

A low-angle, upward-looking photograph of a modern skyscraper with a glass and steel facade. The building's corner is prominent in the foreground, leading the eye towards the top. A large, white, semi-transparent circle is superimposed over the image, framing the central text.

TOTUS CAPITAL



Why Totus Capital?

- Totus is an independent investment firm managing funds on behalf of high net worth individuals, platform unitholders and family offices
- Totus manages the Totus Alpha Fund. A **limited capacity (\$500m soft close)**, absolute return offering concentrating on Long and Short equity ideas in Australia as well as the US
- **Diversified fundamental stock picking portfolio** with emphasis on generating positive attribution from long book and short book
- The Portfolio Manager and investors are highly aligned via **significant personal investment in the fund**
- Experienced **award winning team**
- Proven investment strategy that has delivered **18.6%* per annum** net of fees since April 2012
- Returns are **uncorrelated** to Australian and global share markets

Recent Totus Developments

- 2018 Australian Market Neutral Fund Of The Year winner (Hedge Fund Rocks)
- Over \$250m of Assets Under Management (AUM)
- Launched Cayman vehicle for non Australian domiciled investors
- Highly experienced COO hire (Tony Hammond – started Feb 2019)
- New analyst hire (Tim Warner – started June 2019)
- Launched Totus Alpha Fund strategy in PDS format (April 2020)



Award Winning Investment Team



Ben McGarry (Portfolio Manager) has 19 years of financial markets experience on both the buy and sell side of the industry. As an analyst at UBS Australia and Morgan Stanley in London, Ben covered a broad range of companies and sectors. Ben also qualified as a Chartered Accountant with PricewaterhouseCoopers in Sydney.



Sam Granger (Portfolio Manager) joined Totus Capital in 2014, having previously worked at NAOS Asset Management as an emerging companies analyst. He holds a Bachelor of Commerce (Liberal Studies) degree from the University of Sydney.

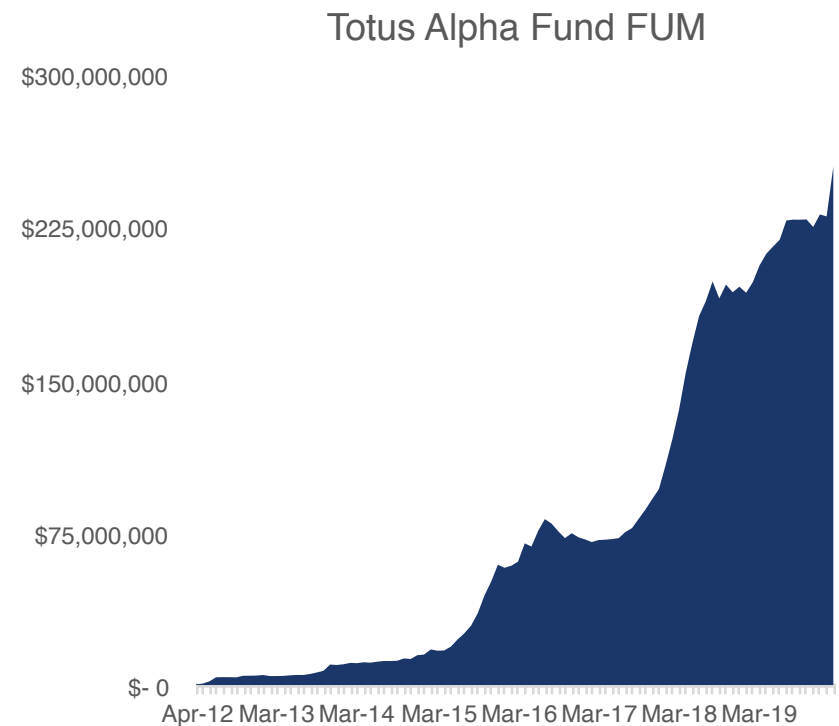


Tim Warner (Analyst) joined Totus Capital in 2019, having previously worked at Centennial Asset Management as an analyst for 2 years, focusing on ASX small and micro-cap companies. Tim holds a Bachelor of Chemical Engineering (Honours Class I and the University Medal) degree from the University of Sydney.

Superior Scalable Long-Term Returns

(Since inception April 2012 to March 2020 – net of fees)

Rolling (pa)	Totus Alpha Fund	ASX300 Accum Index	Outperformance
1	24.3%	-14.5%	38.8%
2	8.7%	-2.3%	11.0%
3	16.8%	-0.6%	17.3%
4	12.9%	4.3%	8.6%
5	13.6%	1.4%	12.2%
6	14.9%	3.4%	11.5%
7	20.0%	4.7%	15.3%
8	18.6%	6.4%	12.2%
Since Inception	18.6%	6.4%	12.2%



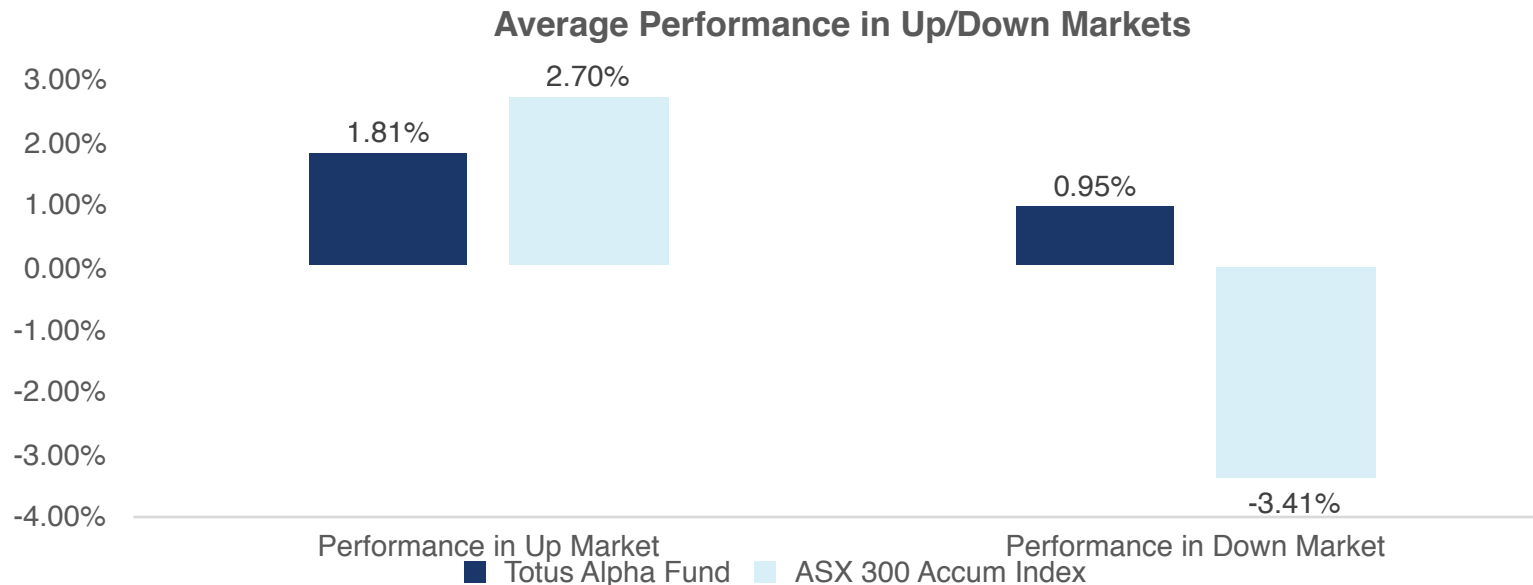
Performance Quality

(Since inception April 2012)

	Totus Alpha Fund	ASX300 Accum. Index
Alpha (per annum)	12.2%	
Beta	-0.03	
Correlation	-0.03	
Sharpe Ratio	1.18	0.32
Sortino Ratio	2.58	0.46
Avg monthly return	1.5%	0.6%
Avg return in ASX up month	1.8%	2.7%
Avg return in ASX down month	1.0%	-3.4%
Up months	63%	66%
Down months	38%	34%

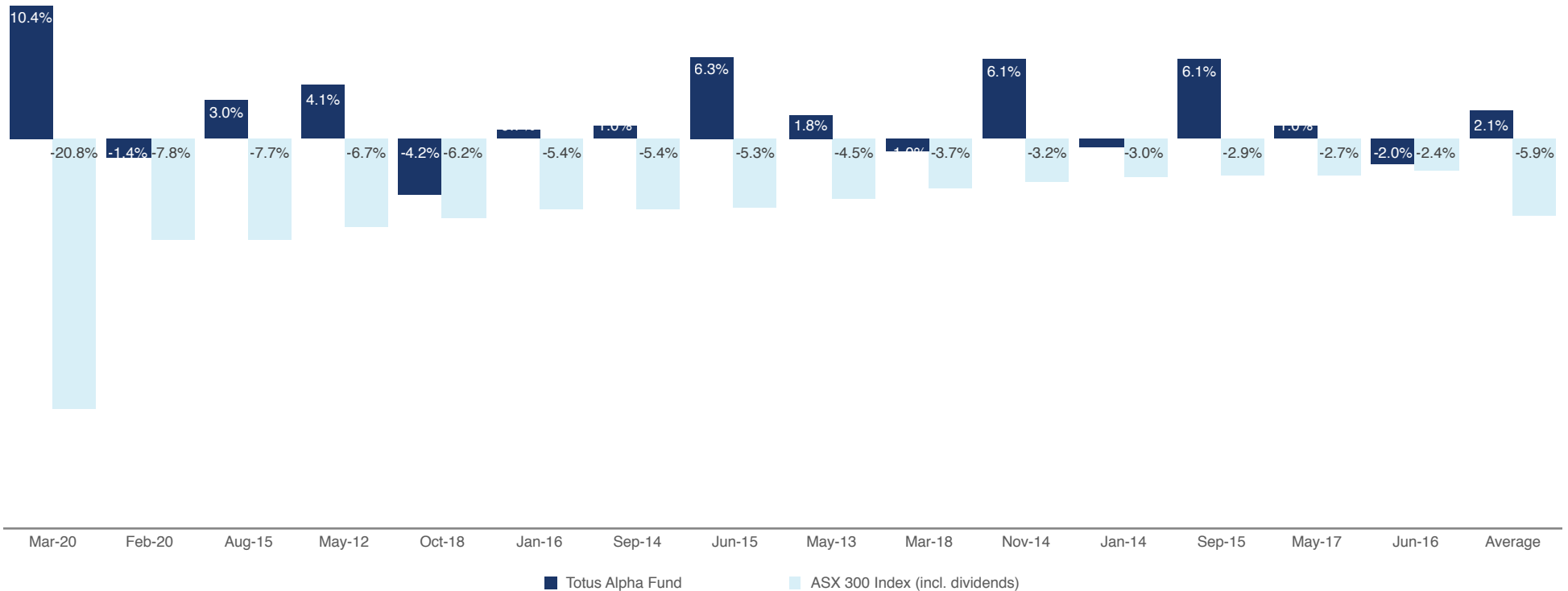
What is the Totus Capital Edge?

- Totus materially outperforms in down markets
- Totus also delivers solid returns in up markets
- Short book has been a consistent source of alpha generation
- Combination has delivered superior uncorrelated risk adjusted returns over 8 years



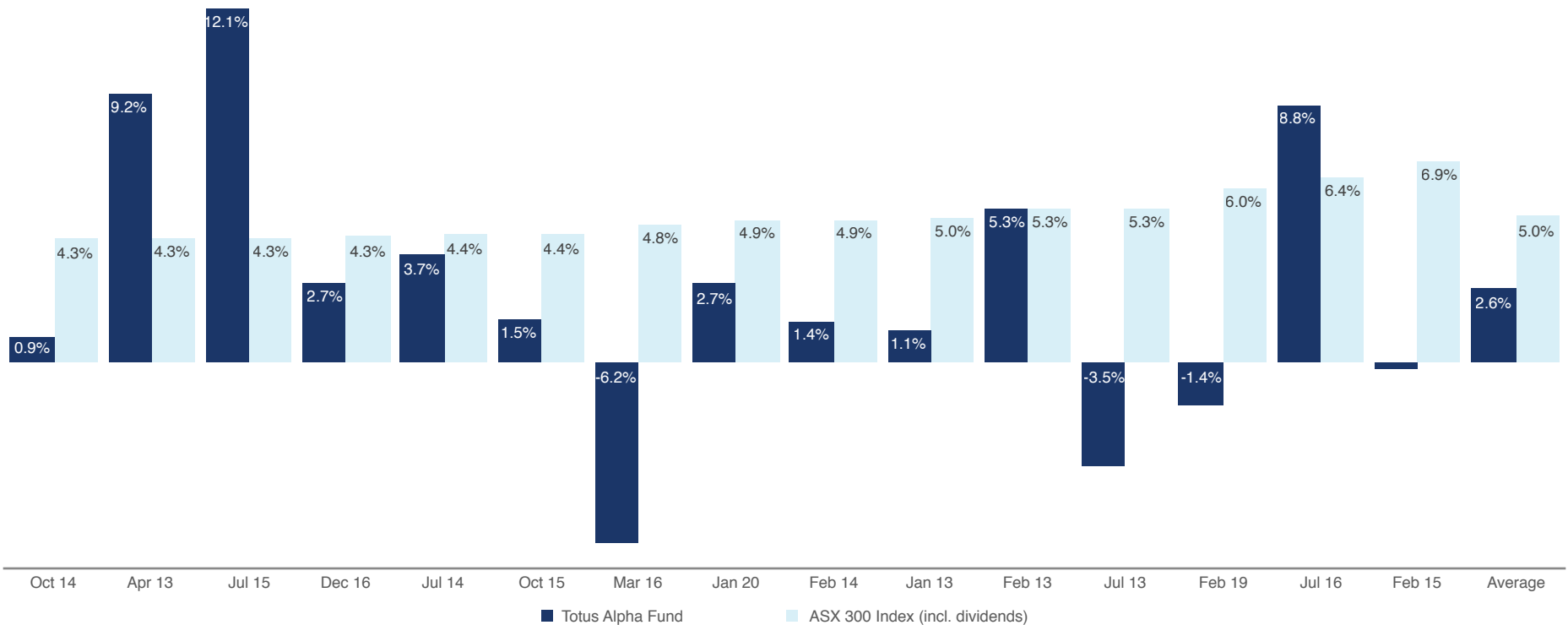
Performance in the fifteen WORST ASX Months

- Totus Alpha Fund rose in 10 out of 15 worst months since inception (April 2012)



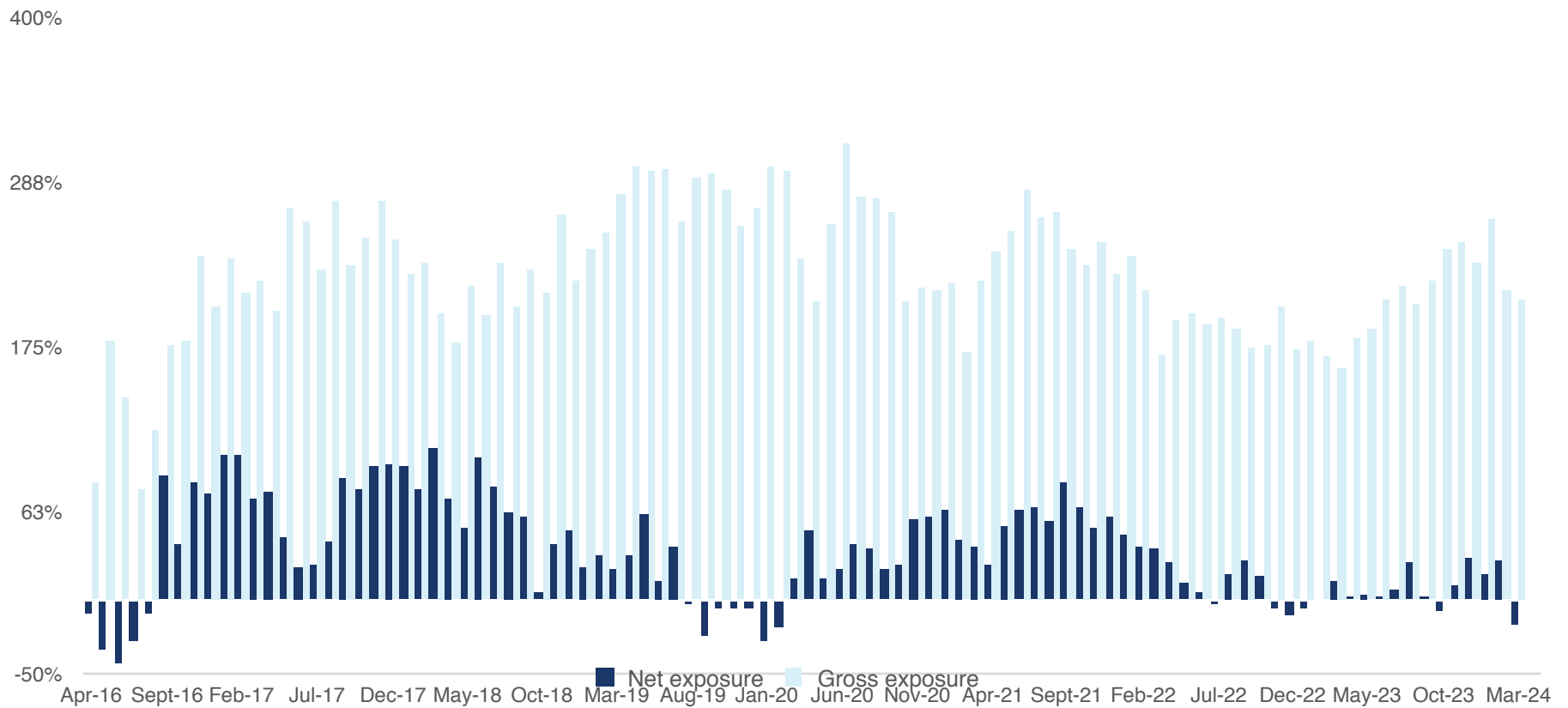
Performance in the fifteen BEST ASX Months

- Totus Alpha Fund rose in 11 out of 15 best months since inception (April 2012)



Portfolio Exposure

(% of net assets)



Investment Philosophy

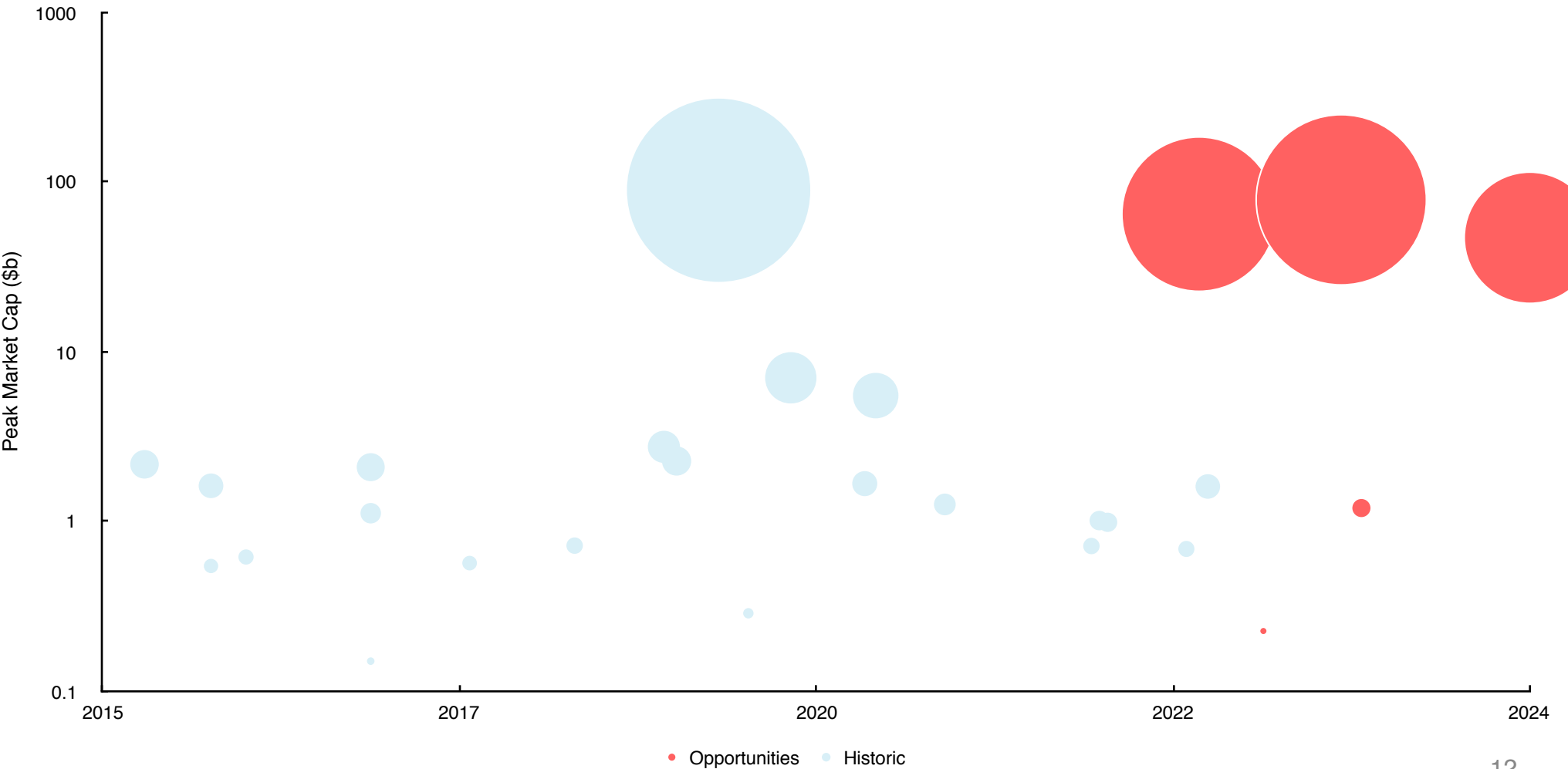
Totus = whole, all, entire, total, complete, every part

- Markets are inefficient allowing opportunity for active stock pickers to add value
- In the long term prices of stocks will gravitate towards intrinsic business value, which is a function of prospective free cash generation
- Bottom up, forensic analysis of financial statements (balance sheet, cashflow and profit & loss) will identify opportunities on both the long and short side
- Analysing a company from the “entire, whole, complete” rather than being beholden to concepts of “value” or “growth” generally results in optimal investment outcomes
- Portfolio’s designed to avoid gearing (at a net level), excessive concentration and illiquidity

This philosophy results in a portfolio of stocks with the following characteristics:

Long	Short
Tailwinds	Headwinds
High quality earnings	Low quality earnings
Cash	Trash
Delivery	Hype
Simple	Complex

Historic Shorts and Future Opportunities



Historical Portfolio examples*

Theme	Long/ Short	Long Stock	Short Stock
Bricks to Clicks	Long	Microsoft Xero	Tech enabled cash burners Australian software
Global Pandemic	Short	Amazon	Travel Agents
Structural Change	Short		Pizza franchisor Traditional Media
Royal Commission	Short	Netwealth	Diversified financials
Fads Frauds & Failures	Short		Ride share Electric vehicle manufacturer Unrolling roll-ups
Iron Ore Supply Disruption	Long	Fortescue Metals Rio Tinto BHP	

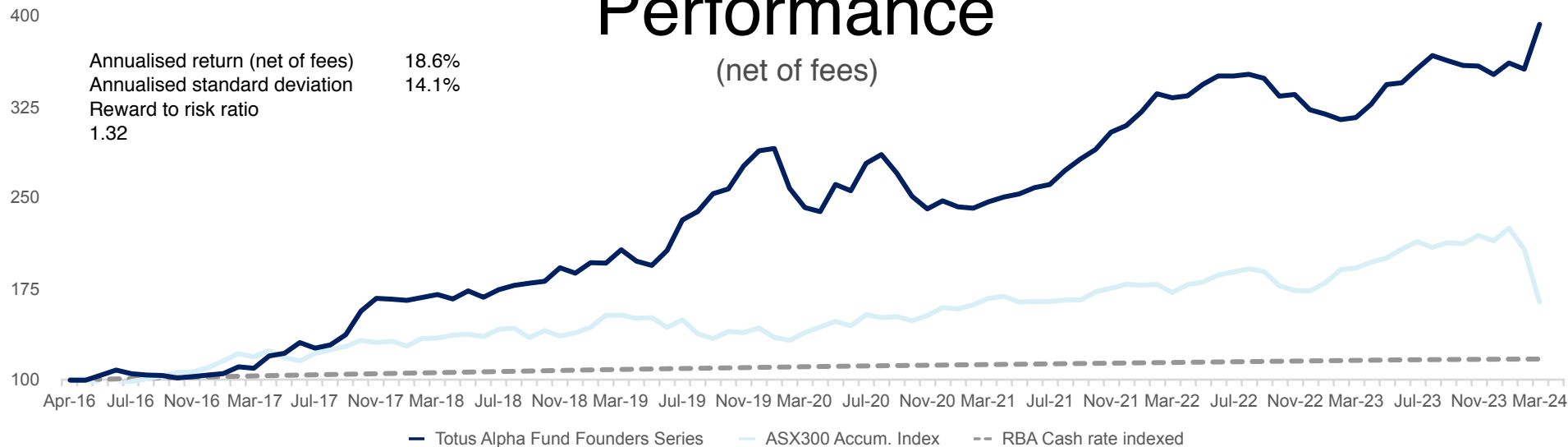
Portfolio Highlights

Longs*	
Name	Theme
Amazon	Bricks to Clicks
Microsoft	Software
Smartgroup	Value
Visa	Cashless Society
CME Group	Passive v Active
Objective Corp	Owner Operator Culture
Alphabet	Bricks to clicks
Facebook	Bricks to clicks
Xero	Software
Macquarie Group	QE Beneficiary

Shorts
Theme
Fad Frauds & Failure
Structural Change
Balance Sheet Risk
Aggressive Accounting
Structural Change
Australian Housing
Aggressive Accounting
Earnings Risk
Royal Commission
Roll Ups

Performance

(net of fees)

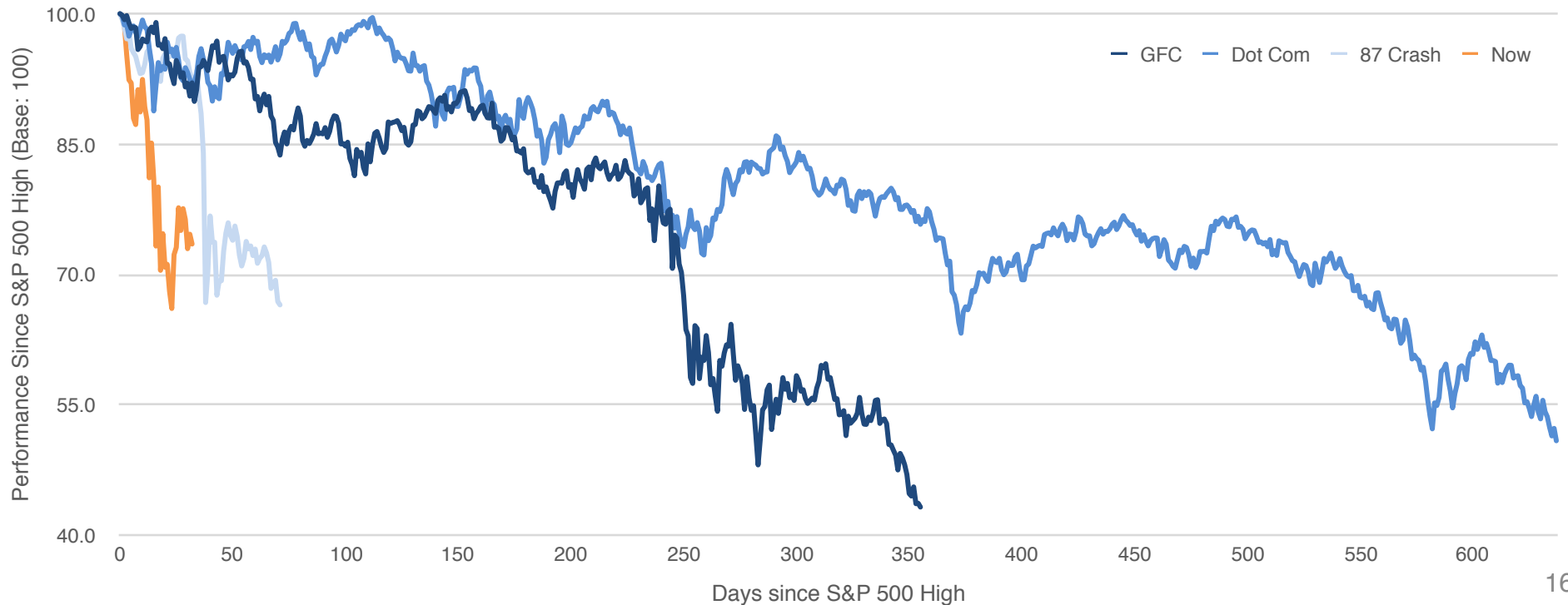


Return (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD	ASX300
2012				-0.08	4.13	4.07	-2.77	-1.04	-0.34	-1.92	1.02	1.26	4.17	10.28
2013	1.13	5.31	-1.06	9.21	1.84	7.21	-3.49	2.10	6.49	14.16	6.69	-0.39	60.14	19.68
2014	-0.59	1.44	1.43	-2.15	3.99	-3.02	3.70	2.02	1.02	0.87	6.14	-2.31	12.83	5.30
2015	4.60	-0.20	5.53	-4.53	-1.76	6.33	12.21	3.00	6.15	1.52	7.37	4.50	53.51	2.80
2016	0.67	-11.27	-6.15	-1.37	9.36	-1.98	8.82	2.58	-5.31	-7.08	-4.12	2.74	-14.26	11.79
2017	-2.00	-0.46	2.18	1.59	1.01	2.05	0.99	4.45	3.42	2.83	4.88	1.78	25.00	11.94
2018	3.68	4.61	-0.99	0.48	2.81	2.03	-0.02	0.40	-0.94	-4.21	0.41	-3.76	4.17	-3.06
2019	-1.10	-1.43	0.54	3.48	4.94	0.42	3.36	3.04	-1.18	-1.07	-0.14	-1.94	9.00	23.8
2020	2.71	-1.41	10.42										11.81	-23.4

Bear Market Volatility

S&P 500 High to Low Analysis

	GFC		Dot Com		87 Crash		Average		Now (3/4/20)	
Total Days - High to Low	356		638		72		355		Currently 33	
Total Decline	-57%		-49%		-34%		-46%		Current low of -34%	
	Rally > 10%	Fall > 10%	Rally > 10%	Fall > 10%	Rally > 10%	Fall > 10%	Rally > 10%	Fall > 10%	Rally > 10%	Fall > 10%
Number	4	5	4	5	2	3	3	4	1	1
Average % change	17%	-25%	18%	-23%	13%	-19%	16%	-22%	18%	-34%
Average days	22	54	68	73	4	22	31	50	7	24





Fund Summary

Fund Style	Long Short Absolute Return
Domicile	Australia
Manager	Totus Alpha Management Pty Ltd
Responsible Entity	Trust Company
Inception	1 May 2020
Liquidity	Daily
Prime Broker	Morgan Stanley & Credit Suisse
Auditor	Ernst & Young
Mgt Fee	1.6%
Liquidity	20.5% over the RBA Cash Rate
Platforms	Powerwrap, Ausmaq, Mason Stevens, Netwealth, HUB24

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