

A narrow-led bounce

Jun Bei Liu, CFA

Founder / Lead Portfolio Manager



A narrow-led bounce

The Alpha Plus Fund rose 2.31% in February, underperforming the S&P/ASX 200, which was up - 4.11%. It was a strong turnaround for the market following a sharp decline in January with mega-cap Financials and Materials leading the way – unfortunately areas where the portfolio carries a more measured exposure.

Sentiment rebounded strongly on the back of a strong reporting season for earnings, stabilizing macro data, and supportive global market conditions. However, stock moves were extreme as positioning and changing expectations saw unprecedented price movements – both up and down – throughout the month.

Market leadership was highly concentrated with Financials and Materials the standout contributors - adding more than 520bps to index performance - supported by robust bank earnings and ongoing strength across bulk commodities and diversified miners. Large-cap resource names benefited from firmer commodity prices, while gold and key battery

material producers also supported performance.

At the same time, Health Care, Technology, Consumer Discretionary and Real Estate sectors were notable laggards, collectively detracting from broader market returns as earnings downgrades, elevated valuations, and uneven demand conditions weighed on sentiment.

The dispersion across market capitalization was equally pronounced. Large caps materially outperformed mid and small caps, driven largely by their heavier exposure to Financials and Resources, while small caps exposed to Industrials, Technology and Consumer sectors resulted in weaker relative performance. Style performance also favored Value over Growth.

Overall, while it was a strong month for the equity market, it was marked by extreme price volatility and a skew towards large caps despite evidence that the earnings backdrop is improving. We think the see-sawing is likely to continue until there is more transparency on rates and domestic growth and the outlook for tech and growth stocks.

| | 1 Month | 3 Month | 1 Year | 2 Year p.a. | 3 Year p.a. | 5 Year p.a. | ITD p.a. |
|-------------|---------|---------|--------|-------------|-------------|-------------|----------|
| Alpha Plus* | 2.31 | 2.00 | 5.59 | 7.53 | 9.46 | 9.63 | 10.99 |
| Benchmark | 4.11 | 7.34 | 16.19 | 13.02 | 12.22 | 10.78 | 9.85 |
| Value Added | -1.80 | -5.34 | -10.60 | -5.49 | -2.76 | -1.15 | 1.14 |

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

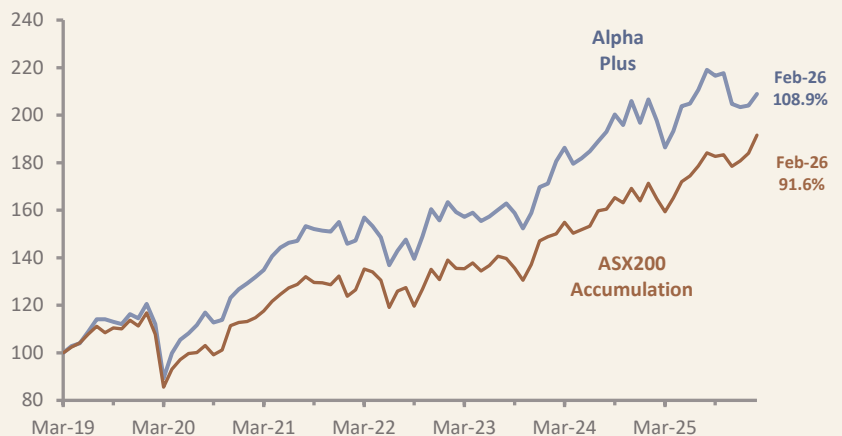
Lead Portfolio Manager

Jun Bei Liu, CFA



Alpha Plus vs ASX200 Accumulation Index

(Net Returns as at February 2026)



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

February Portfolio Commentary:

The fund delivered a softer absolute return in February, lagging the broader market’s strong advance. While the ASX 200 rose 4.1% on the back of sharply positive performance from Financials and Materials, the portfolio’s more measured exposure to these mega-cap sectors limited upside participation. At the same time, several areas of the market that experienced meaningful weakness—most notably Health Care, Technology and Consumer related segments, were sectors in which the fund maintained selective positions, contributing to underperformance.

From an attribution standpoint, the fund’s return profile reflects the unusually concentrated nature of February’s market rally. The benchmark’s gains were driven by a narrow group of large-cap banks and miners, while a wide portion of the remaining market detracted. This dynamic created a challenging backdrop for active managers, particularly those with diversified exposures.

Key Positive Contributors:

- **Suncorp Group (SUN):** Our short in SUN added value. SUN’s 1H26 result disappointed, missing expectations due to elevated catastrophe claims and a sharp fall in underwriting profit. Slowing premium growth and lowered FY26 GWP guidance resulted in earnings downgrades and share price weakness.
- **Cochlear (COH):** Our underweight position contributed positively as COH delivered a softer result, with delays in rolling out its new processor

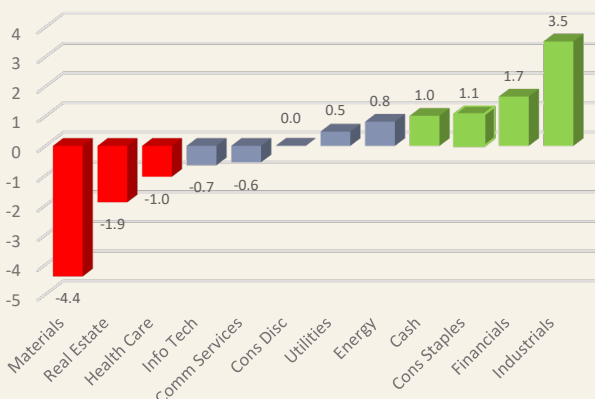
- and unfavorable currency movements weighing on earnings.
- **A2 Milk Company (A2M):** Performed strongly, supported by a solid half-year result, new product momentum, and upgraded full-year earnings guidance. The stock also rebounded from January’s sector volatility following competitor product recalls. While initial fears suggested A2M could be impacted, we believe the event ultimately presents a market-share growth opportunity not yet priced in.
- **Ramsay Health Care (RHC):** Ramsay delivered a solid result and announced plans to divest its French operations via an in-specie distribution. The domestic business benefited from stronger patient activity and improved terms with private health insurers.

Key Negative Contributors:

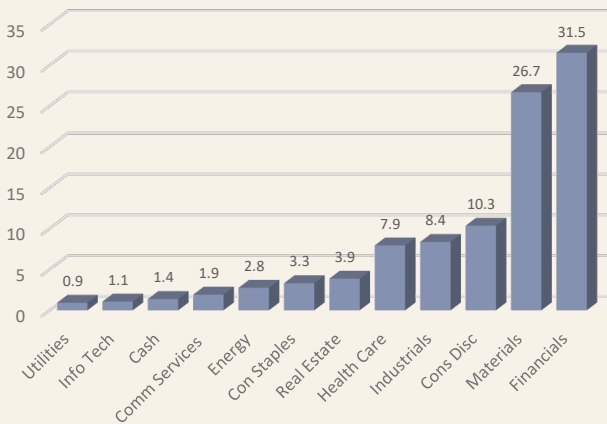
- **Flight Center (FLT):** the company delivered a strong result in February, but share price was sold off as investors rotated out of travel names on concerns of softer demand stemming from potential conflict in Iran and fears around AI-related disruption. We believe Flight center is an AI beneficiary, with automation and machine learning helping drive efficiency and margin improvement. On 9x PE with earnings growth above 40%, we believe the valuation materially undervalues the company’s transformation opportunity.
- **Pro Medicus (PME):** PME detracted after delivering a softer half-year result. The earnings miss was entirely driven by contract timing rather than any structural revenue loss. We remain confident in PME’s long-term outlook, with earnings expected to grow around 30% annually, supported by its strong competitive positioning and increasing use of AI-enabled imaging workflows.
- **Light and Wonder (LNW):** LNW faced sustained selling through February as investors retreated from growth names perceived to be at risk of AI disruption. While it was caught in the broader de-rating, the company is actively deploying AI to strengthen competitive moats, accelerate game development and enhance enterprise operations, positioning it well despite near-term sentiment headwinds.

Alpha Plus Sector Allocation Changes

(Month end: Jan-26 to Feb-26)

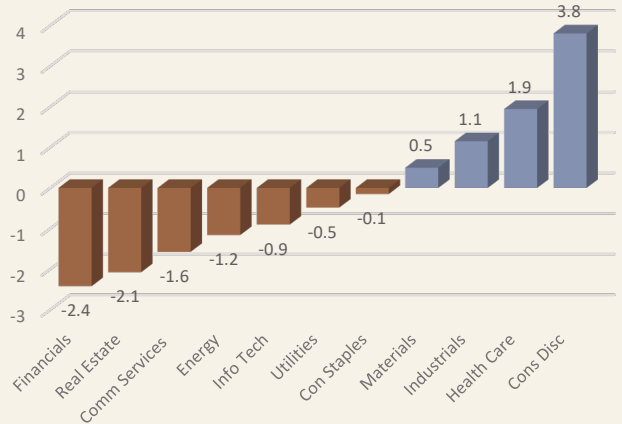


Alpha Plus Sector Allocations (As at month end Feb-26)



Source: Ten Cap, FactSet

Alpha Plus Sector Bets vs ASX200 (%) (As at month end Feb-26)



Source: Ten Cap, FactSet

Major Portfolio Changes

Increased Positions:

- **Ramsay (RHC):** We increased our Ramsay position ahead of the result, taking advantage of share price weakness and reflecting confidence in improving operating momentum (particularly post private health insurance rate increase) and the value-enhancing French divestment.
- **Evolution (EVN):** The short-lived market sell off early in the month saw us moving from Capricorn Metals (CMM) into Evolution lifting our exposure to higher-quality gold production with stronger near-term growth visibility and a more robust operational outlook.
- **Woodside Energy Group (WDS):** We reduced our underweight in Woodside as tensions in the Middle East continue to escalate. We continue to prefer Santos as our key pick with better free cash flow improvement over the next 2 years.

Decreased Positions:

- **Macquarie Group (MQG):** We paired back our overweight in Macquarie post strong performance since its update. We are concerned over its exposure to the private credit sector, particularly its meaningful allocation to the sector.

- **South 32 (S32):** We reduced our overweight in South 32 as it became one of the best performing stocks in the ASX since we first initiated position in November. We continue to view aluminum favorably with its tight supply and demand fundamentals.
- **Amcor (AMC):** We took profit in Amcor post its result; we believe Amcor has yet to turn the corner in its operating performance and high gearing will magnify its operating challenges near term.

Sector Outlook:

Throughout February, we continued to refine the portfolio in line with where we are seeing the strongest and most resilient earnings. The reporting season was unusually bifurcated, with significant dispersion across sectors and some of the largest one-day post-result moves we have seen in years. Against this backdrop, our focus has remained firmly anchored on earnings leadership, valuation discipline, and maintaining an appropriate level of portfolio risk as true market volatility begins to rise.

One of the continued shifts over the past few month has been the portfolio's gradual move toward a modest overweight in Materials and a more pronounced underweight in Technology.

Key Portfolio Statistics*

| | Alpha Plus | ASX200 |
|------------------------------|------------|--------|
| Market Cap (\$million) | 115.6 | 109.1 |
| # of holdings | 107 | 200 |
| Div Yield (trailing) | 2.37 | 2.98 |
| Price to Earnings (FY1 est) | 20.0 | 19.6 |
| Price to Cashflow (trailing) | 12.8 | 13.1 |
| Forward EPS growth (3-5yr) | 3.1 | 2.6 |
| Return on Equity (ROE) | 15.3 | 13.8 |

*All figures are harmonic weighted averages as at 28th February 2026

This positioning reflects the reality of the earnings season: Materials delivered, with upgrades and solid forward outlooks concentrated in large-cap miners and select commodity exposures. Technology, by contrast, continued to exhibit heightened volatility and a greater sensitivity to valuation compression, with several companies punished sharply for even small earnings misses.

Our allocation reflects these earnings dynamics and the relative certainty they provide in an environment where markets are rewarding delivery and penalizing disappointment.

We have also adjusted the portfolio in favor of larger-capitalization companies, rotating out of smaller names where earnings beats were less consistent and where liquidity risk remains elevated.

The strongest results and most supportive revisions came from the upper end of the market, and our positioning now mirrors that reality. While we continue to value high-growth opportunities, the balance of risk and reward has clearly shifted toward the larger, more established franchises with stronger pricing power, operational leverage, and clearer visibility into FY26–27 earnings.

More broadly, we remain guided by a simple but critical principle: quality earnings still win — but the portfolio must now be far more valuation-aware than it needed to be six months ago.

With the market increasingly reactive to macro noise, we continue to favor businesses with genuine earnings durability, pricing power, and self-help levers, particularly in cases where the market has over-corrected due to external uncertainties.

At the same time, we believe Energy and parts of Resources remain essential hedges in portfolios. Geopolitical tension is again injecting commodity risk premia into global markets, and maintaining thoughtful exposure to these areas provides both diversification and downside protection.

Conversely, we remain cautious on the most crowded parts of Defensives and on companies where the market is still paying peak multiples for non-peak earnings certainty. February once again highlighted that expensive stocks with even slight disappointments can experience severe drawdowns.

We have also continued to reduce our interest-rate sensitive sectors, particularly property trusts and consumer discretionary, where trading updates across most retailers were notably soft.

With the RBA likely to raise rates at least two more times, we believe these sectors face a meaningful headwind as higher borrowing costs and weaker household demand feed through. Our positioning now reflects this risk, keeping exposure low until earnings clarity improves and the interest-rate cycle stabilizes.

Finally, given rising true-risk volatility, we have tightened our risk parameters to ensure the portfolio stays in a more neutral and controlled posture. From here, our approach will remain selective, tactical, and anchored in earnings quality, ensuring the portfolio is positioned for both resilience and opportunity as conditions continue to evolve.

Summary & Outlook

Equity markets remain in a vulnerable place and while we maintain our view that fundamentals are solid, the conflict in the Mid East and its implications via higher energy prices suggest investors take a wait and see approach to how it develops. It's possible that there is a significant escalation of the conflict that causes a prolonged spike in energy prices, but it is possible that the conflict de-escalates as quickly as it arose.

While the inclination is to move defensive, history has shown that geopolitical events do not have a lasting impact on the equity market and that markets are higher on a 1-, 6-and 12-month basis. Provided there is

no prolonged impact on energy supplies, we think the Australian economy can sustain a brief period of uncertainty without lasting damage.

For now, there are a lot of uncertainties to navigate, and it requires caution but not exiting of risk assets. If it appears that the duration of the crisis is extended, then we will reassess the impacts on the economy, corporate earnings and policy direction as things develop, but we stay invested on the basis that these events are short in duration but long in fear.

Jun Bei & the Investment Team

Net Portfolio Performance: Alpha Plus (as at February 2026)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year | Bench | Rel Perf |
|-----------------------------------|-------|-------|--------|-------|-------|-------|------|------|-------|-------|-------|-------|---------------|---------------|--------------|
| 2026 | 0.4% | 2.3% | | | | | | | | | | | 2.7% | 6.0% | -3.3% |
| 2025 | 5.0% | -4.3% | -5.7% | 3.7% | 5.4% | 0.6% | 2.8% | 4.0% | -12% | 0.5% | -5.9% | -0.7% | 3.4% | 10.3% | -7.0% |
| 2024 | 0.9% | 5.5% | 3.1% | -3.6% | 13% | 16% | 2.3% | 2.2% | 3.8% | -2.2% | 5.2% | -4.5% | 15.9% | 11.4% | 4.5% |
| 2023 | 4.9% | -2.5% | -12% | 1% | -2.2% | 13% | 18% | 17% | -2.5% | -4.0% | 4.2% | 6.8% | 8.9% | 12.4% | -3.5% |
| 2022 | -6.0% | 10% | 6.6% | -2.3% | -3.1% | -7.9% | 4.4% | 3.3% | -5.5% | 6.8% | 7.7% | -2.9% | 0.5% | -1.1% | 15% |
| 2021 | 19% | 2.1% | 2.3% | 4.3% | 2.6% | 14% | 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% | 119% | 5.7% | 2.6% | 3.2% | 4.7% | -3.6% | 0.9% | 8.2% | 2.9% | 10.6% | 14% | 9.2% |
| 2019 | | | | 2.7% | 13% | 4.8% | 4.7% | 0.0% | -10% | -0.8% | 3.8% | -15% | 14.6%* | 11.3%* | 3.3%* |
| Per annum since Inception* | | | | | | | | | | | | | 11.0% | 9.9% | 1.1% |

*ITD = Inception to date (Mar-19 when Jun Bei took over as Lead Portfolio Manager for the Alpha Plus Fund). * Returns from Mar-19

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.

Investor Relations

| | |
|-------------------------------|--|
| Inception: | <i>September 2006</i> |
| Minimum Investment: | <i>AUD \$25,000, no minimum for ASX:TCAP</i> |
| Subscriptions: | <i>Daily</i> |
| Redemptions: | <i>Daily</i> |
| Management Fee: | <i>0.97% per annum</i> |
| Performance Fee: | <i>20% of return above the fund benchmark</i> |
| Responsible Entity: | <i>Ironbark Asset Management (Fund Services) Ltd</i> |
| Custodian & Admin: | <i>J.P. Morgan Chase Bank N.A. (Sydney Branch)</i> |
| Auditor: | <i>PwC</i> |

Let's Keep Talking

Sydney

Level 4, 151 Macquarie Street, Sydney
NSW 2000, Australia
+61 2 7241 4388

Investor Relations

info@tencap.com.au
tencap.com.au

Material Matters:

On 29 September 2025, Ten Cap Investment Management Pty Ltd ACN 682 019 987, the investment manager of the Fund, was granted its application to vary its Australian financial services license, to provide general financial product advice to retail and wholesale clients. 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.

This material is issued by Ten Cap Investment Management Pty Ltd ACN 682 019 987 Australian Financial Services License (AFSL No. 565368) ('Ten Cap'). Ironbark Asset Management (Fund Services) Limited ABN 63 116 232 154 AFSL 298626 ('Ironbark') is the responsible entity for the Fund referred to in this document. The product disclosure statement (PDS) and target market determination (TMD) for the Fund is available from <https://ironbarkam.com/trustee/managed-funds/> or by calling MUFU on 1800 883 072. This material contains general information only. It is not intended to provide you with financial product advice and does not take into account your objectives, financial situation or needs. Past performance is no indication of future performance. This publication is based on information considered to be reliable. Opinions constitute our judgement at the time of issue and are subject to change. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document. Except for liability which cannot be excluded, Ten Cap and Ironbark, and each of its directors, employees, agents and related bodies corporate, disclaim all liability in respect of any error or inaccuracy in, or omission from, this document and any person's reliance on it.