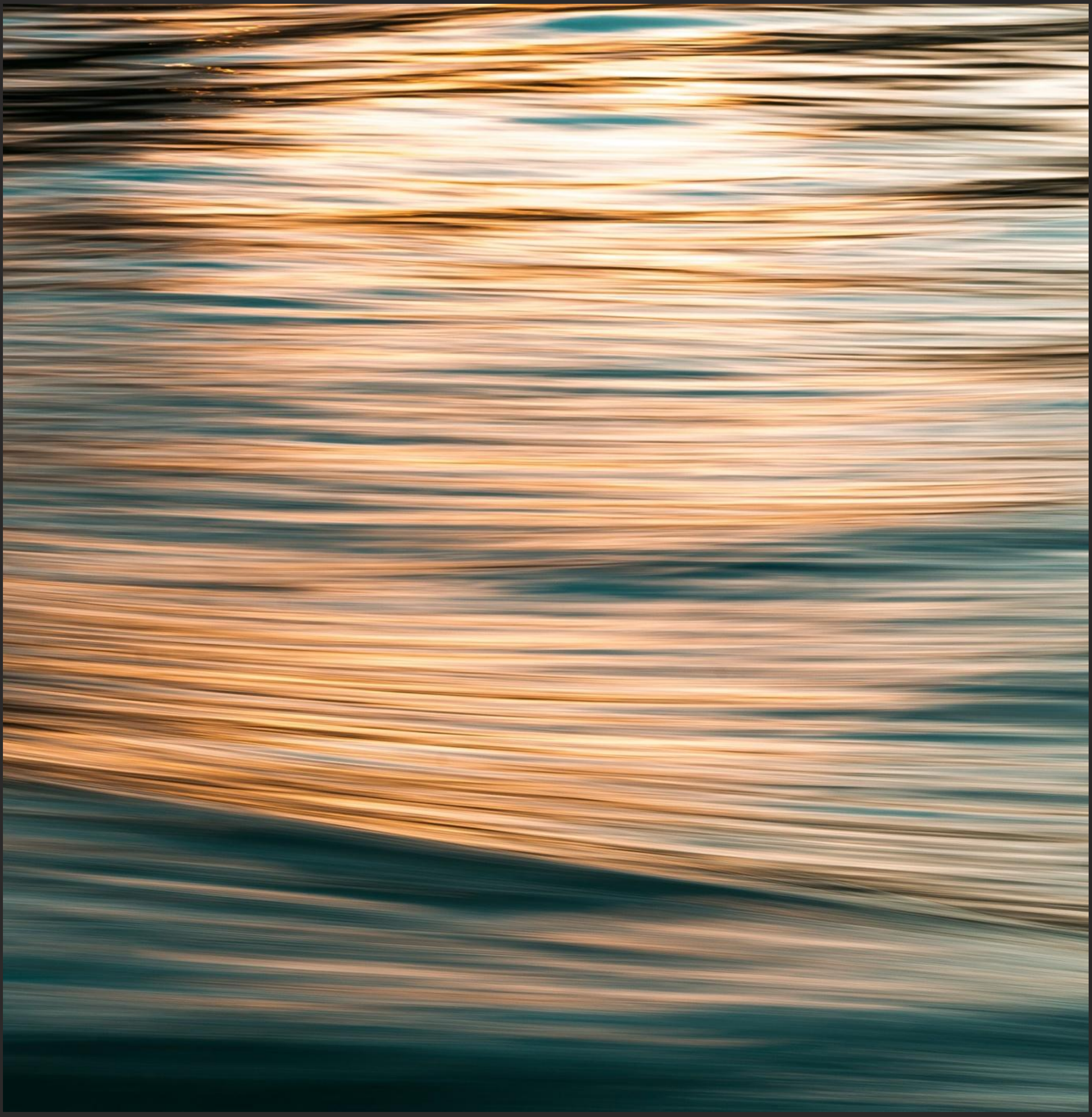
TCAP – ETF

July 2026



A market of few winners

Jun Bei Liu, CFA
Founder / Lead Portfolio Manager

A market of few winners

The Alpha Plus Fund returned +0.02% in July, underperforming the S&P/ASX 200, which gained +2.26%.

July delivered one of the most violent rotations in recent years. The crowded AI and momentum trade unwound globally, and capital moved out of the recent winners and into the laggards. Price momentum was the worst performing factor of the month on every measure we track, while value - low volatility and yield were rewarded. Positioning, not earnings appeared to be the most significant driver of returns.

Locally, the index gained 2.3% and finally outperformed global peers, but leadership was extraordinarily narrow. The banks rose 7% with Commonwealth Bank alone contributed 82bps to the market return – in contrast to building housing market fears. Energy was a distant second while Materials and Industrials detracted.

The split by size was just as stark. Large caps rose 3.7% while Small Ordinaries fell 3.2%, a difficult combination for a portfolio owning quality mid caps.

The domestic interest rate outlook changed materially during the month. The market entered July pricing a further hike in August, but softer employment and inflation data took that off the table. The cash rate is now expected to stay on hold, with the next move a cut some time next year – depending on how the data evolves.

This should have supported rate sensitive parts of the market, and it is telling that it did not. The global momentum unwind overwhelmed the local rates signal, and our property and mid cap growth holdings were sold with the rest of the crowded trade. This was positioning being unwound rather than any deterioration in the underlying businesses or outlook.

Valuations now sit above 17.5 times forward earnings after expanding almost a full turn, and this came while FY27 consensus earnings were cut 2.5%. Paying more for less is not durable heading into a compressed August reporting season. We have not chased the rotation, and remain weighted to quality, pricing power and resilient earnings.

	1 Month	3 Month	6 Month	ITD
TCAP	0.03%	2.29%	-3.01%	-1.55%
Benchmark	2.26%	4.13%	2.86%	8.17%
Value Added	-2.23%	-1.84%	-5.87%	-9.72%

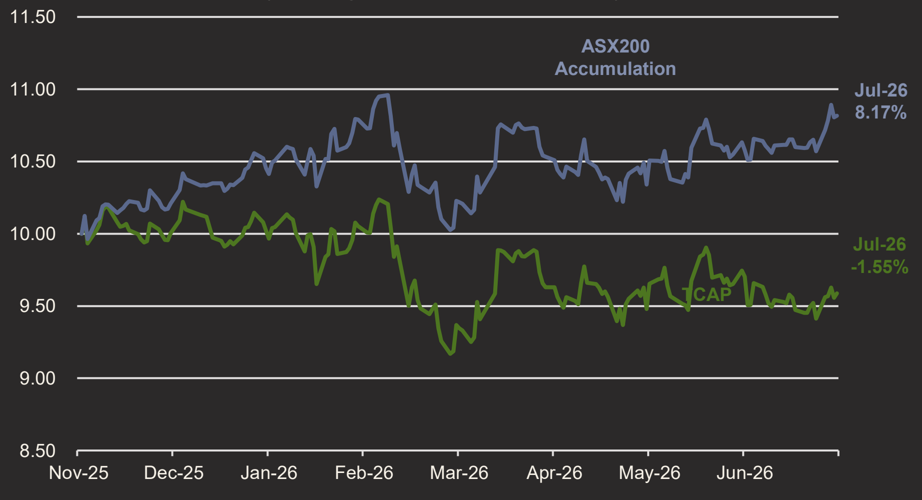
ITD = Inception to date (19th November 2025), Benchmark is ASX200 Accumulation Index. Past performance is not indicative of future performance. Returns as at July 31, 2026. Note that past performance is not a reliable indicator of future performance. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by Ten Cap or Ironbark Asset Management (Fund Services) Limited

Lead Portfolio Manager

Jun Bei Liu, CFA

TCAP vs ASX200 Accumulation Index

(Closing NAV Price - Jul 2026)



Based at $10.00 as at inception (19th November 2025)
TCAP Net of fees and transaction costs

July Portfolio Commentary:

July was a difficult month on a relative basis. A violent global rotation out of momentum and into laggards, combined with a narrow local market where the banks delivered almost the entire index return, worked against a portfolio built on quality ex-20. Selection was the main drag, with allocation a smaller negative.

At the sector level, Consumer Discretionary was a positive standout, helped by strong stock selection. Utilities added modestly. Real Estate was the largest detractor by some margin, followed by Financials, where being underweight the banks into their strongest month of the year proved and Industrials.

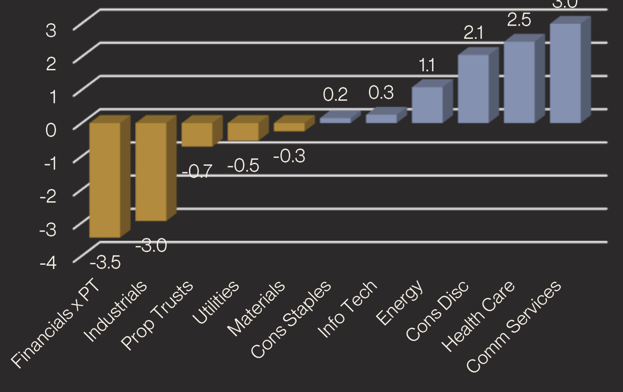
Encouragingly, the detractors were driven by de-rating rather than downgrades. Several of our largest negatives fell without any change to the earnings outlook, which is the type of dislocation that has historically reversed as earnings results reaffirm the fundamental backdrop.

Key Positive Contributors:

- **Domino's Pizza (DMP):** The largest contributor, rallying close to 19% after the FY26 pre-release reaffirmed earnings guidance and confirmed a sound balance sheet. Management is prioritising margin and franchisee profitability over volume, and the appointment of a well-regarded new Group Chief Executive was taken positively.

Alpha Plus Sector Allocation Changes

(Month end: Jun-26 to Jul-26)



Source: Ten Cap, FactSet

- HUB24 (HUB): Added strongly, up around 17%, as platform flows and funds under administration continued to run ahead of expectations, reinforcing the structural shift to specialist platforms.

- Lynas Rare Earths (LYC): Our underweight was the third largest contributor as the stock fell around 22%, giving back a large part of its speculative rare earths premium as pricing enthusiasm faded.

- Generation Development (GDG): A strong result saw a 30% rally, with investment bond and annuity flows compounding and the Evidentia acquisition tracking well.

- Eagers Automotive (APE): Gained over 10% as new vehicle deliveries, specifically EVs, held up better than feared, rewarding a position the market had treated as a consumer casualty.

Key Negative Contributors:

- Zip Co (ZIP): The largest detractor, gave back much of the prior month's gain. Weak read through from offshore Buy Now, Pay Later peers on credit losses drove the de-rating. Our thesis on US volume growth and the path to profitability is unchanged.

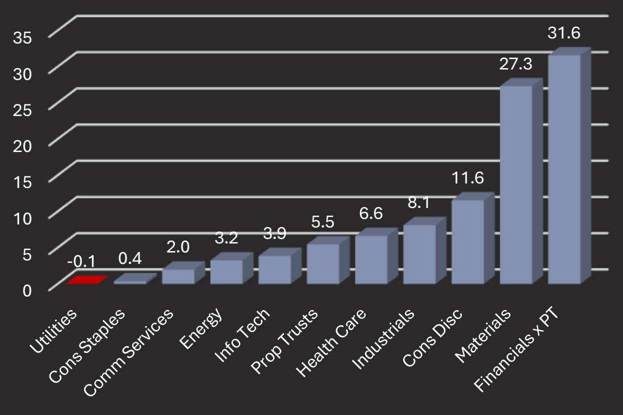
- Pilbara Minerals (PLS): Fell 18% as lithium prices resumed their decline and the market de-rated the whole complex, more than reversing the strength that led us to take profits earlier.

- Centuria Capital (CNI): Declined 25% due to private credit fears. Centuria's exposure is small, and there was no change to guidance. The de-rating is indiscriminate rather than fundamental.

- Woodside Energy (WDS): Being underweight cost the fund as the stock rallied nearly 17% on firmer oil and gas pricing, making it one of the largest single contributors to the index during the month.

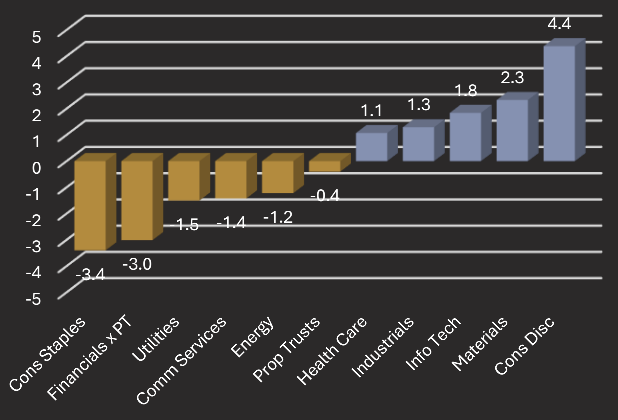
- Mineral Resources (MIN): Detracted again, down around 11%, as lithium weakness continued to weigh on sentiment.

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



Source: Ten Cap, FactSet

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



Source: Ten Cap, FactSet

Major Portfolio Changes

Increased Positions:

- **REA Group (REA):** REA is the dominant listings platform with real pricing power, and it had de-rated alongside the broader growth sell off. Listing volumes are holding up better than headlines suggest, and with rates now flat rather than rising the earnings risk has largely passed.
- **Seek (SEK):** Now a long position. The shares have fallen more than 40% over the past year in the SaaS de-rating, and the sale process for the OES education stake, valued above $500 million, offers a value unlock the market is not pricing.
- **James Hardie (JHX):** Added on valuation after a period of persistent weakness. The fibre cement franchise has structural share gains ahead of it in North America.
- **Flight Centre (FLT):** Increased our position ahead of the result. The valuation had corrected to a level where we see genuine value in quality franchises. We are also expecting corporate travel to pick up and remain a persistent earnings tailwind.

Decreased Positions:

- **QBE Insurance (QBE):** Profit taking after a strong run. The underwriting cycle has been very favourable and the position had grown large, so we took some off the table while retaining a core holding.
- **Computershare (CPU):** Exited. The margin income earned on client balances has been the main driver of upgrades. With the rate cycle now flat to lower, that tailwind has run its course.
- **Santos (STO):** Substantially exited following the strong move in energy through July. The valuation gap we originally bought has closed and we see better risk reward elsewhere in the sector.
- **Brambles (BXB):** Exited. Following the recent downgrade we see further earnings risk ahead, with pallet volumes and pricing under pressure, and the stock still trading on a full multiple.
- **Sonic Healthcare (SHL):** Moved further underweight. Pathology volume growth remains subdued while cost pressure persists, and the stock continues to screen expensive against that earnings backdrop.

Key Portfolio Statistics*

	Alpha Plus	ASX200
Market Cap ($billion)	**112**	**111**
# of holdings	110	200
Dividend Yield (trailing)	2.4	3.1
Price to Earnings (FY1 est)	20.0	18.5
Price to Cashflow (trailing)	14.2	12.9
Forward EPS growth (3-5yr)	5.0	4.6
Return on Equity (ROE)	14.9	14.0

*All figures are harmonic weighted averages as at 31st July 2026

Sector outlook

Our central case is that the RBA stays on hold from here, with the first cut arriving early in 2027. Offshore, the risk is skewed the other way, and we would not rule out the US tightening again later this year. That combination argues for firm yields in the near term, followed by a rotation back towards rate sensitive parts of the market as the local easing cycle comes into view.

We are positioned for the first leg of that. The portfolio is underweight the classic bond proxies across utilities, infrastructure and telcos, and within property we are long the growth and fund manager names while avoiding pure duration exposure. Insurers remain a preferred way to capture higher investment yields.

We are watching for the turn rather than pre-empting the result. Rate sensitive names typically lead the market by a quarter or two ahead of the first cut, and we would expect to rebuild exposure as timing becomes clearer. With the three-year yield still near 4.5%, being early carries a real cost.

The AI build out remains an underappreciated Australian trade. It is a physical build out of data centres, power, grid and cooling, and deployable capacity is forecast to more than double to 3,100 megawatts by 2030.

Capital Goods and Industrials are the picks and shovels of the build out. Electrical contractors, switchboard makers and power distributors carry order books, physical assets and tangible cash flows rather than speculative multiples, giving diversified exposure to the physical AI and electrification spend.

Within growth and Technology, the focus stays on infrastructure owners and proven compounders rather than speculative software. Goodman Group is the clearest expression, having evolved from a logistics property owner into a genuine data centre developer, and powered land in the right location is becoming one of the scarcest inputs in the build out. Alongside it we hold Technology One, which offers durable recurring earnings underpinned by high customer retention and disciplined execution.

Property is where our thinking has changed most. With the rate outlook now flat rather than rising, the rate sensitive trusts we have avoided become considerably more interesting. We have started rebuilding exposure and expect to do more as the timing of the first cut becomes clearer.

Consumer Discretionary is no longer a uniform underweight. Households remain stretched, but a stable rate path removes the incremental pressure, and selected names have already priced in a great deal of bad news. Data points demonstrate the consumer remains resilient, however, more value conscious. We added to housing linked exposure through REA and Flight Centre during the month, while remaining selective.

Financials warrant caution. Banks trade at full valuations with limited room for surprise as credit growth slows and margins compress. July was their strongest month of the year and that has stretched valuations further, so we remain selectively underweight.

Healthcare offers selective value after a prolonged de-rating. We added to Fisher & Paykel during the month, where quality global franchises now trade at attractive valuations against their long-term earnings power. We remain mindful that the sector is still the weakest on earnings revisions, so we are adding where fundamentals are clearly intact.

Summary & Outlook

The interest rate outlook shifted during July. The market began the month expecting a further hike in August, but softer employment and inflation data removed that risk. The rates outlook is highly data dependent, but for now, it does appear that the RBA has finished raising rates.

The immediate risk is the upcoming reporting season. Valuations have expanded to more than 17.5 times forward earnings while consensus earnings were revised lower, and results are heavily condensed, with around 80% of companies reporting between the 17th and 27th of August. Paying more for less leaves little room for disappointment, leading to a much higher bar for long positions.

We continue to favour quality balance sheets, pricing power and resilient earnings. In July, positioning rather than fundamentals set returns, and we have not chased the rotation.

The rate outlook has begun to reshape the portfolio. We are rebuilding exposure to the rate sensitive parts of the market we have long avoided, particularly property, and expect to do more as the timing of the first cut becomes clearer. We retain exposure to the data centre build out, where a multi-year demand cycle offers earnings power largely independent of the domestic cycle.

Jun Bei & the Investment Team

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Bench	Rel Perf
2026	0.3%	2.3%	-9.3%	2.2%	1.7%	0.5%	0.0%						**-2.7%**	**4.7%**	**-7.4%**
2025											1.8%	-0.6%	1.2%	3.3%	-2.2%
Per annum since Inception*													-1.6%	8.2%	-9.7%

*ITD = Inception to date (19th November 2025) Benchmark is ASX200 Accumulation Index. Past performance is not indicative of future performance. Returns as at July 31 2026. Historic performance for the Ten Cap Alpha Plus Fund – Class A units may be used as a reference for the listed Ten Cap Alpha Plus Complex ETF. Note that past performance is not a reliable indicator of future performance. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by Ten Cap or Ironbark Asset Management (Fund Services) Limited

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.

Minimum Investment:	*No minimum for ASX:TCAP*
Subscriptions:	*Daily*
Redemptions:	*Daily*
Management Fee:	*0.97% per annum*
Performance Fee:	*20% of return above the fund benchmark*
Responsible Entity:	*Ironbark Asset Management (Fund Services) Limited*
Custodian & Admin:	*J.P. Morgan Chase Bank N.A. (Sydney Branch)*
Auditor:	*KPMG*

Let's Keep Talking

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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 licence, 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.