

Alvia Family Office Fund

Alvia's 'best ideas' unitised fund leverages our family office investment process to deliver long term, consistent and compounding returns.

May 2025 update

Markets

Equity markets resumed their upwards trajectory in May, with the US and German markets taking the lead, recovering from the prior month's "tariff tantrum". In New York, the S&P 500 surged 6.2%, while the Nasdaq Composite fared even better, adding 9.6%, however still remains 1.0% lower in 2025. In London, the FTSE 100 rose 3.3%, while in Europe, the standout was Germany's Dax 40, which posted a 6.7% gain, taking its year-to-date performance to +20.5%. In Paris, the CAC 40 added 2.1%. In Asia, Tokyo's Nikkei 225 was 5.3% in the green, however still remains lower for 2025, while Shanghai's SSE Composite added 2.1%. Our local market was around middle of the pack, adding 3.8%. Another RBA rate cut towards the end of the month helped support a strong performance in the real estate index, which added 5.0%.

Volatility in government bond yields moderated during the month, with the yield on Australian 10-year paper adding 16 basis points to 4.27%, while the US equivalent was 24 basis points higher at 4.42%. The higher yields saw modest declines in each country's government bond indices, with the Australian index 0.1% in the red, while in the US, the decline was 0.8%.

The Bloomberg Commodity Index was 0.9% lower, however there were some bright spots across the complex. Iron ore wasn't one of them, with the red metal's price remaining anchored just under \$100 a tonne. Copper added to its strong performance year to date, adding 2.0% to US\$4.65 a pound, while the WTI oil price was 4.4% higher at US\$60.79 a barrel, however, still remains 15.2% in the red for the year. The spot price of uranium reversed some of its recent losses to close 5.6% in the green at US\$71.55 a pound, with the long-term price remaining unchanged at US\$80. Gold bullion took a break from its eye-watering rally, losing 0.5% to US\$3,288.90 an ounce, however is still 25.1% higher for 2025. The Australian dollar added a modest 0.3% against the Greenback to 64.4 US cents, while Bitcoin surged 11.1% to US\$104,638.09 a coin, closing just shy of its all-time high.

Portfolio

The investment team used the month to review existing portfolio holding investment theses and continue to build out the "reserves bench" of new opportunities. Despite a rally in broad based equity indices over the month, there remains pockets of attractive opportunities, in particular in the small and mid-cap space.

The full year 2025 results for **Alibaba Group Holding (NYS:BABA)** showed a pleasing improvement in margins in its cloud business, while its legacy Taobao and Tmall marketplaces maintained their market share, posting revenue growth, supported by a higher take rate and gross merchandise value. The balance sheet remains in rude health, with its cash balance accounting for ~25% of the company's market value.

Australia's largest hotels and retail liquor operator, **Endeavour Group (ASX:EDV)**, announced its third quarter sales results, which showed a solid performance in particular from its hotels business. Despite cost of living pressures, it appears that Australians are still treating themselves to a parmy and a drink at their local, which saw hotel comparable sales up 4.3% year on year. The group's retail liquor business remains challenging, however pleasingly, the company's Dan Murphy's and BWS outlets posted a Easter sales result in line with the previous year. Former Virgin Australia CEO, Jayne Hrdlicka, was announced as the incoming CEO to replace long serving executive Steve Donohue, who left the business earlier this year.

US-based ski resort owner and operator **Vail Resorts (NYS:MTN)**, announced that executive chairman and former CEO Rob Katz, would be replacing current CEO Kirsten Lynch. In light of recent challenges that the group has had in managing its various stakeholders, including guest experience at its resorts and staff unions, we believe that this is a positive change to improve operational performance.

Performance as at 31 May 2025 (A\$)*

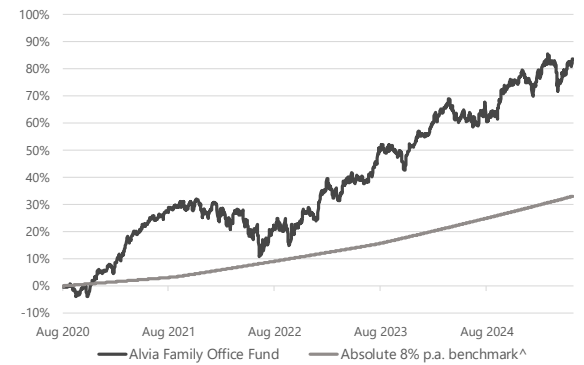
	Total since inception	Since inception p.a.	4 years p.a.	3 years p.a.	2 years p.a.	1 year	1 month
Alvia Family Office Fund (net of fees)	83.6%	13.4%	10.4%	14.9%	14.9%	13.8%	3.4%
Absolute 8% p.a. benchmark [^]	33.1%	6.1%	6.7%	7.2%	7.8%	8.0%	0.7%
Value added (net of fees)	50.5%	7.3%	3.6%	7.7%	7.1%	5.8%	2.8%

* Fund class inception date is 6th August 2020. Performance figures are historical percentages, which have been calculated using end of month prices and do not allow for the effects of income tax or inflation. Returns assume the reinvestment of all distributions. For periods greater than one year, with the exception of "Total since inception", returns are annualised. Performance can be volatile and future returns can vary materially from past returns. The name of the fund was changed from Alvia High Conviction Fund to Alvia Family Office Fund, effective 1 August 2023.

[^] Fund benchmarks: inception date to 31 August 2021 - RBA Cash Rate + 3.00% per annum; 1 September 2021 to 31 July 2023 - 6.00% per annum; 1 August 2023 onwards - 8.00% per annum

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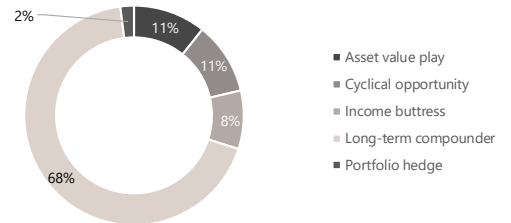
Cumulative return since inception



Top 5 investments

PURE	Pure Environmental Pty Ltd	5.3%
RHC.ASX	Ramsay Health Care Limited	4.4%
HCA.NYS	HCA Healthcare Inc	4.4%
FDJU.PAR	FDJ United	4.3%
PRX.AMS	Prosus NV	4.3%
Top 5 total		22.7%
Number of investments - total (public/private)		28 (24/4)
Average investment weight		3.5%

Weighting by investment category



Key portfolio metrics

EV/EBITDA (x)	10.3
Price to earnings ratio (x)	17.4
6-year historical EBITDA CAGR (%)	14.9%
6-year average return on invested capital (%)	32.4%
FCF yield (%)	6.8%
Net debt to EBITDA (x)	1.4

Unit prices as at 31 May 2025 (A\$ per unit)

Entry price	1.5699
Mid price	1.5652
Exit price	1.5605





FUND PROFILE

Absolute Return Focused
8-12% p.a.

Minimum Investment
\$250,000

Management Fee
0.85% p.a. + GST

Performance Fee
15% p.a. of performance above the benchmark (8.00% p.a.), subject to a high water mark

Timeframe
The Fund is suited to investors with a long-term investment horizon.

Entry/Exit Fees
Nil

Distribution Frequency
Annually, subject to availability of income.

Typical Number of Investments
20 to 40

Trustee
Independently owned, DDH Graham Limited.

The Fund provides access to Family Office investment expertise and investment ideas, without the barrier of a significant investment minimum.

Objective

To deliver sustainable, long term risk-adjusted returns with a focus on capital preservation.

Structure

The Fund is an open-ended, single class, unregistered managed investment scheme structured as a unitised trust, for wholesale investors only.

Investment Mandate

Unconstrained, incorporating listed securities, managed funds and private companies; long and short positions; all geographies.

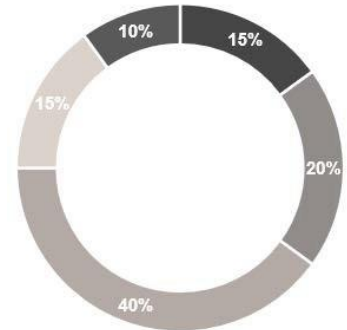
Investment Philosophy

The Fund's investment process is founded on the underlying principle that good investing requires a solid temperament as much as strong analysis.

Investing is principled upon long-term compounding of returns and not short-term speculative price forecasts. All of the Fund's investments are subject to a rigorous five step review process, consistent with the approach used across Alvia's five asset class model portfolios.

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Portfolio Weighting



Asset value play - 15%

A business that is currently priced at a material discount to its book value or net asset value ('NAV').

Cyclical opportunity - 20%

A business that operates in an industry with earnings that are highly correlated to commodity prices and/or economic activity, where the investment team believes there is a material mispricing relative to the current stage of the economic cycle.

Long-term compounder - 40%

A business that is the leader or one of the leaders in its industry that has consistently delivered growth in revenue, earnings and cash flow across the business cycle.

Income buttress - 15%

Investments that have a strong and stable income profile with lower levels of price volatility. These investments tend to have a lower (or negative) correlation to typical equity and equity-like securities.

Portfolio hedge - 10%

Investments that have a low or negative correlation to listed equities and other equity-like asset classes, to reduce the volatility of portfolio returns (e.g. gold and the US dollar).