

ARENA SECURITIES

Arena Securities Performance update June

3 Months	6 Months	1 Year	Since Inception*
4.75%	5.43%	-	23.34%

Indicative performance is reported net of all fees. Past performance is not a reliable indicator of future returns.

Dear fellow investors,

I am delighted to bring you the June update. The portfolio performed well this quarter, mainly thanks to FND.ASX and SKS.ASX. I have written below about fundamental updates to the portfolio.

Prophecy International (PRO) Announces Key Contract Win

In a noteworthy development for Prophecy International, the company has recently secured a significant contract that is expected to bolster its operational capabilities and financial outlook. This strategic win is a testament to the company's consistent efforts in expanding its market share and enhancing its service offerings.

(AHL:ASX) downgrades

In somewhat contrasting news, AHL: ASX has revised its forecasts downward, projecting results to be approximately 5% lower than those recorded in the previous year. This downgrade raises questions about sustainability in its growth trajectory.

(SKS:ASX) Is kicking goals

On a brighter note, SKS Technologies (SKS) has showcased exceptional performance within the electrical contracting sector. The company made headlines in May by announcing over \$30 million in new contract wins, which includes an impressive \$11 million project at the RAAF Base Tindal in Darwin and a substantial \$13.5 million contract for a state-of-the-art hyperscale data centre in Melbourne. These recent achievements have contributed to a significant boost in the company's order backlog, which has now reached \$110 million compared to \$96 million in February.

Given the remarkable surge in SKS's stock price—up more than 200% since the beginning of the year—there has been a strategic decision to realize some profits from our holdings in the company while still maintaining a substantial position in the Fund. Our ongoing confidence in SKS is anchored in the belief that the long-term advantages stemming from strategic investments in data centres and defence projects are still in the early stages of development.

SEQ:ASX Faces Turbulence Amid Hostile Takeover Attempt, Raising Questions

Meanwhile, it has been a turbulent period for SEQ:ASX as the company faced a hostile takeover bid, which ultimately fell short of success. This situation has sparked a lot of discussions in the market regarding the strength and stability of SEQ's management and operational strategies.

Vysarn (VYS:ASX) Launches First Project in Asset Management Division

During the recent quarter, Vysarn (VYS:ASX) made a significant move by announcing its inaugural project within its new asset management division. The company is embarking on the establishment of an infrastructure fund, which will focus

exclusively on water assets located in the Pilbara region. This strategic initiative underscores Vysarn's commitment to tapping into the growing demand for sustainable water management solutions.

Karoon Energy Faces Pressure from Activist Investors

activist investors have stirred the pot at the recent Karoon Energy AGM. These stakeholders are advocating for increased dividend payments and a clearer capital allocation framework from the company. Their demands follow Karoon's acquisition of a 30% stake in the Who Dat asset, a move that has raised eyebrows in the market. Investors have expressed concerns over this minority stake, fearing that it could leave Karoon vulnerable to potential dilution in the future. The backlash reflects a growing desire among investors for more transparency and a robust strategic direction as Karoon navigates its investment landscape.

Regards

Aleck Arena



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