Totus Alpha Fund

October 2024 Performance Update



Monthly Commentary

During the month, our Australian book rose 1% but our offshore book was weak, primarily in Europe.

Rightmove (RMV) continued to sell off post the decision by Realestate.com (REA) to walk away from its takeover pursuit for RMV. RMV has now almost round tripped to its pre-bid price while REA is back to all-time highs, now over 5% above its pre-bid level. We have been selling some of our REA to buy more RMV. Based on current share prices, and once the 6-month standstill period expires, REA could come back to RMV and offer a share-based deal that would be more attractive to RMV shareholders AND less dilutive to REA holders than the one that was recently rejected. This may not happen, but we do believe that RMV looks decent absolute and relative value at current prices. We continue to like and own market leading real estate portals given their ability to raise prices and grow without capital (high Return on Invested Capital).

One of the biggest positive contributors over the month was Light & Wonder (LNW). The stock was down 20% in early October due to an unfavourable court ruling and we took the opportunity to size up our position. LNW has a lot of attributes we like in our long investments. A high return on invested capital business that is gaining share in a large market with demonstrated operating leverage and disciplined capital allocation. Management's track record to date is also impressive in our opinion.

We also bought back into Resmed (RMD) during the month and added to (long held) gold producer Capricorn Metals (CMM). We have a lot of respect for what the CMM management team has achieved in building this low cost, profitable and cash generative Australian gold producer. While we are not gold bugs, we can see the logic of having some exposure to the yellow metal given the trajectory of government debt levels whoever wins this week's US election.

Performance Summary (net of all fees)

	Totus Alpha Fund	ASX 300 Accum. Index
1 month	-0.6%	-1.3%
Calendar year to date	1.7%	10.8%
1 year	-2.9%	24.9%
3 years p.a.	6.0%	7.6%
5 years p.a.	5.9%	8.1%
10 years p.a.	10.2%	8.3%
Total since inception	376.7%	213.2%
Since inception p.a.	13.2%	9.5%

Portfolio Exposure (regional breakdown)

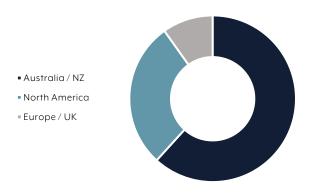
Geography	Long	Short	Net	Gross
Australia / NZ	64%	48%	16%	113%
North America	41%	12%	29%	52%
Europe / UK	18%	0%	18%	18%
TOTAL	124%	60%	64%	183%

Monthly Stock Contribution

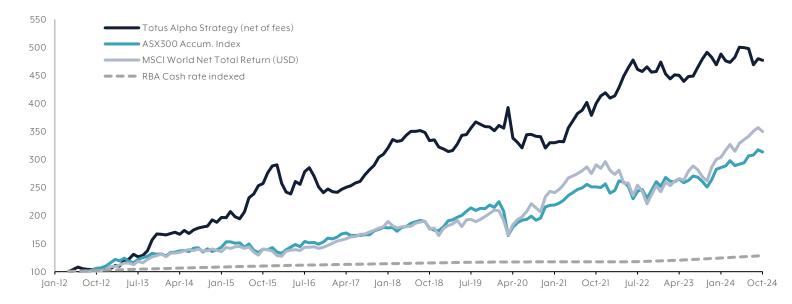
Contributors		
Visa	Long	+0.6%
Light & Wonder	Long	+0.5%
Alphabet	Long	+0.5%

Detractors		
James Hardie	Long	-0.5%
Watches of Switzerland	Long	-0.5%
Smartgroup	Long	-0.5%

Gross Exposure as % of Total Exposure



Performance Since Inception (base = 100)



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Month-end Positions & Theme Exposures

Long	Short
39 positions	48 positions
Yield with Upside 24%	Fads, Frauds & Failures 10%
Bricks to Clicks 20%	Market Hedge 8%
Undersupplied Commodities 15%	Banks 8%

Average Monthly Performance



Performance Metrics (since inception)

Outperformance (p.a.)	3.7%
Alpha ²	13.4%
Beta / Correlation ¹	-0.15 / -0.14
Sharpe Ratio	0.82
Sortino ratio	1.56
Average Exposure - Net / Gross	36% / 208%

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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Historical Monthly Performance ³

	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%	-0.63%			1.69%

rompared to the ASX 300 Accum. Index.

Alpha - the difference between the Fund's expected returns based on its beta and actual returns. Alpha = R – [Rf + β (Rm – Rf)] where R = Realised Fund return; Rf = the risk-free rate; Rm = Market/index return; β = Fund's beta.

Post the unit conversion and removal of series performance accounting that took place on I 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.