

SouthPeak

about us

specialist volatility manager
providing alpha and protection

we aim to deliver persistent
outperformance with low
correlation to bonds and equities

Alternative Alpha Fund

goal

consistent positive
returns

strong performance
in large equity falls

how

harvest differentiated alpha from strategies that
we believe are attractive and sustainable

risk manage the alpha strategies and include
cost-effective tail protection, aiming to provide
positive returns in large equity falls

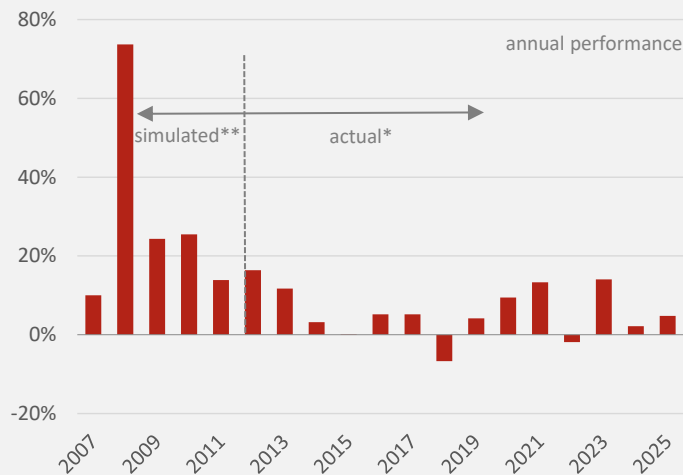
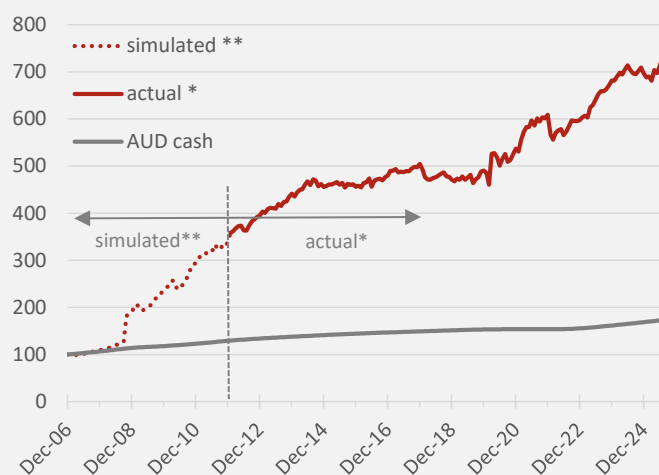
why invest in the SouthPeak Alternative Alpha Fund?

designed for investors seeking attractive **growth returns** with **defensive diversification**, **regular income** and **daily liquidity**
a different approach for investors concerned that bonds may not diversify portfolios as reliably going forward

SouthPeak experience

strategies used since early 2012

actual* and simulated** performance of the strategies in the Alternative Alpha Fund



	3 months	1 year	3 years	5 years	since Feb 2012*	since Jan 2007**
AAF*	3.7%	3.7%	8.4% p.a.	7.2% p.a.	5.4% p.a.	11.3% p.a.
Sharpe Ratio*	2.1	-0.1	1.0	0.8	0.5	0.7
cash	1.0%	4.3%	3.9% p.a.	2.4% p.a.	2.2% p.a.	3.0% p.a.

*See important information on the next page. Returns for Feb 2012 – May 2025 are estimated from the actual returns of the AAF's strategies in SouthPeak's real diversification funds together with AUD cash. Returns from June 2025 are from the SouthPeak Alternative Alpha Fund. Returns are in AUD and net of fees and expenses. Returns are estimated, unaudited and subject to adjustment. **Returns prior to Feb 2012 are simulated, in AUD, net of fees and expenses. Cash returns are the Australian Bank Overnight Cash Rate, RBACTRD Index. Past performance is not an indicator of future performance. Source: Bloomberg, SouthPeak.



our investment approach

differentiated, defensive, systematic

SouthPeak seeks to **harvest attractive and differentiated returns from global volatility markets** using a proprietary systematic approach that has been used and refined over more than a decade.

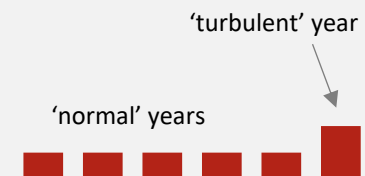
We use the tail-wind provided by the **volatility risk premium** (akin to selling insurance) to drive returns in 'normal' market conditions.

We then incorporate dynamic risk management and dedicated protection strategies, so the portfolio **becomes more defensive when markets become 'turbulent'**.

This combination aims to deliver consistent positive returns and strong performance in large equity shocks.

target outperformance profile

consistent positive returns with strong performance in large equity falls



why use volatility for outperformance?

we believe **predictability** and **sustainability** are paramount to generating consistent returns

role in portfolios

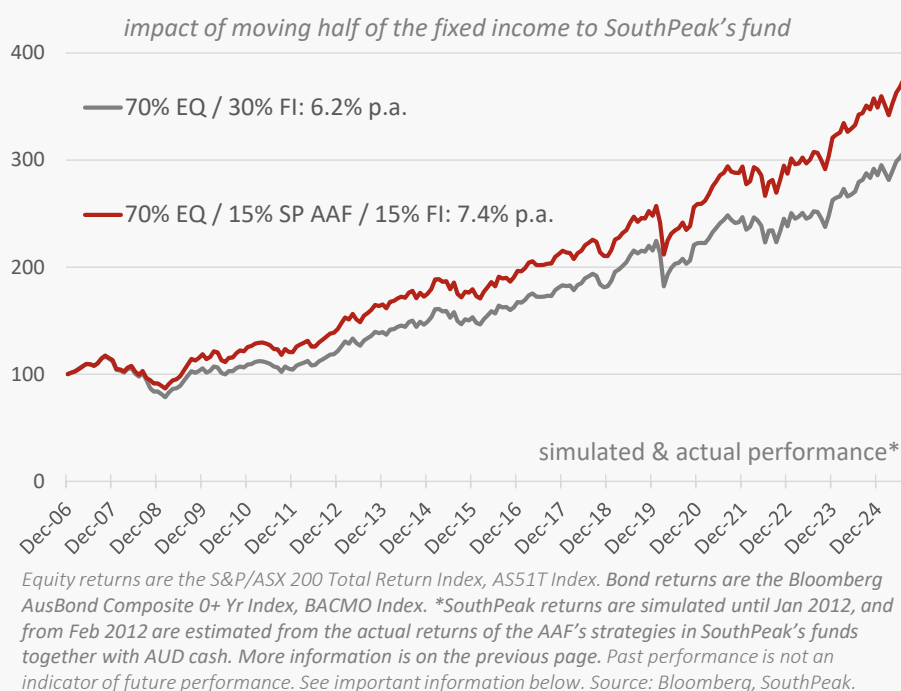
The aim of adding volatility strategies to a balanced portfolio is to create an investment with stronger expected returns while retaining defensiveness.

To illustrate, the graph compares a balanced portfolio of Australian equities and bonds to a portfolio that moves half of its bonds to the approach used in the SouthPeak Alternative Alpha Fund.

Over the period examined, incorporating the SouthPeak approach would have resulted in better performance in the two largest equity falls (2008 and 1Q2020) while earning an additional 1.2% p.a. over the whole period.

For further information see

<https://www.southpeakim.com/insights>



IMPORTANT NOTE: This document has been prepared for the purpose of providing general information, without taking account any particular investor's objectives, financial situation or needs. It does not constitute a recommendation, offer, solicitation or invitation to invest. Investors should obtain their own independent advice. This document contains "forward looking statements" which are based on assumptions that contain risk and uncertainty, and the views of SouthPeak's principals at a point in time. These are subject to change without notice. Actual results and events may differ materially from those in any forward-looking statements. No representation is made that SouthPeak's strategies, investment process or risk management will be successful, or that any investor will not suffer loss of principal. Subject to any law to the contrary, SouthPeak disclaims all liability for any loss or damage suffered by any person acting on information provided in, or omitted from, this document. Simulations have been created using models with assumptions and may have the benefit of hindsight. No actual investments were made during the simulation period. The simulations are gross of fees but net of estimated expenses. There can be sharp differences between simulated and actual results for many reasons. Actual investment techniques and trading decisions made vary over time and may be different from those used in the periods shown.

Contact us

Level 21, 25 Bligh Street, Sydney NSW 2000, Australia

t: +61 2 8071 4321 | invest@southpeakim.com | www.southpeakim.com

SouthPeak
INVESTMENT MANAGEMENT