

Key Features

Name	Alpha Balanced Fund
APIR Code	ETL4308AU
Inception Date	30 December 2021
Benchmark	Morningstar AUS Balanced Target Allocation NR \$A
Peer Group	Australia Fund Multisector Balanced
Mgmt Costs	0.69% p.a.
Buy/Sell Spread	0.25% / 0.25%
Platforms	PlatformplusWRAP
Fund Size	\$6.1m

Monthly Commentary

The Alpha Balanced Fund delivered a total return of 1.36% (net of fees) in May 2024, which was just below the Morningstar Australian Balanced Target Allocation Index by +0.26% and below the Peer Median by +0.32%.

Both share and fixed income markets recovered in May (after minor dips in April) with US first quarter earnings results driving the markets higher. The key contributors for both the Fund and broader market were US Technology Giants/Global Semiconductor Shares.

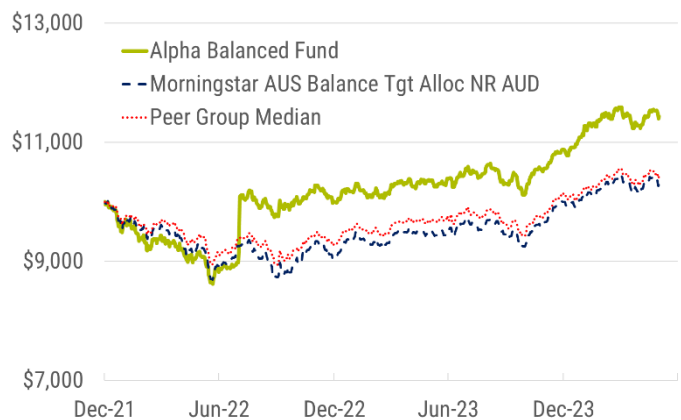
For the Fund in May, the key contributor was NVIDIA, which continued to soar on explosive revenue growth from its Artificial Intelligence (AI) semiconductor chips and was up 24% for the month. NVIDIA has now surpassed Apple as the world's second biggest company and the semiconductor theme in the Fund also resulted in other winners this month, including Applied Materials & TSMC. The second biggest contributor for the month was Deckers Outdoor, which owns Australia's UGG boots, and was up 31% for the month. Exposure to Australian banks (Westpac, NAB, ANZ & CBA) was another key contributor. The main detractors included five software companies (Intuit, Salesforce, Workday, ServiceNow & Bravura Solutions) mostly driven by weaker than expected results in Q1. The impact from fixed income was slightly positive but not a key driver of our returns.

The Fund remains overweight to Growth Assets despite economic growth slowing due to the impact of higher interest rates and inflation remaining a challenge for central banks and governments. The current portfolio is biased towards higher quality companies with structural growth, with the key themes still being Technology/AI, Healthcare/Weight Loss and a Chinese Recovery.

The adjustments to the Fund in May included a rotation trade in the Australian banks, designed to enhance franked dividends (adding to CBA and trimming positions in other majors, after they had gone ex dividend); introducing new positions in Copper miners (Sandfire Resources & Ivanhoe Mines) and mining services/explosives (Orica), which are ideas supported by the green energy shift; adding to existing and new Healthcare names, which are expected to be more resilient in a slowing global economy (Pro Medicus, AstraZenica, HCA Healthcare, Intuitive Surgical, Telix Pharmaceuticals, ResMed & GSK); adding to undervalued Chinese Technology companies (Tencent & Alibaba); and exiting companies with declining earnings growth (Workday, Salesforce & ServiceNow).

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

Performance



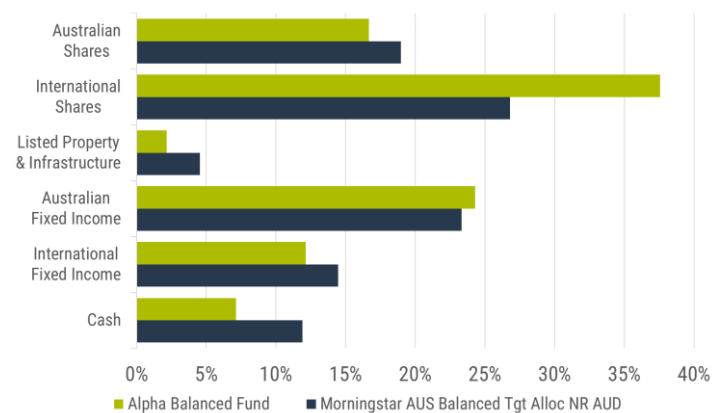
Performance	1mth	3mth	6mth	1yr	2yrs	Inception
Alpha Balanced	1.36%	0.19%	8.24%	10.53%	11.95%	5.70%
Benchmark	1.10%	0.67%	6.92%	9.03%	5.50%	1.28%
Peer Median	1.04%	1.09%	6.89%	8.87%	5.49%	1.78%

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 – Balanced

Source: Morningstar Direct (to 31 May 2024)

Asset Class Exposures



Top 10 Holdings

Security	Ticker	Country	Weight
BHP	BHP	Australia	2.6%
Commonwealth Bank	CBA	Australia	2.1%
NVIDIA	NVDA	United States	2.0%
Microsoft	MSFT	United States	1.9%
Wesfarmers	WES	Australia	1.4%
Novo Nordisk	NVO	United States	1.1%
Tencent	00700	Hong Kong	1.1%
Amazon.com	AMZN	United States	1.0%
Alphabet	GOOGL	United States	1.0%
ASML	ASML	Netherlands	1.0%