

At a glance

Global Shares remained strong in the third quarter lead by the technology sector and gold miners

Resources performed well over the quarter due to rallies in gold, lithium and iron ore

The US Fed and RBA cut interest rates this quarter, as growth and unemployment worries outweigh inflation risks.

Some of Trump's tariffs were finally implemented but may be unwound by a key Supreme Court case

Markets Update

Global equity markets remained strong in the third quarter, led by Artificial Intelligence (AI) and gold. Major technology and gold-mining stocks outperformed, with Global Shares up 6.1% for the period. Emerging Markets gained 9.4% on Asian technology strength and renewed optimism around Chinese government stimulus. Australian Shares rose 4.7%, supported by small caps and resources as bank shares lagged. Iron ore and lithium prices also lifted on improving sentiment toward China's industrial outlook. However, global share prices outpaced earnings growth closing the quarter with expensive share markets now more expensive than at the start.

NVIDIA reported record quarterly revenue of US\$46.7 billion, up 56% year on year, alongside a US\$100 billion partnership with OpenAI to build next-generation Artificial Intelligence (AI) infrastructure. The circular nature of the deal, (AI firms purchasing hardware from the same companies driving their valuations), reignited debate about the sustainability of AI-driven market gains.

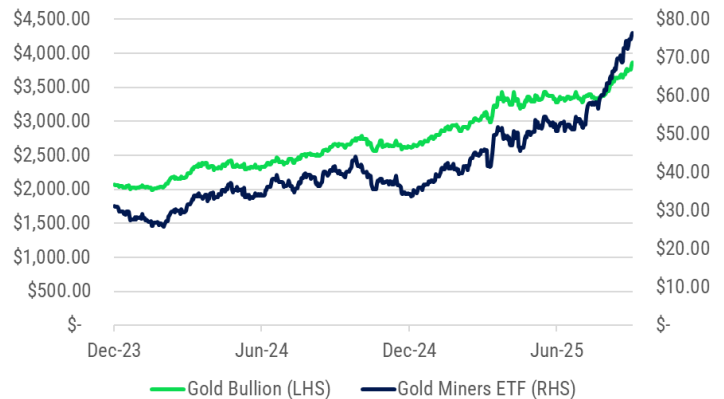
In Australia, CSL shares fell sharply despite solid results after announcing a major restructure involving thousands of job cuts, a Seqirus spin-off, and significant one-off charges. And CBA after touching all time highs has pulled back somewhat.

Bond markets rose slightly but again trailed cash. The US 10-year Treasury yield eased to 4.15% as investors weighed higher tariff related inflation against slower growth. The US Federal Reserve cut interest rates in September for the first time in over a year and signalled further cuts ahead. The RBA also reduced rates by 0.25% in August amid benign inflation and softer labour conditions.

Gold reached a new high of US\$3,858 per ounce at month end, gold mining stocks followed this lead performing strongly. Strength in the gold price has been supported by a weaker US dollar and investors seeking a 'safe haven' asset as volatility increases driven by Trump's tariff policy, ongoing wars in the Middle East and Ukraine and a global share market that continues to become more expensive.

The main buyers of gold and a key driver of the significant price uplift this year has been Asian central banks, particularly China, as they seek a \$US denominated asset to potentially offset the impact of Trump's tariffs on imported goods that took effect during the quarter. They also have concerns over the rising US Government debt levels and have curtailed their purchase of US Treasuries, a situation which has seen interest rates stay higher than they otherwise would have been.

Gold Spot vs Gold Miners ETF (USD)



Source: Refinitiv Workspace

Looking Ahead

Overall, risk levels remain elevated driven by; uncertainty as investors grapple with the rollout of US trade policy, persistent geopolitical tensions and President Trump's characteristically fluid, transactional approach to policy. Tariffs and rising US debt pose long-term risks that are difficult to quantify. While central banks continue to ease interest rates, volatility in both inflation and policy direction is likely to persist.

We expect major economies to remain flat to moderately positive, supported by lower interest rates and stabilising inflation. The US Federal Reserve will likely keep cutting rates—reluctantly—given growing concerns about economic slowdown despite tariff-related inflation pressures. Similarly, the RBA is expected to lower rates again in 2025 as worries about unemployment and weak growth outweigh inflation risks.

Sales and corporate revenues come under greater pressure as restrictive interest rates persist, but at this point we do not foresee a recession necessarily eventuating. Noting the health of equity markets links to the state of the economy and consumer confidence.

China's economy remains sluggish but continues to deploy targeted stimulus to lift moderate domestic growth and tariff impacts, providing a potential tailwind for Asian equities. Trump's widening influence on global geopolitics adds another layer of uncertainty, particularly for trade-sensitive sectors.

Against this backdrop, we continue to focus on fundamentals and diversification as the best defence against volatility. We maintain close to neutral allocation to growth assets with portfolios tilted toward quality, resilience, and balance—positioned to participate in upside while guarding against downside shocks.

Portfolio Commentary

The Alpha CFS Geared Growth Managed Account Portfolio delivered a total return of 7.18% (net of fees) in Q3 2025, compared to the Morningstar Aus Aggressive Target Allocation Index of 5.51% and Peer Median of 4.92%. Most of the outperformance was driven by fund selection rather than asset allocation. Gearing also was beneficial given the upward trending share markets.

The key drivers of return for the quarter included the CFS Geared Index Global Share Fund, Ausbil Australian Active Equity Fund, RQI Australian Value Fund, OC Premium Small Companies Fund and Fidelity Asia Fund. The GQG Partners Global Equity Fund continued to maintain its defensive positioning which has caused it to lag due to being underweight US technology and AI.

Portfolio Changes

In August, the portfolio was repositioned to increase exposure to global technology and AI while enhancing diversification across small and mid-cap holdings. The key change was a reduction in the GQG Partners Global Equity Fund and the addition of the Wellington Global Technology & Communications Fund.

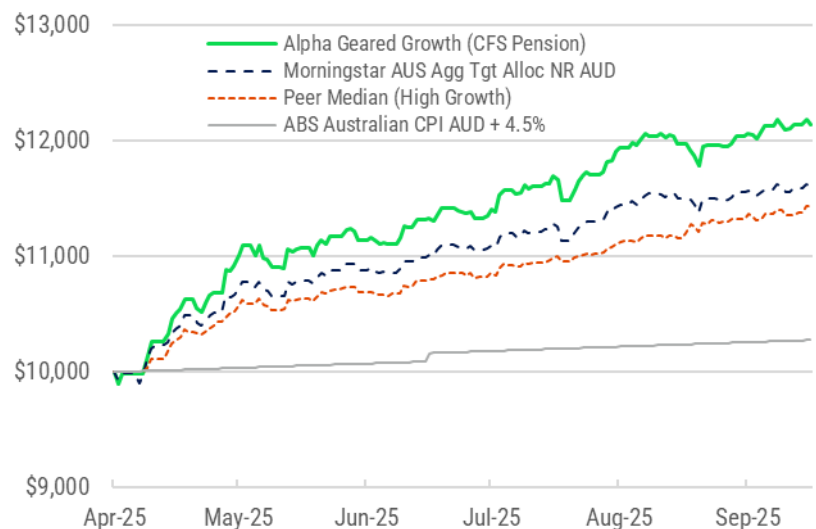
GQG's persistent underweight to U.S. technology has impacted relative performance as the sector continues to lead markets. To ensure a more active and targeted allocation to large technology and AI-related opportunities, the Wellington Global Technology & Communications Fund was introduced, shifting the portfolio from an underweight to a slight overweight in U.S. technology. This provides focused exposure to long-term structural growth drivers while retaining the diversification benefits of GQG's more cautious approach.

We also replaced the Bell Global Emerging Companies Fund with the Fidelity Global Future Leaders Fund, maintaining exposure to global small and mid-cap companies. Fidelity's adaptable investment process and strong record across changing market conditions make it, in our view, a better fit for the current and expected environment.

Additionally, several smaller trades were made to rebalance asset class exposures and currency hedging, without altering the overall strategic mix between Growth and Defensive assets, which remains neutral.

These changes strengthen the portfolio's alignment with long-term innovation themes while maintaining prudent diversification and disciplined risk management.

Performance over time



Trailing returns

Portfolio Performance	1mth	3mth	1yr	3yr	5yr	Inception
Alpha Geared Growth	1.43%	7.18%	-	-	-	21.42%
Morningstar AUS Agg Target Allocation NR \$A	0.97%	5.51%	-	-	-	16.18%
Peer Median (Aggressive)	0.93%	4.92%	-	-	-	14.32%
ABS Aus CPI + 5% p.a.	0.36%	1.11%	-	-	-	2.77%

Disclaimer: Net performance figures are shown after all fees and expenses, assuming reinvestment of distributions. Past performance is not an indicator of future performance

Your Portfolio

Underlying Investments

Alpha Geared Growth Managed Account	Neutral Allocation	Current Allocation
Australian Equity	38%	36%
CFS Geared Index Australian Share Fund		9.1%
Realindex Australian Share Value Fund (Class A)		9.9%
Ausbil Australian Active Equity Fund		9.9%
OC Premium Small Companies Fund		7.1%
International Equity	49%	50%
CFS Geared Index Global Share Fund		18.2%
GQG Partners Global Equity AUD (Hdg)		2.0%
Hyperion Global Growth Companies Fund (Class B)		4.1%
Realindex Global Share Value Fund (Hedged)		3.5%
Fidelity Global Future Leaders		4.8%
Fidelity Asia Fund		7.3%
CFS Wellington Global Tech & Comm		10.4%
Property & Infrastructure	8%	9%
Pendal Property Investment Fund		3.4%
Magellan Infrastructure Fund		5.4%
Fixed Income	5%	5%
Bentham Global Income Fund		5.0%
Cash	0%	0%