QUARTERLY REPORT JUN 2026
Alpha Moderate Fund

A part of the Infocus Group

At a glance

Global equity markets remained resilient despite the Iran war and severe disruption to shipping through the Strait of Hormuz	Emerging markets were the strongest performers, led by a surge in South Korean memory-chip companies	The RBA raised interest rates during the quarter but not in June	Markets remain driven by geopolitics, energy prices, inflation, interest rates and the ongoing AI infrastructure spending

Markets Update

The June quarter was dominated by the war involving the United States, Israel, Iran and Hezbollah forces in Lebanon. Disruption to shipping through the Strait of Hormuz initially drove oil and shipping costs sharply higher, creating renewed concerns about rising inflation, slowing global growth and energy security. Conditions improved late in the quarter as the Iran conflict de-escalated and oil shipments began to recover, causing oil prices to retreat from highs.

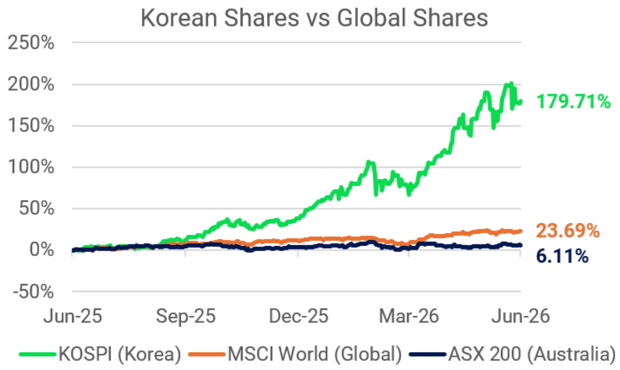
Despite the geopolitical shock, equity markets delivered strong returns. With global equities gaining 12.5% over the quarter and emerging-market shares rose 22.6%. South Korea was a standout contributor to emerging-market strength. Its share market is dominated by companies that make the memory chips used in Artificial Intelligence (AI) data centres, with Samsung Electronics and SK Hynix positioned at the centre of the global semiconductor supply chain. This helped broaden the AI rally beyond the large US technology companies that had previously dominated market returns.

US corporate earnings were also strong, particularly among technology, data storage and semiconductor businesses. However, investor attention increasingly shifted toward whether the largest Technology Companies (hyperscalers) can generate sufficient revenue to justify the hundreds of billions of dollars being invested in data centres, computing capacity and energy infrastructure. Traditional software companies also came under pressure as investors considered whether generative AI could reduce development costs and weaken established software-as-a-service business models.

Australian equities while performance was mixed gained 4.1% underperforming international markets. Higher interest rates weighed on smaller companies and banks but was offset by strong performance from some of our largest miners posting strong returns.

The RBA increased the cash rate during the quarter before holding it at 4.35% in June as spending, housing activity and parts of the labour market began to soften. The broader Australian fixed interest asset class returned 2.6% despite the RBA rate hikes and bond markets were volatile as the initial rise in oil prices increased inflation expectations, before yields declined as energy prices fell and economic activity data weakened.

Gold was also volatile initially benefited from geopolitical uncertainty but later declined as oil prices eased and the US Dollar stabilised.



Looking Ahead

The outlook remains dependent on energy markets and developments in the Middle East. Our base case assumes that shipping through the Strait of Hormuz continues to recover and oil prices remain contained. This would reduce the immediate inflation risk and allow central banks to assess the effect of previous interest rate increases.

The positive scenario would combine lower energy prices with continued earnings growth and evidence that AI investment is generating sustainable revenue. This could broaden the equity rally beyond semiconductors and the largest US technology companies.

The principal downside risks are a renewed disruption to energy supply or a slowdown in hyperscaler AI expenditure. Higher oil prices would squeeze household spending and corporate margins while restricting the ability of central banks to lower rates. A reduction in AI investment would affect technology companies, semiconductor manufacturers, data centres, utilities and infrastructure businesses.

Australia remains particularly exposed to the interaction of high mortgage rates, cooling housing activity and weaker consumer spending. These complementary risks continue to support diversified portfolios focused on quality balance sheets and resilient earnings. This may not bode overly well for our share market, with the upside likely to come from resources companies and if global demand in general holds up.

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YOUR PORTFOLIO PERFORMANCE JUN 2026
Alpha Moderate Fund

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Key Features

Name	Alpha Moderate Fund
APIR Code	ETL3086AU
Inception Date	2 April 2007 (Merger 9 September 2021)
Perf Benchmark	Morningstar AUS Moderate Tgt Alloc 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	$7.5m

Monthly Commentary

The Alpha Moderate Fund delivered a total return (net of fees) of 2.28% in Q2 2026, to underperform the Morningstar Australia Moderate Target Allocation Index by -2.19%.

The June quarter delivered strong market returns despite ongoing conflict and a fragile ceasefire in the Middle East. Equity markets were supported by resilient corporate earnings and an extraordinary rally in South Korean memory-chip companies. AI spending by hyperscalers continued to fuel earnings growth across the semiconductor industry, although technology performance became increasingly bifurcated as investors questioned whether future AI revenues would justify the extraordinary expenditure on data centres, computing capacity and energy infrastructure. Alphabet and Amazon reported particularly strong cloud results, reinforcing the underlying demand for AI computing capacity.

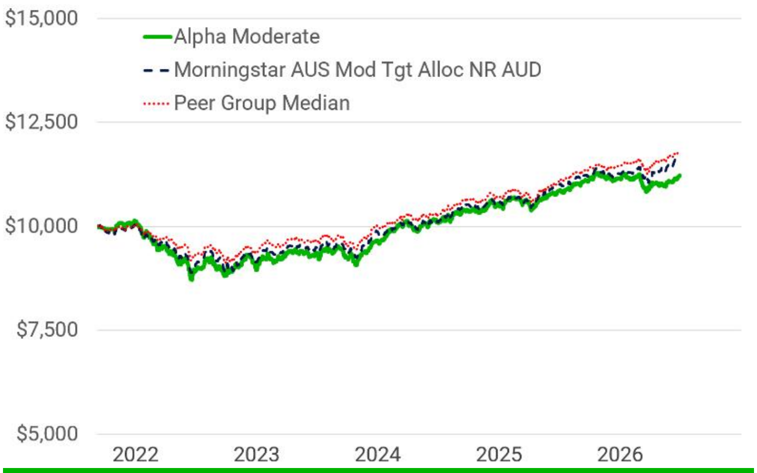
For the Fund, semiconductor exposure was the strongest source of performance, but the Fund was underweight and this was the main detractor in terms of relative attribution. Holdings in TSMC, Lam Research, KLA and NVIDIA contributed as demand for AI infrastructure, advanced manufacturing equipment and memory remained robust. Alphabet and Amazon also added value following strong earnings results, while BHP and Pro Medicus were among the other leading contributors. Fixed Interest also outperformed, led by Australian bonds. The Fund being underweight to Growth Assets also detracted from relative attribution versus the Morningstar index.

The main detractors included Cheniere Energy, which weakened as oil and gas prices declined following progress towards a ceasefire in the Middle East. Healthcare holdings CSL and GSK also detracted, while Australian banks Westpac and NAB lagged. Gold miners, including Royal Gold, fell as the gold price weakened despite continued geopolitical uncertainty.

The portfolio remains highly diversified given elevated market valuations and the unusually wide range of geopolitical, inflation and interest-rate outcomes. Markets continue to be supported by semiconductor earnings and AI infrastructure investment, but the growing divergence between companies selling AI infrastructure and those funding it remains an important risk. We still favour Australian bonds over global bonds, particularly in light of the recent Federal budget, which has further weakened the housing market.

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

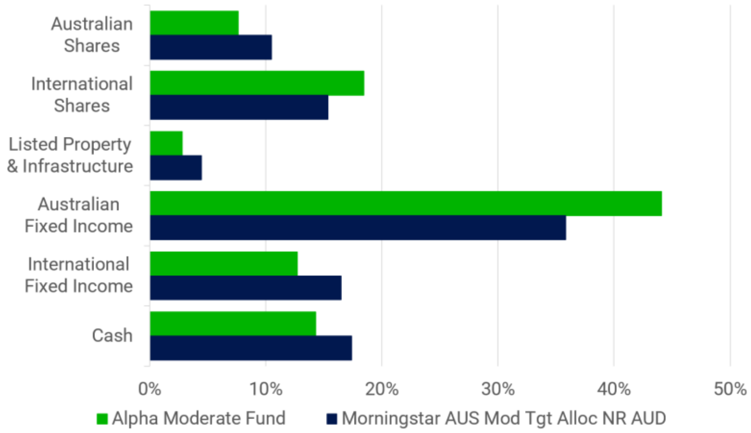
Performance



Performance	1mth	3mth	1yr	2yr	3yr	Inc
Alpha Moderate	1.19%	2.28%	3.40%	5.36%	6.23%	2.41%
Perf Benchmark	0.98%	4.47%	5.78%	7.17%	7.00%	3.18%
Peer Median	0.93%	4.03%	5.96%	6.91%	6.80%	3.52%

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 June 2026)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
BHP Group	BHP	Australia	1.6%
Alphabet	GOOGL	United States	1.0%
Cheniere Energy	LNG	United States	0.9%
Williams Companies	WMB	United States	0.9%
Microsoft	MSFT	United States	0.9%
Westpac	WBC	Australia	0.8%
Amazon.com	AMZN	United States	0.7%
National Australia Bank	NAB	Australia	0.7%
Goodman Group	GMG	Australia	0.6%
TSMC ADR	TSM	United States	0.6%