

SouthPeak

about us

specialist volatility manager
providing alpha and protection

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

Australian Equity Fund

goal

**consistent alpha on top of
equities in 'normal' years**

**greater outperformance
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
stronger alpha in large equity falls

why invest in the SouthPeak Australian Equity Fund?

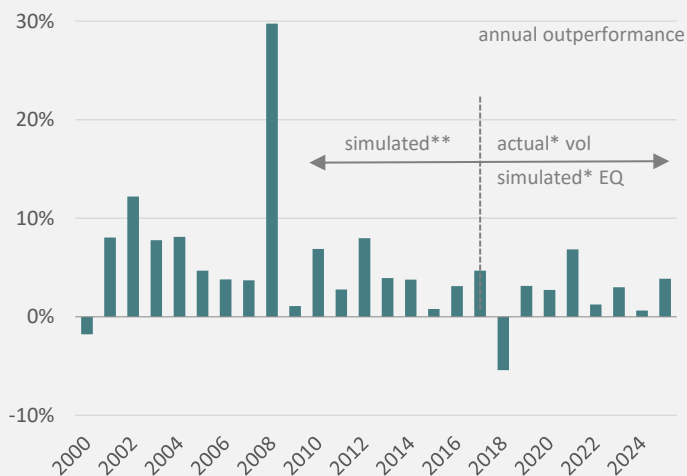
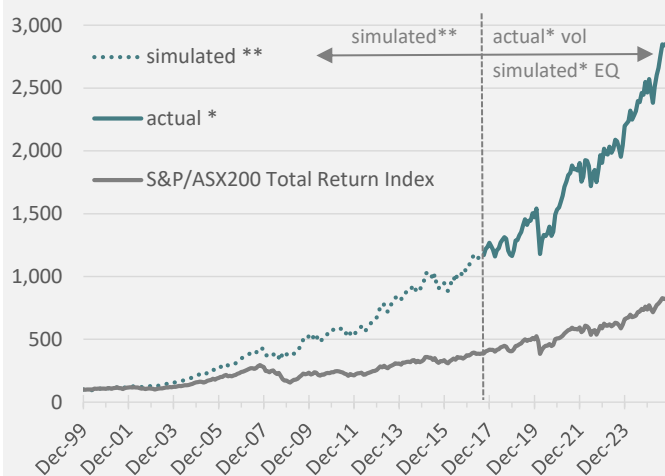
designed for investors seeking **consistent alpha** on top of Australian equities with **lower drawdowns**, **lower sequencing risk** and **greater compounding benefits**

a different approach for investors who may be concerned about equity market risk but want to retain growth asset returns

SouthPeak experience

strategies used since late 2017

actual* and simulated** performance of the strategies in the SouthPeak Australian Equity Fund ('SAEF')



	3 months	1 year	3 years	5 years	since Oct 2017*	since Jan 2000**
SAEF*	3.7%	16.6%	15.4% p.a.	16.1% p.a.	11.7% p.a.	13.9% p.a.
Information Ratio*	8.4	1.8	1.1	1.5	0.4	0.7
S&P/ASX 200	2.7%	12.5%	13.1% p.a.	12.6% p.a.	9.8% p.a.	8.5% p.a.

*See important information on the next page. Strategy returns from Oct 2017 are estimated from the actual returns of the SAEF's strategies in SouthPeak's real diversification fund (8-16%) together with equity index total returns. Fund returns are in AUD and net of fees and expenses. Returns are estimated, unaudited and subject to adjustment. **Returns prior to Oct 2017 are simulated, in AUD, net of fees and expenses. Equities returns are S&P/ASX200 Total Return, AS51T 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.

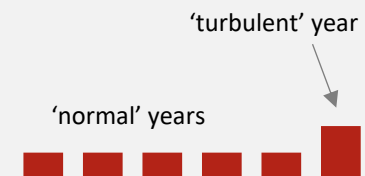
We use the tail-wind provided by the **volatility risk premium** (akin to selling insurance) to drive returns in 'normal' market conditions.

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

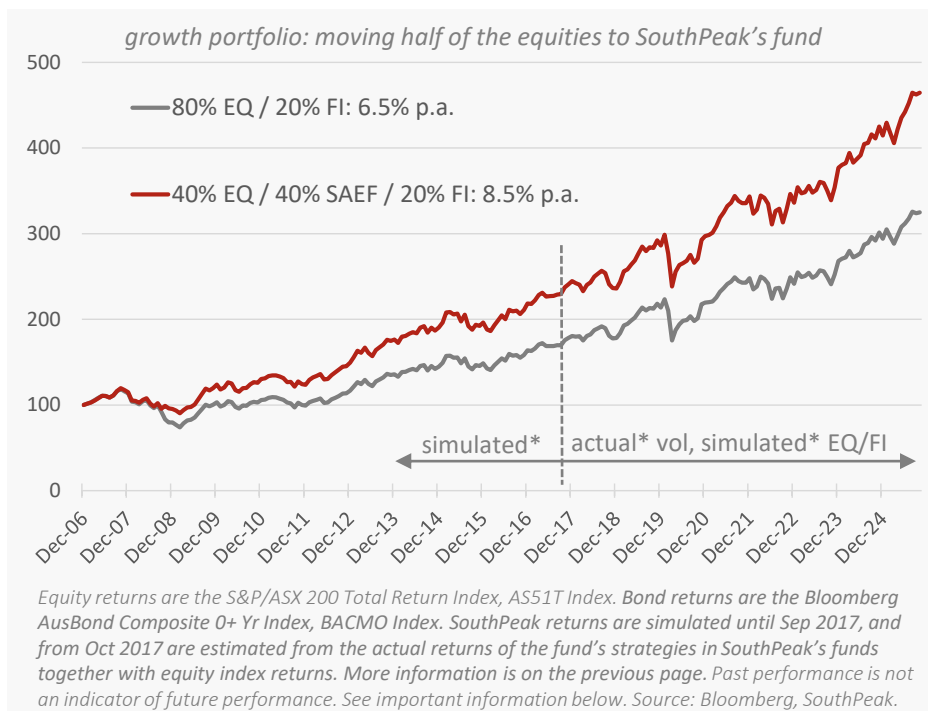
role in portfolios

The aim of adding volatility strategies to growth assets is to create an investment with stronger expected returns while increasing defensiveness.

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

Over the period examined, incorporating the SouthPeak approach would have resulted in better performance in large equity falls (2008, 1Q2020, mid 2022, 2Q2025) while also earning higher returns 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