

| Returns (AUD) | 1 month | 3 months | 6 months | 12 months | Since inception (p.a.) |
|------------------|---------|----------|----------|-----------|------------------------|
| Fund | 1.13 | 8.92 | 10.44 | 15.64 | 1.70 |
| MSCI World Index | 0.31 | 6.72 | 7.39 | 10.70 | 2.90 |
| Active return | 0.82 | 2.20 | 3.06 | 4.94 | -1.19 |

NAV: A\$1.6405

up: 1.13%

MSCI World Index

up: 0.31%

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

The S&P 500 was little changed in May, rising by 0.2% over the month. Equities held up despite widespread investor pessimism about the cycle and an increase in bond yields. Thematically, value attempted to rally with bond yields rising. But in the end, it was growth that outperformed, as investors bought into the artificial intelligence narrative.

Large-cap technology drove almost all the gains in the market index. Interestingly, even though investors have had to reconsider where they sit in the us recession/soft-landing and regional banking debates, leverage factors have continued to underperform, reflecting tightening of credit availability happening behind the scenes.

LOOKING AHEAD

Leading indicators continue to point to downside to earnings and upside risks to volatility. Admittedly, there seems to be a delay in the way tighter financial conditions flow through to activity and earnings. Perhaps this delay reflects the fact that the Fed is playing both sides of the ledger, with rate hikes helping savers and hurting only marginal borrowers (with limited impact on incumbent mortgagees with fixed rate mortgages). Regardless, the leading indicators are historically reliable as where there is any doubt, the Fed seems eager to prove a point that rate hikes really are a form of effective tightening. In the circumstances, we think that downside growth risks continue to get pushed out, but are not eliminated, meaning that it is profitable to be in quality factors.

We also like growth factors, in part because of the artificial intelligence meme, but in part because of the legacy of the past year's decline in interest rate uncertainty. But we can see market gauges of rates uncertainty bottoming out now, which could limit the gains on offer from growth.

More importantly, we think that multiple dispersion is far too wide considering the upside risks to inflation. We therefore compromise value, growth and quality.

We maintain a preference for large caps over small, given cyclical downside risks. But we do have concerns about crowding in the large-cap growth space in an uncertain environment. As such, we are short momentum. Being short momentum and long value helps us at the margin with the narrow breadth of market gains, without completely excluding ourselves from the artificial intelligence thematic.

| Portfolio | |
|------------------|-----------|
| Number of stocks | 300 |
| Largest stock* | 2,846,109 |
| Smallest stock* | 8,992 |
| Median Turnover* | 218 |

| Sectors | Holding |
|------------------------|---------|
| Technology | 31.4 |
| Financials | 17.6 |
| Healthcare | 13.1 |
| Consumer Discretionary | 10.1 |
| Consumer Staple | 6.2 |
| Commercial Services | 5.6 |
| Energy | 6.2 |
| Manufacturing | 4.0 |
| Utilities | 3.1 |
| Real Estate | 0.3 |
| Materials | 1.4 |
| Industrial Services | 0.9 |

| Regions | Holding |
|----------|---------|
| Americas | 71.6 |
| EMEA | 21.4 |
| Asia Pac | 7.0 |

| Segment | Holding |
|-----------|---------|
| Mega Cap | 43.3 |
| Large Cap | 28.7 |
| Mid Cap | 15.3 |
| Small Cap | 12.6 |

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

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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