

System Capital Long Short Strategy



Monthly Report

April 2026

PLEASE FIND OUR APRIL 2026 NEWSLETTER BELOW. COMMENTS AND SUGGESTIONS ARE HIGHLY WELCOME.

STRATEGY PERFORMANCE OVERVIEW

The fund increased 4.7% for the month, bringing one year performance to -13.1%.

RECENT POSITIONING

Position Type	Apr 26
Short Positions	20
Long Positions	40
Total Positions	60
Of which Index Positions	5

Region	Gross Long (%)	Gross Short (%)	Net Long (%)
Europe	57	-33	23
North America	72	-3	42
Asia	13	0	13
Australia/NZ	21	-3	17
Total	162	-66	96

	Month (%)	3M (%)	FYTD (%)	1 Year (%)	2 Year p.a.	3 Year p.a.	Cumulative Since Inception	Since Inception p.a.
System Capital L/S	4.7	-8.1	-15.8	-13.1	5.0	8.3	45.8	11.3
MSCI World AUD Hedged	8.5	3.2	16.7	28.2	18.6	18.7	83.7	18.9
Stoxx 600	5.4	1.1	14.9	19.0	12.9	12.3	64.5	15.2
ASX 200	2.2	-1.2	4.2	10.1	10.0	9.7	44.7	11.1

Performance is in AUD (Hedged) and is before fees. Cumulative Returns and Annualised Returns from 26th Oct 2022 to 30th Apr 2026. 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 MONTH INCLUDED:

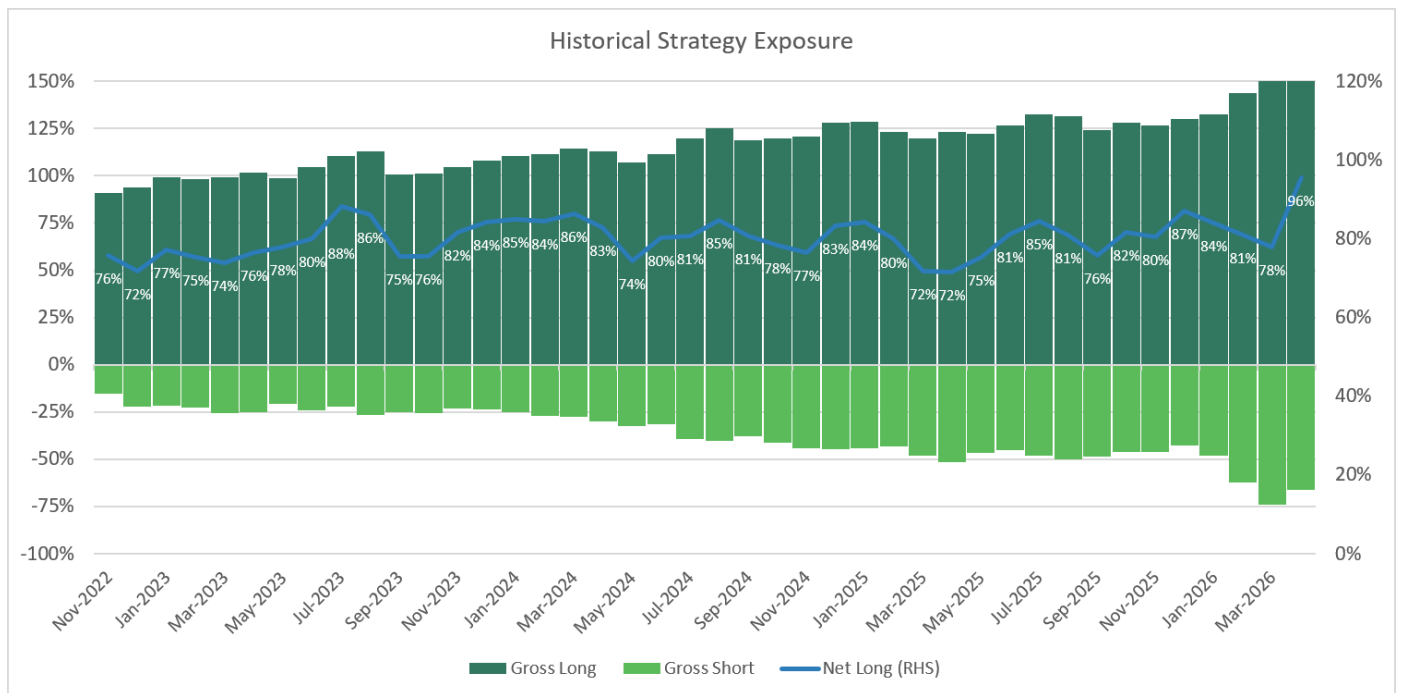
- **Amazon:** Amazon shares rose by 27% in April on the back of strong operating trends in its first quarter result. The AWS segment showed strongly accelerating revenue growth and healthy margins as the company's aggressive investment cycle started to bear fruit. The company also disclosed the significant size of its semiconductor products (Trainium and Graviton). The retail business saw double digit unit volume growth and continued cost efficiency improvements, with the business continuing its relentless march to improve the customer experience, delivery times and cost to serve.
- **Alphabet:** Alphabet shares rose by 33% in April as investors became increasingly confident that AI monetisation was accelerating across both Search and Google Cloud. Rising demand for Google TPU accelerators further reinforced the view that Google is emerging as one of the key hyperscale winners. In their 1Q26 Earnings report, Alphabet delivered better than expected revenue growth and robust Cloud momentum with Cloud revenue up 63% and backlog nearly doubling from 4Q25. Investor confidence was also boosted by growing evidence that large AI labs such as Anthropic were committing substantial long-duration compute workloads to Google, fuelling optimism around the monetisation potential of Google's AI investments.
- **TSMC:** TSMC shares rose by 17% in April on the back of overwhelming demand for its product and a strong first quarter earnings result. As a result of this strong end demand, TSMC continues to aggressively expand capacity on new and existing nodes, with every large AI chip designer utilising TSMC manufacturing. As the investment requirements and difficulty of manufacturing on leading edge nodes continues to increase, TSMC is able to consistently earn strong revenue growth and an attractive ROIC through its highly differentiated products.

DETRACTORS FOR THE MONTH INCLUDED:

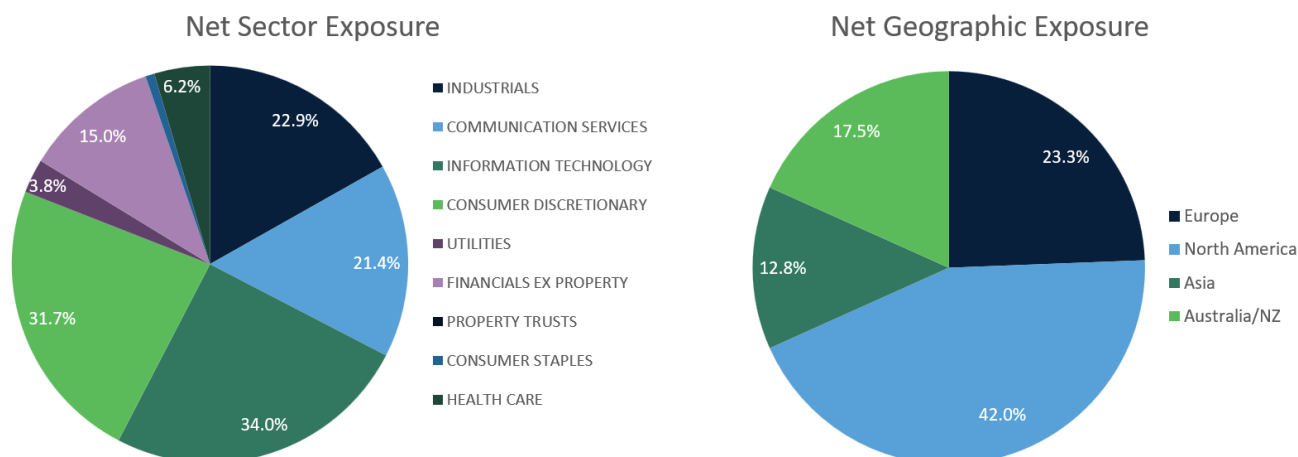
- **Equifax:** Equifax shares declined by 3% in April as mortgage rate increases continued to pressure the recent recovery in mortgage volumes. Furthermore, despite the significant income verification opportunity provided by recent legislative changes in the US, near term government revenue has been lower than expected, with the potential ramp-up in government contracts pushed to later in the year and into 2027. Finally, despite mortgage credit files being only an estimated ~15% of earnings, the threat of potential regulatory scrutiny in that business line also pressured the stock.
- **Tradeweb:** Tradeweb shares declined by 4% in April as investors focused on softer year-over-year April comparisons in the key rates and credit businesses, following unusually elevated volatility in April 2025 after the tariff announcements. While April 2026 ADV still rose 7.7% YoY to \$2.9tn, U.S. government bond ADV declined 17.3% YoY and credit growth (+3.9%) moderated relative to prior quarters, with investors appearing cautious around the sustainability of market share gains in credit. That said, underlying secular trends toward electronification in rates, swaps and credit, alongside continued investment in emerging markets and tokenisation, remain supportive of Tradeweb's longer-term growth outlook.

- FICO:** FICO shares declined by 4% in April. The shares declined due to a press conference where the relevant mortgage regulators outlined their plan to continue the rollout of the lender's choice model (previously announced in July 2025), which included a Vantage Score pilot with a group of mortgage lenders. In all the other lending verticals (where there is no regulatory mandate and there is already lender choice), FICO has retained its +90% asset backed securitisation market share despite the introduction of Vantage Score in 2006. As the lender choice model moves through its pilot stages, we are closely watching the key relevant variables which include MBS market pricing, the introduction of the FICO success-based fee model, and whether lenders pull both scores in order to maximise pricing and origination success. FICO also released a strong set of results during the month which included 60% EPS growth as a result of healthy volumes, strong pricing, and attractive incremental profit margins.

STRATEGY EXPOSURE



SECTOR AND GEOGRAPHIC EXPOSURE



PORTFOLIO TOP 10 ACTIVE STOCKS (ALPHABETICAL)

Issuer	Issuer Name
ADYEN NL	Adyen NV
AMZN US	Amazon.com Inc
CLNX ES	Cellnex Telecom SA
LSEG GB	London Stock Exchange Group PLC
TLC	Lottery Corp Ltd/The
MSCI US	MSCI Inc
PCTY US	Paylocity Holding Corp
SAF FR	Safran SA
2330 TW	Taiwan Semiconductor Manufacturing Co Ltd
VEND NO	Vend Marketplaces ASA

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