 0.4% over October 2025. The Australian equity market lagged peers with returns lower than both Emerging Markets (+4.2% in USD) and Developed Markets (+2.0% in USD). The barbell of Materials and Financials was able to cover the losses across Discretionary, Health Care and Technology sectors for small market gain. Despite Materials closing the performance gap in the month, Financials maintains year to date leadership as the top sector contributor, while further losses in October saw Healthcare's negative contribution extend to 188bps. Over the past month, aggregate consensus earnings have steadily trended higher across the forecast years (FY26/27/28) driven by revisions within the Materials sector. That has driven positive revisions across the broader index, with the ASX 200 now sitting +2.5% higher vs month ago levels for FY26.

LOOKING FORWARD

We are moderately cautious on the markets short-term outlook based on extended positioning in equities and AI exuberance. Rate cut expectations have reduced, both in the US and Australia, following Fed meetings in the US and sticky inflation data in Australia. This has resulted in small pullbacks in equity markets which may be enough to see a continuation of the rally into Christmas. Commodity markets appear attractive with demand strength surprising and supply issues prevalent in Copper, Lithium and Aluminium. We remain overweight Materials.