

Returns (AUD)	1 month	3 months	6 months	12 months	Since inception (p.a.)
Fund	1.98	7.90	17.52	23.96	9.74
MSCI World Index	1.19	7.17	14.36	20.11	10.27
Active return	0.79	0.73	3.16	3.85	-0.53

NAV: A\$1.7701

up: 1.98%

MSCI World Index

up: 1.19%

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 lost 1.8% in August. 10-year bonds also weakened, with yields rising to 4.09% from 3.97% over the month. Consistent with these developments, defensives outperformed cyclicals, and short duration value outperformed long duration growth.

It seems that in August, growth investors finally started to recognise higher bond yields as a constraint. We note the NVDA result which was strong across the board, but released after market close. The stock rallied in after-market trading, only to give back the gains as bond yields lifted. This volatility stood in stark contrast to the experience mid-year, where the artificial intelligence narrative was dominant, and technology stock multiples decoupled from rates pricing.

As for value, we note that energy stocks deep in the bucket have outperformed, as oil prices have resumed their recovery on physical market tightness, prolonged supply cuts and repricing of structural inflation prospects higher. More generally, for the commodities complex, talk of Chinese stimulus has supported prices.

The complications are that higher commodity prices could raise inflation, and that commodity prices are rising despite US dollar (USD) strength. Importantly. If inflation is more persistent than not, rate cut pricing in bonds would seem premature, and investors would need to position accordingly.

We remain long value, long quality and short volatility / small caps. We think that multiple dispersion in equities is far too wide for comfort, especially considering the risks of higher for longer inflation and rates. But we are not convinced that tightening of multiple dispersion happens exclusively via expensive growth and quality stocks derating. This is because at some point, Fed tightening should trigger a slowdown in the economy, with potentially negative repercussions for cyclical and financial exposures. Therefore, we also apply quality and low volatility overlays to be able to screen out value traps and reduce operational and financial leverage.

Portfolio	
Number of stocks	300
Largest stock*	2,785,707
Smallest stock*	9,033
Median Turnover*	171

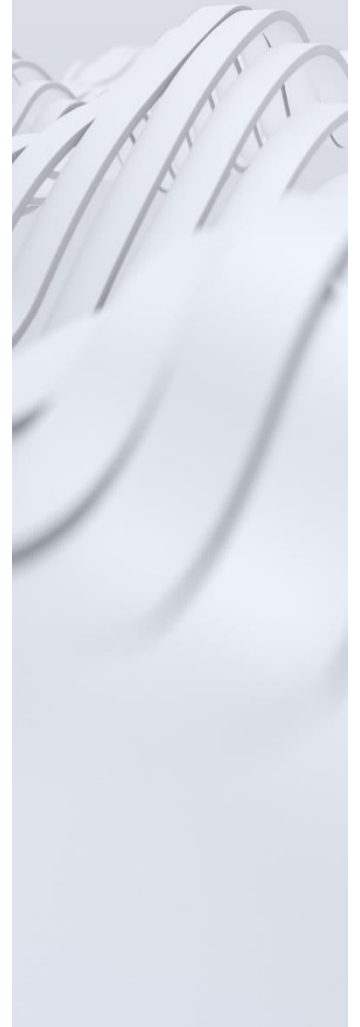
Sectors	Holding
Technology	32.1
Financials	17.9
Healthcare	13.5
Consumer Discretionary	11.6
Consumer Staple	5.7
Commercial Services	5.2
Energy	5.0
Manufacturing	3.3
Utilities	3.4
Real Estate	0.3
Materials	0.9
Industrial Services	1.1

Regions	Holding
Americas	68.4
EMEA	22.0
Asia Pac	9.6

Segment	Holding
Mega Cap	43.9
Large Cap	29.6
Mid Cap	14.2
Small Cap	12.3

*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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