



Alpha Plus Monthly Update

November 2025

An Australian specific Wobble

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Founder / Lead Portfolio Manager



An Australian specific Wobble

The Alpha Plus Fund fell **-5.93%** in November, underperforming the **S&P/ASX 200**, which was down **-2.66%**. The Australian equity market suffered a sharp correction led by growth stocks, and particularly those trading on high valuation multiples. This correction was specific to Australia with the local bourse meaningfully underperforming global markets and global growth stocks.

The rotation away from growth stocks / YTD winners and towards defensive and value orientated exposures was initially triggered by expectations that Fed rate cuts were being put on hold with this rotation gathering momentum as domestic data also indicated that the RBA was finished cutting policy rates.

The rapid change in market leadership saw a reverse of performance trends for those positioned in growth vis-à-vis value. Technology was the worst performer across the ASX200 (-10.8%) followed by Financials (-6.5%) and Real Estate (-3.8%). On the other hand, defensives such as Health Care (+1.7%), and Consumer Staples (+1.4%) were substantial outperformers. It is

very rare that the skew in sector performance is this wide in a single month when there is no commensurate decline in fundamentals at either a sector nor market level.

These periods of volatility are a natural feature of equity markets and often create compelling opportunities. Many of these structural leaders continue to exhibit strong long-term fundamentals, and we view current dislocations as attractive entry points for patient investors. The rotation toward defensives and value-oriented stocks underscores the market’s short-term caution, but it does not diminish the structural growth themes that remain intact.

Despite near-term volatility, we remain constructive on Australian equities into year-end. Valuations remain appealing relative to global peers, and earnings revisions in key sectors such as Materials support a positive medium-term outlook. Our focus remains on disciplined positioning and identifying opportunities among high-quality businesses that can deliver sustainable growth over time.

	1 Month	3 Month	1 Year	2 Year p.a.	3 Years p.a.	5 Years p.a.	ITD p.a.
Alpha Plus*	-5.93	-6.56	-0.63	13.53	8.46	10.70	11.09
Benchmark	-2.66	-3.05	5.47	14.09	9.71	9.87	9.08
Value Added	-3.27	-3.51	-6.10	-0.57	-1.25	+0.83	+2.01

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 November 2025)



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

November Portfolio Commentary:

November was a challenging month for the Alpha Plus Fund as markets experienced a rotation away from growth and towards value / defensives. There was no consistent deterioration in fundamentals for this group of stocks at either a macro or, for the most part, stock specific level.

As a result, we held onto our belief that the business models and earnings outlook for many growth stocks which came under significant selling pressure in November remained intact. Unfortunately, this proved a significant drag on performance throughout the month where many of our structural growth and quality leaders were sold off dramatically.

There were some positives with positive gains coming from our resource exposure, with gold and lithium positions providing some resilience amid heightened volatility. Beyond resources, several other holdings where we established positions earlier in the year continued to deliver strong results despite the broader rotation.

Key Positive Contributors:

- **Northern Star (NST):** Northern Star continues to deliver strong performance as elevated gold prices persist. The company is showcasing operational

improvements by accessing and mining higher-grade ore from Golden Pike, which has helped ease investor concerns around meeting production targets.

- **Orica (ORI):** Orica's share price has maintained its upward trajectory, supported by consistent operational delivery following a period of heightened M&A activity. The company is expanding its higher-margin digital solutions business, positioning itself for sustained double-digit EPS growth.
- **Bendigo & Adelaide Bank Bank (BEN):** Our BEN Short continued to deliver positive returns for the portfolio following the announcement of regulatory / AML breaches. Implications of an ongoing investigation, potential fines and an uplift in costs remain a significant overhang for the stock.

Key Negative Contributors:

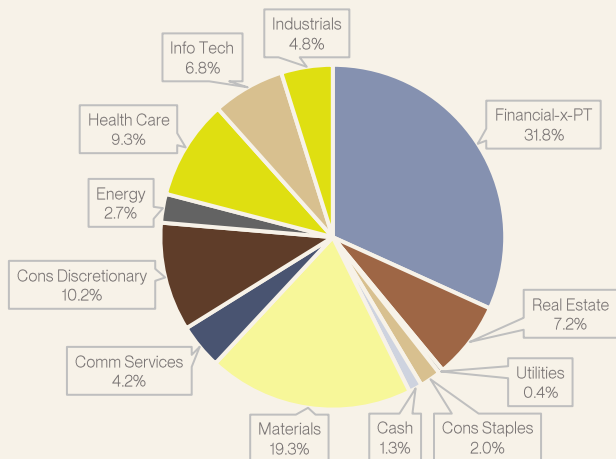
- **Temple & Webster (TPW):** Experienced a sharp sell-off following a weaker-than-expected trading update. Ahead of the result, we reduced our position to manage risk. Encouragingly, early indications suggest that Black Friday sales have gained momentum, and management remains confident in achieving revenue growth of over 20%.

Net Portfolio Performance: Alpha Plus (as at November 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%	-5.9%		4.0%	8.9%	-4.9%
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*													11.1%	9.1%	2.0%

*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 Nov-25)



Source: Ten Cap, FactSet

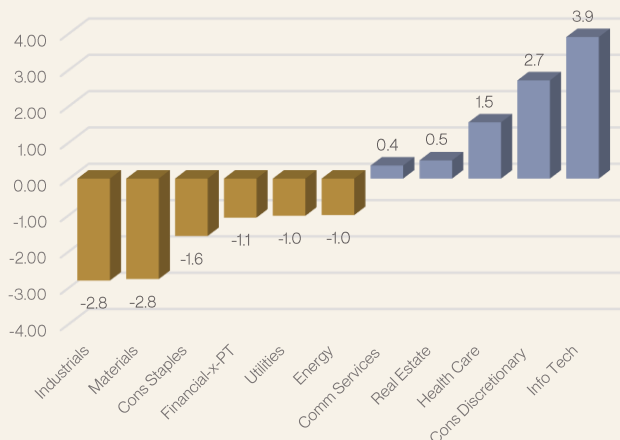
- **Life360 Inc (360):** 360 fell despite reporting a strong 3Q trading update that led to an upgrade in FY26 revenue growth guidance. The negative reaction as much reflected the rotation by investors towards cheaper, earnings upgrade sectors. As the leading family safety and location sharing platform across the US, UK and Australia and we remain positive on 360's strategic positioning and growth outlook.
- **Technology One (TNE):** TNE fell despite delivering a typically strong FY25 result, which beat guidance and resulted in upgrades to consensus earnings. However, an already high bar and a moderation in some key revenue growth metrics, coupled with investor rotation into cheaper sectors, resulted in a share price decline. We remain positive on TNE's growth outlook and potential upside from expansion into the UK market.

Major Portfolio Changes

Increased Positions:

- **Fisher & Paykel (FPH):** We added Fisher & Paykel which is positioned to benefit significantly from a stronger flu season in the United States. Data suggests vaccination rates have declined in recent years, creating upside risk to current earnings forecasts as demand for respiratory products increases.

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



Source: Ten Cap, FactSet

- **Aristocrat Leisure (ALL):** We increased our ALL position, growing into recent share price weakness. While Aristocrat's recent results reflected softer installation rates, the company continues to offer a compelling multi-year double-digit EPS growth opportunity. Trading at a modest 4% premium to the ASX200 (well below its historical 25% premium) the valuation remains attractive, with further upside potential from new game rollouts in North America.
- **James Hardie (JHX):** Having declined ~50% from its YTD highs, we have increased our Long position. JHX provides direct exposure to the U.S. housing recovery. Management has taken a conservative approach to guidance, and with siding segment destocking now complete, we anticipate a more constructive earnings outlook and a return to growth in the coming year.

Decreased Positions:

- **Harvey Norman (HVN):** We took profits following HVN's solid trading update. HVN is cycling much tougher HSD% LFL comps into year-end and with the rate cut cycle now on hold, it will be tough for HVN to provide a positive update in January.
- **Metcash (MTS):** We sold MTS ahead of its 1H26 result given concerns over the recovery in MTS's hardware division, growth challenges in liquor, heightened supermarkets competition and ongoing weakness in tobacco sales.

MSCI Australia Value vs Growth
(As at November 30th)



Source: Bloomberg

Sector Outlook:

November brought continued shift in the interest rate outlook for Australia, which has influenced our thinking on domestic cyclical positioning. While near-term earnings growth remains solid, the emerging narrative toward the end of the rate-cut cycle - or even the possibility of rate rises - will likely challenge company commentary during the February reporting season. This evolving backdrop has prompted us to reduce exposure in domestic cyclicals and reallocate toward U.S. cyclicals, where we see more favourable conditions and better risk-adjusted opportunities.

Cyclicals: Our exposure to the cyclical sectors is skewed towards US names reflecting the more constructive interest rates outlook, while reducing our domestic positioning given emerging interest rate risk. Our high conviction names include a combination of structural growth and selective defensives.

- **Aristocrat Leisure (ALL):** Has the largest market share in Gaming Ops and Social Slots in the US, which allows them to uniquely benefit from cyclical tailwinds in the consumer and leisure gaming cycle. The US accounts for ~63% of ALL's revenue.
- **James Hardie (JHX):** James Hardie's dominant position in fiber cement and the R&R market gives the company extremely strong leverage to the stabilisation and recovery of housing starts and renovation spend in the United States.

- **Bluescope (BSL):** Through BSL's North American steel manufacturing footprint, the company offers high beta exposure to US construction and manufacturing activity. At current Mid-West steel spreads, North Star now accounts for more than 50% of BSL's earnings profile.
- **Dominos Pizza Enterprise (DMP):** DMP is still undervalued relative to its long-term growth prospects. This is best exemplified by private market interest. The company has natural competitive advantages such as global scale, brand strength, and operational efficiencies. This supports our view that DMP is well-positioned to benefit from a cyclical recovery in consumer demand
- **Tabcorp Holdings (TAH):** TAH is set to benefit from a cyclical recovery and structural improvements. Management have continued to demonstrate operational efficiencies, which will expand margins. Additionally, TAH's retail strategy provides upside risk to earnings estimates.

Resources: We are increasing our exposure to the resources sector, reflecting its strategic importance in the current market environment. We remain favouring commodities with strong structural demand drivers, particularly copper, which continue to benefit from global infrastructure investment and electrification trends. In addition, we have started adding aluminium to the complex, given its growing relevance and higher correlation to copper, which enhances diversification within our resource allocation. We are cyclically constructive on iron ore.

At the same time, we remain neutral on gold exposure, maintaining a balanced position given its role as a defensive asset during periods of volatility. While gold continues to provide portfolio resilience, our incremental allocation is directed toward base metals that offer greater leverage to global growth and electrification initiatives.

This positioning aligns with our constructive outlook on industrial metals as part of the energy transition and long-term infrastructure development themes. We believe these commodities will play a critical role in supporting decarbonization initiatives and global growth, creating sustained demand and attractive investment opportunities.

Summary & Outlook

Equity markets have been churning for the past few months with November hit hard by a change in domestic sentiment towards growth stocks.

We don't think the cyclical outlook has changed and neither do we think that (global) liquidity tailwinds are at threat. While the RBA has shifted its stance, we are not likely to see a dramatic reversal in policy support even if domestic tailwinds decline. At the margin this requires a less pro-cyclical / rate sensitive tilt, but it does not warrant taking a defensive stance when fundamentals are still improving and investors remain committed towards equities as an asset class.

We remain positive on equities heading into 2026, but optimism is tempted by high valuations and the lack of a macro catalysts.

Jun Bei & the Investment Team

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 (no min investment in the ETF – TCAP)
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

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Key Portfolio Statistics*

	Alpha Plus	ASX200
Market Cap (\$million)	96.3	99.5
# of holdings	160	200
Div Yield (trailing)	2.2%	3.2%
Price to Earnings (FY1 est)	21.6	18.8
Price to Cashflow (trailing)	14.1	12.5
Forward EPS growth (3-5yr)	6.4	5.5
Return on Equity (ROE)	16.8	13.9

*All figures are harmonic weighted averages as at 30th November 2025

Let's Keep Talking

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There have been no material changes to the Fund in terms of key service providers, the risk profile, investment strategy or changes to individuals in the investment team who play a key role in the investment decisions of the Fund. The Fund is classified as a hedge fund in accordance with the Australian Securities and Investments Commission, Regulatory Guide 240 'Hedge funds: Improving disclosure'. This classification is based on the fact that the Fund currently exhibits two or more characteristics of a hedge fund, being: 1) complexity of investment strategy or structure; 2) use of leverage; 3) use of derivatives; 4) use of short selling; 5) charges a performance fee. This information contains general information only and is not intended to represent specific investment or professional advice. The information does not take into account an individual's personal financial circumstances, objectives or needs. Before making an investment decision, you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current target market determination and offer document before making an investment decision to acquire or to continue to hold units in the Fund.

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