

### Key Features

Name	Alpha Moderate Fund
APIR Code	ETL6153AU
Inception Date	2 April 2007 (Merger 9 September 2021)
Benchmark	Morningstar AUS Moderate Target Allocation NR \$A
Peer Group	Australia Fund Multisector Moderate
Mgmt Costs	0.65% p.a.
Buy/Sell Spread	0.25% / 0.25%
Platforms	Insignia, Praemium, HUB24, PlatformplusWRAP
Fund Size	\$6.4m

### Monthly Commentary

The Alpha Moderate Fund delivered a total return of 1.02% (net of fees) in May 2024, which was above the Morningstar Australian Moderate Target Allocation Index by +0.21% and the Peer Median by +0.23%.

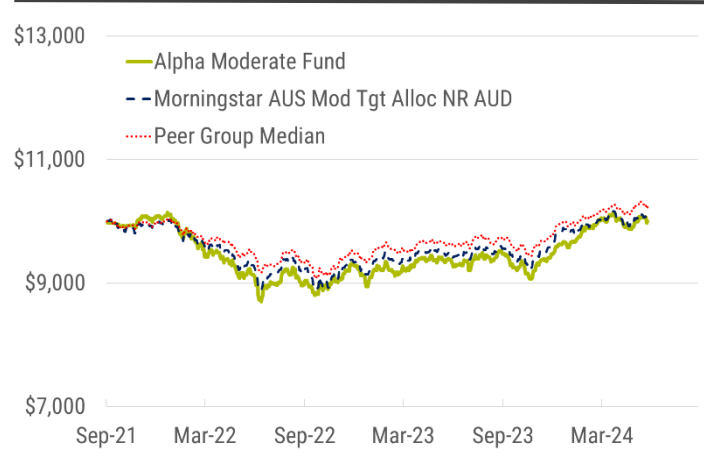
Both share and fixed income markets recovered in May (after minor dips in April) with US first quarter earnings results driving the markets higher. The key contributors for both the Fund and broader market were US Technology Giants/Global Semiconductor Shares.

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, Telix Pharmaceuticals & ResMed); adding to undervalued Chinese Technology companies (Tencent); and exiting companies with declining earnings growth (Workday, Salesforce & ServiceNow).

### Performance



Performance	1mth	3mth	6mth	1yr	2yrs	Inc*
Alpha Moderate	1.02%	0.15%	6.36%	6.42%	4.34%	0.01%
Benchmark	0.81%	0.35%	4.84%	5.92%	3.70%	0.15%
Peer Group Median	0.79%	0.72%	4.73%	6.03%	3.71%	0.85%

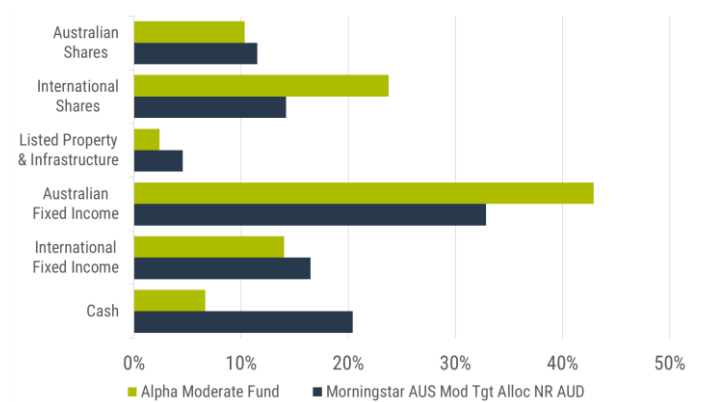
**Disclaimer:** Net performance figures are shown after all fees and expenses. Past performance is not an indicator of future performance. Returns for periods 1 year or greater are calculated on an annualised basis.

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

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

**Source:** Morningstar Direct (to 31 May 2024)

### Asset Class Exposures



### Top 10 Share Holdings

Security	Ticker	Country	Weight
Commonwealth Bank	CBA	Australia	2.2%
BHP	BHP	Australia	1.5%
NVIDIA	NVDA	United States	1.3%
Microsoft	MSFT	United States	1.0%
Novo Nordisk	NVO	United States	0.8%
Wesfarmers	WES	Australia	0.8%
ASML	ASML	Netherlands	0.7%
TSMC	TSM	United States	0.6%
Alphabet	GOOGL	United States	0.6%
Applied Materials	AMAT	United States	0.6%

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