

Totus Alpha Management Pty Ltd

**139 Macquarie Street
Suite 1, Level 8
Sydney, NSW 2000, Australia**

October 2024

This “**Brochure**” provides information about the qualifications and business practices of Totus Alpha Management Pty Ltd (hereinafter “**Totus**”, “**we**”, “**us**”, “**our**”, the “**Adviser**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Adelyn Wen, by email at awen@totuscapital.com.au. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Totus is applying to be a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Totus or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Totus is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is Totus' initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report.

To the extent that future amendments of this Brochure contain material changes from our last annual update, this Item 2 will identify and discuss such changes.

We will ensure that you receive a copy of each annual update and summary of any material changes to the Brochure within 120 days of the close of the June 30th fiscal year end. We will further provide you with a new Brochure as necessary based upon material changes to existing information or when new material information is added.

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Item 4: Advisory Business

Totus Alpha Management Pty Ltd (hereinafter “**Totus**”, “**we**”, “**us**”, “**our**”, the “**Adviser**” or the “**Firm**”) was formed in 2012 by Benjamin McGarry, as a proprietary limited company in Australia with its principal place of business in Sydney, Australia. Totus does not have any place of business in the USA.

Totus is an absolute return investment manager focused on global developed market equities. Totus was launched with the objective to preserve and compound investors’ capital alongside the investment managers’ own, regardless of conditions in the broader equity market and economy. We look to achieve this by seeking out the best businesses available to us at sensible prices and shorting a range of lower quality businesses against this.

We provide discretionary investment advisory services to pooled investment vehicle clients that are not domiciled in the USA and are not marketed in the USA (the “**Pooled Funds**”). We also serve as the investment adviser, with discretionary trading authority, to Separately Managed Account clients (herein referred to as the “**Separately Management Accounts** or **SMAs**”) which at the time of the submission of this Brochure, includes a USA-domiciled client.

We may manage, via sub-advisory relationships, private pooled investment vehicles in the future, the securities of which would be offered through a private placement memorandum to USA investors that are accredited investors, as defined under the Securities Act of 1933 (the “**Securities Act**”).

The Pooled Funds, Separately Managed Accounts, and any other clients that Totus may manage will be referred to herein as the “**Clients**” or the “**Accounts**”.

Our investment decisions and advice with respect to each Account are pursuant to the investment objectives and guidelines as set forth in the relevant fund’s offering document or the SMA’s Investment Management Agreements (“**IMAs**”).

This Brochure generally includes information about Totus and its relationships with its Clients and affiliates. This Brochure does not constitute an offer to sell, or solicitation of an offer to buy, any securities.

We do not currently participate in any Wrap Fee Programs.

As of September 30, 2024 we had regulatory assets under management (“**RAUM**”) of \$189,433,929, all managed on a fully discretionary basis, \$175,418,402 of which is attributable to the non-USA clients. The RAUM for the USA SMA is \$14,015,527 as of September 30, 2024. We do not manage any non-discretionary assets.

Item 5: Fees and Compensation

Fees payable to us for investment management services are set out in the applicable offering documents and IMAs, and will include an asset-based management fee (the “**Management Fee**”) and a performance-based fee (the “**Performance Fee**”).

Pooled Funds

Management Fees for the pooled funds are expected to be charged up to 1.62% per annum of net assets, which is charged monthly. Performance Fees for the pooled funds are charged at between 15% and 20% per annum. Performance fees may be subject to a hurdle and are subject to a high watermark.

Separately Managed Accounts

For the SMAs, the management and performance fees are individually negotiated and take into account the investment mandate and the investment amount.

Other Types of Fees or Expenses

The Adviser shall be responsible for all internal operating expenses of the Firm, including, without limitation, rent, utilities and employee salaries. The SMAs shall bear all ordinary, direct trading costs relating to its trading activities, including brokers' commissions, borrowing charges on securities sold short, interest on margin accounts and other reasonable and customary out-of-pocket transaction charges payable to third parties, which shall be charged to the Account as transactions occur. In addition to the fees and expenses described above, a SMA will bear its pro rata share (determined based on notional capital relative to the total assets under management of the Adviser to which such expenses are attributable) of all expenses incurred by the Adviser that it allocates across other funds or accounts implementing substantially the same investment strategy as the Adviser implements for the SMA, including a reference fund (collectively, the "**Totus Funds**"). To the extent that any such expenses to be borne by the SMA hereunder are also attributable to one or more other Totus Funds managed by the Adviser, the SMA shall not bear more than its pro rata share of such expenses.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

As described in Item 5 above, the Adviser shall be entitled to receive a Performance Fee (as defined in the offering documents); provided, however, that for purposes of computing the Performance Fee, net profits for the relevant period shall be reduced by the loss carryforward applicable for that period.

Performance fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement in an effort to receive a greater performance-based compensation. Notwithstanding this fact, Totus has procedures in place to ensure that any recommendations made are in the best interest of Clients regardless of the Performance Fee or type of fee the Client is paying.

This fee arrangement raises potential conflicts of interest. The performance fee may be an incentive for Totus to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In addition, in the event Totus charges performance fees and also provides similar services to accounts not being charged performance fees, there may be an incentive to favor accounts paying a performance fee.

Notwithstanding this fact, Totus has procedures in place to ensure that any recommendations made are in the best interest of clients regardless of whether the client is paying a performance fee or different type of fee.

Item 7: Types of Clients

As described in Item 4 above, our clients are Pooled Funds and SMAs in which the investors include, without limitation, funds of funds, family offices, foundations, private wealth and financial advisory clients, distributor platforms and high net worth individuals. Totus and its employees also invest in the funds.

The minimum investment and other requirements for investing in each fund are set out in the relevant offering documents. The minimum account size to establish a Separately Managed Account is generally \$50 million. However, the Firm, in its sole discretion, may accept a lower minimum investment amount from time to time.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategy pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the investment management agreements or offering documents. The investment strategy we pursue entails substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Methods of Analysis and Investment Strategy

Totus aims to preserve and compound investors' capital over the longer term, regardless of conditions in the broader equity market and economy. We do this by seeking out the best businesses available to us at sensible prices within global equity markets and shorting a range of lower quality business against this.

Totus believes there are numerous opportunities in key segments of the global developed equities market. Totus identifies medium to longer-term structural investment themes that are used to focus research efforts. The team then performs extensive fundamental bottom-up research to identify securities that have concentrated exposure to these themes.

We focus on businesses with a demonstrated track record of profitability, high returns and strong cash flow generation for long investments. These investments are balanced with short positions in lower quality businesses that are facing cyclical and/or structural headwinds, deteriorating earnings quality, and catalysts for share price underperformance.

The index-agnostic approach of the Totus Alpha Strategy (the "**Strategy**") gives us the ability to be nimble and responsive in challenging periods for the market. Our flexible investment mandate allows the team to select the best investment opportunities in Australia and global

developed markets (long and short), unconstrained by arbitrary sector, market capitalisation and index restrictions.

Separately Managed Accounts

While the Pooled Funds follow a global developed market equity mandate, the Adviser offers the Totus Alpha Strategy to Clients with differences in the investment universe (e.g. Australian-only instruments). We trade these Accounts (as defined in the IMAs) on a pari passu basis with the Australian equity sleeve of the Totus Alpha Fund (the “**Reference Fund**”), and will adhere to investment guidelines and restrictions applicable to the Reference Fund (as set forth in its offering document), subject to such modifications as are set forth in the IMAs.

The Adviser will allocate trades to the SMAs on a pro rata basis with the Reference Fund and any of the Totus Funds, based on the ratio by which (a) notional capital of the Account assets bears to (b) the total assets under management of the Adviser in the Totus Funds as of the time such trade is made. When the Adviser determines that it would be appropriate for the SMA and any such other Totus Fund to participate in an investment opportunity, the Adviser will use reasonable efforts to place orders for the Accounts on a fair and equitable basis.

In managing the SMAs, the Adviser shall comply with the Investment Guidelines and the pari passu requirements as set forth in the relevant IMAs.

Risk Management

The Strategy runs a number of short positions, each of which by definition has the potential to cost the fund >100% of its exposure. Active monitoring and management of short positions is critical to the Strategy’s risk management framework. The investment team manages and monitors the portfolios to some soft limits and processes around, amongst other factors, exposure limits, position sizing, liquidity limits, short interest, thematic and factor risk awareness, stress testing and scenario analysis.

Risk Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in all Accounts advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to the investment strategy or methods of analysis employed by us.

An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the offering documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks, derivatives, and related instruments, including, without limitation, the risks described below.

Market risk

Investment returns are influenced by market factors. These factors include changes in the economic (e.g. changes in interest rates), legislative and political environment, as well as changes in investor sentiment. In times of market volatility, there is a risk that the value of the securities held by all Accounts will fall in value, resulting in reduced returns on investment.

Equity risk

Individual investments made by all Accounts will fluctuate in value, meaning that the price may go up or down. A company's share price may fluctuate for a number of reasons. A company may undergo changes in its financial, management or operating circumstances, and may also face broader influences such as political and industry changes. The Adviser aims to reduce these risks with thorough analysis and research of securities held by all Accounts.

Volatility risk

Generally, the higher the potential return for the portfolio means there is a higher risk and a greater chance of substantial return fluctuations (including the possibility of losses) that may occur. In addition to the loss of returns, there is a risk that the value of all Accounts may decline considerably. As the portfolio has the ability to achieve high levels of gearing, the portfolio will be subject to increased volatility. Returns from a leveraged investment will generally be more volatile than returns from an unleveraged investment.

Short-selling risk

The Strategy involves selling securities short. Selling securities short creates the risk of losing an amount greater than the initial investment and can also involve borrowing and other costs which can reduce profits or create losses in particular positions.

Derivative risk

The value of a derivative may fail to move in line with the underlying asset. In addition, the derivative may be illiquid or either the portfolio or the counterparty to the derivative contract may not meet their contractual obligations. This may have an adverse effect on the value of the portfolio's investments. While using derivatives for hedging can reduce the risk associated with an investment, it cannot be guaranteed that hedging will always be successful. The Strategy may use derivatives for both hedging and speculative purposes.

Liquidity risk

As all Accounts will primarily invest in listed securities, if there is an interruption of regular trading of the market, or for a particular asset of all Accounts (or if official quotation of securities is denied), the ability to liquidate those securities in a timely manner may be affected.

Regulatory and government policy changes

Legal, tax, regulatory and government policy changes in the Australian and international investment environment may occur. These changes may have negative impacts on both income and capital returns from an investment.

Exchange rate fluctuations

Changes in exchange rates between the Australian dollar and foreign currencies can have a positive or negative impact on investment value or returns.

Cybersecurity Risk and Business Continuity

The Adviser, our service providers and Clients are susceptible to operational and information security risks resulting from cyber-attacks including the theft or corruption of data maintained online or digitally, denial of service attacks on websites, the unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential information, unauthorized access to relevant systems, compromises to networks or devices that are used to service operations, and operational disruption or failures in physical infrastructure or operating systems. Cybersecurity failures or breaches have the ability to cause disruptions and impact business

operations, potentially resulting in financial losses, the inability to transact business, and violations of applicable privacy and other laws.

We have adopted a business continuity plan to maintain critical functions in the event of a partial or total building outage affecting our office or a technical problem affecting applications, data centres, or networks. The recovery strategies are designed to limit the impact on clients from any business interruption or disaster. Nevertheless, our ability to conduct business may be curtailed by a disruption in the infrastructure that supports our operations.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to an investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

We do not recommend or select other investment advisers for our Clients.

Totus Capital Pty Ltd is an affiliate of the Adviser and is registered with:

- Australian Securities & Investments Commission (“ASIC”) with an Australian Financial Services License (“AFSL”)
- Australian Transaction Reports and Analysis Centre (“AUSTRAC”)

The Adviser is registered with ASIC but does not hold an AFSL. The Adviser operates as an authorised representative of Totus Capital Pty Ltd under its AFSL.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

Totus has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Trading Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are not allowed to accept stock in any Initial Public Offerings (“IPOs”) or capital raising that the Firm is participating in.

Employees are required to receive approval from the CCO prior to participating in Limited Offerings and IPOs.

Employees are prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; and (ii) making political contributions.

Employees also are required to provide to the CCO statements of their brokerage accounts on a quarterly basis.

We will provide a copy of our Code of Ethics to our Clients, or any prospective investor, upon request.

Item 12: Brokerage Practices

The Firm is authorized to determine the broker-dealer to be used for executing securities transactions for the Clients. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the most favorable pricing. The Clients’ securities and other assets are held in securities accounts at brokers that are “Qualified Custodians” (as defined in the Advisers Act) or, for certain privately offered securities or assets, in accordance with the Custody Rule under the Advisers Act.

Best Execution

In selecting an appropriate broker-dealer (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, we seek to obtain “Best Execution”, meaning we will execute transactions in a manner most favorable and beneficial to our Clients under the circumstances. The Firm considers many factors in determining whether it obtains Best Execution, only one of which is actual commission rate or price paid or received. Best execution is qualitative, and not quantitative, and the Firm will weigh a combination of criteria to determine whether the transaction in question represents the best “qualitative” execution for the Clients. Those factors include but are not limited to execution and research quality; competitiveness on pricing; the ability of the brokers and dealers to effect the transaction; the brokers’ or dealers’ financial stability, reputation, and reliability; the availability of securities to borrow for short sales and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment and commitment of capital. Accordingly, the commission rates (or markups or markdowns) paid by the Clients in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Generally, neither the Firm nor any Client separately compensates any broker or dealer for any of these other services. The Firm’s “Best Execution Policy” requires that all trades are executed through approved broker-dealers and that the Firm reviews the performance of its broker-dealers to evaluate whether the Firm is obtaining Best Execution for its Clients’ trades. The Firm maintains policies and procedures to

review the quality of executions, including periodic reviews by its trading and investment professionals.

Soft Dollars

From time to time, the Firm may pay a broker-dealer commissions (or markups or markdowns) for effecting Client transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. The Firm will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to prevailing guidance provided by the SEC regarding Section 28(e). The Firm believes it is important to its investment decision-making processes to have access to independent research. Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by the Clients may be used by the Firm to service one or more Accounts, including Accounts that may not have paid for the soft dollar benefits. The Firm will generally seek to allocate soft dollar benefits to Accounts in proportion to the soft dollar credits the Accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to the Firm (i.e., a "mixed use" item), the Firm will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of the Firm's allocation of the costs of such benefits and services between those that primarily benefit the Firm and those that primarily benefit the Accounts.

When the Firm uses brokerage commissions (or markups or markdowns) generated by any Accounts to obtain research or other products or services, the Firm receives a benefit because it does not have to produce or pay for such products or services. While the Firm is obligated to seek Best Execution for each Account, the fact that the Firm can obtain or receive such products or services may create an incentive for it to select or recommend a particular broker-dealer based on the Firm's interests, to the exclusion of another broker-dealer that offers business terms that are also favorable to one or more Accounts. At least annually, the Firm's board reviews the amount and nature of research products and services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its Accounts on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will the Firm make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services. Research products and services provided by brokers through which client transactions are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, access to management and other products and services providing lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities.

Order Aggregation

If we determine that the purchase or sale of a security is appropriate with regard to more than one Client, we may but are not obligated to, purchase or sell such a security on behalf of such accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Account will receive the average price, with transaction costs generally allocated pro rata based on the size of each Account's participation in the order (or allocation in the event of a partial fill) as determined by the Firm. In the event of a partial fill, allocations may be modified on a basis that the Firm deems to be appropriate, including for example, in order to avoid odd lots or de minimis allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Firm. As a result, certain trades in the same security for one Account (including an Account in which the Firm and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Item 13: Review of Accounts

As risk management and capital preservation are critical components of Totus' investment philosophy and process, the investment team manages and monitors the portfolios in real time to ensure they conform to the investment objectives and guidelines that are stated in the offering documents or IMAs.

Investors in the Pooled Funds receive from the Funds' Administrators on a regular basis holding statements that include valuation, performance and copies of the annual audited financial statements for the applicable funds. In addition, Totus will provide a written monthly report including performance attribution, risk statistics and commentary on areas of interest pertaining to the market and portfolio.

Clients invested via SMAs will receive support and reporting as agreed in the applicable IMAs but generally include regular statements from the counterparties that may include a detailed list of all relevant positions, valuations, transactions and fees.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services.

The Adviser compensates a third-party firm (Swiss marketer) for client referrals.

Item 15: Custody

We do not maintain physical possession of Client assets, provide custodial services or hold Client money.

The Pooled Funds' assets are held by banks or broker-dealers that are qualified custodians. We do not have custody of the funds and securities we manage for the SMAs.

Item 16: Investment Discretion

We have full discretionary investment authority with respect to the Clients, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. SMAs can agree to bespoke investment constraints with us (such as liquidity limits or the exclusion of certain stocks) and such constraints will be set out in the relevant IMAs.

Item 17: Voting Client Securities

In compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The Firm will comply with the Proxy Voting Rule and will act solely in the best interests its Clients when exercising its proxy voting authority. The Firm determines whether and how to vote proxies on a case-by-case basis, and will:

- Attempt to consider all aspects of the vote that could affect the value of the issuer or that of the Client.
- Vote in a manner that it believes is consistent with the Client's stated objectives.
- Generally, vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless the Firm has a particular reason to vote to the contrary.

In limited circumstances, we will refrain from voting Proxies where we believe that doing so would be in the best interests of our clients, taking into consideration the cost of voting the Proxies and the anticipated benefit to our clients.

Generally, Clients may not direct our vote in a particular solicitation. Clients may obtain a copy of our Proxy voting policies and procedures by contacting the CCO at awen@totuscapital.com.au. Investors may obtain any of our Proxy voting records upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to our Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.