ALC Market Neutral Australian Equities Fund

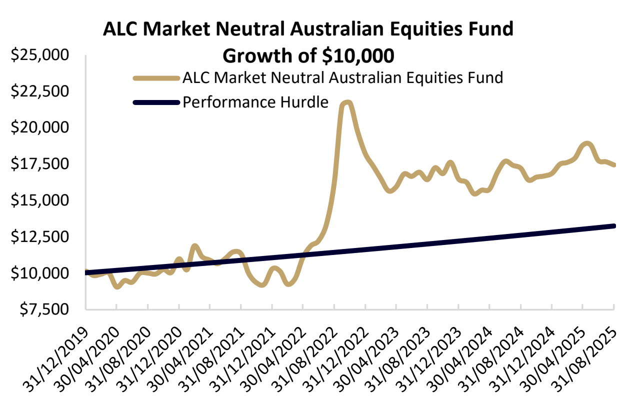
Monthly report – August 2025

Returns	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	5 years p.a.	Since inception p.a.*
Fund	-1.24%	-7.36%	-0.98%	4.55%	1.34%	2.45%	11.73%
Hurdle rate (5% p.a.)	0.42%	1.24%	2.49%	3.73%	5.00%	5.00%	5.00%
Outperformance	-1.65%	-8.60%	-3.47%	0.82%	-3.66%	-2.55%	6.72%

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 and investment management team as the ALC Market Neutral 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 Market Neutral Australian Equities Fund is 31/01/2024, and inception date of the Strategy is 30/11/2019. Since inception performance is shown at the Strategy inception date, annualized.

The Fund is an algorithm-based portfolio that has been developed to generate a return from participating in the stock market, without being correlated with broader market movements. The algorithm is optimized for a high return-to-downside volatility-ratio.

The Fund uses a combination of factors to rank stocks according to their attractiveness. Currently, these factors relate to stock momentum, earnings momentum, value, quality, and cyclicality, but they could be updated in future algorithm upgrades. The resulting ranking is used to construct a portfolio by choosing long positions from the top of the list and short positions from the bottom. In this portfolio construction process, certain constraints are applied: there are limits on the number of stocks per sector, size of single-stock long position, size of single-stock short position, among others. The algorithm strives to attain as close to a sector-neutral position across all sectors as the ranking list permits. The algorithm is run and the portfolio is rebalanced once a month.



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

Performance

The ALC Market Neutral Australian Equities Fund returned -1.24% in June against the benchmark hurdle rate of 0.42%.

August 2025 was defined by a sharp rally in many Australian equities, particularly in cyclicals, travel, healthcare, and tech. The long book captured the upside strongly through big winners (consumer, travel, biotech), but this was partly offset by shorts rallying aggressively.

Portfolio Positioning

At the end of August, the Fund was invested in a portfolio of 53 securities. There was a slight tilt towards Materials, Financials and Industrial Sectors

The biggest positions of the Fund were Lovisa Holdings LTD (ASX:LOV), Qantas Airways Ltd(ASX:QAN) and Orora (ASX:ORA)

Market Commentary

In August 2025, markets largely held their ground as optimism over disinflation and steady growth was tempered by renewed geopolitical tensions and cautious central bank rhetoric.

The U.S. and its trading partners once again extended the tariff truce into September, soothing immediate fears of escalation but leaving investors wary of the looming deadline.

The RBA cut the cash rate by 25bps to 3.60%, which followed from easing inflation. Inflation data continued to moderate, but the Board remained cautious, noting uncertainty in the labour market after unemployment remained at 4.20%. Market pricing still expecting for cuts to begin later this year, though conviction has softened.

The S&P/ASX 200 rose 3.10%, consolidating July's strong rally and holding near record highs. Global equities saw broader gains, with the MSCI World Index rising 1.13% and the S&P 500 advancing 1.19%, both extending record-setting runs as resilient earnings supported sentiment despite trade uncertainty.

Credit markets remained firm, with CDS tightening further to around 66bps, underscoring persistent demand for yield. Australian government bond yields eased slightly, with the 10-year drifted to 4.28% as investors leaned toward a slower RBA reaction. In the U.S., the 10-year Treasury yield finished August at 4.23%, as markets balanced softer inflation prints against a still-hawkish Fed tone.

As September begins, investors remain alert to the possibility of renewed trade frictions, while the path of policy easing — both in Australia and abroad — continues to anchor market expectations.

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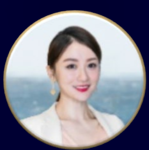

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