

Monthly Commentary

The Totus Alpha Fund fell 2.4% in February in what was a weak market for stocks generally. We had a couple of company specific missteps in our long book but the big disappointment was our Australian short book which was ultimately flat for the month, with the Australian market down by 3.8%. This may be down to positioning and noise during the busy profit reporting season which seems to be getting more volatile every year. Fortunately, our offshore long book outperformed strongly in a down market.

Headlines out of Washington continued to impact markets but it was the underperformance of the AI winners that caught our eye. Market darling NVIDIA fell after yet another strong beat and raise result and the stock is basically flat over the last 9 months. On the back of the AI trade in Australia we have seen a rush of capital raising from companies in the data centre space which looks increasingly crowded and commoditised.

Two months into Trump's presidency, it is now clear that he is serious about delivering on his promises to stop illegal immigration, cut government spending and raise tariffs. These policies do have the potential to impact growth and inflation, but the timing and magnitude of the impact is hard to predict.

This week the investment team is in San Francisco for the Morgan Stanley tech conference headlined by Elon Musk. This is one of the most interesting times to be an investor in our careers. The upheaval caused by AI-changing geopolitical winds has already created massive winners and losers. The ability to hedge and invest internationally should be a huge advantage for our strategy.

Performance Summary (net of all fees)

	Totus Alpha Fund	ASX 300 Accum. Index
1 month	-2.4%	-3.8%
CYTD	1.9%	0.5%
1 year	5.3%	9.7%
3 years p.a.	6.6%	8.9%
4 years p.a.	10.8%	9.2%
5 years p.a.	7.1%	8.8%
10 years p.a.	9.8%	7.5%
Total since inception	400.6%	216.3%
Since inception p.a.	13.3%	9.3%

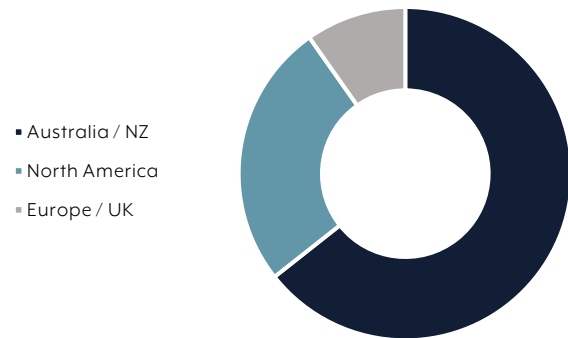
Portfolio Exposure (regional breakdown)

Geography	Long	Short	Net	Gross
Australia / NZ	64%	48%	16%	112%
North America	41%	5%	36%	45%
Europe / UK	17%	0%	17%	17%
TOTAL	122%	52%	70%	175%

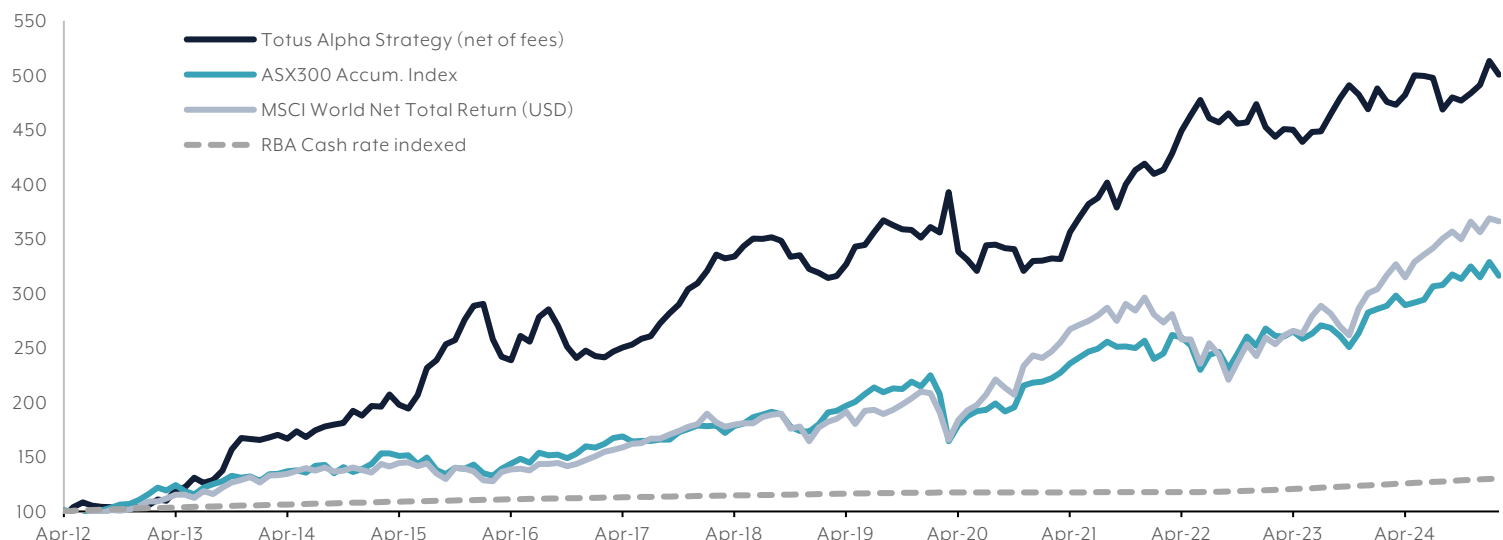
Monthly Stock Contribution

Contributors		
Light & Wonder	Long	+1.6%
Uber	Long	+0.7%
SS&C Technologies	Long	+0.6%
Detractors		
Redox	Long	-1.0%
Alphabet	Long	-0.9%
Watches of Switzerland	Long	-0.8%

Gross Exposure as % of Total Exposure



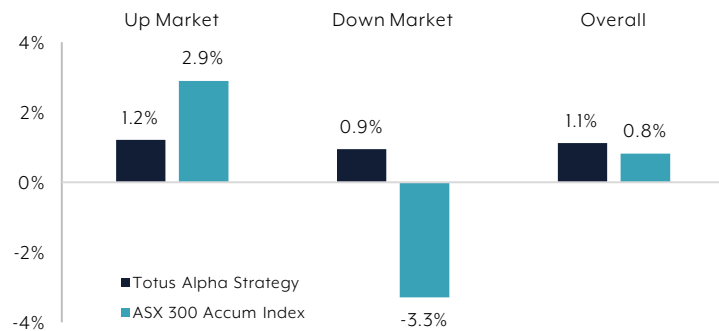
Performance Since Inception (base = 100)



Month-end Positions & Theme Exposures

Long	Short
34 positions	47 positions
Yield with Upside 21%	Structural / Market Share Losers 11%
Bricks to Clicks 18%	Consumer Slowdown 7%
Market Share Gainers 15%	Market Hedge 5%

Average Monthly Performance



Performance Metrics (since inception)

Outperformance (p.a.) ¹	4.0%
Alpha ²	13.2%
Beta / Correlation ¹	-0.13 / -0.13
Sharpe Ratio	0.54
Sortino ratio	0.84
Average Exposure - Net / Gross	37% / 208%

Historical Monthly Performance ³

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2012				-0.08%	4.13%	4.07%	-2.77%	-1.04%	-0.34%	-1.92%	1.02%	1.26%	4.17%
2013	1.13%	5.31%	-1.06%	9.21%	1.84%	7.21%	-3.49%	2.10%	6.49%	14.16%	6.69%	-0.39%	59.91%
2014	-0.59%	1.44%	1.43%	-2.15%	3.99%	-3.02%	3.70%	2.02%	1.02%	0.87%	6.13%	-2.31%	12.83%
2015	4.60%	-0.20%	5.61%	-4.53%	-1.76%	6.33%	12.14%	3.00%	6.15%	1.52%	7.37%	4.50%	53.54%
2016	0.67%	-11.27%	-6.15%	-1.37%	9.36%	-1.98%	8.82%	2.58%	-5.31%	-7.08%	-4.12%	2.74%	-14.26%
2017	-2.00%	-0.46%	2.18%	1.59%	1.01%	2.05%	0.99%	4.45%	3.42%	2.83%	4.88%	1.78%	25.01%
2018	3.68%	4.61%	-0.99%	0.48%	2.81%	2.03%	-0.02%	0.40%	-0.94%	-4.21%	0.41%	-3.76%	4.20%
2019	-1.10%	-1.42%	0.54%	3.48%	4.94%	0.42%	3.36%	3.04%	-1.15%	-1.07%	-0.14%	-1.94%	9.00%
2020	2.71%	-1.41%	10.42%	-13.88%	-2.20%	-3.04%	7.31%	0.13%	-0.95%	-0.23%	-5.89%	2.89%	-6.12%
2021	0.04%	0.69%	-0.21%	7.47%	3.57%	3.54%	1.48%	3.61%	-5.73%	5.60%	3.35%	1.37%	27.03%
2022	-2.25%	0.96%	3.64%	4.78%	3.23%	3.01%	-3.52%	-0.82%	1.81%	-2.00%	0.22%	3.70%	13.06%
2023	-4.45%	-1.97%	1.60%	-0.14%	-2.46%	2.03%	0.15%	3.49%	3.19%	2.47%	-1.75%	-2.81%	-1.02%
2024	4.11%	-2.55%	-0.55%	1.95%	3.72%	-0.14%	-0.35%	-5.82%	2.35%	-0.63%	1.42%	1.61%	4.80%
2025	4.44%	-2.44%											1.89%

Notes:

¹ compared to the ASX 300 Accum. Index.

² Alpha - the difference between the Fund's expected returns based on its beta and actual returns. $\text{Alpha} = R - [R_f + \beta(R_m - R_f)]$ where R = Realised Fund return; R_f = the risk-free rate; R_m = Market/index return; β = Fund's beta.

³ Post the unit conversion and removal of series performance accounting that took place on 1 November 2019, all performance numbers from 30 November 2019 are for Platform Class (APIR TOT7316AU) units, net of all fees. All performance numbers quoted prior to this time are for Founder Series Main (APIR TOT006AU) units, net of all fees. Past performance should not be taken as an indicator of future performance.

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Fund Information

Investment Strategy	Absolute return global developed market equity long short
APIR Code	TOT7316AU
Inception date	17 April 2012
Domicile / Currency	Australia / AUD
Management Fee	1.5% p.a. (excl. GST and any RITC)
Performance Fee	20% outperformance of hurdle, HWM
Hurdle	RBA Cash Rate
Minimum Investment	\$250,000
Liquidity	Monthly
Prime Broker	Morgan Stanley
Fund Administrator	Citco
Fund Auditor	EY
Platform availability	Netwealth, BT Panorama, HUB24, Mason Stevens, Powerwrap, Praemium, AMM

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