QUARTERLY REPORT JUN 2026

Alpha High Growth (FirstChoice Managed Account Super)

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.

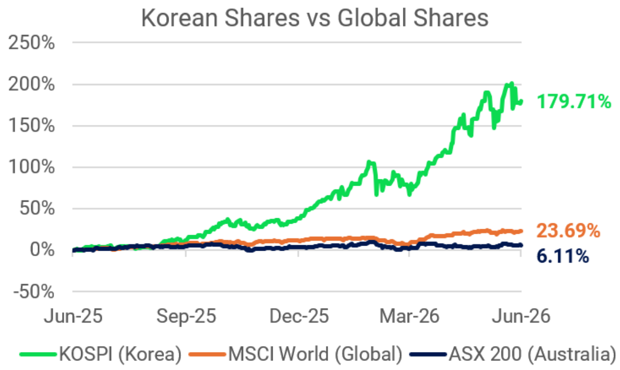
Despite the geopolitical shock, equity markets delivered strong returns. With global equities gaining 12.5% over the quarter and emerging-market shares rose 22.6%. South Korea was a standout contributor to emerging-market strength. Its share market is dominated by companies that make the memory chips 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.

YOUR PORTFOLIO PERFORMANCE JUN 2026

Alpha High Growth (FirstChoice Managed Account Super)

A part of the Infocus Group

Portfolio Commentary

The Alpha CFS High Growth Managed Account SMA delivered a return of 9.09% in Q2 2026, underperforming the Morningstar Australia Aggressive Target Allocation Index by -0.22%.

The quarter saw delivered mixed market returns against a backdrop of ongoing conflict and a fragile ceasefire in the Middle East, alongside an extraordinary rally in South Korean memory-chip companies. AI spending by hyperscalers continues to fuel strong earnings growth across the semiconductor industry. However, technology performance became increasingly varied as investors questioned whether future AI revenues would justify the extraordinary expenditure on data centres, computing capacity and energy infrastructure.

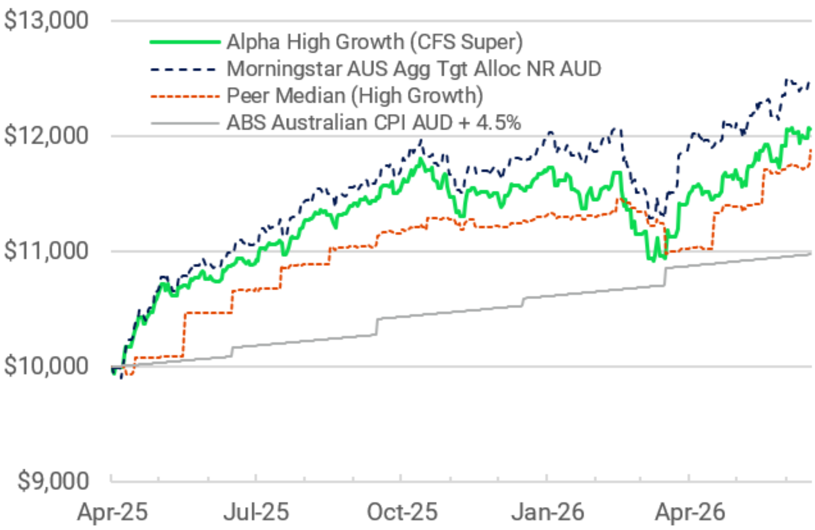
Portfolio performance drivers were bifurcated during the quarter. Global Shares did well, led by Asian and US technology companies which drove gains for the Wellington Global Technology & Communications Fund, CFS Index Global Share Fund, Hyperion Global Growth Companies Fund and Fidelity Global Future Leaders Fund. The Ausbil Australian Active Equity Fund and EGG Mid Cap Fund also did well led by Resources companies, as did OC Premium Small Companies Fund. The main detractor was Gold Bullion, which fell back after strong gains over the last 18 months, and GQG Partners Global Equity Fund also underperformed due to taking a stance against AI exposures.

Portfolio Changes

Despite a difficult and volatile investment environment there were no changes to the investment managers over the quarter, with specialist managers continuing to manage their respective portfolios in the current market regime.

Looking ahead, local markets remain caught between strong AI-driven structural momentum and macro pressures. Given Australia's exposure to weak consumer spending and cooling housing, we remain committed to a diversified strategy focused on resilient earnings and quality balance sheets. We see particular value in the mid and smaller sized Australian technology companies; due to being hit earlier in the year because of AI disruption fears. Given the softening housing market and the high valuations on the banks, we continue to hold only an underweight position in Financials.

Performance over time



Trailing returns

Portfolio Performance	1mth	3mth	6mth	1yr	2yr	Inception
Alpha High Growth	1.52%	9.09%	4.53%	10.76%	-	20.59%
Morningstar AUS Agg Target Allocation NR $A	1.47%	9.31%	5.87%	13.29%	-	24.73%
Peer Median (Aggressive)	1.31%	7.31%	4.63%	10.87%	-	18.91%
ABS Aus CPI + 4.5% p.a.	0.36%	1.10%	3.61%	7.97%	-	9.78%

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 High Growth Managed Account	Neutral Allocation	Current Allocation
Australian Equity	34%	30%
CFS Index Australian Share Fund		6.3%
Realindex Australian Share Value Fund (Class A)		8.7%
Ausbil Australian Active Equity Fund		7.6%
Eley Griffiths Mid Cap		3.7%
OC Premium Small Companies Fund		4.1%
International Equity	49%	53%
CFS Index Global Share Fund (Hdg)		12.7%
GQG Partners Global Equity AUD (Hdg)		1.9%
Hyperion Global Growth Companies Fund (Class B)		2.8%
Realindex Global Share Value Fund (Class A)		5.6%
Fidelity Global Future Leaders		3.8%
CFS Wellington Global Health & Biotech		7.5%
CFS Wellington Global Tech & Comm		9.1%
RQI Emerging Markets Value		10.0%
Property & Infrastructure	7%	8%
Pendal Property Investment Fund		3.3%
Magellan Infrastructure Fund		4.8%
Alternatives	0%	2%
Global X Physical Gold Structured		1.6%
Fixed Income	5%	5%
PIMCO Diversified Fixed Interest Fund		2.4%
Bentham Global Income Fund		2.4%
Cash	5%	2%
FSI Strategic Cash Fund		1.9%