

ALCapital

ALC Active Australian Equities Fund

Monthly report – July 2025

Returns	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	5 years p.a.	Since inception p.a.*
Active Australian Equities Fund	-8.26%	3.54%	0.65%	-6.67%	-1.85%	6.93%	14.03%
ASX 200	2.36%	8.17%	4.18%	11.81%	12.33%	12.26%	10.94%
Outperformance	-10.61%	-4.63%	-3.53%	-18.48%	-14.19%	-5.33%	3.09%

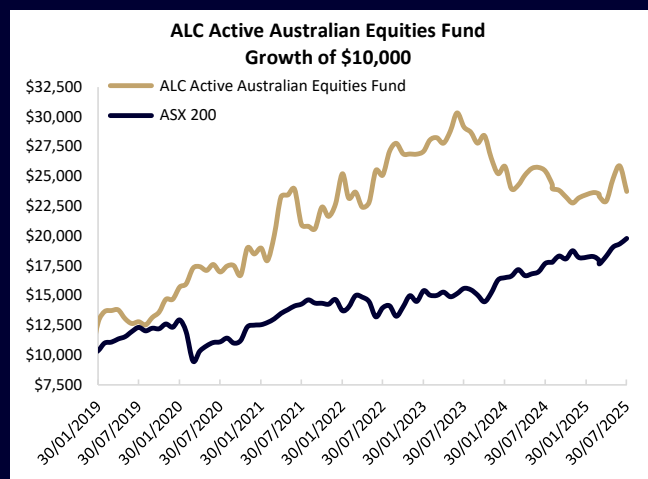
Performance is reported net of all fees. Returns greater than one year are annualized. Historical performance shows the ongoing performance both of a different fund previously managed by the AL Capital that operated with the same strategy as the ALC Active Australian Equities Fund, and the ALC Active 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

In July, The Fund returned -8.26%, against the market of 2.36%.

While overall the fund performance was disappointing, this drawdown was largely driven by a small number of stocks, including Boss Energy (ASX:BOE) who raised guidance on their costs and were severely punished by the market, down 32% on the day of announcement.

We are confident that the strategy will perform in the long run, and thank investors for their continued support.

Portfolio positioning

The Fund entered and exited the month with a relatively low net market exposure, reflecting our view that macro risks remain elevated. We continue to favour a diversified portfolio, holding 68 positions across sectors and styles to manage volatility and maintain flexibility. Our largest long positions at month-end were Wistech (ASX:WTC), Mineral Resources (ASX:MIN), and Greatland Resources (ASX:GGP).

We remain overweight defensive themes, particularly in gold and REITs, which continue to provide ballast against renewed volatility and potential downside scenarios while holding attractive upside.

The Fund remains cautiously positioned coming into reporting season, as greater volatility has been observed over this period.

Market Commentary

In July 2025, markets tread a cautious yet optimistic path as growth signals remained firm but were shadowed by trade and geopolitical uncertainty.

The anticipated tariff truce deadline in early July passed without escalation, as the U.S. extended the pause on new reciprocal tariffs.

The Reserve Bank of Australia(RBA) held the cash rate at 3.85%, but hopes for future rate cuts remain high as inflation continues to surprise on the downside.

Unemployment in July rose from 4.1% to 4.2%, suggests the RBAs view on a stronger than expected labour market may have been over estimated.

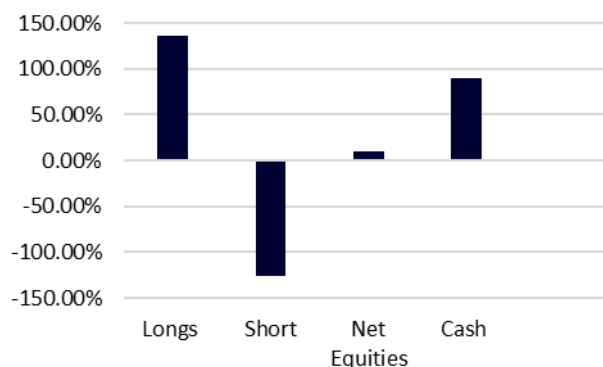
The S&P/ASX 200 posted a gain of 2.36%, marking its fourth straight monthly rise and pushes it into fresh record territory. Overseas, the MSCI World Index posted solid gains for the month of 1.43%, while the S&P 500 climbed 2.36%, reaching new record levels as investor confidence held up despite geopolitical tensions

Credit spreads continued to tighten, with the iTraxx Australia basket of Australian corporates tightening to around 69bps, and extending the rally since April. Meanwhile, Australian government bond yields remained stable, with the 10-year yield hovering around 4.26% reflecting a modestly steeper curve as markets price in a gradual RBA policy shift.

In the U.S., the 10-year Treasury yield ended July near 4.37%, after peaking mid-month, as investors digested a mix of strong economic data and ongoing Fed policy uncertainty.

Markets enter August cautiously, mindful of potential retaliation or further tariff extensions.

Fund Postioning % of NAV



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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.