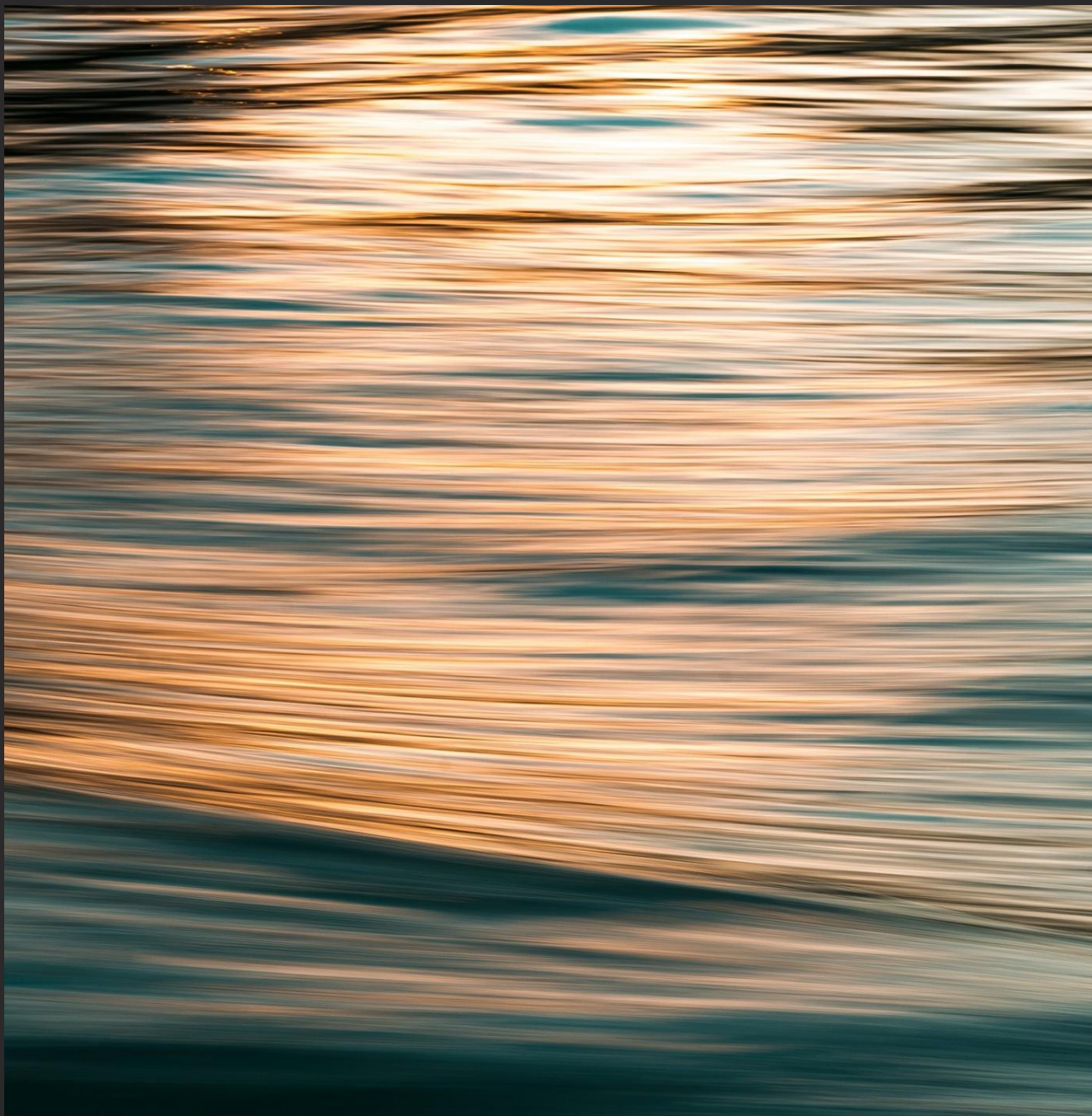




Opportunity in the reset

Jun Bei Liu, CFA
Founder / Lead Portfolio Manager

Opportunity in the reset

The Alpha Plus Fund returned -2.22% in September, outperforming the S&P/ASX 200 which fell -2.42% by 21bps.

After five straight months of gains, the market finally took a breath. Step back, though, and not much has changed. The index is still inside the 8400-9200 range it has traded since mid 2025. What has changed is the price. The forward multiple has eased to 17.1x, a better starting point than the one we had a month ago.

Rates and oil did the damage. The conflict in the Middle East widened, Brent crude jumped 14% to above US\$100 a barrel, and inflation fears returned around the world. The Fed and the ECB both raised rates. On 29 September the RBA followed with its fourth increase of the year, taking the cash rate to 4.60%, the highest since 2011.

What stood out was how calmly the market digested the hike. A softer August CPI print helped the index claw back ground into month end, and the RBA conceded that the economy appears to be slowing. A central bank that can see the slowdown is a central

bank closer to the end of its cycle.

Leadership rotated again, as it has all year. This time it was the miners' turn to give back. Gold fell 6.3% and iron ore 5.9%, and Materials took 1.66 percentage points off the index on its own, BHP accounting for 76bp of it. Technology fell 10.6% as rising yields hit long-duration software names hardest.

Healthcare was the bright spot, up 4.4% and the only sector to finish with a positive price return, led by CSL (+8.8%). The sector is now up 27% over the quarter. For a group the market had all but given up on a year ago, that is quite a turnaround, and one we have been positioned for.

Now comes AGM season, and with it the next real test. Trading updates will show how much the rate rises are biting. But expectations have already come down: FY27 earnings growth forecasts have been cut from 8.9% to 7.2% since reporting season. A lower bar is an easier one to clear. When the index is going nowhere, returns come from finding the companies that can clear it. That is our job, and this is the kind of market where it pays.

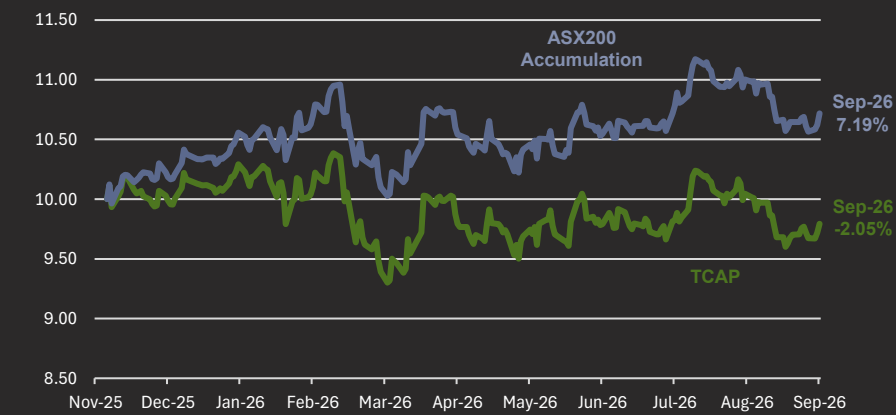
	1 Month	3 Month	6 Month	ITD
TCAP	-2.22%	-0.48%	4.04%	-2.05%
Benchmark	-2.42%	1.33%	5.43%	7.19%
Value Added	0.20%	-1.81%	-1.40%	-9.24%

ITD = Inception to date (19th November 2025), Benchmark is ASX200 Accumulation Index. Past performance is not indicative of future performance. Returns as at September 30, 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 - Sep 2026)



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

September Portfolio Commentary:

A weaker month for the market, but the Fund held up better, returning -2.22% against -2.42% for the ASX 200.

Industrials did the heavy lifting, almost entirely through stock selection. Our electrical contractors, the picks and shovels of the data centre and grid build out, kept winning work and the market kept rewarding them. Healthcare added through our overweight as the sector recovery broadened beyond CSL, and Financials added on both sides of the book, through our holdings and our shorts in the wealth platforms.

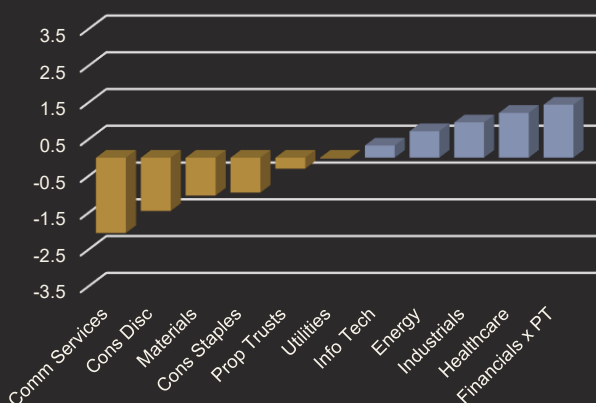
Materials was the biggest drag as gold and lithium gave back some of their run, followed by Communication Services, where the online classifieds sold off on higher rates.

The mix is what we like to see. Our winners went up because their earnings went up. Our losers went down with commodity prices and rate expectations, not because anything changed in the business. That is the kind of underperformance we are comfortable sitting through.

Key Positive Contributors:

- **Codan (CDA):** Our top contributor, up 40%, after upgrading first half FY27 guidance on exceptionally strong demand for its drone communications technology. Each of its last four updates has sent the shares higher, and the company joined the ASX 100 at the start of the month. This is a show-me story that keeps showing.

Alpha Plus Sector Allocation Changes (Month end: Aug-26 to Sep-26)

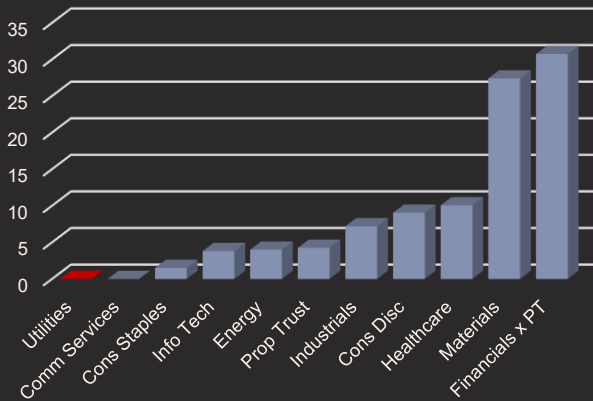


Source: Ten Cap, FactSet

- **Southern Cross Electrical (SXE):** Up 19%, and an off-benchmark play. SXE is onsite at some of the largest data centre projects in the country. Contracted revenue, EPS growing above 35%, and real customers paying today.
- **CAR Group (CAR):** Our short contributed as the stock fell 19%. Higher rates weighed on high-multiple growth names, and the shares also went ex-dividend during the month. A full multiple leaves little room when the growth outlook is under question.
- **Cuscal (CCL):** Up 11%, another off-benchmark play. The market is starting to recognise how recurring its payments earnings are, and further re-rating.
- **Ansell (ANN):** Up 11% as investors went looking for defensive earnings with momentum. Margins are recovering and the earnings base is more predictable than the market gave it credit for. We added to the position during the month.
- **Key Negative Contributors:**
 - **Mineral Resources (MIN):** Down 19%. Lithium prices fell after a change in how Chinese inventories are measured pushed reported stockpiles higher, and iron ore softened too. Much of the inventory increase came from the wider survey rather than weaker demand, and that is the kind of noise we are prepared to look through.
 - **Genesis Minerals (GMD):** Down 12%, giving back part of a very strong run as gold fell 6%. One month of a softer gold price does not change the production growth ahead. A preferred gold play.
 - **James Hardie (JHX):** Down 13%. The shares sold off after the investor day on 15 September, even though management lifted its FY27 free cash flow target from US\$500m to at least US\$600m and brought forward the AZEK cost synergies by about a year. The market wanted a near-term earnings upgrade and doubts about US housing remain, but better cash flow and faster synergies are what we want to see from this business.
 - **REA Group (REA):** Down 11% as the rate rise pushed out expectations for a housing recovery. Listing volumes are cyclical. REA's pricing power is not. We see the pullback as a better entry point.

Alpha Plus Sector Allocations

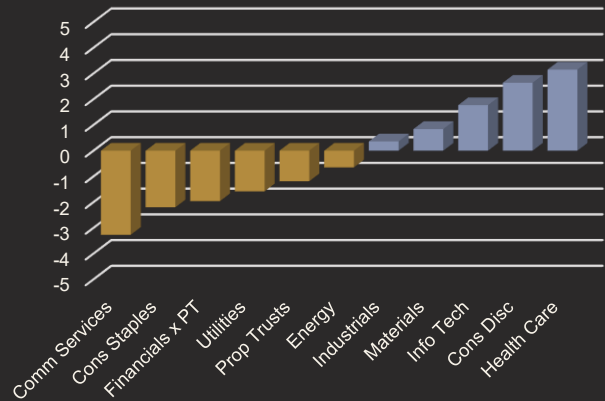
(As at month end Sep-26)



Source: Ten Cap, FactSet

Alpha Plus Sector Bets vs ASX200 (%)

(As at month end Sep-26)



Source: Ten Cap, FactSet

Major Portfolio Changes

Increased Positions:

- **Ansell (ANN):** Added. We have taken profit in Healthcare after a stellar run, but Ansell is where the earnings recovery is still early, with margins rebuilding.
- **Macquarie Group (MQG):** Largest addition, ahead of the November result. Oil jumped 14% in September and energy has been volatile all year, which should drive higher earnings in its commodities and global markets business. It is how we prefer to own Financials while staying underweight the banks.
- **Computershare (CPU):** Increased. Computershare is one of the most direct ways on the ASX to benefit from higher US rates. Margin income is only part of the story: the core business is also trading strongly, so we get earnings growth from both.
- **Charter Hall (CHC):** Our highest conviction move in Property. The stock fell 17% over the quarter while earnings are still growing in the double digits, and it is a fund manager where earnings rather than duration drive the outcome.
- **Wesfarmers (WES):** Bought back after the shares fell 15% over the quarter. The softer CPI print lowers the risk of a November hike, and Bunnings

and Kmart are the domestic consumer names we are comfortable owning, given their scale and value positioning.

Decreased Positions:

- **Wesfarmers (WES):** Trimmed the position. Bunnings remains an exceptional franchise, but the tax change and the policy induced slowdown in housing and consumer spending are direct headwinds, and the multiple leaves no room for disappointment.
- **BHP Group (BHP):** Trimmed into strength after a 10% gain in the month. Iron ore has held up better than expected, though we see limited further upside and prefer to hold resource exposure through gold and copper where the earnings leverage is greater.
- **Telstra (TLS):** Reduced position. The defensive appeal that supported the stock through the volatility has largely played out, and with mobile pricing growth moderating we see better value elsewhere.
- **National Australia Bank (NAB):** Trimmed. The banks delivered almost the entire index return in July and gave much of it back in September. Credit quality remains sound, but the sector trades well above historical multiples with limited earnings growth to support it.

Key Portfolio Statistics*

	Alpha Plus	ASX200
Market Cap (\$billion)	102	103
# of holdings	101	200
Dividend Yield (trailing)	2.7	3.3
Price to Earnings (FY1 est)	18.2	17.6
Price to Cashflow (trailing)	13.9	12.6
Forward EPS growth (3-5yr)	2.9	3.5
Return on Equity (ROE)	14.9	13.9

*All figures are harmonic weighted averages as at 30th Sep 2026

Sector outlook

The RBA has delivered the increase we flagged last month, taking the cash rate to 4.60%. The more important line in the statement was the admission that the economy appears to be slowing. We think we are close to the peak. Our base case is that rates hold through the first half of 2027, with cuts to follow later in the year. Offshore, the Fed and the ECB are still tightening and oil above US\$100 keeps the inflation risk alive, so yields are likely to stay elevated for a while yet.

We remain positioned appropriately. The portfolio is under weight the classic bond proxies across utilities, telcos and infrastructure, and within property we avoid pure duration exposure. Insurers remain a preferred way to earn higher investment yields, and they held up well in September.

What has changed is that the turn is getting closer. Rate-sensitive names typically lead the market by a quarter or two ahead of the first cut. We are not there yet, but we are building the list now so we can move when the data turns.

The AI build out remains the underappreciated Australian trade, and the debate around it is getting louder. Goodman cancelled a North Sydney data centre on community opposition this month, and new rules on power and water are coming. That is a reason to be more selective, not to walk away. Operators that already have power, land and approvals become more valuable when new entrants face higher hurdles.

Capital Goods and Industrials remain the picks and shovels of the build out, and they delivered in September. Electrical contractors such as Southern Cross, GenusPlus and NWH carry contracted revenue and visible order books and still trade on sensible multiples. Earnings revisions across the wider Industrials sector are still negative, which is why we own the contractors with work in hand rather than the sector as a whole.

In Resources, we took profits early in the month after a strong run in the miners. We sold Fortescue as iron ore continues to trend lower. Copper remains our highest conviction commodity. Demand from electrification and data centres keeps growing, and the copper price held up in September while the rest of the complex fell.

Property is where we are starting to move. We are adding to conviction names such as Charter Hall, which has underperformed the market meaningfully while still growing earnings in the double digits. We still avoid pure duration exposure, but with the rate peak coming into view, the gap between price and earnings in quality property names is as wide as we have seen it.

In Consumer, we have increased our exposure to the sector, buying into The Lottery Corporation and adding to Light & Wonder, both on valuation. The sector fell almost 10% over the quarter, and the softer August CPI print has meaningfully lowered the probability of a November rate rise. We remain cautious on domestic consumer-facing companies, where the AGM season will test trading and margins.

In Financials, we remain underweight the banks, where valuations still leave little room for error and CBA fell 5.6% in September. Where we have been active is Macquarie, which we bought heavily ahead of its November result. Volatility in energy markets this year should drive higher earnings in its commodities and global markets business.

Healthcare has rewarded our patience. The sector rose 27% over the quarter and was the only one to finish September with a positive price return. After a stellar run it trades at 23.2x, the top of its 12-month range, and we have taken some profit. We continue to hold the names where the earnings recovery has further to go, such as Ansell.

Summary & Outlook

We think the rate cycle is close to its peak. The RBA has raised the cash rate four times this year to 4.60% and now acknowledges the economy is slowing. Forecasts show headline inflation back inside the target band by early 2027. Cuts are not imminent and offshore tightening has further to run, but the direction of the next big move in rates is becoming clearer.

AGM season will show how tighter conditions are feeding into earnings. The good news is that the market has already done a lot of the adjusting. The index multiple has eased from 18.3x to 17.1x and FY27 earnings growth expectations have been cut to 7.2%. Outside the large miners and banks, valuations remain the most attractive in years, and a lower bar with better prices suits stock pickers.

We continue to favour quality balance sheets, pricing power and earnings we can see. September showed why: our winners went up on earnings upgrades, not on the rotation. We used the volatility to act, taking profit in Healthcare and the miners after strong runs, and adding to Macquarie and Charter Hall where price and earnings have moved apart. We remain underweight the banks and the bond proxies, but we are starting to build positions in the parts of the market that will lead when rates turn.

Volatility is likely to stay with us into the end of the year. That requires patience, but the opportunities are better than they were a month ago. Our job is to pick the winners, and this market is giving us more of them to choose from.

Jun Bei & the Investment Team

Net Portfolio Performance: Alpha Plus (as at September 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%	1.7%	-2.2%				-3.2%	3.7%	-6.9%
2025											1.8%	-0.6%	1.2%	3.3%	-2.2%
Per annum since Inception*													-2.2%	7.8%	-9.2%

*ITD = Inception to date (19th November 2025) Benchmark is ASX200 Accumulation Index. Past performance is not indicative of future performance. Returns as at September 30th 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:	<i>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) Limited</i>
Custodian & Admin:	<i>J.P. Morgan Chase Bank N.A. (Sydney Branch)</i>
Auditor:	<i>KPMG</i>

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.

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