

## 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.

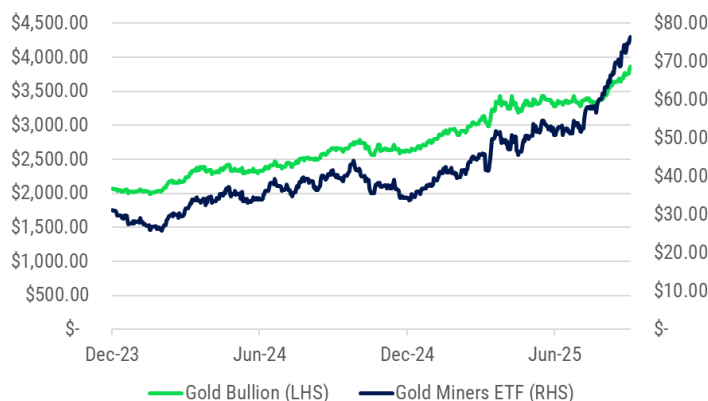
In Australia, CSL shares fell sharply despite solid results after announcing a major restructure involving thousands of job cuts, a Seqirus spin-off, and significant one-off charges. And CBA after touching all time highs has pulled back somewhat.

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.

## Key Features

Name	Alpha Moderate Fund
APIR Code	ETL6153AU
Inception Date	2 April 2007 (Merger 9 September 2021)
Perf Benchmark	Morningstar AUS Moderate Target Allocation NR \$A
Peer Group	Australia Fund Multisector Moderate
Mgmt Costs	0.73% p.a.
Buy/Sell Spread	0.20% / 0.20%
Platforms	Insignia, Praemium, HUB24, PlatformplusWRAP
Fund Size	\$8.2m

## Quarterly Commentary

The Alpha Moderate Fund delivered a total return (net of fees) of 2.54% in the September 2025 Quarter, outperforming the Morningstar Aus Moderate Target Allocation Index by +0.28%.

The main driver of returns was exposure to Asian and U.S. technology shares, with markets continuing to be led by AI and gold. Iron ore and lithium were also strong performers. Bond markets were modestly positive but again trailed cash. The U.S. 10-year Treasury yield eased to around 4.1–4.2% as investors weighed higher tariff-related inflation against slower growth. The Federal Reserve cut interest rates in September for the first time in over a year and signalled further easing ahead, while the RBA also reduced rates by 0.25% in August amid benign inflation and softer labour conditions.

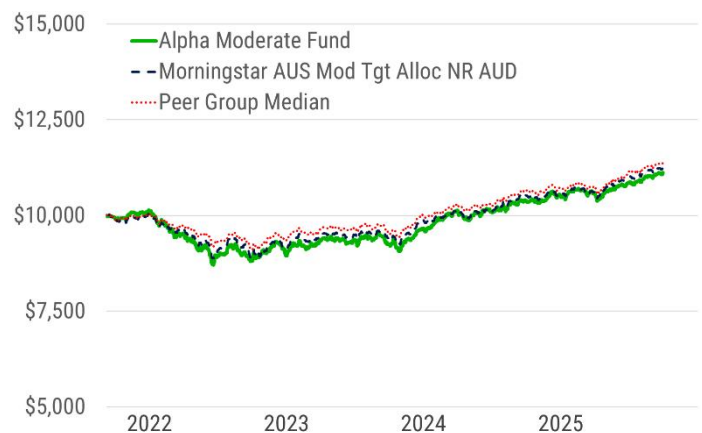
The Fund's key winners in Q3 included Chinese technology (Alibaba & Tencent), large technology/AI holdings (such as Alphabet, NVIDIA, TSMC, & Broadcom) and Australian Resources (led by BHP, Rio Tinto & Pilbara Minerals). The detractors included GQG Partners, DSV, Novonesis, ICICI Bank & Bapcor. CSL was also a detractor, although this was held underweight versus the benchmark.

Fixed income contributed positively for the quarter, with Global Fixed Income outperforming Australian Fixed Income. The portfolio continues to hold a meaningful allocation to bonds, which are expected to perform well should the economy slow.

The Fund remains positioned in favour of growth, with AI a key theme across the portfolio. However, we are becoming more cautious on valuations and may look to trim exposure in the coming quarter.

In July, the Fund made key adjustments, adding to positions in AI-driven companies NVIDIA and Amazon and Chinese Technology including Tencent. The Fund trimmed positions in Bapcor, Novo Nordisk and Ferrari, reallocating to higher-growth opportunities. Exposure to property and infrastructure stocks, including Stockland, Dexus, and Visa, was reduced to maintain a nimble portfolio. During September, we added a mix of Australian companies (including Westpac, Judo Capital, Seek, and Cochlear) and global companies (including Advanced Micro Devices, Arista Networks, Salesforce, and Caterpillar), while selling positions in IRESS, Qube, Reliance Worldwide, Northern Star Resources, and Vicinity Centres.

## Performance



Performance	1mth	3mth	1yr	2yr	3yr	Inception
Alpha Moderate	0.91%	2.54%	6.99%	9.63%	8.01%	2.65%
Perf Benchmark	0.47%	2.26%	6.71%	9.25%	8.00%	2.91%
Peer Median	0.56%	2.27%	6.37%	8.69%	7.52%	3.23%

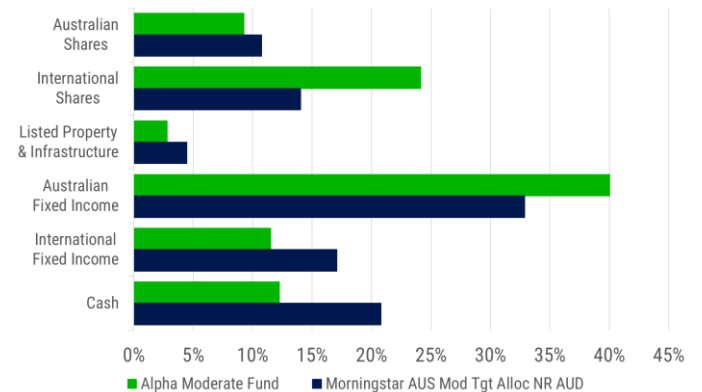
**Disclaimer:** Net performance figures are shown after all fees and expenses. Past performance is not an indicator of future performance. Returns for periods 1 year or greater are calculated on an annualised basis.

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

**Peer Median:** Morningstar Category: Australian Multisector – Moderate

**Source:** Morningstar Direct (to 30 September 2025)

## Asset Class Exposures



## Top 10 Holdings

Security	Ticker	Country	Weight
NVIDIA	NVDA	United States	1.8%
Alphabet	GOOGL	United States	1.3%
BHP Group	BHP	Australia	1.2%
Tencent	00700	Hong Kong	1.2%
Rio Tinto PLC	RIO	United Kingdom	1.1%
Westpac	WBC	Australia	1.0%
National Australia Bank	NAB	Australia	0.8%
ANZ Group	ANZ	Australia	0.6%
Alibaba	09988	Hong Kong	0.6%
Amazon.com	AMZN	United States	0.6%

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

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