

Returns (AUD)	1 month	3 months	6 months	12 months	Since inception (p.a.)
Fund	3.13	10.38	10.20	11.85	0.56
MSCI World Index	2.80	8.73	7.79	8.44	2.58
Active return	0.34	1.65	2.41	3.40	-2.01

NAV: A\$1.6221

up: 3.13%

MSCI World Index

up: 2.80%

Thymos Capital

Thymos is an Australian fund manager specialising in global equities. Funds are managed through unique blend of macroeconomic modelling and bottom-up stock quantitative analysis.

Global Equities Long Only

The Fund gives investors a broad exposure to global equities in developed markets. The portfolio is actively managed and aims to achieve above benchmark returns.

LAST MONTH

US equities were up 1.5% in April. Underpinning the rebound in stocks were positive earnings surprises, a slight fall in bond yields and a plunge in equity market volatility (VIX). On earning surprise, 45% of companies had reported by end-April, with 33% beating and only 18% missing. Importantly the key balance of earnings and revenue surprises continued to defy more bearish leading indicators. On bond yields, investors continued to buy into the narrative that us banking sector problems and disinflation would stop the Fed from hiking further. Finally on VIX, the fear gauge has plunged to have a 15 handle, the lowest in years. The publication of a new 1-day VIX (as opposed to the standard 1-month version) has confused investors concerned about the increased use of short dated options shifting price discovery away from longer term options, because 1-day VIX is printing lower than the original. But more fundamentally, equity investors have continued to interpret low bond yields as evidence that the Fed put is in play rather than a deep recession.

Banks have led the way in April. Investors have not completely dismissed banking sector issues, but rather have taken the sector as oversold amid tentative evidence of stabilization in fund flow dynamics and policy makers working behind the scenes to limit the effects of bank failures.

From a factor perspective, size (small versus large) factors have significantly underperformed, while volatility has slightly underperformed. Momentum has bounced over the month, following a steep drawdown at the start of the year.

We continue to worry about the effects of recession and tightening credit rolling through the economy. As such, we have a quality bias. We also have a bias towards large caps, because smaller stocks are more exposed to the cycle and regional bank problems.

All of this said, we are concerned about crowding. The top 10 stocks now occupy almost 30% of market cap - a very high level of concentration historically. Yet for all the bearishness among investors, the reality is that uncertainty is very high. Our concerns about crowding and uncertainty keep us short on momentum factors.

We also have a larger bias to value than growth. We think that lower bond yields will offer some benefit to growth stocks, but are wary of market gauges of rates volatility remaining high and even drifting higher. We also think that inflation could prove sticky and elevated in this cycle, compelling central bankers to flex their targets a little. In these circumstances, multiple dispersion within the equity market starts to look too wide, and future compression of this dispersion would favour value.

Portfolio	
Number of stocks	300
Largest stock*	2,684,668
Smallest stock*	8,654
Median Turnover*	223

Sectors	Holding
Technology	30.2
Financials	15.8
Healthcare	14.6
Consumer Discretionary	10.6
Consumer Staple	6.2
Commercial Services	6.0
Energy	5.6
Manufacturing	5.2
Utilities	2.9
Real Estate	1.3
Materials	1.3
Industrial Services	0.3

Regions	Holding
Americas	75.5
EMEA	16.8
Asia Pac	7.7

Segment	Holding
Mega Cap	42.5
Large Cap	28.4
Mid Cap	12.2
Small Cap	16.9

*Holding as a % of portfolio, * in USD*

LOOKING AHEAD

Disclosure:

There were no material changes to Thymos staff, investment strategy or risk / return profile of the fund. There were no material changes to service providers.

Important information:

The Fund invests in global stocks whose share prices are denominated in many different currencies such as USD, EUR, JPY, CHF, GBP to name a few. The stocks themselves are often global companies operating in many countries. NAV is calculated using month end share prices of The Fund's holdings, converted to AUD at the month end exchange rates. The benchmark is quoted in USD but then converted to AUD returns such that it can be compared to NAV returns on a like for like basis. Overweight and underweight positions are in relation to the universe of global stocks Thymos invests in.

The purpose of this report is to summarise and highlight the main drivers of performance and current portfolio positioning. This report cannot be relied upon for accuracy or completeness. The past returns are not indication of

future returns. This report is not an invitation to invest in The Fund. This report is not a financial advice. This report cannot be relied upon as a forecast. You should consult your investment adviser before investing.

For more information, please go to www.thymoscapital.com.au or contact client services on (02) 8277 0000 or email operations@oneinvestment.com.au

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