

Monthly Commentary

The Totus Alpha Strategy lagged in March as banks and consumer stocks (which we are short) continued to outperform resources stocks (where we are long). Resources continue to screen as some of the cheapest stocks in our investment universe while banks and consumer stocks look expensive to us on earnings that are not far off "as good as it gets". Oil prices have started to recover in recent weeks and if the economic recovery broadens, then our exposures to copper and met coal should be due some catch up.

The Australian and US economies have proven far more resilient to higher interest rates than we had expected; however, we believe a lot of good news is now in the price. The equity market appears to be pricing in rate cuts as well as full employment and earnings growth. We are not sure that these outcomes are compatible. Bond yields and the US dollar have started to rise (traditionally headwinds for stocks), and we are approaching the seasonally weaker months for equities. Election spending in the US may continue to prop up markets but after every party there is a clean-up. We continue to find interesting risk reward opportunities for our short book and stand prepared to scale them up when the time is right.

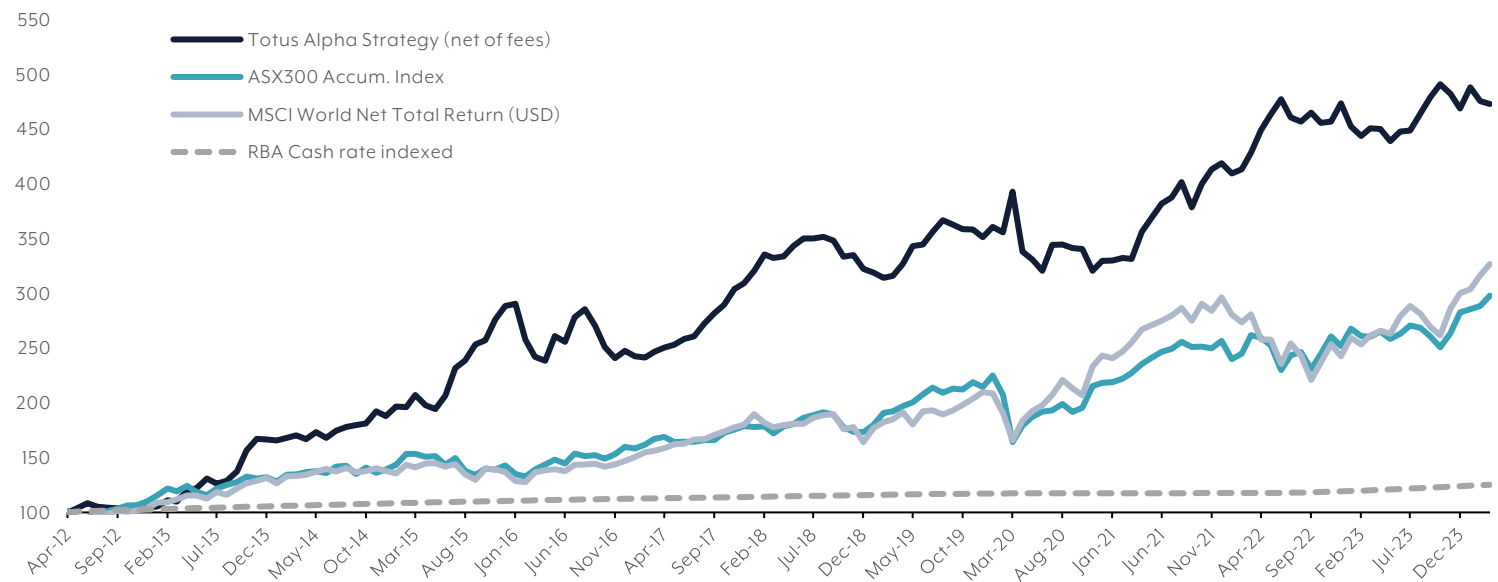
During March we attended the Morgan Stanley TMT Conference in San Francisco which was informative as usual. We covered some of the key takeaways from the conference and highlighted some current positions in our semi-annual webinar [here](#).

As always, if you have any questions about recent performance, positions mentioned or are interested in learning more about the Strategy please don't hesitate to reach out.

Monthly Stock Contribution

Contributors		
ResMed	Long	+0.6%
Goodman Group	Long	+0.4%
Alphabet	Long	+0.4%
Detractors		
Smartgroup	Long	-0.4%
HelloFresh	Long	-0.3%
Bank of Queensland	Short	-0.2%

Performance Since Inception (base = 100)



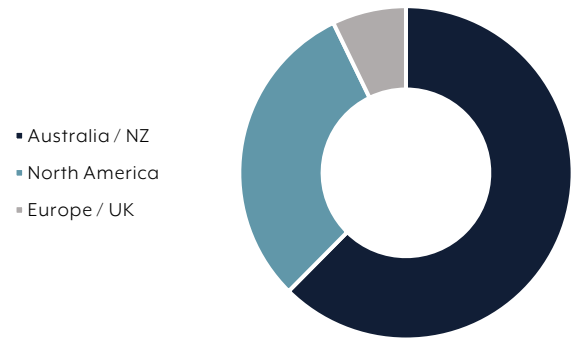
Performance Summary (net of all fees)

	Totus Alpha Fund	ASX 300 Accum. Index
1 month	-0.6%	3.3%
Calendar year to date	0.9%	5.4%
1 year	4.9%	14.4%
3 years p.a.	12.6%	9.4%
5 years p.a.	8.4%	9.2%
10 years p.a.	10.7%	8.3%
Total since inception	373.0%	197.9%
Since inception p.a.	13.8%	9.5%

Portfolio Exposure (regional breakdown)

Geography	Long	Short	Net	Gross
Australia / NZ	55%	58%	-3%	113%
North America	47%	9%	38%	55%
Europe / UK	13%	0%	13%	13%
TOTAL	115%	67%	48%	181%

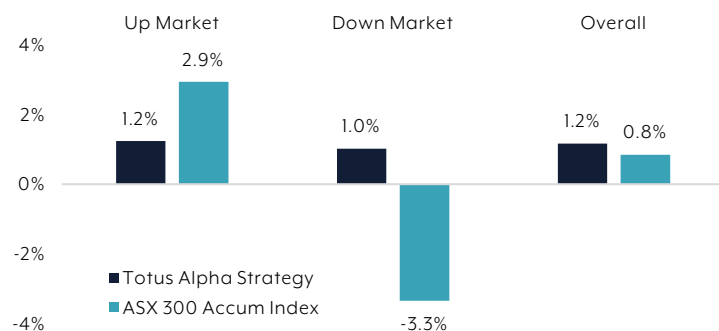
Gross Exposure as % of Total Exposure



Month-end Positions & Theme Exposures

Long	Short
50 positions	63 positions
Undersupplied Commodities 22%	Banks 14%
Bricks to Clicks 18%	Aus. Consumer Slowdown 12%
Asset Ticket Clippers 15%	Price/Volume Unwind 10%

Average Monthly Performance



Performance Metrics (since inception)

Outperformance (p.a.) ¹	4.3%
Alpha ²	14.2%
Beta / Correlation ¹	-0.15 / -0.15
Sharpe Ratio	0.86
Sortino ratio	1.66
Average Exposure - Net / Gross	35% / 209%

Historical Monthly Performance³

	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%										0.89%

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 TOT0006AU) units, net of all fees. Past performance should not be taken as an indicator of future performance.

Fund Information

Investment Strategy	Absolute return global developed market equity long short
APIR Code	TOT7316AU
Inception date	2 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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