

Key Features

Name	Alpha Balanced Fund
APIR Code	ETL4308AU
Inception Date	30 December 2021
Perf Benchmark	Morningstar AUS Balanced Target Allocation NR \$A
Peer Group	Australia Fund Multisector Balanced
Mgmt Costs	0.74% p.a.
Buy/Sell Spread	0.20% / 0.20%
Platforms	PlatformplusWRAP
Fund Size	\$7.2m

Monthly Commentary

The Alpha Balanced Fund delivered a total return of 0.19% (net of fees) in December 2024, which was above the Morningstar Australian Balanced Target Allocation Index by +0.86% and the Peer Median by +0.89%. The key driver of the outperformance was our asset allocation decisions favouring global shares (unhedged) and Australian bonds.

Global share markets gave back some of their recent gains and bond yields rose in December, reflecting investors' concerns about tariffs and inflation re-accelerating. The US Dollar further strengthened, and Tesla and Bitcoin continued to boom on the expectation of looser regulations for autonomous driving cars and cryptocurrencies under incoming President Donald Trump. In Australia, Bank shares retraced from recent record highs and our listed property securities underperformed.

The Fund's biggest winners in December included Asian shares (TSMC, Tencent, Alibaba & Geely Automobile) and Large US Technology shares (Alphabet, Amazon.com & Microsoft). The biggest detractor was Novo Nordisk, which fell after disappointing results in a late-stage trial for its next-generation obesity drug, CagriSema, while underweight positions in Apple and Tesla were also costly in a relative performance sense. The decision to favour global shares benefited from the weaker Australian Dollar but our positions in longer-dated US treasury bonds detracted.

The Fund is still marginally overweight to Growth Assets and overweight to bonds. We still favour higher quality companies but we are also carrying some exposures to Asia and Australian Resources, which are designed to take advantage of an expected China stimulus.

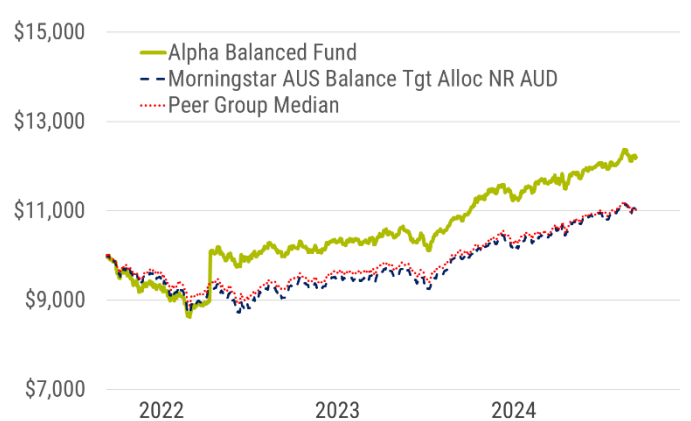
The main changes to the Portfolio were early in December and included:

- Significantly reducing our exposure to the Australian banks based on expensive valuations and reallocating to cheaper global banks.
- Taking new positions (and adding to existing positions) in several asset managers based on the view that Trump will be friendly to share markets.
- Adding to positions in Resources, which are cheap and would benefit from a potential Chinese fiscal stimulus.
- Trimming some key recent winners on valuation grounds, including Apple, Microsoft, Costco and Amazon.com.
- Increasing exposure to Australian bonds on the expectation of local interest rate cuts this year.

Later in the month we also added to our exposure to US Technology, including new positions in Salesforce, Guidewire Software, ServiceNow, Shopify, Autodesk, Keysight Technologies and Workday.

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

Performance



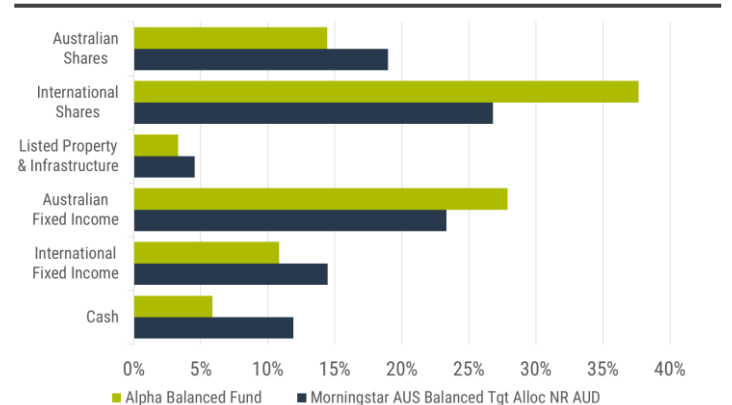
Performance	1mth	3mth	1yr	2yr	3yr	Inception
Alpha Balanced	0.19%	1.91%	12.15%	10.47%	7.00%	6.83%
Perf Benchmark	-0.67%	1.04%	10.12%	10.28%	3.36%	3.26%
Peer Median	-0.70%	1.01%	9.84%	9.77%	3.40%	3.31%

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 31 December 2024)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
NVIDIA	NVDA	United States	2.4%
Tencent Holdings	00700	Hong Kong	1.5%
BHP Group	BHP	Australia	1.4%
Alphabet	GOOGL	United States	1.2%
TSMC	TSM	United States	1.2%
JPMorgan Chase & Co	JPM	United States	1.1%
Rio Tinto PLC	RIO	United Kingdom	1.1%
National Australia Bank	NAB	Australia	1.1%
Cheniere Energy	LNG	United States	1.1%
Williams Companies	WMB	United States	1.0%