UGC PLATINUM ALPHA FUND

Quarterly Report

30 June 2023

UGC ASSET MANAGEMENT

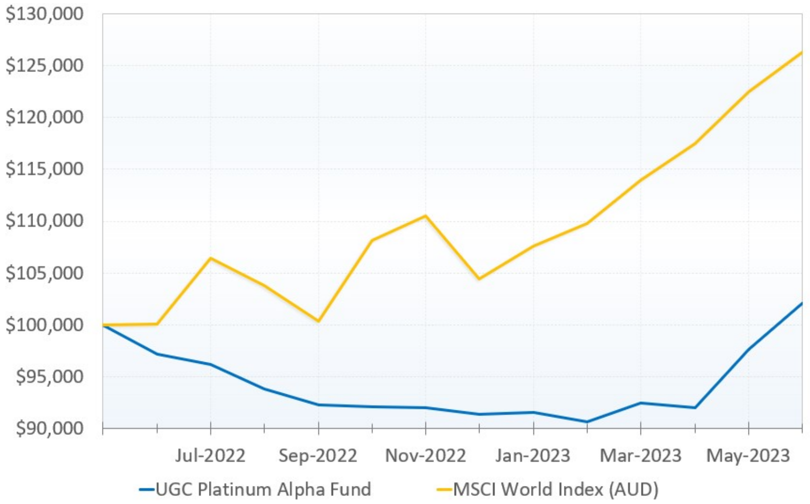
UGC Platinum Alpha Fund

Quarterly Report - 30 June 2023

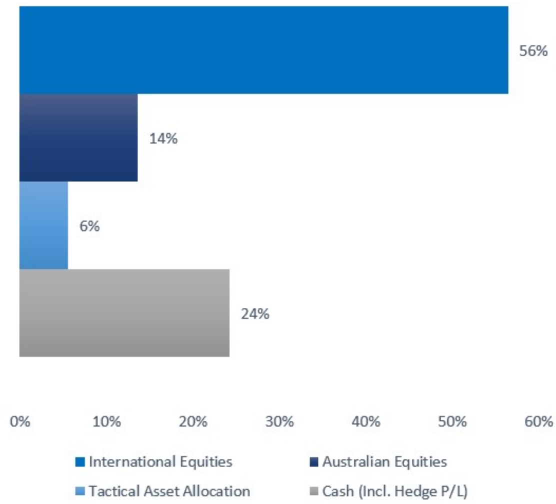
Fund Returns	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	Total Return Since Inception (% pa)
UGC Platinum Alpha Fund	**4.56%**	**10.37%**	**11.69%**	**4.98%**	**2.04%**
MSCI World Index (AUD)	3.10%	7.49%	17.25%	22.43%	21.05%
Versus Benchmark	1.46%	2.89%	-5.56%	-17.45%	-19.01%

*Fund Inception 10th June 2022

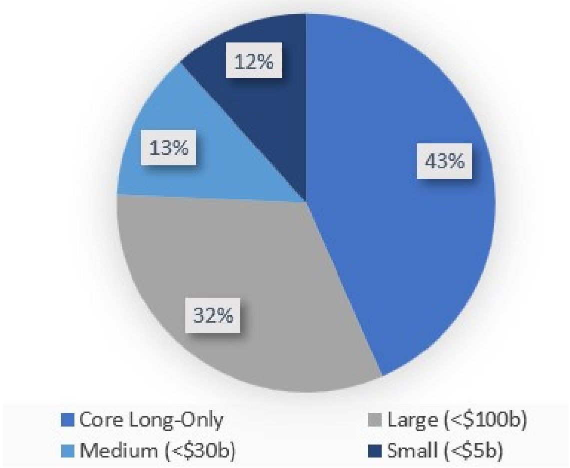
Value of A$100K Invested (AUD)



Asset Allocation



Investment by Market Cap. (AUD)



Key Information	
Investment Manager	UGC Asset Management Pty Ltd
Trustee	VT No. 2 Pty Ltd
Fund Inception	June 2022
Min. Investment Amount	$50,000
Management Fee	1.5% per annum
Performance Fee	15% subject to Hurdle Rate and High Watermark
Recommended Investment Time	5+ Year

Quarter in Review

The June quarter was a continuation of the tech led rally of 2023 with investors continuing to pile into Mega Cap technology companies while small and mid caps tended to lag during the quarter. The quarter kicked off in April with the Q1'23 earnings season which gave investors an opportunity to take a look under the hood of US Stocks and the potential impact to earnings and guidance from the regional banking crisis experienced in March. The major risk event as a result of sharp rate hikes over the preceding 12 months was that of contagion among the vast US regional banking sector after the collapse of Silicon Valley Bank and Signature Bank. During the quarter this was largely resolved but not without one last swing with First Republic Bank reported far greater depositor outflows as a result of the Regional Banking Crisis which amounted to US$102b during March, well over half of the US$176b in deposits it held at the end of December 2022. Management gave a lesson in how not to respond in a crisis doing little to quell investor fears as they delivered a 12 minute conference call of prepared remarks and declined to take any questions, leading to the stock price plummeting over 75% before ultimately being taken over by JP Morgan, the biggest beneficiary of the collapse of the three banks.

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Earnings where generally fairly good, S&P 500 companies delivered their best performance relative to analyst expectations since the end of 2021. While the number of companies delivering positive Earnings Per Shares (EPS) surprises and the magnitude of the surprises rose above 10 year averages albeit on much lower expectations for the quarter suggesting management are being overly cautious in their guidance. The biggest beneficiaries of the quarter lay with technology companies that have exposure to Artificial Intelligence or AI. This was a story centred around the disruptors and disrupted, it was clear during the management updates that if you are a technology company without an AI solution then you are facing a firing squad. AI really gained traction through May as user adoption accelerated and became front of mind for both investors and public company management groups. In recent (Q1) quarterly earnings, 110 S&P 500 companies mentioned AI, well above the 5-year average of 57 and the 10-year average of 34. Of note was the benefits clearly visible in the semiconductor industry and most notably by industry heavyweight Nvidia which delivered an earnings beat and raise on surging demand that caught many analysts off guard and had investors scrambling to get capital invested into what is likely one of the larger secular tailwinds for the next 5-10 years. For context, Nvidia added over US$200bn of market cap, the equivalent of nearly 2 Intel Corps. when they positively shocked the market with guidance on future demand for their chips.

Headline inflation in the US has continued to accelerate its cooling on the back of rate hikes however core inflation remains "sticky" as the US consumer remains strong due to a resilient labour market along with the significant stimulus that was pumped into the economy over the last 2-3 years. Shelter costs continue to rise along with professional services, air travel, education, and insurance. The US employment situation is a key driver for these increased costs, currently tracking around 3.5%, is hindering policy makers ability to curtail wage price demands.

In Australia we continued to see inflationary pressures as monthly data through the quarter indicated ongoing high inflation levels despite the efforts of the RBA to cool price growth through its interest rate policy settings. While the rate of inflation remains high it does appear that we have passed through the peak inflation rate and expect further cooling through the back half of 2023. The next 3-4 months we will start to see the "Mortgage Cliff" in Australia gather its most significant momentum as mortgages roll over from the low fixed rate mortgages of 2020 and 2021 into a new higher for longer interest rate regime. How this impacts the rate of household spending will have a large impact on future RBA interest rate policy, inflation, and unemployment and together these will ultimately dictate whether Australia heads into a recession or manages to navigate a soft landing.

The RBA delivered two shocks this quarter, initially by opting to hold the target cash rate in April at 3.6% before moving forward with a hike in May of 25bps, both moves caught economists off side with their forecasts. The RBA capped off the quarter with another 25bps in June taking the RBA Target Cash rate to 4.1% at the end of the quarter. Looking forward, according to a Reuters poll economists expect the RBA Target cash rate to now peak at 4.6% before cuts begin in Q1'24.

Moving offshore, the US Federal Reserve opted to hold interest rates steady at its meeting on the 13-14th June for the first time since it embarked on this most recent hiking campaign in March 2022. While this has been met with a degree of positivity by markets the Federal Reserve Chairman Jerome Powell was adamant that this is merely a pause and that more interest rate hikes remain likely at future meetings, largely in line with the Feds Dot Plot indicating rates will likely peak at 5.25-5.50%.

Treasury yields initially remained stable at the beginning of the quarter before gathering moment through the end of May into June. The long term US 10yr Treasury Bond closed out the quarter at 3.82% while the US 2yr Treasury Bond climbed back towards the highs of last

About the Strategy

Investment and trading activities are conducted in global equity markets. The managers will typically seek returns from share price appreciation while managing the funds down side risks through the use of hedging techniques and its allocation to cash. The strategy is a total return focused, concentrated, capital growth biased investment approach with a specific focus on medium to long term investments in largely growth focused listed shares across the worlds major investment markets. The managers also have the ability to utilise leverage and short selling to manage risks and generate returns.

Target Return

The Investment Manager is targeting an after fee, pre-tax return of the greater of 3% per annum above the MSCI World Index (AUD) or 13% per annum on an absolute basis over a rolling 5 years period.

Strategy Type

Total return focused concentrated global equity fund

Asset Allocation

Global Growth

Benchmark

MSCI World Index (AUD)

Performance Fee

15% (plus GST) of returns generated by the Fund above 10% for any Financial Year, subject to the Fund exceeding its High Watermark.

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year closing out the quarter at 4.875%. The US Debt Ceiling and subsequent political standoff gained plenty of attention which heightened investor anxiety around a possible US government debt default as the deadline to increase the debt limit was taken to the wire as the Democrats and Republicans pushed for their economic agendas before ultimately reaching a resolution by the end of May.

The second quarter sustained the momentum from the first quarter of 2023 that was evident across technology and in particular Mega Cap Technology. The Nasdaq Composite improved by 12.81% with the more concentrated Nasdaq 100 index climbing another 15.16%. The S&P 500 continued to improve and while its year to date or quarterly returns have lagged the Nasdaq indexes it backed up a solid Q1'23 with a Q2'23 gain of +8.3% maintaining its momentum with the Dow Jones lagging yet again improving by a meagre 3.42%. Closer to home we saw the S&P ASX 200 lagged global growth significantly for the quarter improving +0.355% in a continuation of slower growth when compared to the international landscape.

Portfolio Update

Over the quarter the Platinum Alpha Fund continued to increase its net exposure to markets as new levels of support developed and stocks broke through upside resistance. Importantly to note the performance across broader indexes was concentrated to a small number of Mega Cap Technology stocks and as the Regional Banking crisis played out the perceived safety of the largest technology companies became an attractive pull for investor funds. We have often talked about the attributes of the best growth stock opportunities and while there are many to list the key points in this rotation appears to be their resilient and largely recession proof business models and ability to generate enormous amounts of cash.

At a portfolio level we took the opportunity to strategically increase existing positions in April in Tesla (TSLA:US), Amazon.com (AMZN:US), Alphabet (GOOGL:US) and Microsoft (MSFT:US), while also incrementally adding exposure across the portfolio to achieve the desired net market exposure of direct equities while also increasing the Tactical Asset Allocation by initiating a new investment into the ProShares Ultra Technology ETF (ROM:US). After 2 years of almost no constructive stock price action in growth stocks, this quarter delivered far better technical set-ups across our watchlist of stock ideas which resulted in several new names going into the portfolio. Stocks that had been on our radar for a number of months finally presented attractive entry points through the quarter and we initiated new positions in Monster Beverages Inc. (MNST:AU), Visa (V:US), Mastercard (MA:US), ASML Holdings (ASML:US) , Shopify Inc. (SHOP:US) and AutoStore Holdings Ltd in Oslo (AUTO.OL). The recent quarter delivered some of the better performance at a stock level for some time, with a number of stocks moving higher by over 30%. Nvidia led the way improving by +55.58%, Meta Platforms +39.11%, Tesla +37.94%, Xero +33.66%, Palo Alto +32.57% Netflix +31.14%, Amazon +30.46% and ServiceNow +30.49%.

As we came into the close of the quarter the 2023 rally appeared extended and began to show signs that perhaps there was some steam coming off the steep rally in the first half. We took the opportunity as the market responded positively to inflation data and the subsequent pause in rate hikes by the US Federal Reserve to take some risk off the table by reducing exposure to Nvidia (NDA:US), Tesla (TSLA:US), Amazon (AMZN:US) and Palo Alto Networks (PANW:US), four of the more extended names in the rally thus far along with implementing a partial portfolio hedge on the 16th June, the recent peak of the 2023 rally. With the end of the quarter and first half now passed we will be looking for confirmation from the market as to whether the 2023 momentum will continue in the second half.

For the June quarter, the Platinum Alpha Fund returned 10.37% while its Benchmark index the MSCI World Index (AUD) was higher by 7.49%. As indicated by the inclusion of several new stocks and some of the tactical positioning with the fund, the proliferation of stocks setting up in a technical sense has continued to improve over the last 6 months, this also coincides with the broader portfolio gaining traction. The next phase of increasing exposure of portfolios to the market, should the right environment present is likely to include new stocks coming into the portfolio, should we begin to see a broadening out of participation over the next leg up we are likely to see greater returns emanating from the Mid/Large cap and then Small to Mid Cap stock names. The current portfolio positioning and cash weight is reflective of our view to protect the gains for this year but at the same time be ready to pounce on those next leaders as a broadening out of stock leadership gains traction. We continue to remain cautiously optimistic that the worst is behind us, and this is reflected by the "one foot at the door" portfolio setting which delivers a degree of flexibility to take advantage the most encouraging signs for growth stocks in more than 2 years.

Huw Davies *Ma (Fin & Bnkg)*
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Joel Hewish *B.Bus (Bank & Fin), GDipAppFin*
CEO/Chief Investment Officer

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Platinum Alpha Fundamental Review

Name	Revenue Growth			EPS Growth			ROA			ROE			PE			PEG		Cash / Debt
Australian Equities	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023-24**	**2024-25**	**Cash/ Debt**
AEF - Australian Ethical Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62.2
CAR - Carsales.com Ltd	49.5%	27.4%	10.3%	34.7%	15.6%	12.3%	8.0%	7.9%	8.9%	12.6%	9.7%	10.8%	33.4	28.9	25.7	1.3	2.1	0.1
CTD -Corporate Travel Management	77.5%	28.7%	9.7%	2674%	79.9%	13.1%	6.6%	10.2%	10.8%	8.4%	13.0%	14.0%	31.9	17.8	15.7	0.0	0.4	3.1
HUB - Hub24 Ltd	45.8%	17.9%	16.7%	236.7%	22.8%	26.2%	11.9%	13.7%	16.3%	11.3%	14.1%	15.5%	39.4	32.0	25.4	0.3	1.3	0.9
JIN - Jumbo Interactive Ltd	18.5%	23.1%	11.6%	10.6%	27.9%	19.0%	32.8%	40.0%	42.5%	33.7%	42.2%	49.3%	26.6	20.8	17.5	1.4	0.9	3.6
NWL - Netwealth Group Ltd	26.3%	20.1%	16.5%	21.8%	28.1%	20.6%	71.0%	81.0%	87.1%	59.8%	66.4%	68.7%	49.6	38.7	32.1	2.0	1.6	6.2
REA - REA Group Ltd	-17.0%	14.0%	12.1%	-2.9%	23.0%	18.5%	17.1%	19.5%	21.1%	26.8%	28.4%	29.1%	48.8	39.7	33.5	4.9	1.9	0.6
XRO - Xero Ltd	21.0%	17.5%	16.6%	227.6%	60.1%	40.9%	7.4%	10.4%	13.7%	13.1%	17.7%	19.9%	135.3	84.5	60.0	0.9	1.7	1.0
International Equities	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023**	**2024**	**2025**	**2023-24**	**2024-2025**	**2023**
ABNB - Airbnb Inc	13.2%	13.4%	14.0%	23.8%	16.1%	23.1%	14.7%	14.9%	14.8%	35.6%	30.7%	25.3%	37.2	32.1	26.1	1.9	1.6	4.8
ADSK - Autodesk Inc	8.1%	11.6%	10.7%	92.9%	14.9%	15.0%	13.5%	15.5%	14.0%	100.8%	165.9%	66.1%	29.3	25.5	22.2	0.5	1.7	0.9
AUTO—AutoStore Holdings Ltd	23.7%	22.5%	27.9%	105.3%	33.3%	33.3%	11.5%	14.2%	16.6%	15.1%	18.0%	19.0%	39.0	29.3	22.0	0.6	0.9	0.4
AMZN - Amazon.com Inc	9.1%	11.6%	11.6%	690.2%	63.7%	43.8%	4.3%	6.1%	6.5%	13.1%	17.1%	16.2%	79.6	48.6	33.8	0.2	0.9	0.8
ASML—ASML Holding NV	25.3%	12.6%	16.2%	16.7%	21.5%	25.8%	19.8%	21.5%	25.4%	73.6%	72.3%	72.2%	35.3	29.0	23.1	1.8	1.2	0.0
APO - Apollo Global Management Inc	31.6%	-17.2%	47.5%	218.2%	18.6%	14.5%	-	-	-	63.5%	51.2%	70.0%	11.7	9.9	8.6	0.1	0.6	0.0
FB - Meta Platforms Inc	8.5%	10.8%	10.7%	28.3%	24.7%	16.2%	16.6%	17.9%	15.5%	24.7%	25.7%	23.0%	24.0	19.2	16.5	0.9	0.9	3.8
GOOGL - Alphabet Inc	6.0%	10.9%	10.8%	16.9%	17.3%	17.3%	18.5%	19.2%	17.8%	28.0%	28.0%	26.4%	23.3	19.8	16.9	1.4	1.1	8.1
LPLA - LPL Financial Holdings Inc	15.0%	9.1%	9.1%	61.8%	8.2%	16.7%	12.3%	9.6%	9.1%	51.2%	47.2%	43.8%	12.4	11.5	9.8	0.4	0.9	1.0
MA—Mastercard Inc	13.3%	13.7%	13.3%	20.0%	18.7%	19.0%	29.9%	31.8%	33.4%	175.6%	179.4%	173.5%	30.7	25.8	21.7	1.6	1.4	0.5
MSFT—Microsoft Corp	6.5%	11.4%	12.3%	0.1%	13.4%	14.5%	20.5%	19.2%	19.5%	39.3%	34.1%	32.4%	35.5	31.3	27.3	5.3	2.2	1.6
MNST—Monster Beverage Corp	13.1%	10.9%	11.2%	37.8%	16.1%	14.7%	18.7%	19.9%	20.9%	21.9%	23.0%	23.6%	37.9	32.7	28.5	1.4	2.1	0.0
NFLX—Netflix Inc	7.3%	12.5%	11.1%	21.8%	28.8%	26.2%	11.4%	13.6%	15.3%	21.4%	24.4%	25.8%	38.8	30.1	23.9	1.5	1.1	0.4
NVDA—NVIDIA Corp	58.6%	27.3%	17.2%	346.4%	33.5%	21.4%	34.6%	39.1%	33.8%	58.0%	56.3%	46.3%	54.9	41.1	33.9	0.3	1.5	1.2
NOW—ServiceNow Inc	21.9%	21.8%	21.4%	496.1%	24.5%	23.3%	9.8%	9.8%	9.6%	25.8%	22.2%	18.2%	59.4	47.7	38.7	0.2	2.0	2.9
PANW—Palo Alto Networks Inc	25.4%	21.6%	19.2%	572.8%	16.7%	17.6%	8.9%	8.8%	9.2%	131.3%	59.3%	35.8%	57.7	49.4	42.1	0.2	2.9	1.0
TENB—Tenable Holdings Inc	14.3%	14.8%	14.9%	171.5%	31.2%	40.2%	4.6%	5.1%	6.4%	22.7%	24.5%	27.9%	70.6	53.8	38.4	0.7	1.5	1.6
TSLA—Tesla Inc	22.0%	28.6%	21.9%	-4.5%	40.3%	19.8%	13.3%	16.1%	14.5%	21.9%	24.1%	24.2%	75.3	53.7	44.8	4.2	1.8	8.3
V—Visa Inc	11.2%	11.0%	11.1%	22.8%	13.8%	14.1%	21.1%	22.0%	21.8%	46.5%	47.4%	47.2%	26.6	23.4	20.5	1.5	1.7	0.9
WDAY—Workday Inc	16.0%	17.0%	18.0%	470.8%	19.8%	23.3%	4.6%	5.7%	5.5%	14.7%	14.9%	13.3%	41.7	34.8	28.2	0.2	1.6	2.1
SHOP—Shopify Inc	20.1%	18.0%	22.0%	112.0%	71.0%	60.3%	2.1%	7.2%	7.4%	1.5%	6.0%	8.2%	197.4	115.4	72.0	2.2	1.8	5.5
AVERAGE	21.13%	15.80%	15.91%	240.16%	28.69%	23.23%	16.50%	18.51%	19.16%	41.15%	41.55%	37.35%	49.4	36.7	28.9	1.3	1.5	4.3
AVERAGE (excluding outliers)	21.13%	15.80%	15.91%	51.41%	28.69%	23.23%	16.50%	18.51%	19.16%	41.15%	41.55%	37.35%	49.4	36.7	28.9	0.9	1.5	2.2
S&P 500	1.67%	4.98%	4.76%	0.49%	11.80%	10.67%	-	-	-	-	-	-	18.3	16.35	14.77	3.0	1.5	
ASX 200	5.66%	1.64%	1.74%	5.03%	0.75%	0.77%	-	-	-	-	-	-	14.6	14.5	14.4	5.1	19.2	

Revenue Growth: refers to an increase in revenue over a period of time.

EPS: Earnings per share (EPS) is a company's net profit divided by the number of common shares it has outstanding.

PE Ratio: The price-to-earnings (PE) ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

PEG Ratio: The price/earnings to growth ratio (PEG ratio) is a stock's price-to-earnings (P/E) ratio divided by the growth rate of its earnings for a specified time period.

Cash to Debt Ratio: The cash ratio is a liquidity measure that shows a company's ability to cover its short-term obligations using only cash and cash equivalents.

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