

# Totus Alpha Long Short Fund

June 2024 Performance Update



## Monthly Commentary

The Totus Alpha Strategy was flat during June and finished the financial year up 11.5%. This return was delivered with minimal market risk (average net exposure of 41%) and, as usual, with no correlation to the market (beta of -0.5).

In a quiet month for company reporting, the new news during June was the stubbornly high reading for Australian inflation which remains well above the RBA's comfort zone. This may necessitate another rate rise in Australia which could prove painful for highly leveraged borrowers and stocks exposed to the consumer which are already facing top-line pressure (challenging comparable sales from the Covid boom) and higher costs (wages, rent, freight) which is pressuring margins.

As we learn more about the market's current favourite thematic, Artificial Intelligence (AI), it is becoming apparent that for all but a handful of companies AI is looking like an upfront cost with little to no potential for revenue upside near term. The AI theme has been a big driver of equity performance so far in 2024. With Nvidia now the world's largest company by market cap and bulls for the thematic getting increasingly breathless about the opportunities in areas such as robotics we sold out of our (unfortunately small position) in Nvidia and the ASX's AI proxy play Goodman Group. We also trimmed exposure to Alphabet and Microsoft which have also been big winners on the AI theme. We tend to agree with the bulls about AI's transformational potential, but experience tells us that nothing goes up in a straight line and we hope to be able to revisit these companies as longs if there is a reset that provides us with a better entry point.

In June we took advantage of tax loss selling to add to our position in met coal producer, Coronado Coal. This stock has underperformed its met coal peers due to a range of operational issues which we believe are now in the rear-view mirror.

## Underlying Fund Monthly Stock Contribution

Contributors		
Amazon	Long	+0.7%
Stanmore Resources	Long	+0.6%
Hemnet	Long	+0.5%
Detractors		
Arch Resources	Long	-0.3%
Whitehaven	Long	-0.3%
Alpha Metallurgical Resources	Long	-0.3%

## Performance Summary (net of all fees)

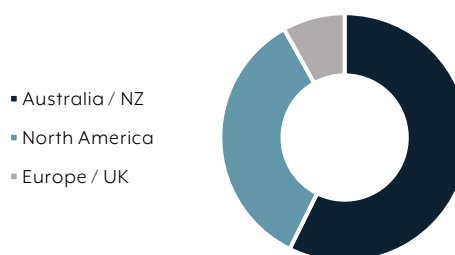
	Totus Alpha Long Short Fund <sup>1</sup>	RBA Cash Rate <sup>3</sup>	ASX300 Accum. Index <sup>3</sup>
1 month	-0.1%	0.4%	0.9%
3 months	5.8%	1.1%	-1.2%
Calendar year to date	6.6%	2.2%	4.2%
1 year	11.5%	4.4%	11.9%
3 years p.a.	7.9%	2.5%	6.1%
Total since inception	36.3%	7.9%	67.6%
Since inception p.a.	7.8%	1.8%	13.2%
	Strategy / Underlying Fund <sup>2</sup>	RBA Cash Rate	ASX300 Accum. Index
Since Inception p.a.	14.0%	1.9%	9.2%

<sup>1</sup> Fund performance is for the Totus Alpha Long Short Fund since inception on 18 May 2020.  
<sup>2</sup> Performance for the Strategy / Underlying Fund is the Totus Alpha Fund since inception (2 April 2012) which is subject to a different fee structure. All performance numbers are quoted net of fees. Past Performance is not an indicator of future performance. Source: Totus, Apex, Bloomberg.

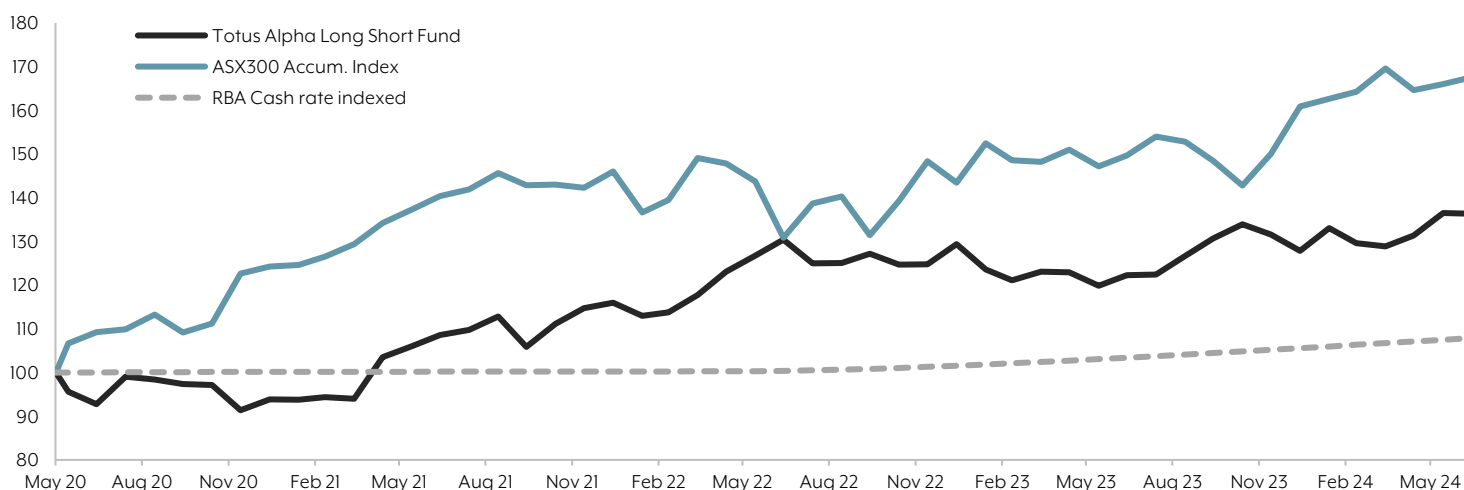
## Underlying Fund Exposure (regional breakdown)

Geography	Long	Short	Net	Gross
Australia / NZ	53%	53%	-1%	106%
North America	48%	16%	32%	64%
Europe / UK	15%	0%	15%	15%
<b>TOTAL</b>	<b>115%</b>	<b>69%</b>	<b>46%</b>	<b>184%</b>

## Gross Exposure as % of Total Exposure



## Performance Since Inception (base = 100)<sup>3</sup>



<sup>3</sup> Returns of the ASX 300 Accum. Index and the benchmark RBA Cash rate are shown to illustrate the Fund's performance within a diversified portfolio of assets. The risk/return profiles differ due to differences in the constituents of the index/fund vehicle. Past Performance is not an indicator of future performance. Source: Totus, Apex, Bloomberg

### Month-end Positions & Theme Exposures

Long	Short
43 positions	47 positions
Undersupplied Commodities 29%	Banks 13%
Bricks to Clicks 17%	Market Hedge 13%
Financial Asset Ticket Clippers 13%	Consumer Slowdown 11%

### RG240 Disclosure

In accordance with ASIC's Disclosure Benchmarks and our commitment to keep you informed, the table below sets out the information as required on a monthly basis. Where required, the report discloses this information for both the Fund<sup>1</sup> and the Underlying Fund<sup>2</sup>.

Valuation & Fund Changes	Fund	Underlying Fund
Current total net asset value <sup>3</sup>	\$50.8M	\$154.35M
Withdrawal value of a unit <sup>3</sup>	\$0.8411	\$108.6917
Net return of assets after fees, costs and taxes (for June 2024) <sup>4</sup>	-0.14%	-0.14%
Change to key service providers	Nil	Nil
Change to individuals playing a key role in investment decision	Nil	Nil
Material Changes to the risk profile or investment strategy	Nil	Nil

<sup>1</sup>Totus Alpha Long Short Fund. <sup>2</sup>Totus Alpha Fund. <sup>3</sup>As at 30 June 2024. Net Asset Value equals assets less liabilities rounded to the nearest million and is assessed after any applicable distribution. <sup>4</sup>Returns are inclusive of any applicable distributions, net of fees and net of taxes applicable to the Fund and the Underlying Fund.

### Fund Information

Investment Strategy	Absolute return global developed market equity long short
APIR Code	PIM6284AU
Inception Date	18 May 2020
Management Fee*	1.62% p.a.
Performance Fee	20.5% p.a. (over hurdle), HWM
Hurdle	Reserve Bank of Australia (RBA) Cash Rate
Buy/Sell Spread	+0.25% / -0.25%
Minimum Investment	A\$25,000
Subscriptions / Redemptions	Daily
Distribution	Annually, 30 June
Responsible Entity	The Trust Company (RE Services) Ltd
Administrator & Custodian	Apex Fund Services Pty Ltd
Auditor	EY & PwC
Platform availability	BT Panorama, HUB24, Macquarie Wrap, Netwealth, Powerwrap, Praemium, Mason Stevens, North, CFS Edge (mgd accts)

The Fund is appropriate for investors with "Very High" risk and return profiles. A suitable investor for this Fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the [TMD](#) for further information.

\* Fees quoted are inclusive of GST after allowing for an estimate for RITCS

### Research Rating



### Contact Information

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### Historical Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
<b>2020</b>					-4.39%	-2.96%	6.75%	-0.66%	-1.07%	-0.21%	-5.94%	2.70%	-6.16%
<b>2021</b>	-0.06%	0.59%	-0.37%	10.14%	2.44%	2.41%	1.06%	2.82%	-6.20%	5.01%	3.20%	1.07%	23.56%
<b>2022</b>	-2.53%	0.68%	3.47%	4.56%	2.99%	2.88%	-4.15%	0.06%	1.71%	-1.98%	0.06%	3.67%	11.57%
<b>2023</b>	-4.47%	-1.98%	1.61%	-0.12%	-2.50%	2.03%	0.13%	3.44%	3.22%	2.45%	-1.77%	-2.83	-1.18%
<b>2024</b>	4.05%	-2.57%	-0.57%	1.92%	3.93%	-0.14%							6.64%

Returns are net of all fees. Past performance is not an indicator of future performance.

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