

ALCapital

ALC Active Australian Equities Fund

Monthly report – March 2025

Returns	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	5 years p.a.	Since inception p.a.*
ALC Active Australian Equities Fund	-1.46%	0.26%	-2.28%	-4.07%	-0.55%	6.13%	14.48%
ASX 200	-3.39%	-2.80%	-3.57%	2.84%	5.62%	13.24%	9.54%
Outperformance	1.93%	3.06%	1.29%	-6.91%	-6.16%	-7.11%	4.94%

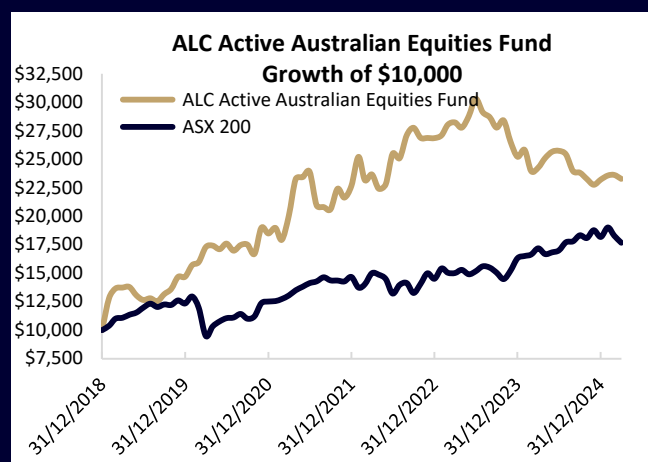
Performance is reported net of all fees. Returns greater than one year are annualized. Historical performance shows the ongoing performance both of a different fund previously managed by the AL Capital that operated with the same strategy as the ALC Active Australian Equities Fund, and the ALC Active Australian Equities Fund. This information has been provided for illustrative purposes only. Past performance is not a reliable indicator of future returns.

*The inception date of the ALC Active Australian Equities Fund is 28/07/2023, and inception date of the Strategy is 2/1/2019. Since inception performance is shown at the Strategy inception date, annualized.

The Fund seeks to generate positive absolute returns above the performance benchmark by investing in Australian-listed equities. The Fund employs a mixed strategy comprising of a high-conviction portfolio that is designed to deliver strong total returns, augmented by a short-term portfolio with a number of holdings that are expected to deliver short-term returns and provide risk-mitigation.

AL Capital employs a combination of in-depth top-down and bottom-up research to construct the high-conviction portfolio, led by our portfolio managers with strong track records. To achieve the desired net market exposure, as well as for risk control, the actively traded short-term portfolio is also utilised. Through this, AL Capital aims to achieve positive returns regardless of the overall market direction.

Risk management sits at the heart of the investment process, playing both a defensive role in helping AL Capital avoid losses in a leveraged structure as well as an offensive role in identifying shorts where risks are often mispriced.



Past performance is no indication of future performance. Investments may rise and fall in value and returns cannot be guaranteed.

Performance

The portfolio lost 1.46% in March – a pleasing result in a market that was down -3.4%. As one would expect, our long positions detracted, while our short positions contributed.

While the past 18 months have been challenging, the team are committed to ensuring the superior long-term performance is maintained.

Largest contributors/detractors

The largest contributors were our short positions in James Hardie (JHX, +115 bps), and Macquarie (MQG, +64 bps), and our long position in Genesis Minerals (GMD, +60 bps).

The largest detractors were our long positions in DigiCo Infrastructure REIT (DGT, -133 bps), Helia Group (HLI, -100 bps), and Life360 (360, -76 bps).

Following the very volatile month of February, the market continued to show large swings during the month of March, as market moving news continued to come out of the Trump administration at great frequency.

Portfolio positioning

At the end of the month, our largest positions were shorts in CBA, Wesfarmers, CPU, and Macquarie. The overall portfolio positioning was very conservative, with a net short exposure of 2.4%.

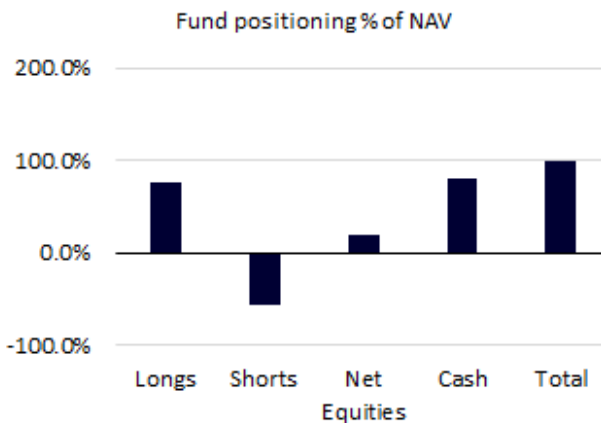
Market Commentary

March was a month where fundamentals were ignored, and markets were solely focused on President Trump's looming trade war and tariff announcements on Liberation Day, April 2.

Equities had one of their worst months ever, ranking 4th behind the '87 Crash, GFC, and Covid sell-offs, which sent

fear across all asset classes, apart from Gold. In the US the S&P 500 declined by 6.2%, the NASDAQ fell 8.1% and the ASX also fell 3.4%.

Australian 10-year government bonds rose 13bps to 4.42%. We also saw Australian credit spreads widen by 15-19 bps in March, confirming investors are more cautious.



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Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the ALC Active Australian Equities Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

The Investment Manager for the Fund is AL Capital Holding Pty Ltd ("AL Capital") ABN 29 613 750 682, AFSL 523648. This publication has been prepared by AL Capital to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither AL Capital, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

ALC Active Australian Equities Fund's Target Market Determination is available <https://www.eqt.com.au/insto>. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.