



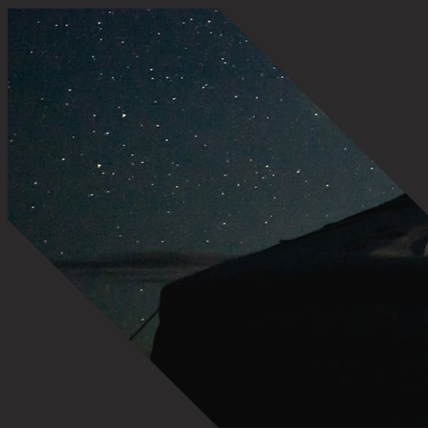
Alpha Plus Monthly Update

October 2025

Creeping higher

Jun Bei Liu, CFA

Founder / Lead Portfolio Manager



Creeping higher

The Alpha Plus Fund delivered a net return of +0.49% in October 2025, outperforming the S&P/ASX 200 benchmark, which posted a modest gain of +0.39%. The ASX 200 experienced a volatile month, rallying to a new all-time high of 9,095 before retreating in the final week. This reversal was triggered by a stronger-than-expected CPI print, reigniting concerns over inflation and driving a more hawkish RBA, which held the cash rate steady at 3.6% in its November meeting and signalled a shift back to neutral.

October’s market dynamics were defined by pronounced sector dispersion. Materials, Energy, and Consumer Staples were the only sectors to post positive returns, while Technology, Health Care, and Consumer Discretionary were notable laggards.

Consumer Discretionary, was the weakest performer, declining by -6.9%, which weighed on the fund’s relative performance due to our overweight positioning in the sector. Our allocation towards Materials proved beneficial, with a +2.4% return, supported by positive earnings revisions and strong commodity prices.

Our underweights in Financials, Health Care, and Utilities also contributed positively, while Communication Services and Real Estates defensive nature helped cushion the broader market volatility.

From a size perspective, small and mid-cap stocks outperformed large caps, and resources outpaced industrials, reflecting a rotation into selected cyclical and inflation-resilient exposures – mostly on valuation appeal. The fund’s tilt toward mid-cap cyclicals and selective interest rate-sensitive sectors aligned well with these trends.

We maintain a constructive view on the Australian equity market into year-end. While macroeconomic uncertainty remains, the earnings outlook is improving, particularly in cyclical sectors such as Materials. With the ASX 200 trading at a 12-month forward P/E of 19.0x, valuations remain elevated compared to the historic norm but are supported by upward earnings revisions. We believe market breadth will continue to expand, and our portfolio is well-positioned to benefit from this environment.

	1 Month	3 Month	1 Year	2 Year p.a.	3 Years p.a.	5 Years p.a.	ITD p.a.
Alpha Plus*	0.49	3.32	11.10	19.50	13.47	13.84	12.26
Benchmark	0.39	2.70	12.46	18.51	13.08	13.64	9.65
Value Added	+0.10	+0.62	-1.36	+0.99	+0.38	+1.20	+2.62

ITD = Inception to date (Mar-19 when Jun Bei took over as Lead Portfolio Manager for the Alpha Plus Fund).
2, 3, 5-year returns are annualized. Benchmark is ASX200 Accumulation Index
* Net performance for Class A – based on month end unit prices in Australian dollars. Net return is after management and operating fees. Past performance is not indicative of future performance

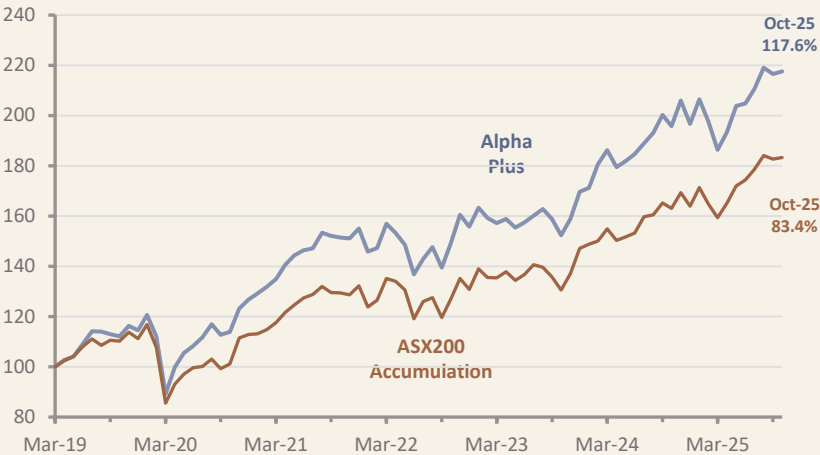
Lead Portfolio Manager

Jun Bei Liu, CFA



Alpha Plus vs ASX200 Accumulation Index

(Net Returns as at October 2025)



Based at 100 as at inception (Mar-19)
Alpha Plus is Net of fees and transaction costs

October Portfolio Commentary:

October's portfolio performance was shaped by a mix of strong individual stock gains and notable detractors, reflecting the broader market's sector dispersion and macro-driven volatility. The fund's active management approach continued to add value, with several high-conviction positions delivering meaningful contributions. While our overweight in Consumer Discretionary weighed on performance, selective exposures in platform technology, energy, and healthcare helped offset some of the downside.

Key Positive Contributors:

- **Domino's Pizza (DMP)** was the top contributor for the month, with the share price rising +34%. We increased our investment following its August result, where the risk-reward profile shifted decisively to the upside. The market responded positively to growing confidence in management's ability to cut costs and improve operational efficiency.
- **HUB24 Ltd (HUB)** returned over +13%, continuing its strong run. The company remains a key beneficiary of structural changes in the platform space, particularly as competitors face headwinds. Our position in HUB reflects our conviction in its scalable model and adviser-led growth.

- **Gemlife Communities Group (GLF)** delivered a +10.7% return, supported by demographic tailwinds and strong execution in the retirement living segment. Our overweight position captured the upside effectively, reinforcing our exposure to an ageing population and upswing in housing.
- **NexGen Energy (NXG)** rose +14.8%, benefiting from positive sentiment in the uranium sector and progress on development milestones. We participated in the capital raising.

Key Negative Contributors:

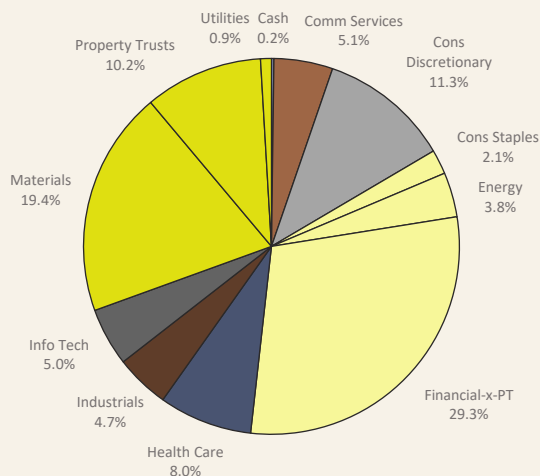
- **Pro Medicus (PME)** declined -14.5% as the market rotated into cheaper sectors. Despite the share price weakness, the company continues to deliver strong fundamentals, and we remain confident in its long-term growth trajectory.
- **Zip Co Ltd (ZIP)** fell -13.1% despite reporting a strong trading update that led to double-digit consensus upgrades. The negative reaction was driven by investor concerns over its US consumer exposure. We continue to view ZIP as a standout investment over the next 12 months, supported by its strategic positioning and growth potential.

Net Portfolio Performance: Alpha Plus (as at October 2025)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Bench	Rel Perf
2025	5.0%	-4.3%	-5.7%	3.7%	5.4%	0.6%	2.8%	4.0%	-1.2%	0.5%			10.6%	11.9%	-1.3%
2024	0.9%	5.5%	3.1%	-3.6%	1.3%	1.6%	2.3%	2.2%	3.8%	-2.2%	5.2%	-4.5%	15.9%	11.4%	4.5%
2023	4.9%	-2.5%	-1.2%	1.1%	-2.2%	1.3%	1.8%	1.7%	-2.5%	-4.0%	4.2%	6.8%	8.9%	12.4%	-3.5%
2022	-6.0%	1.0%	6.6%	-2.3%	-3.1%	-7.9%	4.4%	3.3%	-5.5%	6.8%	7.7%	-2.9%	0.5%	-1.1%	1.5%
2021	1.9%	2.1%	2.3%	4.3%	2.6%	1.4%	0.6%	4.2%	-0.8%	-0.4%	-0.3%	2.7%	22.4%	17.2%	5.1%
2020	5.3%	-7.0%	-20.4%	11.9%	5.7%	2.6%	3.2%	4.7%	-3.6%	0.9%	8.2%	2.9%	10.6%	1.4%	9.2%
2019				2.7%	1.3%	4.8%	4.7%	0.0%	-1.0%	-0.8%	3.8%	-1.5%	14.6%*	11.3%*	3.3%*
Per annum since Inception*													12.3%	9.7%	2.6%

*ITD = Inception to date (Mar-19 when Jun Bei took over as Lead Portfolio Manager for the Alpha Plus Fund). * Returns from Mar-19

Alpha Plus Sector Allocations (As at month end Oct-25)



Source: Ten Cap, FactSet

- **JB Hi-Fi (JBH)** dropped -9.7%, reflecting cautious consumer sentiment and weaker retail trends. Our overweight position in the name contributed to the drag on performance.

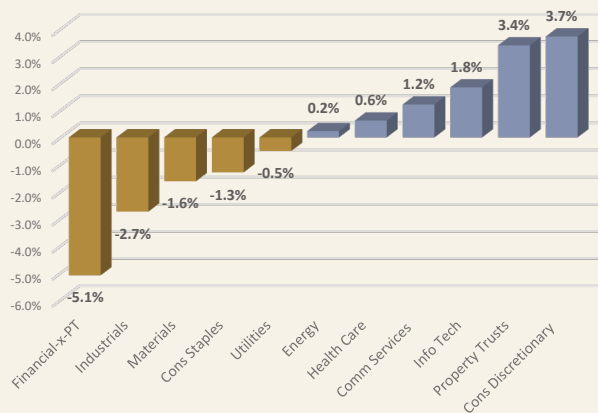
Major Portfolio Changes

The Alpha Plus Fund remained active in October, executing several high-conviction trades to align the portfolio with our evolving macro and sector views. Our activity focused on increasing exposure to quality names with strong earnings momentum and reducing positions where valuations had become extended or where our investment thesis had matured.

Increased Positions:

- **Macquarie Group (MQG):** We added MQG, capitalising on recent share price weakness, to increase our exposure to a high-quality, globally diversified financial services franchise. MQG remains well-positioned to benefit from increasing global capital markets activity.
- **BlueScope Steel (BSL):** We introduced BSL to the portfolio as part of our constructive view on the US steel sector post recent share price falls. The company offers leverage to a recovery in global steel demand and continues to demonstrate strong capital discipline and cash generation.
- **Capstone Copper (CSC):** We initiated a position in CSC, a high-quality copper producer with attractive

Alpha Plus Sector Bets vs ASX200 (As at month end Oct-25)



Source: Ten Cap, FactSet

growth optionality. The stock provides exposure to the structural decarbonisation theme through its copper assets, which are critical to electrification.

- **Pilbara Minerals (PLS):** We added to our PLS exposure and the stabilising lithium prices. The company's strong production profile and robust balance sheet position it to be best leveraged to an improving lithium price outlook.
- **Technology One (TNE):** We added to TNE, a leading enterprise software provider with a strong recurring revenue base and consistent earnings growth. The recent share price pullback provided an attractive entry point into a high-quality compounder.

Decreased Positions:

- **Suncorp (SUN):** We reduced our exposure to the insurance sector, where we see limited near-term catalysts and ongoing margin pressure.
- **Newmont Corporation (NEM):** NEM was sold down as part of a broader rebalancing of our gold exposure. While the company remains a global leader in gold production, we saw better opportunities elsewhere in the sector.
- **Fortescue Metals Group (FMG):** We trimmed our FMG position to lock in gains after a strong run. While we remain constructive on iron ore, we are rotating into other resource names with more attractive risk-reward profiles.

MSCI Australia Value vs Growth

(As at October 31st)



Source: Bloomberg

Capital Market Activity:

Capital market activity remained robust in October, offering opportunities to access high-quality companies at attractive valuations. A notable addition was NexGen Energy (NXG), a leading uranium developer with a world-class asset in Canada. NXG reflects our positive view on the uranium cycle and strategic role in the global energy transition. Importantly, this addition also serves to offset underweights in other uranium exposures, helping to balance our positioning within the sector.

Sector Outlook:

Our sector strategy remains balanced, anchored in cyclical upside while maintaining exposure to structural growth and selective defensiveness. We continue to monitor macro developments closely, but remain constructive on domestic equities heading into year-end.

Cyclicals: We remain overweight cyclical sectors, consistent with our September positioning, as economic activity continues to show resilience despite a more hawkish shift in interest rate expectations. Our exposure is anchored in high-conviction names that combine strong fundamentals with clear catalysts for recovery.

- **JB Hi-Fi (JBH):** JBH offers disciplined cost control, a strong balance sheet, and operating leverage. As real incomes stabilise and consumer sentiment improves, we expect demand to recover, supporting margin resilience and earnings growth.

- **Temple & Webster (TPW):** TPW provides exposure to the structural shift toward online retail. The business continues to execute well, with improving margins and a scalable platform that positions it to benefit from any uplift in discretionary spending.
- **Domino's Pizza Enterprises (DMP):** DMP remains undervalued relative to its long-term growth prospects. The company's global scale, brand strength, and operational efficiencies support our view that it is well-positioned to benefit from a cyclical recovery in consumer demand.
- **Tabcorp (TAH):** TAH offers a compelling mix of cyclical recovery and structural improvement. Operational streamlining has created scope for margin expansion and improved cash generation as wagering conditions normalise.

Collectively, these names provide a balanced mix of cyclical upside and structural resilience, positioning the portfolio to benefit as consumer confidence improves and discretionary sectors regain momentum.

Rate Beneficiaries: The macro backdrop has shifted meaningfully over the past month. Following a stronger-than-expected CPI print in late October, the Reserve Bank of Australia is now expected to hold the cash rate at 3.6% through the remainder of 2025. This marks a reversal from earlier expectations of further rate cuts, and while inflation remains elevated, the central bank has paused its easing cycle.

In response, we are reducing our exposure to broader REITs, particularly those more sensitive to rising interest rates. The shift in rate expectations has tempered the near-term outlook for property trusts, and we are selectively trimming positions where valuation and income risk have increased.

However, we continue to maintain targeted exposure to housing-focused REITs, which remain supported by strong fundamentals. Our key holdings in this space include Gemlife, Ingenia Communities, and Stockland. These names offer attractive leverage to the ongoing strength in the residential housing market, which is underpinned by population growth, tight supply, and stable demand. Their focus on lifestyle and retirement living segments also provides a degree of defensiveness and income stability, which complements our broader portfolio positioning.

Summary & Outlook

While near term upside catalysts are now stale, we think the cyclical tailwinds for the Australian equity market will continue to push it higher as we move into 2026. Market leadership has been inconsistent as concerns around valuations and policy rates have risen. Australia tends to be a “value” market so it can lag global equities when valuation expansion is the key driver. We think a period of indigestion is typical when markets have rallied hard. Talk of “bubble trouble” is premature but some caution is required given a lot of good news is in the price. For now, we remain positive on the equity outlook and think investors should continue adding cyclical and rate sensitive exposure while balancing this with off structural growth opportunities.

Jun Bei & the Investment Team

Key Portfolio Statistics*

	Alpha Plus	ASX200
Market Cap (\$million)	97.2	99.5
# of holdings	177	200
Div Yield (trailing)	2.1%	3.1%
Price to Earnings (FY1 est)	22.5	19.7
Price to Cashflow (trailing)	14.6	12.6
Forward EPS growth (3-5yr)	5.3	4.5
Return on Equity (ROE)	14.0	14.0

*All figures are harmonic weighted averages as at 31st October 2025

Fund Information

The Ten Cap Alpha Plus Fund (ARSN 120 567 544) is an Australian Equity, long/short strategy with the typical asset classes held by the Fund being cash and cash equivalent instruments, Australian listed shares and other equity like securities and exchange traded Derivatives.

The Fund aims to achieve positive returns in excess of the Fund Benchmark, before fees and expenses, over the long term by taking both Long Positions and Short Positions in selected Australian shares.

Inception:	September 2006
Minimum Investment:	AUD \$25,000
Subscriptions:	Daily
Redemptions:	Daily
Management Fee:	0.97% per annum
Performance Fee:	20% of return above the fund benchmark
Responsible Entity:	Ironbark Asset Management (Fund Services) Ltd
Custodian & Admin:	J.P. Morgan Chase Bank N.A. (Sydney Branch)
Auditor:	PwC

Let’s Keep Talking

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