

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	\$2.2m

Monthly Commentary

The Alpha Balanced Fund had a total return of -1.56% (net of fees) in October 2023, which was above the Morningstar Australian Balanced Target Allocation Index by +0.44% and Peer Group Median by +0.18%.

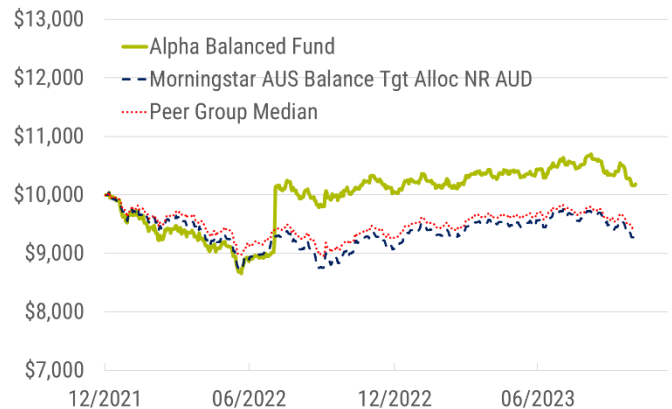
October was the second consecutive tough month for all asset classes except Cash, with International and Australian Shares down as reporting season got underway in the USA. For the Fund, the key contributors were Large US Technology Shares (including Microsoft, Amazon, Meta Platforms and Apple), Energy Infrastructure Shares (including Williams Companies and Cheniere Energy) and a selection of Healthcare stocks (led by Novo Nordisk and Eli Lilly). Footwear designer and distributor, Deckers Outdoor, which owns iconic Australian brand UGG boots, was another major winner and was up +18% for the month.

The main detractors were in Australia, with Office Property landlord, Dexus, being the biggest loser. It was down -11% due to higher bond yields, softening asset values and the announced impending departure of CEO Darren Steinberg. Transport and logistics company, Brambles, was another loser and was down -8% for the month. While the Fund had some winners in Healthcare, there were also some losers, with Sanofi and Fresenius Medical Care falling -14% and -19% respectively.

The Fund's exposure to long-dated sovereign Bonds continued to detract, as bond yields rose again in October. While the size of this position has reduced in recent months, exposure to Bonds has still been retained in the Fund to help counterbalance our overweight allocation in Shares, as Bonds are likely to rally if we go into recession.

The Fund remains overweight to Growth Assets despite our concerns about the impact of higher interest rate on the economy. The positions held in the Fund are mostly of higher quality and it is hoped that they would be less susceptible if the economy were to go into a slowdown. We were less active in terms of making changes in October than in previous months, which reflects the material outperformance of our selections in Growth Assets since February, with and Technology and Healthcare still being the key overweights. Conversely, the Fund currently holds just one US Bank (JPMorgan), underweight allocation to European Financials and no exposure to US Listed Property, which appear to be the most vulnerable sectors to higher bond yields.

Performance

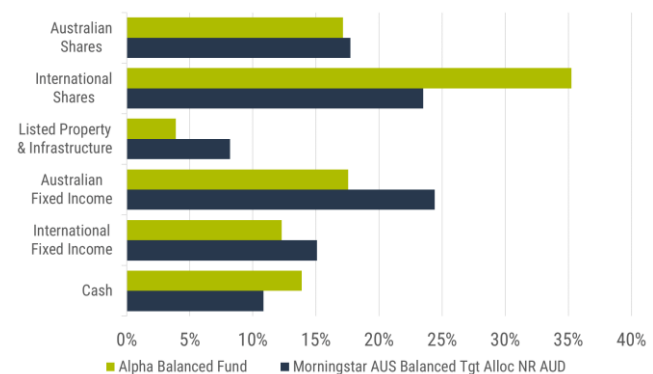


Portfolio Performance	1mth	3mth	6mth	1yr	Inception
Alpha Balanced Fund	-1.56%	-3.64%	-2.32%	0.92%	0.77%
Benchmark	-2.00%	-4.40%	-2.98%	2.74%	-3.85%
Peer Group Median	-1.74%	-3.99%	-2.59%	2.91%	-3.12%

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

Peer Group Median: Morningstar Category: Australian Multisector – Balanced
Source: Morningstar Direct (to 31 October 2023)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
BHP Group	BHP	Australia	3.1%
National Australia Bank	NAB	Australia	2.0%
Microsoft Corp	MSFT	United States	1.7%
Alphabet	GOOGL	United States	1.3%
Commonwealth Bank of Australia	CBA	Australia	1.3%
Wesfarmers	WES	Australia	1.1%
Apple	AAPL	United States	1.0%
Cheniere Energy	LNG	United States	1.0%
Goodman Group	GMG	Australia	0.9%
Novo Nordisk	NVO	United States	0.9%

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