

### Monthly Commentary

After a tough August the Fund bounced in September as China made several encouraging moves to stimulate its economy which were enough to spark a rally in resource stocks that have been big underperformers so far in 2024. This rally in resources appeared to be funded in part by a rotation out of banks, which have been the year's big winners so far. The Alpha Strategy has been broadly long resources (which are cheap and hated) and short banks (which are expensive) so should do OK if this rotation extends into year-end.

Other big news during September was the 50 basis points rate cut by the US Federal Reserve. We try to avoid macro forecasting but it's hard not to see simultaneous policy easing from the world's two largest economies as supportive for risk assets, coming as it does when we have full employment in Australia and the US, and stock markets close to all-time highs. The obvious risk is that the US has gone too early in cutting rates and we see a reemergence of inflation. We own a number of stocks like Visa and Mastercard (we topped up Visa during September as it fell on news of a US Department of Justice lawsuit) that we class as inflation beneficiaries, and recently added to luxury names LVMH and Richemont which have high margins and pricing power that gives them a degree of protection from inflation.

Disappointingly, during the month REA Group (Realestate.com) abandoned its takeover bid for Rightmove, the UK's leading property portal. We own both companies and believed a tie-up would have been great for shareholders of both, but are happy to own them independently. The bid highlighted the yawning discount that Rightmove trades on relative to other listed property portals. Both companies should do well as interest rates come down in Australia and the UK over time. On the theme of falling interest rates, we are short a basket of companies including Computershare and QBE which were outsized beneficiaries of rising interest rates in recent years.

The last 18 months of sideways movement of the Fund has been frustrating but is not unusual after a period of strong performance like we experienced in 2021 and 2022. We are seeing some green shoots on both sides of our book with a number of strong thematic and bottom-up ideas starting to work. The Portfolio Managers added to their holdings in the Strategy during August and September and continue to be "all in" on their alignment with our investors.

### Monthly Stock Contribution

Contributors		
Whitehaven Coal	Long	+0.9%
Rightmove	Long	+0.9%
Watches of Switzerland	Long	+0.5%
Detractors		
Fad, Fraud & Failure	Short	-0.9%
Light & Wonder	Long	-0.5%
Coronado Global Resources	Long	-0.3%

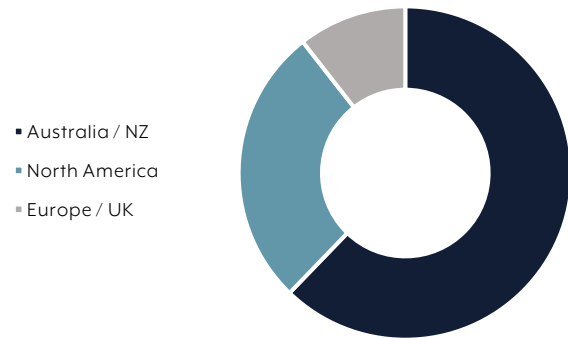
### Performance Summary (net of all fees)

	Totus Alpha Fund	ASX 300 Accum. Index
1 month	2.4%	3.1%
3 months	-3.9%	7.8%
Calendar year to date	2.3%	12.3%
1 year	0.1%	21.7%
3 years p.a.	8.2%	8.1%
5 years p.a.	5.8%	8.3%
10 years p.a.	10.3%	8.9%
Total since inception	379.7%	217.3%
Since inception p.a.	13.4%	9.7%

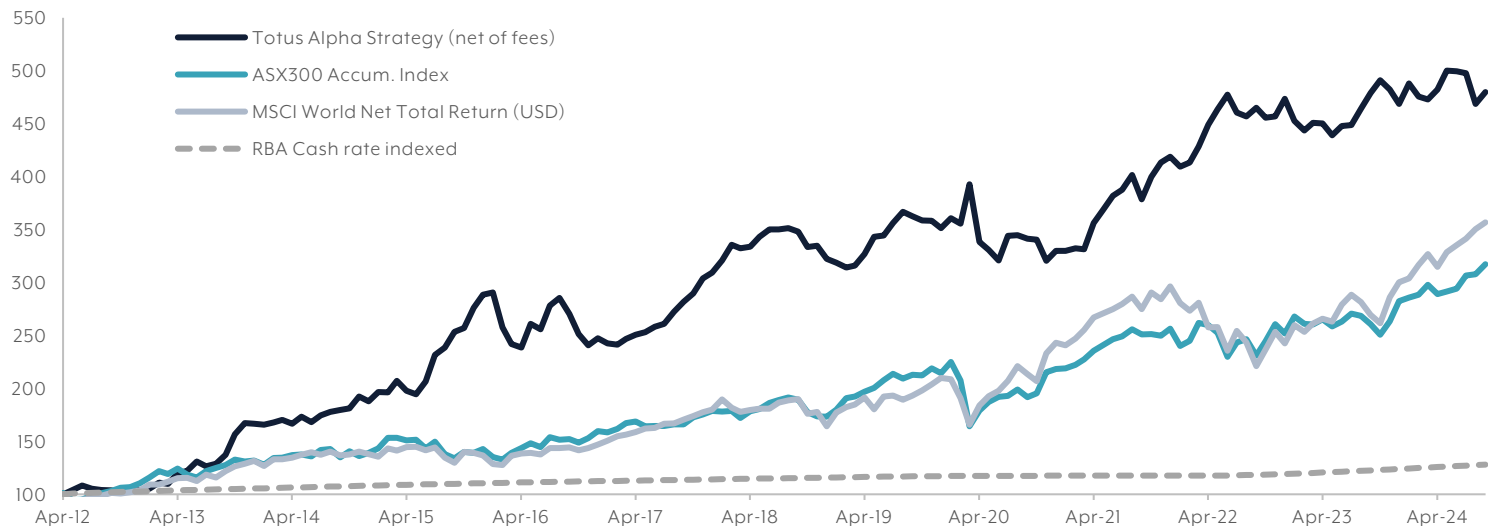
### Portfolio Exposure (regional breakdown)

Geography	Long	Short	Net	Gross
Australia / NZ	64%	48%	16%	112%
North America	41%	8%	33%	49%
Europe / UK	19%	0%	19%	19%
<b>TOTAL</b>	<b>124%</b>	<b>56%</b>	<b>67%</b>	<b>180%</b>

### Gross Exposure as % of Total Exposure



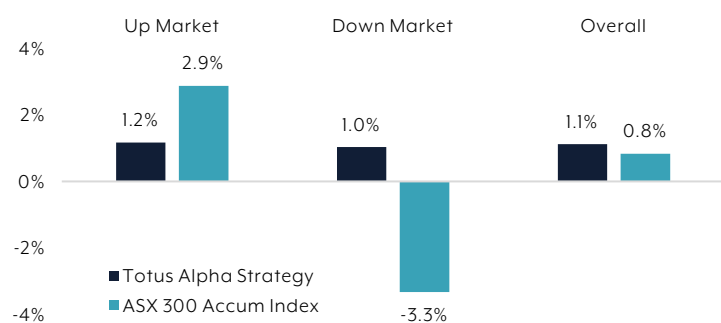
### Performance Since Inception (base = 100)



### Month-end Positions & Theme Exposures

Long	Short
41 positions	41 positions
Yield with Upside 21%	Fads, Frauds & Failures 8%
Bricks to Clicks 21%	Consumer Slowdown 8%
Undersupplied Commodities 18%	Banks 8%

### Average Monthly Performance



### Performance Metrics (since inception)

Outperformance (p.a.) <sup>1</sup>	3.7%
Alpha <sup>2</sup>	13.6%
Beta / Correlation <sup>1</sup>	-0.15 / -0.15
Sharpe Ratio	0.83
Sortino ratio	1.58
Average Exposure - Net / Gross	36% / 208%

### Historical Monthly Performance<sup>3</sup>

	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%				2.33%

#### Notes:

<sup>1</sup> compared to the ASX 300 Accum. Index.

<sup>2</sup> 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;  $\beta$  = Fund's beta.

<sup>3</sup> 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

### Contact

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