

Alvia Family Office Fund

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

March 2025 update

Markets

US equities added to their underperformance for the calendar year, with the S&P 500 slumping a further 5.8%, while the Nasdaq Composite fared worse again, down 8.2%, taking its year-to-date decline to 10.4%. In London, the FTSE 100 was 2.6% in the red, however remains 5.0% higher for 2025. In Asia, Japan's Nikkei 225 lost a further 4.1% as it paces the Nasdaq for losses in 2025. The Chinese market has been resilient, buoyed by the strong performance of the technology sector. The Shanghai Composite added 0.4% in March. Locally, the S&P/ASX 200 lost 4.0%, while the REIT sector was 5.0% in the red, not helped by the soft performance of industrial shed turn data centre rollout play, Goodman Group (ASX:GMG).

10-year local and US government paper was largely unchanged for the month, which saw the Australian government bond index flat, while the US government equivalent was 0.2% higher. At the end of the month, Australian government 10-year paper offered a yield of 4.38%, while in the US, the yield remained modestly lower, at 4.25%.

The Bloomberg Commodity index added 3.6%, with copper leading gains, surging 11.3% to US\$5.02 a pound, a record high. Iron ore was flat at US\$102.51 a tonne, while WTI oil added 2.5% to US\$71.48 a barrel. Uranium on the spot measure lost 2.0% to US\$62.23 a pound, while the long-term price stabilised at US\$80. Gold bullion added to last month's gains, surging another 10.1% to US\$3,122.80 an ounce, another record high on both a nominal and inflation-adjusted measure, taking the precious metal's year-to-date gain to 18.8%. The Australian dollar added 1.1% against the greenback to 62.2 cents, while Bitcoin lost 2.2% to US\$82,548.91 a coin, down 23% from its mid-December 2024 record high of just over US\$106,000.

Portfolio

Despite a 5.5% decline in the MSCI World Total Return index, the fund showed resilience, benefitting from its short position in the **Nasdaq (NAS:SQQQ, +0.53%)**, in addition to defensive holdings including **HCA Healthcare (NYS:HCA, +0.54%)**. New Zealand media company **NZME (ASX:NZM, +0.40%)** advanced, with Canadian-born billionaire Jim Grenon acquiring a ~10% stake, agitating for changes to the board.

The team made a handful of changes to the portfolio, taking advantage of market weakness. This saw us exit positions in **The Walt Disney Company (NYS:DIS)**, **Adairs (ASX:ADH)** and **Sonic Healthcare (ASX:SHL)**. US headquartered ski resort owner and operator **Vail Resorts (NYS:MTN)** was added to the portfolio. Vail is a leading owner and operator of integrated ski resorts across North America, Europe and Australia. The company has a track record of successfully integrating new resorts and has a large runway of opportunities in North America and abroad. Vail is highly cash generative and is trading at about half its 2021 record high, which has seen a material de-rating in its price to earnings ratio, presenting a compelling entry point. Australia's largest private hospital operator **Ramsay Health Care (ASX:RHC)** was also added. The company has been crippled by lower profitability, not helped by the hard line approach from private health insurers. Despite this, and Australia private hospital sector profitability at 10 year lows, Ramsay is in the strongest position and stands to benefit the most as conditions improve. We see an attractive opportunity in RHC, which is trading ~60% below KKR's 2022 offer of \$88/share. In addition, we note that the company has significant optionality in its portfolio for capital management.

Based on the reported earnings for 2024 and the solid trading performance of both companies in 2025 to date, the valuations of **Pure Environmental** and **Private Emergency Health Australia** were increased during the month, consistent with the valuation policy.

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

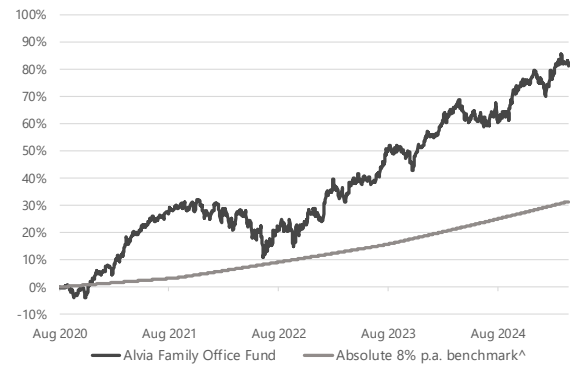
	Total since inception	Since inception p.a.	4 years p.a.	3 years p.a.	2 years p.a.	1 year	1 month
Alvia Family Office Fund (net of fees)	81.0%	13.6%	11.3%	12.6%	14.3%	7.1%	(0.5%)
Absolute 8% p.a. benchmark^	31.4%	6.0%	6.5%	7.1%	7.7%	8.0%	0.7%
Value added (net of fees)	49.6%	7.6%	4.8%	5.5%	6.6%	(0.9%)	(1.2%)

* 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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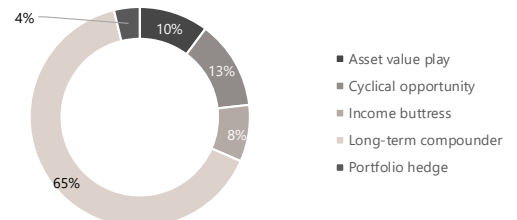
Cumulative return since inception



Top 5 investments

PURE	Pure Environmental Pty Ltd	5.7%
HCA.NYS	HCA Healthcare Inc	4.4%
2020.HKE	ANTA Sports Products Limited	4.1%
PRX.AMS	Prosus NV	3.9%
RHC.ASX	Ramsay Health Care Limited	3.9%
Top 5 total		22.0%
Number of investments - total (public/private)		28 (24/4)
Average investment weight		3.5%

Weighting by investment category



Key portfolio metrics

EV/EBITDA (x)	9.6
Price to earnings ratio (x)	16.8
6-year historical EBITDA CAGR (%)	13.7%
6-year average return on invested capital (%)	37.6%
FCF yield (%)	7.1%
Net debt to EBITDA (x)	1.2

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

Entry price	1.5476
Mid price	1.5430
Exit price	1.5384





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.

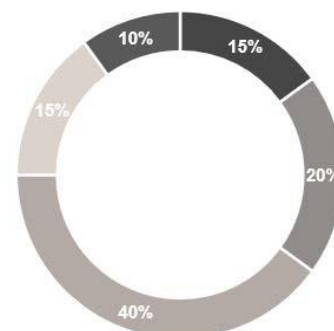
Investment Philosophy

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).