

Key Features

Name	Alpha Moderate Fund
APIR Code	ETL6153AU
Inception Date	2 April 2007 (Merger 9 September 2021)
Benchmark	Morningstar AUS Moderate Target Allocation NR \$A
Peer Group	Australia Fund Multisector Moderate
Mgmt Costs	0.65% p.a.
Buy/Sell Spread	0.25% / 0.25%
Platforms	Insignia, Praemium, HUB24, PlatformplusWRAP
Fund Size	\$7.1m

Monthly Commentary

The Alpha Moderate Fund delivered a total return of -1.83% (net of fees) in October 2023, which was below the Morningstar Australian Moderate Target Allocation Index by -0.16% and the Peer Group Median by -0.48%.

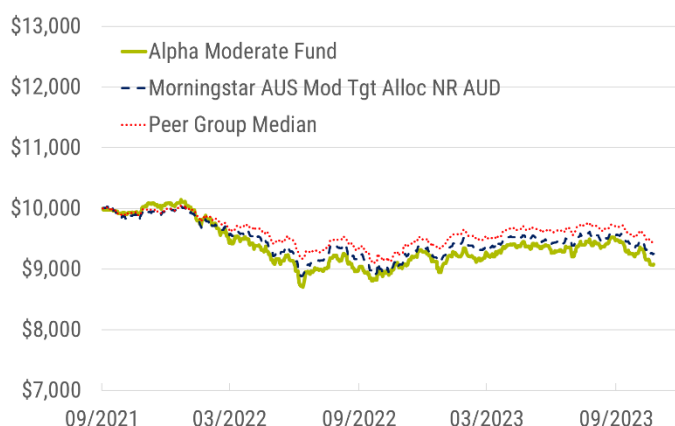
October was the second consecutive tough month for all asset classes except Cash, with International and Australian Shares down as reporting season got underway in the USA. For the Fund, the key contributors were Large US Technology Shares (including Microsoft, Amazon, Meta Platforms and Apple) and a 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 largest detractor. 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



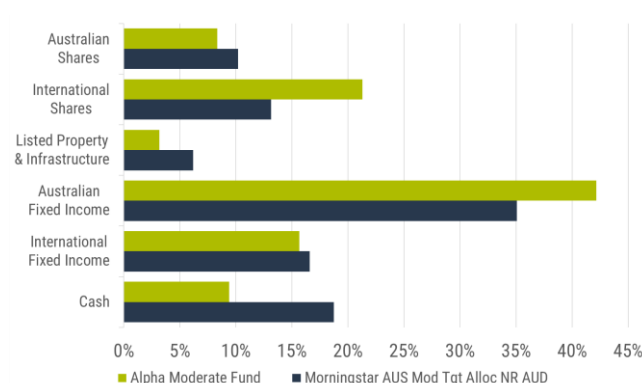
Performance	1mth	3mth	6mth	1yr	2yrs	Inc*
Alpha Moderate	-1.83%	-3.81%	-3.89%	-0.06%	-4.27%	-4.41%
Benchmark	-1.67%	-3.50%	-3.19%	1.53%	-2.85%	-3.55%
Peer Group Median	-1.35%	-3.17%	-2.59%	1.65%	-2.15%	-2.72%

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.

Inception*: The date refers to the fund merger on 9 September 2021

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

Asset Class Exposures



Top 10 Share Holdings

Security	Ticker	Country	Weight
BHP Group	BHP	Australia	1.3%
Goodman Group	GMG	Australia	1.0%
National Australia Bank	NAB	Australia	0.8%
Microsoft Corp	MSFT	United States	0.7%
Wesfarmers	WES	Australia	0.6%
Novo Nordisk	NVO	United States	0.6%
Cheniere Energy	LNG	United States	0.5%
Dexus	DXS	Australia	0.5%
Apple	AAPL	United States	0.5%
Macquarie Group	MQG	Australia	0.5%

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