UGC PLATINUM ALPHA FUND

Monthly Report

31 January 2024

UGC Platinum Alpha Fund

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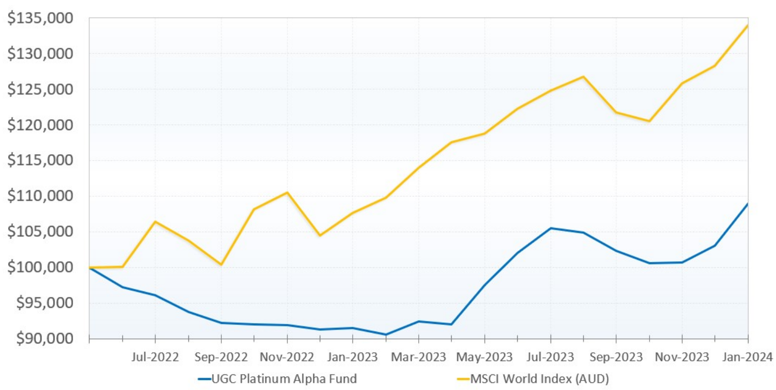
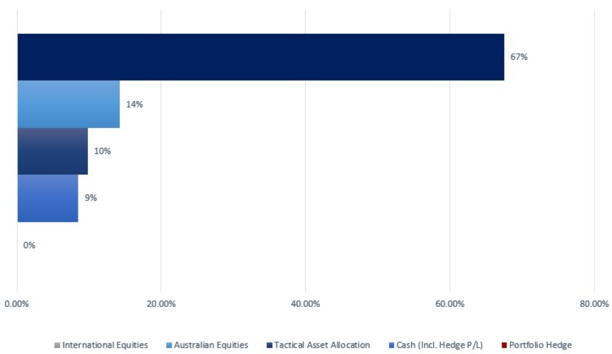
Fund Returns	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	Annualised Return Since Inception (% pa)
UGC Platinum Alpha Fund	**5.76%**	**8.26%**	**3.30%**	**19.00%**	**5.37%**
MSCI World Index (AUD)	4.46%	11.22%	7.35%	24.71%	18.80%
Versus Benchmark	1.30%	-2.96%	-4.05%	-5.71%	-13.44%

*Fund Inception 10th June 2022

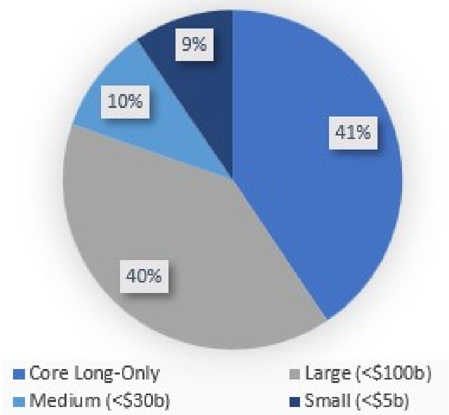
Value of A$100K Invested (AUD)



Asset Allocation



Stock Allocation 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

Month in Review

We have previously noted the period from November to May is often when we see seasonal strength in equity markets and January did little to dispel this notion. Equity markets in the US and Australia touched record highs heading into the end of January. Economic conditions in the US remain resilient as data for the 4th quarter of 2023 showed real US GDP improving by 3.3% and inflation pressures continuing to ease. US labour market stats also showed a normalisation in employment conditions rather than a capitulation with the unemployment rate holding steady at 3.7% for the third month in a row and labour force participation remaining unchanged at 62.5%. New home sales showed a rebound for the month of December as mortgage rates remained largely unchanged. The consensus view on the US economy is for a “Soft Landing” with the US Federal Reserve signalling they are now at the end of the rate hiking cycle but that rate cuts will likely be pushed out until the middle of 2024 at the earliest.

There was also some positive news for the Australian economy as quarterly inflation data was released in January. For the last quarter of 2023 the headline inflation rate came in at 4.1% year-over-year while core inflation came in at 4.2%, lower than the Reserve Bank of Australia had forecast for the year end. The biggest contributors to inflation were Tobacco +7%, new dwelling purchases by owner-occupiers +1.5%, Domestic holiday travel & accommodation +3.9% and Medical & Hospital services +1.2%. Goods & Services was lower for the 5th consecutive quarter with some goods even displaying

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deflation such as clothing, footwear, furniture and household appliances. The rental market remains tight with low vacancy rates as rental prices grew 7.3% on an annual basis. Insurance premiums saw their strongest price growth since 2001 rising 16.2% over the 12 months to December 2023. Premiums were driven higher because of re-insurance renewals off the back of natural disasters and higher claim costs which fed into higher premiums for building, home and contents and motor vehicle insurance.

The US Federal Reserve held its first Federal Open Market Committee (FOMC) meeting of 2024 on the 30th and 31st of January, leaving interest rates on hold at the current target rate of 5.25%-5.5% which is a 22 year high. Evident in the press conference was the move of the FOMC guidance to walk back from its more dovish tone in the last couple of months of 2023 to a slightly more hawkish tone in an attempt to quell the markets expectations for a March 2024 rate cut. There was a lot of equity market volatility during Chairman, Jerome Powell's, press briefing, in particular his explicit comment that a rate cut at the next meeting in March is "not the most likely case". Markets had been pricing in several rate cuts this year with March as a likely starting point. This commentary saw the Algorithm and High Frequency Trading programs go into overdrive and we saw a significant increase in whipsaw price volatility during the briefing in the major US indices.

The US 2-Year Treasury yield was largely unchanged for the month of January however the US 10-year Treasury yield was far more volatile trading north of 4% for the most part of January. However, a sharp pullback in yields from the 24th January into month end saw the 10 year yield also close out the month relatively unchanged with the US Treasury yield curve remaining inverted and warning of potential recessionary conditions ahead.

We continue to keep a watch out for improved stock market breadth to confirm the health of the recent market movements higher, however while December provided some optimism, January's breadth markers did not extend the improvement. In November and December the number of stocks included in the Nasdaq Composite that were trading above their 200 Day Moving Averages (DMA) increased rapidly topping out at approximately 50% while the S&P 500 also enjoyed a similar dynamic rallying off its lows in October to top out at approximately 80% of constituents above their 200 DMA. With those same indexes moving to new price highs in January but the number of stocks in both indexes trading above their 200 day moving average declining, this suggests yet again that investors are becoming more selective.

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.

Portfolio Update

We continued to increase the portfolio's overall exposure to the market in January as many of the stocks in our preferred universe were continuing to act well. On the 8th of January, on the back of a short term pullback in the major indexes, we increased the size of the portfolios investments in ProShares Ultra QQQ ETF (US:QLD) and ProShares Ultra Technology ETF (ROM:US) as well as increased its exposure to a long held portfolio position in Autodesk (ADKS:US). In addition, we initiated two new positions, one being an investment of approximately 1.5% in the ARK Innovation Fund ETF (ARKK:US) and another being an approximate investment of 3% in MercardoLibre (MELI:US). All up these increased investments now has the funds portfolio sitting at approximately 88% invested.

In a strong start to the year the Nasdaq Composite closed the month up +1.02%, the Nasdaq 100 +1.85%, the S&P 500 +1.59% and the Dow Jones Industrial Average +1.22%. The S&P ASX 200 lagged its global peers posting a +1.18% return for the month. The UGC Platinum Alpha Fund delivered a return of +5.76%, while the funds benchmark index the MSCI World Net Index (AUD) returned +4.46%.

Toward the end of January the US earnings season kicked off with companies reporting their Q4'23 and FY'23 results. While the bulk of S&P 500 earnings are reported in February we did see several portfolio companies release earnings in the last days of January. Those included Netflix, ASML, Tesla, Visa, Alphabet, Microsoft and Mastercard. Of the seven portfolio companies that reported five beat analyst estimates for Earnings (EPS) and six of the seven beat analyst estimates for Revenue. As at 31 January, with just 25% of S&P 500 companies having reported their earnings and with most of the large technology names yet to have released their results, it is too early to determine if this earnings season will surpass expectations overall, but clearly the market is once again focused on company fundamentals rather than macroeconomic and geopolitical risks which have dominated market moves over the past two years. Those companies that have reported inline with estimates have seen far less volatility around their earnings releases, those that have beaten expectations have generally benefited materially and those that have disappointed... well, they have been put to the sword as one would expect.

The adjustments made to the portfolio throughout the month still has it with an overweight exposure to the largest technology names that are benefitting from the Artificial Intelligence boom, however some preliminary steps have been taken to increase the portfolios exposure to segments of the market which have been somewhat left behind, being the small and mid sized companies. Should stock participation in this recovery yet again begin to improve from the pause witnessed in January, we anticipate a further rebalancing of the portfolio towards small and mid capitalisation stocks over time but that will be market dependent.

We continue to remain optimistic about the prospects for 2024 however, markets are still susceptible to short term bouts of volatility. Given the speed at which this most recent rally in the major indexes has occurred and the short term extended nature of many stocks within our investment universe, February could see us harvesting some of these short term returns if the rally continues.

Key Takeaways:

- Equity markets remain strong with some indexes touching record highs in January.
- US Federal Reserve left rates on hold once again.
- US FOMC moved to a more hawkish tone in January, albeit rate hikes are likely over, but rate cuts will likely be pushed back till later this year.
- US Fed Chairman Powell all but rules out a March interest rate cut.
- Stock participation suggests some short term divergences in breadth, increasing chances of a correction sometime soon.
- The Platinum Alpha Fund portfolio is approximately 88% invested.
- The Platinum Alpha Find portfolio has started to gradually increase exposure to more small, mid and large cap investments while retaining its overweight position in Mega Cap technology names.

As always, we look forward to providing you with further updates next month.

Huw Davies *Ma (Fin & Bnkg)*
Co-Portfolio Manager/Investment Analyst

Joel Hewish *B.Bus (Bank & Fin), GDipAppFin, GCertFinPlan*
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
Australian Ethical Investment Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14.9
Car Group Ltd	37.0%	10.5%	11.1%	-51.3%	13.7%	13.5%	7.9%	8.8%	9.9%	10.3%	11.5%	12.9%	38.0	33.4	29.5	-2.0	2.5	0.2
Hub24 Ltd	18.0%	18.2%	13.7%	84.3%	28.3%	19.5%	13.0%	16.0%	17.7%	13.2%	15.9%	17.6%	43.4	33.8	28.3	0.8	1.4	1.8
Netwealth Group Ltd	20.9%	17.0%	14.7%	24.5%	20.5%	15.3%	73.9%	81.3%	86.1%	62.2%	65.6%	66.7%	45.1	37.4	32.5	2.0	2.1	8.1
REA Group Ltd	1.1%	12.1%	11.3%	30.1%	18.4%	16.8%	19.4%	20.7%	22.4%	29.2%	29.7%	30.3%	52.4	44.2	37.9	2.2	2.5	0.7
Xero Ltd	20.8%	17.3%	15.2%	235.8%	62.6%	39.9%	7.4%	10.9%	13.6%	13.0%	17.7%	19.8%	114.9	71.0	50.8	0.8	1.4	0.9
International Equities	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023-24	2024-2025	2023
Airbnb Inc	17.3%	11.8%	12.4%	189.8%	-44.9%	13.9%	30.7%	14.3%	14.6%	68.1%	29.1%	26.5%	18.1	32.9	28.9	0.3	-2.1	4.8
Autodesk Inc	9.1%	9.5%	10.4%	98.2%	8.8%	13.1%	13.8%	15.4%	13.6%	102.4%	130.1%	57.9%	34.3	31.5	27.9	0.6	2.9	0.9
Amazon.com Inc	11.4%	11.5%	10.5%	44.3%	29.7%	23.7%	8.1%	8.9%	8.1%	20.1%	19.1%	18.6%	41.1	31.7	25.6	1.1	1.2	1.0
ASML Holding NV	30.2%	25.0%	11.6%	16.5%	50.1%	19.9%	18.2%	24.0%	25.4%	53.2%	67.2%	65.1%	44.2	29.4	24.6	1.3	-	1.2
Apollo Global Management Inc	37.8%	16.6%	15.6%	217.5%	20.4%	15.4%	-	-	-	113.3%	82.8%	55.3%	15.7	13.1	11.3	0.1	0.7	1.8
Meta Platforms Inc	16.3%	12.6%	11.9%	26.5%	16.5%	16.2%	19.3%	18.9%	17.6%	29.3%	26.5%	24.8%	24.5	21.0	18.1	1.1	1.3	3.4
Alphabet Inc	11.3%	10.5%	8.4%	24.5%	14.8%	14.6%	20.4%	20.4%	18.7%	29.1%	27.9%	25.8%	21.3	18.5	16.2	1.1	1.3	8.1
Lululemon Athletica Inc	18.5%	14.0%	12.0%	86.7%	14.3%	14.6%	25.3%	26.0%	25.1%	42.8%	39.5%	35.1%	37.1	32.5	28.3	0.7	2.2	-
LPL Financial Holdings Inc	10.4%	12.1%	9.4%	17.8%	19.9%	18.3%	9.4%	10.3%	10.7%	51.3%	57.3%	57.1%	15.6	13.0	11.0	0.8	0.7	0.7
Mastercard Inc	12.1%	12.6%	11.8%	21.6%	16.7%	15.7%	31.4%	32.7%	39.9%	181.8%	164.2%	162.0%	31.7	27.2	23.5	1.7	1.7	0.6
MercadoLibre Inc	35.4%	21.5%	22.6%	126.3%	60.3%	37.3%	7.0%	9.1%	9.7%	45.5%	41.9%	36.7%	82.2	51.3	37.4	0.9	1.1	1.0
Microsoft Corp	15.2%	14.2%	14.3%	20.4%	14.6%	18.0%	20.4%	18.2%	18.3%	35.9%	31.8%	30.3%	35.3	30.8	26.1	2.0	1.9	1.2
Monster Beverage Corp	13.5%	11.7%	9.8%	179.4%	16.5%	13.6%	18.2%	19.1%	20.0%	21.6%	22.1%	22.0%	35.5	30.4	26.8	0.4	2.0	-
Netflix Inc	14.4%	12.2%	9.3%	42.7%	23.4%	18.5%	14.9%	16.8%	17.1%	33.2%	34.1%	32.7%	32.9	26.7	22.5	1.0	1.3	0.5
NVIDIA Corp	119.0%	58.8%	18.1%	606.5%	70.0%	17.5%	56.3%	57.9%	48.5%	83.2%	73.4%	55.8%	53.7	31.6	26.9	0.2	0.7	1.4
ServiceNow Inc	21.3%	20.7%	21.1%	57.1%	20.9%	23.1%	11.0%	10.9%	9.7%	25.9%	22.9%	21.0%	59.3	49.1	39.9	1.5	2.2	3.3
Palo Alto Networks Inc	18.8%	18.2%	17.2%	328.8%	17.1%	20.6%	9.7%	9.8%	10.2%	70.2%	46.0%	39.4%	62.6	53.5	44.4	0.4	2.8	1.2
Shopify Inc	24.8%	19.5%	20.3%	125.4%	51.3%	31.4%	9.2%	7.2%	9.7%	5.5%	10.4%	13.3%	117.3	77.5	59.0	1.3	1.9	5.5
Tesla Inc	13.6%	20.6%	16.6%	-28.8%	36.0%	27.0%	5.0%	6.8%	7.7%	14.9%	13.8%	15.0%	61.3	45.1	35.5	17.1	1.4	5.6
Visa Inc	10.1%	10.1%	11.1%	19.8%	12.5%	14.5%	21.7%	22.4%	22.9%	48.9%	49.9%	49.6%	27.8	24.7	21.5	1.7	1.8	1.0
Workday Inc	16.8%	16.3%	17.6%	498.6%	15.7%	18.7%	4.1%	5.1%	6.1%	15.3%	14.3%	15.0%	51.4	44.4	37.4	0.2	2.6	2.1
AVERAGE	22.12%	16.73%	13.77%	117.04%	24.15%	19.64%	19.03%	19.68%	20.13%	46.90%	44.04%	38.70%	46.0	36.0	29.7	1.5	1.6	2.9
AVERAGE (excluding outliers)	17.24%	16.37%	13.26%	40.41%	22.60%	18.91%	19.12%	19.72%	20.17%	47.12%	44.63%	39.48%	37.4	34.5	28.7	2.0	1.6	2.4
S&P 500	4.74%	5.64%	XXX	0.49%	13.16%	0.46%	-	-	-	-	-	-	20.5	18.10	XXX	3.0	2.7	-
ASX 200	2.10%	3.79%	2.66%	5.03%	4.80%	4.43%	-	-	-	-	-	-	16.5	15.7	15.1	3.4	3.4	-

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.

UGC Asset Management Pty Ltd | Level 33, 360 Collins Street, Melbourne, Victoria, 3000, Australia

Office: 61 3 8657 7640 | Fax: 61 3 8657 7641 | Email: info@ugc.net.au | www.ugc.net.au

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Some numerical figures in this publication have been subject to rounding adjustments.

UGC Asset Management Pty Ltd | Level 33, 360 Collins Street, Melbourne, Victoria, 3000, Australia

Office: 61 3 8657 7640 | Fax: 61 3 8657 7641 | Email: info@ugc.net.au | www.ugc.net.au