

MONTHLY SNAPSHOT

Alpha Growth Fund

2024

Key Features

Name	Alpha Growth Fund
APIR Code	ETL9255AU
Inception Date	30 December 2021
Benchmark	Morningstar AUS Growth Target Allocation NR \$A
Peer Group	Australia Fund Multisector Growth
Mgmt Costs	0.77% p.a.
Buy/Sell Spread	0.25% / 0.25%
Platforms	PlatformplusWRAP
Fund Size	\$8.6m

Monthly Commentary

The Alpha Growth Fund delivered a total return of 1.03% (net of fees) in September 2024, which was below the Morningstar Australian Growth Target Allocation Index by -0.46% and the Peer Median by -0.47%. 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		6mth	1yr	2yrs	Inception
Alpha Growth Fund	1.03%	2.82%	3.16%	19.68%	13.43%	4.05%
Benchmark	1.49%	5.33%	4.83%	18.51%	14.75%	4.80%
Peer Median	1.50%	4.97%	4.51%	17.47%	13.46%	4.20%

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 – Growth Source: Morningstar Direct (to 30 September 2024)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
BHP Group	BHP	Australia	3.2%
NVIDIA	NVDA	United States	2.7%
National Australia Bank	NAB	Australia	2.5%
Westpac Banking	WBC	Australia	2.2%
ANZ Group	ANZ	Australia	1.9%
Microsoft	MSFT	United States	1.8%
Wesfarmers	WES	Australia	1.7%
Tencent Holdings	00700	Hong Kong	1.7%
Amazon.com	AMZN	United States	1.2%
Cheniere Energy	LNG	United States	1.2%

alphafundmanagers.com.auAlpha Fund Managers Pty Ltd

AFS Licence 236523 ABN: 37 124 085 883 DISCLAIMER: Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 | AFSL 240975, is the Responsible Entity for the Alpha Growth Fund ("Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Alpha Fund Managers is a corporate authorized representative of Alpha Investment Management Pty Ltd ABN 13 122 381 908 (AFSL 307379). Both of these companies are wholly owned subsidiaries of Infocus Wealth Management Limited ABN 28 103 551 015. This publication has been prepared to provide general information only. In preparing this information, Alpha did not take into account the investment objectives, financial situation or particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Equity Trustees, Alpha, nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. The relevant Target Market Determination (TMD) is also available via www.alphafundmanagers.com.au. This document may include general commentary on market activity, sector trends or other broad-based economic or political conditions that should not be taken as a recommendation to buy, sell or hold these securities. While the information contained in this document has been prepared with reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatements however caused.