12 August 2026

By Electronic Lodgement

Market Announcements
Office ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Firetrail Alpha Plus Fund - Complex ETF (ASX:FIRE) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 31 July 2026.

For further information, please contact 1300 010 311.

Authorised by:

Terence Kwong
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Firetrail Alpha Plus Fund - Complex ETF

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Firetrail Alpha Plus Fund – Complex ETF[1]

ASX:FIRE

Firetrail
Invest with Conviction

Monthly Report | July 2026

Performance[2] (After Fees) as at 31 July 2026

	Month	Quarter	6 Months	1 Year	Fund Inception p.a.
Fund[1]	(1.45%)	2.30%	0.40%	15.54%	18.96%
Benchmark[3]	2.26%	4.13%	2.86%	6.01%	9.08%
Excess Return	**(3.71%)**	**(1.83%)**	**(2.46%)**	**9.53%**	**9.88%**

About Firetrail

Firetrail is an investment management boutique which is majority owned by the Firetrail team. The team is invested alongside clients in the investment strategies.

Alpha Plus Fund

The Alpha Plus Fund ("Fund") is a 150/50 long/short strategy of our most compelling equity ideas. The strategy is built on fundamental, deep dive research guided by the philosophy that 'every company has a price'.

Investment Objective

The Fund aims to outperform the ASX 200 Accumulation Index over the medium to long term (after fees).

Why use our Alpha Plus Fund over a long-only strategy?

1. **Up to 150% long -** amplifying our very best long ideas.
2. **Up to 50% short -** increased alpha opportunity by capitalising on underperforming companies.
3. **Up to 200% gross exposure -** allows a broader toolkit to manage risk and take advantage of index weaknesses.
4. **Very experienced team -** the Firetrail team's extensive experience in long/short investing allows us to harness the full potential of an active extension strategy.

Contact Us

Pinnacle

For further information, contact the Pinnacle Investment Distribution team

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Zenith
HIGHLY RECOMMENDED

Fund Details

Unit Prices	July 2026
Application Price	$11.0566
Redemption Price	$11.0014
NAV Price	$11.0290
Fund Details	
APIR Code	WHT1841AU
[3] Benchmark	ASX 200 Accumulation Index
Inception Date	21 February 2025
Risk/Return Profile	Very High
Fund Size	$46 mil
Management fee*	0.89% p.a.
Performance fee*	20% of outperformance above an annual Hurdle

*Please read the Product Disclosure Statement for more details

Your Portfolio Managers

Patrick Hodgens

Patrick is Co-Founder and Managing Director at Firetrail. He brings over 41 years' experience investing in equity markets.

John Zhu

John brings over 20 years of quantitative investment experience and leads Risk and Analytics at Firetrail.

Three Key Holdings

BHP	BlueScope Steel	Santos

Past performance is not a reliable indicator of future performance.

1. The name of the fund changed from Alpha Plus Fund to Alpha Plus Fund – Complex ETF on 4th March 2026 to facilitate quotation of the fund on the ASX
2. Firetrail Alpha Plus Fund ('Fund'). Net Fund returns are calculated based on exit price with distributions reinvested, after ongoing fees and expenses but excluding taxation.
3. The Benchmark is the ASX 200 Accumulation Index

Portfolio Commentary

The Fund returned -1.45% (after fees) for the month ending 31 July 2026, underperforming the ASX 200 Accumulation Index by 3.71%.

Month in Review

The ASX200 was up 2.3% in July and is now up 4.7% calendar year to date. Industrials outperformed Resources, with ASX200 Industrials up 2.7% and ASX200 Resources up 1.0% for the month.

Energy was the strongest performer at a sector level, up 12.2% over the month as conflict re-escalated in the Strait of Hormuz and oil prices rallied again.

IT was the largest sector detractor, down 2.8%. The local sector de-rated alongside a global correction in technology and AI names.

Over the month, the key events were as follows:

- **Middle East re-escalation and oil:** The month started with oil near pre- war levels (US$73/bbl) after a memorandum of understanding was signed in the second half of June. Transit volumes in the Strait of Hormuz were beginning to recover, however this was largely reversed by end of July. Trump declared the ceasefire over on 11 July and the US and Iran went back to trading attacks. Brent oil rallied, reaching over US$100/bbl at one point in the month but finishing the month at US$88/bbl.

- **AI capex skepticism:** Many of the AI winners of the first half of the calendar year, particularly hardware and semiconductor stocks, were sold aggressively in July. The sell off was largely driven by scepticism that the large AI firms will earn a sufficient return on their enormous capital spending. Concerns over the rise of cheap open-source Chinese AI models competing against US frontier models also added to the scepticism.

- **Chinese competition in AI:** Developments from Chinese AI companies made headlines in July as Chinese AI models begin to catch up to US models, but at a cheaper price. In particular, Chinese AI company Moonshot launched Kimi K3 - a large open weight model which it claims is competitive with leading US models, backed up by strong data. Chinese memory producer CXMT also raised US$8.6b in its listing, prompting concerns about future memory supply if they aggressively add capacity.

- **Inflation and RBA:** June inflation numbers were reported during the month. Headline CPI rose 3.8% in the twelve months to June, down from 4.0% in May. While above the RBA's target band, the print was softer than the market feared, which takes some of the pressure off the RBA to hike again. Rate hike expectations fell sharply on the inflation announcement.

- **Global central banks:** Major central banks left rates unchanged in July, however there was an increase in divergence of opinions among central bankers. Three members voted for a hike at both the US Federal Reserve and the Bank of England, and one at the Bank of Japan. Consensus still expects one or two hikes in the US, Europe, UK and Japan by the end of 2026.

Contributors to Returns

Positive Contributors

Generation Development Group
Financial services company Generation Development Group staged a relief rally in July after reporting strong quarterly flow numbers that beat consensus estimates in both managed accounts and investment bonds. It has been a challenging 12 months for GDG however we believe the company offers compelling value on a 3-year view: we expect the company to deliver EPS CAGR of >25% and on our numbers is trading on an FY27 PER of 25x.

Genesis Minerals
Western Australian focused gold miner Genesis Minerals outperformed in July following a solid June quarter result and a merger with Vault Minerals (VAU). We were taken by surprise by the all company merger. While we have always seen strong industrial logic in combining VAU's King of the Hills operation with GMD's Leonora assets, we thought that the rest of VAU's portfolio made a deal challenging. Looking forwards, we see strong strategic and financial engineering logic in the merger. For GMD shareholders, we believe the combination of the two companies will result in a higher quality portfolio, growth and substantial free cash flow over the next 2 years.

Santos
Santos continues to be buffeted by the on-again, off-again nature of the Iran energy disruption. This month, oil rallied as the Straits of Hormuz continued to be severely impacted. During the month, Santos announced the first cargo was shipped from the Barossa gas project, while Pikka phase 1 (Alaskan oil) is delivering 23,000 bbl / day of production with first sales expected in August.

Negative Contributors

Lithium Argentina
Lithium producer Lithium Argentina underperformed in line with broader lithium and resources sector weakness. Lithium Argentina has an enviable portfolio of low cost, long life, expandable assets and in our view is the most compelling lithium exposure globally.

Lynas Rare Earths
Lynas fell after delivering a $110m capex blow out at the Malaysian heavy rare earth expansion. Issues flagged included inflation, engineering and commissioning requirements. The cost of the overrun hits project economics but doesn't alter the investment case. The company closed the financial year with $1.2bn(!) in cash.

Megaport
On-demand compute, networking and storage company Megaport underperformed during the month in sympathy with broader AI-led weakness. During the month companies with exposure to the AI thematic were indiscriminately sold off around the globe. Market concerns on open source models, Chinese competition, increased funding costs, the sustainability of capital expenditure (and subsequent returns) all came to the fore. Our view? Put simply, we do not think the fundamentals have deteriorated. In the case of Megaport, the most striking news over the month was US company advanced Micro Devices (AMD) increasing its data centre CPU TAM forecasts by 80%, bringing the total revision to 400% since November 2025.

Style Segment

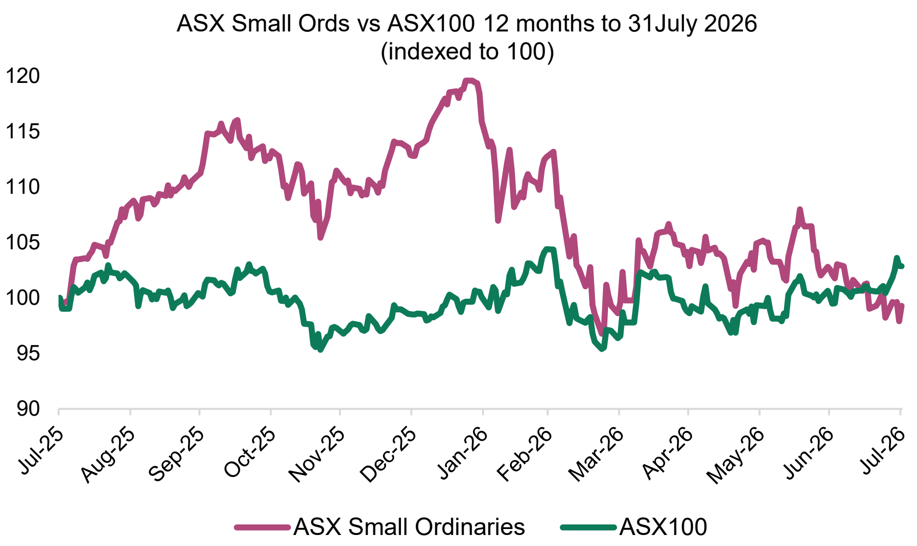
Segment	Position	Outline	Example of Long Position
Unloved Value	Underweight	Deep value stocks with little market expectation of earnings improvement. We invest when we see a clear inflection within 12 months, often with material expected upside.	Ramsay Health Care
Compelling Value	Overweight	Companies that are earning below mid cycle but are executing well.	
Major Banks	Underweight	Major banks make up a significant proportion of the index.	CommonwealthBank
Cyclical Growth	Underweight	Growth companies tied to economic fluctuations. We invest selectively as share prices can be driven by cycles that may overwhelm execution.	a2
Structural Growth	Overweight	High quality growth companies that have little economic sensitivity. The upside may be more modest but earnings are more durable.	GemLife
Big Themes	Overweight	"Game changing" companies that we expect to have fast market share growth often with new ways of doing things. These companies tend to look expensive on short term valuation metrics.	Life360

One interesting thing that happened this month…

Small caps: down, but not out

After a strong run through the second half of 2025, Aussie small caps have given back their earlier relative gains against large caps (Figure 1). Over the 12 months to 31 July, small caps peaked at 20% ahead of large caps in late January. By the end of the period they finished 3.5% behind.

Figure 1: Aussie Small Caps have lost their lead on Large Caps



***Source**: FactSet*

Why is this happening?

There are a few key drivers behind Aussie Small Caps lagging large caps:

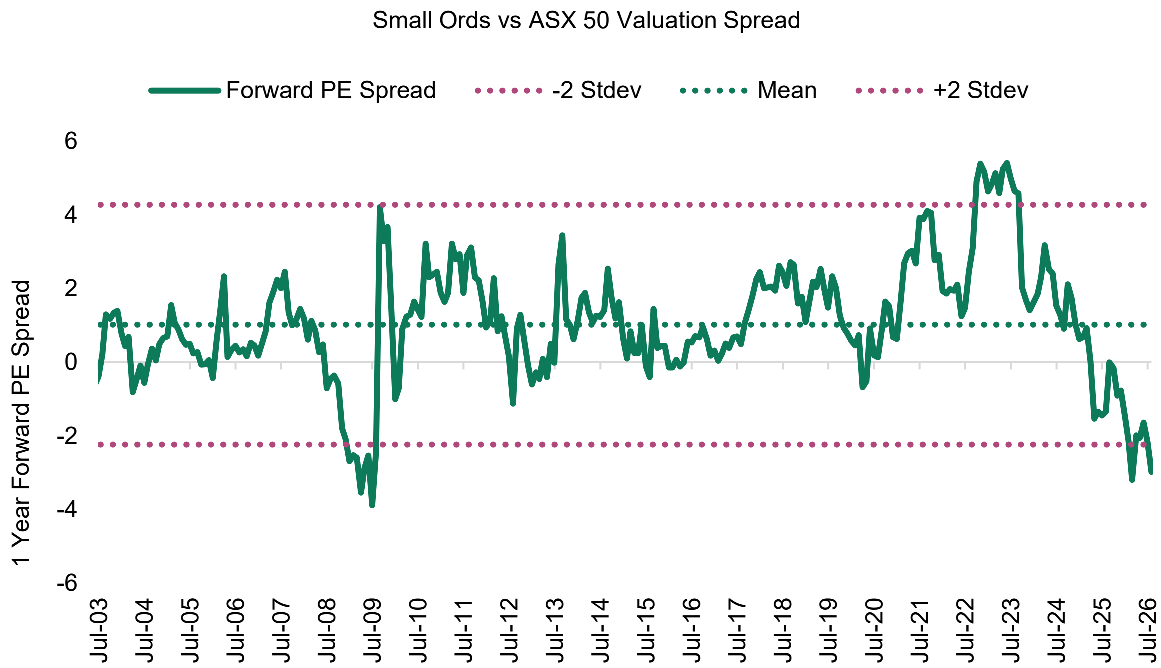
- **Slowing economy** – Smaller companies are generally more sensitive to changing economic conditions and the consumer, so their earnings tend to weaken faster when growth and consumer spending slow.
- **Interest rates –** the RBA hiked rates in 3 consecutive meetings in Feb, March and May, taking the cash rate up to 75bps this year to 4.35%. Higher rates tend to hurt small companies more as they have higher levels of debt-to-equity when compared to large caps (when you exclude resources) and have narrower access to capital markets.
- **Crowding into certainty and liquidity** – the top 20 stocks now make up more than 60% of the ASX 200, and we estimate around 45% of the Australian equity market behaves like passive capital. That money is allocated by index weight rather than valuation, so it flows mechanically to the top of the market regardless of fundamentals. When investors turn cautious, particularly in times of geopolitical uncertainty and a slowing economy, the pull towards the biggest names only strengthens.
- **AI –** Small caps have limited direct exposure to the biggest theme in markets, and the market has treated that as a negative.

Why we think this is likely to turnaround

For patient investors, we see a good chance that small caps bounce back over the next 6 to 12 months for a few reasons:

Firstly, small caps relative to large caps are **extremely attractive from a valuation standpoint**. Figure 2 shows the valuation spread between the ASX Small Ords and the largest 50 stocks on the ASX. The valuation gap is currently over 2 standard deviations lower than the long-term average. The last time we saw small caps screen this cheaply relative to large caps was during the GFC.

Figure 1: Small caps are GFC-cheap, but in much better shape



***Source**: FactSet*

But while small caps are as cheap as they were in the GFC, in our view they are in much better shape than they were then, with **better balance sheets, stronger earnings and higher returns on equity.**

Despite the economy slowing, we believe **a recession is unlikely,** at least in the short term. Consensus estimates from Bloomberg forecast 1.9% GDP growth year-on-year over the next 12 months. Inflation has also declined, from 4.2% in April to 3.8% in June, which may take pressure off the RBA to keep raising rates. Markets are now pricing at most one more hike this year.

Even on the AI point, there are ways to gain exposure in the Small Ords index. Australia's most obvious AI infrastructure names are large caps, but the buildout runs a long way further down the supply chain. The team at Firetrail is excited about the **indirect exposures to AI** including the copper and energy required to power data centres, the contractors constructing them, and the network providers connecting them. Plenty of that sits in the Small Ords, and we don't think the market is paying for it yet.

Where we are looking

At Firetrail, we continue to seek opportunities within the mid and small cap space and believe the most compelling opportunities sit outside the ASX20. Even in periods where the Small Ords index underperforms, the spread between the best and worst performers within it stays wide, and that dispersion is where returns are made for active investors. These parts of the market also suffer less passive distortion, making them fertile ground for fundamental research.

Furthermore, as fundamental, bottom-up investors, the majority of our returns come from stock selection rather than macro calls. So while the backdrop matters, our focus remains on finding the best individual opportunities.

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