

System Capital Long Short Strategy



Monthly Report

May 2025

The investment team is very pleased to present our May 2025 newsletter. Comments and suggestions are highly welcome.

STRATEGY PERFORMANCE OVERVIEW

The strategy returned 2.2%, bringing 1-year performance to 23.1%. The portfolio benefited from strong earnings results, with some headwinds from regulatory related headlines.

Position Type	May 25	Region	Gross Long (%)	Gross Short (%)	Net Long (%)
Short Positions	23	Europe	63	-21	42
Long Positions	36	North America	38	-21	17
Index Positions	4	Asia	3	0	3
		Australia/NZ	19	-5	13
Total Positions	64	Total	122	-47	75

	Month (%)	3M (%)	FYTD (%)	1 Year (%)	2 Year p.a.	Cumulative Since Inception	Since Inception p.a.
System Capital L/S	2.2	1.5	25.9	25.0	20.7	71.5	23.1
MSCI World AUD Hedged	5.9	0.2	9.4	11.9	17.7	51.8	17.5
Stoxx 600	4.8	0.1	10.0	8.8	13.2	44.9	15.4
ASX 200	4.2	4.3	12.2	13.4	13.1	36.9	12.9

Performance is in AUD (Hedged) and is before fees. Cumulative Returns and Annualised Returns from 26th Oct 2022 to 30th April 2025. Returns in AUD. Gross returns before management and performance fees. MSCI World 100% Hedged to AUD Index. ASX200 Accumulation Index Stoxx 600 Net Total Return.

SIGNIFICANT CONTRIBUTORS FOR THE QUARTER INCLUDED:

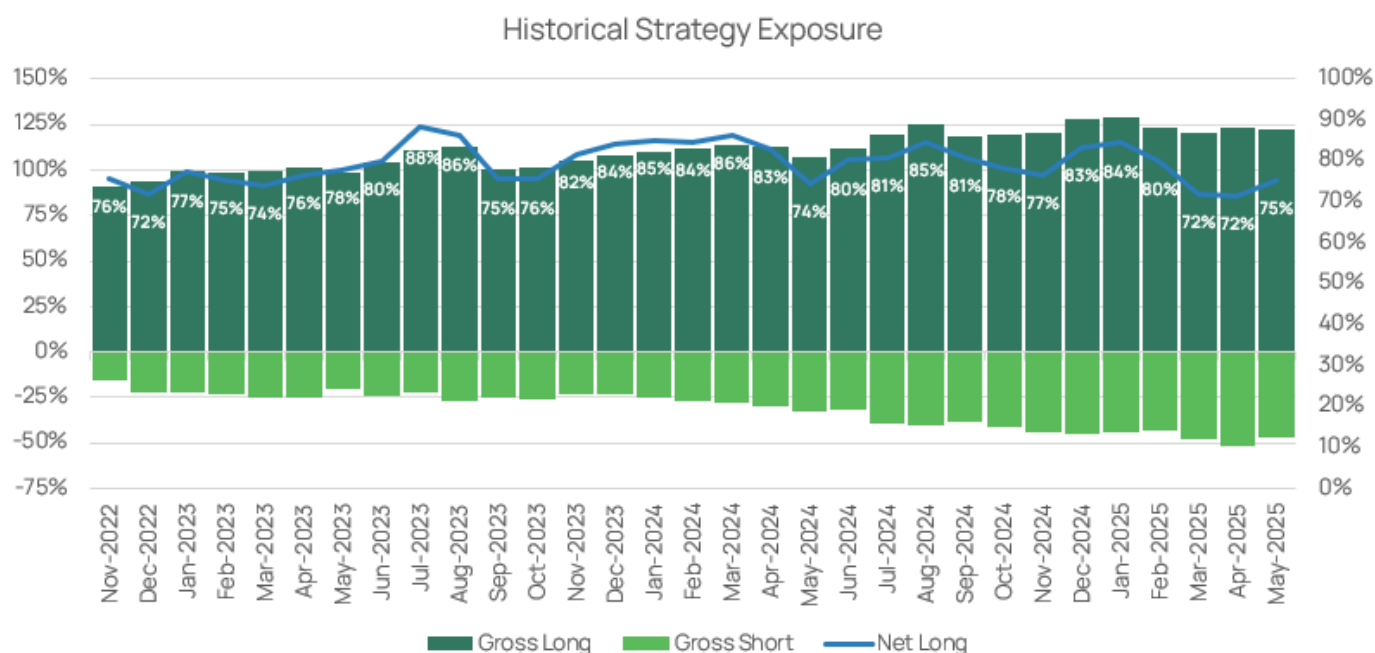
- **Adyen (Payments):** Increased 19% following a strong quarterly revenue update. Follow up commentary at investor conferences indicated the company has continued to see strong transaction volumes.
- **Safran (Industrials):** Increased 13% on positive newsflow around tariffs. We believe Safran's unique industry position will allow it to minimize any potential tariff impacts. Furthermore, underlying operating conditions including flying hours, parts pricing and defense spending continue to point to upside in earnings.

- **Schibsted (Classifieds):** Increased 9% due to strong quarterly earnings, driven by real estate revenue growth, effective cost control and the company indicating it will divest non-core businesses over a faster timeframe than expected.

DETRACTORS FOR THE QUARTER INCLUDED:

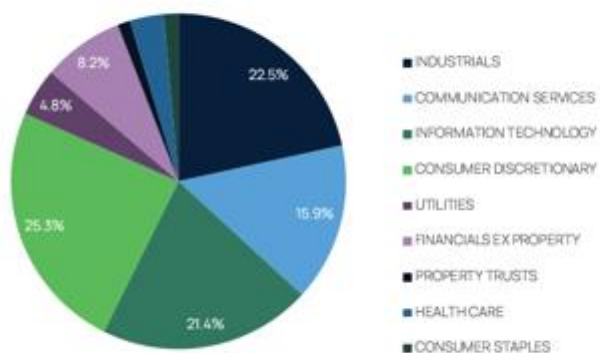
- **Fair Isaac (Financial Technology):** Fair Isaac decreased 13% after the FHFA director indicated he was concerned about the FICO score's recent price rises and would be looking into possible changes to the current system. The FICO score's recent price rises are after a period of almost 30 years of no pricing changes, with the current fee schedule for a dual person tri merge score still only 0.5% of estimated total mortgage closing costs. We are closely following any changes, but we believe the FICO score is heavily ingrained in the mortgage ecosystem and provides substantially more value than the price it charges.

STRATEGY EXPOSURE

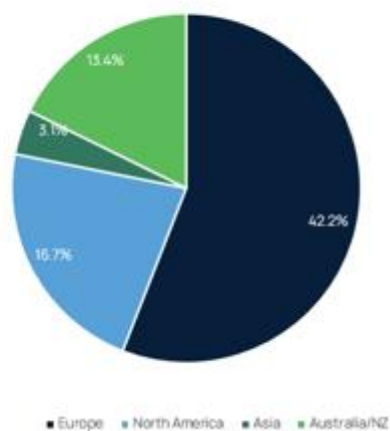


SECTOR AND GEOGRAPHIC EXPOSURE

Net Sector Exposure



Net Geographic Exposure



PORTFOLIO TOP 10 ACTIVE STOCKS (ALPHABETICAL)

Issuer	Issuer Name
ADYEN NL	Adyen NV
CLNX ES	Cellnex Telecom SA
EFX US	Equifax Inc
ENEL IL	Enel SpA
FER ES	Ferrovial SE
FLTR GB	Flutter Entertainment PLC
HEM SE	Hemnet Group AB
SAF FR	Safran SA
SCH NO	Schibsted ASA
TLC	The Lottery Corp Ltd

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