

Key Features

Name	Alpha Balanced Fund
APIR Code	ETL4308AU
Inception Date	30 December 2021
Benchmark	Morningstar AUS Balanced Target Allocation NR \$A
Peer Group	Australia Fund Multisector Balanced
Mgmt Costs	0.69% p.a.
Buy/Sell Spread	0.25% / 0.25%
Platforms	PlatformplusWRAP
Fund Size	\$7.3m

Monthly Commentary

The Alpha Balanced Fund delivered a total return of 0.93% (net of fees) in September 2024, which was below the Morningstar Australian Balanced Target Allocation Index by -0.26% and the Peer Median by -0.34%. The main reason for the relative underperformance was asset allocation decisions which favoured Global Shares over Australian Shares and Listed Property.

Share markets continued to grind higher in September and the key market indices have now reached record highs. Chinese Shares and Australian Resources were a major talking point and bounced strongly from mid-month after China announced a much larger stimulus to address its local housing crisis. Fixed income also fared well, and bonds were supported by the US Federal Reserve's interest rate cuts. With the RBA now falling behind the other major central banks in terms of rate cuts, Australian bonds lagged global counterparts and the Australian Dollar rallied. Value style companies outperformed and listed property/infrastructure were buoyed by the prospect of lower interest rates, while some of the hype around the AI and weight loss thematics waned.

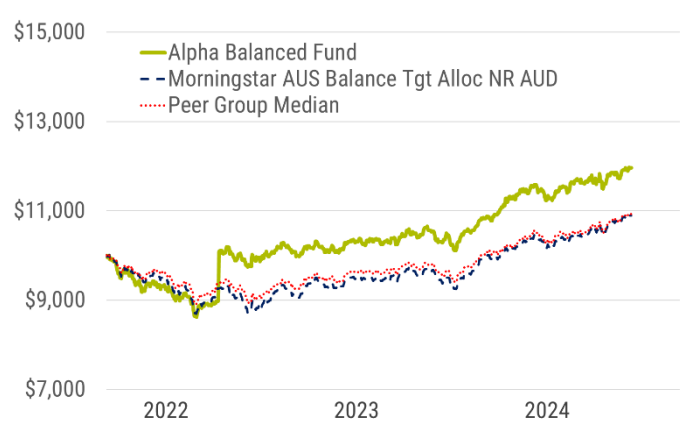
The Fund's biggest winners in September were Australian miners (inc. BHP, South32, Rio Tinto & West African Resources) and Chinese companies (inc. Alibaba, Tencent, JD.com, Geely Automotive, Yum China & HKEX) and fixed income was also positive. The biggest detractors were the major weight loss drug makers (Novo Nordisk & Eli Lilly), while other key losers included ASML, JPMorgan, AstraZeneca and REA Group (which launched a so far unsuccessful bid for UK's Rightmove).

The Fund is still marginally overweight to Growth Assets and we have moved to be even more overweight to bonds. While, we still favour higher quality companies, the Fund's exposures to Asia and Australian Resources are designed to take advantage of an expected recovery in China. The key changes to the portfolio in September were:

- Rotation in the banks, trimming CBA and adding to or buying NAB, Westpac and ANZ based on relative valuation.
- Buying South32 and West African Resources and adding to BHP, which are cheap and should if China starts to recover.
- Buying a basket of undervalued Global Listed Infrastructure exposures, including positions in Hong Kong, Mexico and US.
- Adding to NVIDIA, which is the epicentre of the AI story and has the potential continue to reap supernormal profits over the next few years.
- Adding to Chinese Technology, which has a strong fundamental outlook, and still looks undervalued compared to global peers.
- Adding to Australian Government Bonds, which appear to be a relatively inexpensive form of protection in the event of a recession.

Your financial adviser will take the time to discuss this report with you and answer any questions you may have.

Performance



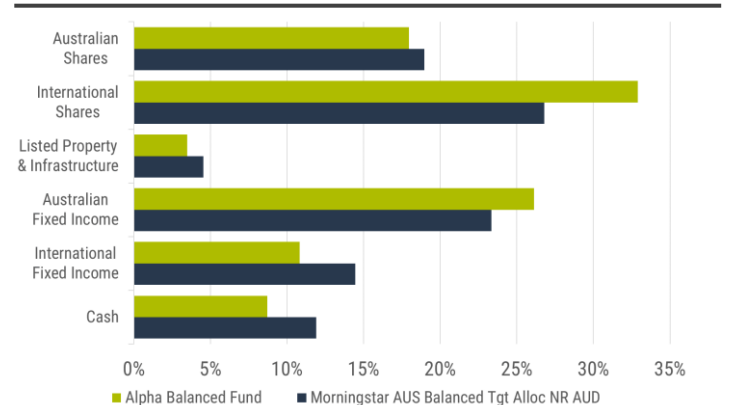
Performance	1mth	3mth	6mth	1yr	2yrs	Inception
Alpha Balanced	0.93%	2.96%	3.26%	16.14%	10.74%	6.74%
Benchmark	1.18%	4.62%	4.28%	15.29%	11.72%	3.17%
Peer Median	1.27%	4.35%	4.05%	14.25%	10.96%	3.28%

Disclaimer: Net performance figures are shown after all fees and expenses. Past performance is not an indicator of future performance. Returns for periods 1 year or greater are calculated on an annualised basis.

Peer Median: Morningstar Category: Australian Multisector – Balanced

Source: Morningstar Direct (to 30 September 2024)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
BHP Group	BHP	Australia	2.4%
NVIDIA	NVDA	United States	2.0%
National Australia Bank	NAB	Australia	1.9%
Westpac Banking	WBC	Australia	1.6%
ANZ Group	ANZ	Australia	1.4%
Microsoft	MSFT	United States	1.3%
Wesfarmers	WES	Australia	1.3%
Tencent Holdings	00700	Hong Kong	1.2%
Amazon.com	AMZN	United States	0.9%
Cheniere Energy	LNG	United States	0.9%