At a glance

Global share markets rose despite the Iran war and severe disruption to shipping through the Strait of Hormuz.

The global energy supply shock has impacted the price of diesel and this has resulted in a significant increase in inflation.

The RBA raised interest rates in September, the fourth time this year, as did the US Fed, for the first time since 2023.

Technology, energy & mining led share markets higher, while interest rate sensitive sectors have lagged.

Markets Update

The September quarter was a mixed period for investors. With equities returning sub 2.0% while listed property and infrastructure fell 6.0% to 8.0% and fixed interest lost 1.5% in Australia and 2.5% globally. Higher oil prices, inflation concerns and rising interest rates weighed on bonds and property, while stronger earnings from technology companies and higher commodity prices supported share markets.

The Iran war and disruption to oil transiting through the Strait of Hormuz caused large swings in oil prices and pushed up fuel and transport costs. With US emergency oil reserves already at 40 year low levels, markets remained highly sensitive to any disruption in global energy supply.

Higher energy costs added to inflation concerns and prompted central banks to raise interest rates. In September, the US Federal Reserve increased rates by 0.25%, its first increase since 2023, while the Reserve Bank of Australia also increased the cash rate by 0.25% to 4.60%, its fourth this year.

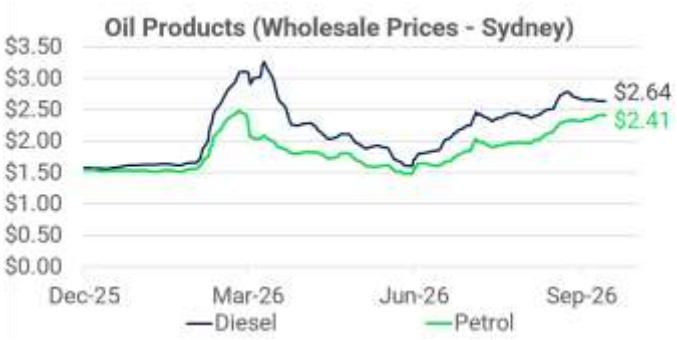
Fixed Interest markets eased as investors pushed bond yields higher (prices fell) as they adjusted to the prospect of inflation remaining elevated and interest rates staying higher for longer.

Credit investments generally held up better, as higher yields continued to attract investors looking for income. Gold also performed strongly as investors sought protection from geopolitical and inflation risks but softened later in the quarter as interest rates moved higher.

Property also succumbed to higher rates. In Australia, rising mortgage costs and weaker housing demand placed pressure on residential property, particularly in Sydney and Melbourne.

Share markets were more resilient. Continued investment in artificial intelligence (AI) supported large global technology companies, although investors are becoming more focused on whether the enormous amounts being spent on AI will ultimately generate sufficient returns on this investment.

Australian resource companies were among the stronger performers, supported by higher commodity prices, strong copper earnings from BHP and strength in gold miners. Australian bank share prices were more subdued as higher interest rates began to slow housing activity and credit growth.



***Source**: Australian Institute of Petroleum, LSEG*

Looking Ahead

We have moved from being cautiously optimistic to more cautious.

Energy supply remains one of the biggest risks while the Iran war remains unresolved. With emergency oil reserves depleted, another conflict driven rise in energy prices could quickly place renewed pressure on inflation.

That matters because central banks appear more focused on controlling inflation than supporting economic growth. If inflation remains high, interest rates may need to stay elevated for longer, increasing the risk of a sharper slowdown in the economy.

AI remains an important support for global share markets. Strong spending on data centres, semiconductors and computing infrastructure continues to drive earnings growth across parts of the technology sector. However, higher interest rates are increasing the funding cost, and, at some point companies may become more selective about their preparedness to spend.

In Australia, higher commodity prices will support resource companies, while banks, property and interest rate sensitive sectors face a more difficult environment.

We are also seeing signs of stress in private credit and property development exposing weaker borrowers and projects, another reason we remain relatively cautious.

Overall, we still see selective investment opportunities, in areas benefiting from AI investment, healthcare and strong commodity demand. However, higher interest rates, energy prices and emerging credit stress mean the balance of risks has become less favourable.

YOUR PORTFOLIO PERFORMANCE SEP 2026

Alpha Growth Fund

Key Features

Name	Alpha Growth Fund
APIR Code	ETL9255AU
Inception Date	30 December 2021
Perf Benchmark	Morningstar AUS Growth Tgt Alloc NR $A
Peer Group	Australia Fund Multisector Growth
Mgmt Costs	0.79% p.a.
Buy/sell Spread	0.20% / 0.20%
Platforms	PlatformplusWRAP
Fund Size	$11.4m

Monthly Commentary

The Alpha Growth Fund delivered a total return of 1.11% in Q3 2026, to outperform the Morningstar Australia Growth Target Allocation Index by +1.36%.

Global equities remained resilient despite elevated inflation, bond volatility, and Middle East conflict pushing oil over US$100/bbl. Both the US Federal Reserve and the RBA raised interest rates and global shares diverged from fixed income, finding support from mega-cap tech and secular AI investment. Australian resources rallied on higher commodity prices, while domestic banks and listed property retreated due to rising yields and proposed tax reforms.

Healthcare and US mega-cap tech led quarterly performance. Moderna surged 174% on positive melanoma trial results, and CSL rebounded 63% following solid earnings. Microsoft, Meta, Apple, NVIDIA, and select resource stocks (including BHP, South32, and Cheniere Energy) also contributed strongly. Conversely, semiconductor equipment (Lam Research, KLA, Applied Materials, Tokyo Electron, ASML) detracted significantly following a July rotation. Energy infrastructure, property trusts, defensive equities, and Australian fixed income also detracted amid surging yields.

Portfolio turnover centred on managing tech volatility and rotating into undervalued domestic opportunities. The fund trimmed semiconductor equipment (NVIDIA, ASML, Applied Materials) before selectively increasing TSMC and Apple. Concurrently, we initiated or expanded exposure in quality Australian franchises (Cochlear, Computershare, Macquarie Group) and targeted mid-caps like James Hardie, Dalrymple Bay Infrastructure, and Cleanaway.

The portfolio remains cautiously diversified, maintaining overweights in Healthcare and Consumer Defensives alongside underweights in Financials and Listed Property. Core US mega-cap tech positions are maintained to capture structural AI cash flows. Additionally, longer-dated Australian government bonds are retained to provide portfolio protection against a potential economic slowdown.

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

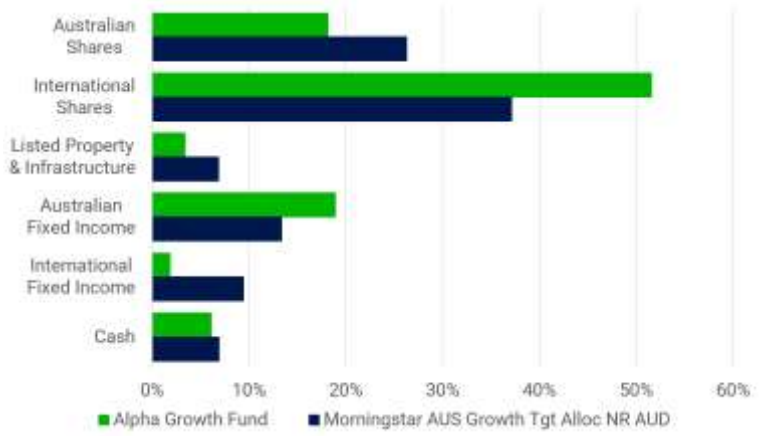
Performance



Performance	1mth	3mth	1yr	2yr	3yr	Inc
Alpha Growth	0.00%	1.11%	4.53%	8.96%	12.41%	6.09%
Perf Benchmark	-0.75%	-0.25%	5.57%	8.41%	11.67%	6.30%
Peer Median	-1.04%	0.04%	5.20%	7.30%	10.46%	5.58%

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.
Peer Median: Morningstar Category: Australian Multisector – Growth
Source: Morningstar Direct (to 30 September 2026)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
BHP Group	BHP	Australia	3.2%
Microsoft Corp	MSFT	United States	2.6%
Alphabet	GOOGL	United States	2.3%
Goodman Group	GMG	Australia	2.3%
Cheniere Energy	LNG	United States	1.9%
NVIDIA	NVDA	United States	1.6%
TSMC ADR	TSM	United States	1.5%
Westpac	WBC	Australia	1.4%
Williams Companies	WMB	United States	1.4%
National Australia Bank	NAB	Australia	1.3%

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