CALTHA CAPITAL

Caltha Equity Fund

Quarterly Report

June 2025

Executive Summary

9.44%

per annum. since inception.

Daniel Sutherland
Portfolio Manager

0428 631 063
Daniel@caltha.com.au

Craig Sutherland
Portfolio Manager

0427 631 018
Craig@caltha.com.au

During the June quarter, the ASX200 Accumulation Index inclined by 9.50%, while our portfolio retreated 4.14%.

The quarter unfolded against a backdrop of cautiously optimistic inflation readings and a notable shift in central bank rhetoric. Domestically, the RBA held the cash rate at 4.10% in early April but initiated easing with a 25bp cut to 3.85% in May, amid further softening in CPI to 2.1% y/y and a rise in unemployment to 4.3%.

Our portfolio was again constrained by our largest detractor, IDP Education, as management highlighted the difficult policy environment in which the company is operating. We maintain our conviction in this holding. As GDP growth slows in Australia, immigration policy is likely to relax, similar to the adjustments witnessed in the early stages of the COVID-19 recovery.

We are also beginning to see the very early stages of a lithium-market recovery. While it is still too early to gauge the extent of its momentum, emerging trends are starting to align with analyst forecasts for a stronger correction into 2026, consistent with our own expectations.

Performance

Over the past six months, the Fund has experienced significant volatility, a natural characteristic of a concentrated portfolio. As at 30 June 2025, the portfolio has recovered strongly and is up 23% since the start of the year, reinforcing our philosophy of not focusing on short-term return metrics.

Our seven-year track record continues to demonstrate consistent long-term outperformance. We remain confident that businesses with strong fundamentals, even when challenged by temporary setbacks, will ultimately prevail.

IDP Education was the largest detractor during the quarter, following a sharp market reaction to its June update. While we viewed much of this information as already priced in, the bearish tone of management commentary amplified the sell-off. We believe the correction was excessive and expect more constructive updates through the August–September reporting season.

Magellan was the largest contributor, rebounding from recent lows after the announcement of senior leadership changes. We believe the market has overstated the risks. Magellan remains well-positioned for future growth, supported by substantial tangible assets and its strategic relationship with Barrenjoey. We continue to add to our position when valuations are attractive.

Track Record	**3 Months**	**3 Year** per annum	**5 Year** per annum	**Since Inception** per annum
Caltha Capital	(4.14%)	0.76%	7.93%	**9.44%**
ASX200	9.50%	13.56%	11.85%	**8.78%**
Out-performance	(13.64%)	(12.80%)	(3.92%)	**0.66%**

Returns are net of fees.

Holdings

TOP 3 HOLDINGS	
Magellan Financial Group	40%
Woodside Energy	35%
Liontown Resources	15%

Capturing macro trends and strategic bottom-up investments.

Woodside Energy Projects de-risking and portfolio discipline. Woodside's Q2 2025 report showed production of 50.1 MMboe (+13% y/y) and revenue of US$3.275bn, with the average realised price/boe down 9% q/q to US$59. Critically, Scarborough reached 86% complete (first LNG targeted 2H26), Trion progressed to 35% complete, and the company exited the H2OK hydrogen project, signalling focus on returns and core LNG. Woodside also raised US$3.5bn in multi-tranche SEC bonds and received US$1.9bn from the Louisiana LNG sell-down, materially strengthening liquidity. Decommissioning cost updates will result in a $400–500m (pre-tax) expense at the half year. The combination of project execution, balance-sheet reinforcement and disciplined pruning of non-core "new energy" initiatives underpins our constructive view of Woodside's cash-flow durability across commodity scenarios.

Liontown Resources Produced 85,892 dmt for the June quarter of ~5.2% Li_2O concentrate and sold 97,330 dmt across six parcels for $96m revenue, achieving a third consecutive quarter of positive operating cash flow. Average realised prices declined ~9% q/q to US$740/dmt amid sector-wide weakness, but operational delivery remained strong at >95% plant availability. The commissioning of Australia's largest paste plant, and underground stoping commenced in April with recovery better than expected. Management ended the quarter reiterating the 70% recovery target by Q3 FY26. Execution resilience underwrite our longer-term view that Kathleen Valley's scale, orebody quality and flexibility can sustain attractive unit costs through the cycle.

IDP Education The June trading update lowered Fy25 volume expectations on policy headwinds but highlighted the ongoing cost reduction and overhead control, robust pricing through fee growth, and confidence in medium-term market-share gains as quality and compliance become more valuable. ASX Announcements In Australia, the Government's indicative 2025 provider-level caps and revised visa processing settings created near-term enrolment timing frictions clarity and throughput remain the gating factors into 2H25/1H26. We remain long-term holders. IEL's brand, data assets and multi-destination model should compound value when policy normalises, we will continue to size exposure against policy execution risk signalled in June.

Fund Snapshot

Portfolio Structure

The equity fund is well positioned, with a focused portfolio that balances sector and strategy diversification. By combining targeted value investments to leverage inefficiencies in specific companies with macroeconomic growth plays, we have effectively hedged against potential risks and optimised returns in a wide range of scenarios. Though concentrated, each position plays a distinct role, creating a robust and diverse portfolio.

In managing a concentrated portfolio, it's essential to be highly selective about the companies included, as position weights mean individual holdings can significantly influence short term returns. However, each company that enters our portfolio is chosen based on thorough fundamental research, with a focus on long term investment horizons. Whilst short term market fluctuations are inevitable, we believe that true business fundamentals will ultimately prevail over time and are happy to sit through short term pain for long term outperformance.

Unit Price
$0.813

Management Fee
0.00%

Cash Holding
(8.82%)

Performance Fee
15.00%

Investments
5

Minimum Investment
$500,000

Strategy

Our fundamental objective as fund managers is to generate alpha returns.

High Conviction

A curated portfolio of 5 investments within the ASX200 each with a specific and strategic diversification target.

Positioned the portfolio to generate outsized returns, as top ideas receive more capital allocation.

A more focused, in-depth analysis and monitoring, leading to a better understanding of each investment and uncovering unique opportunities.

Long-Term Outlook

Decisions based on company fundamentals, intrinsic value and growth potential, rather than short-term trends.

Maximising benefits from companies management teams, growth and turn around strategies.

Minimising short term market pricing risks, volatility and irrational geopolitical interference.

Style Agnostic

A strategic mixture of bottom-up individually driven investments and top-down macroeconomic driven thesis.

Allowing us to create a portfolio concentrated enough to outperform and sector diverse enough to be safe.

Ability to structure the portfolio investments to hedge risk against each other and macroeconomic influence.

Research Driven

Each investment has been deeply researched, backed by facts, data and sound reasoning, supporting consistent portfolio performance.

Utilise our concentrated focus and time to research investments and uncover insights that are overlooked by the broader market.

Thorough research enables us to identify potential risks early and implement strategies to mitigate them effectively.

Areas of Focus

- Domestic Economic Data
- RBA Rate Outlook
- Global Student Immigration Policies
- Physical Oil & Gas Markets
- Global Geopolitical Tensions

Thank you.

For taking the time to read this report. If you have any questions or would like to discuss our findings further, please don't hesitate to reach out to us.

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Level 12, 197 St Georges Terrace, Perth WA 6000

0428 631 063

Daniel@caltha.com.au

www.caltha.com.au