ALC Global Credit Fund

Monthly report – October 2024

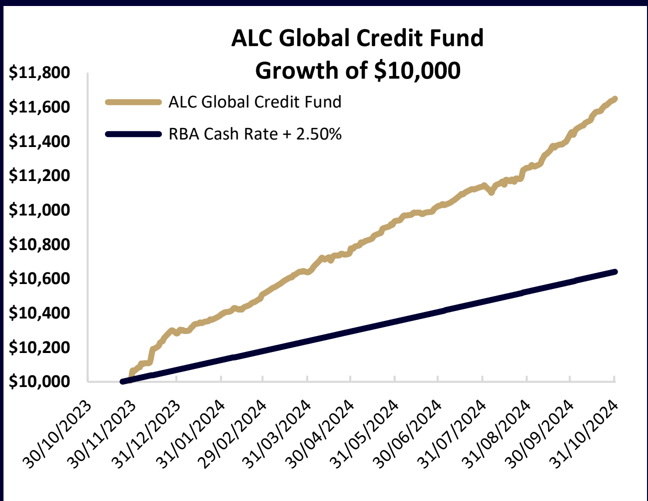
Returns	1 Month	2 Months	3 months	6 months	9 months	Since inception*
ALC Global Credit Fund	1.79%	3.59%	4.59%	8.10%	12.07%	16.49%
RBA + 2.50%	0.56%	1.11%	1.68%	3.39%	5.09%	6.41%
Outperformance	1.23%	2.48%	2.91%	4.71%	6.99%	10.08%

*Performance is reported net of all fees. Returns greater than one year are annualized. Past performance is not a reliable indicator of future returns. *The inception date of the ALC Global Credit Fund is 23/11/2023.*

The Fund seeks to generate returns in excess of the RBA Cash Rate ("Benchmark") by 2.5% per annum after fees and expenses over a period of 3 – 5 years. The Fund seeks to do this by investing in fixed income securities that are expected to deliver income. The fund offers daily liquidity.

AL Capital will seek to achieve the Fund's investment objective by employing a range of active and dynamic investment strategies across the debt markets, both locally and internationally. The ability to source, understand and analyse the risk of the underlying securities and the issuers should enable a higher success of risk/return reward for investors. The portfolio takes advantage of the belief that the price of a security may differ from their intrinsic value at any point in time for a variety of reasons.

When selecting investments, AL Capital utilises a range of strategies including interest rate duration analysis, credit analysis, industry allocation and security selection. Investments are continuously evaluated in order to determine their inclusion in the Fund through the fully integrated risk management process.



Past performance is no indication of future performance. Investments may rise and fall in value and returns cannot be guaranteed.

Performance

The ALC Global Credit Fund returned 1.79% for the month of October, outperforming the target return of RBA Cash Rate + 2.50% by 1.23% for the month. The cumulative return for the Fund since inception in November 2023 is 16.49%, 10.08% above its target return, with consistent positive returns being delivered each month since inception.

The Fund continues to deliver stable, positive absolute returns in a market that has seen intense volatility for a sustained period.

Market commentary

October saw some increased volatility, notably with the US election pending in November, as well as China 'Stimulus' impacting Asian market and a surprising increase in longer bond yields. Australian equities saw a decline of -1.31%, primarily driven by a notable -5.21% drop in the Resources sector. The month was marked by a significant sell-off in global bond markets, with the yield on Australian 10-year bonds rising by 53 basis points to 4.50%. Concurrently, the AUD/USD exchange rate fell by -4.79% to 0.6582. Economic data from Australia indicated resistance against market expectations for a rate cut by the Reserve Bank of Australia (RBA), as both the labour market showed resilience and inflation remained persistent. Australia's Q3 CPI data registered a modest increase with the RBA's preferred measure the 'trimmed mean' CPI, rose by +0.8% quarter-on-quarter (+3.5% year-on-year), down from an upwardly revised +0.9% quarter-on-quarter (+4.0% year-on-year).

In international markets, the U.S. experienced significant fluctuations in employment reports due to Hurricane Milton, which left millions without power in Florida, compounded by an extended strike by Boeing workers. Earnings reports from U.S. companies were mixed; however, overall performance remained healthy, with approximately 76% of the roughly 160 companies in the S&P 500 that reported earnings surpassing EPS expectations by an average of 6%, according to Bloomberg data. The S&P 500 declined by -0.99% in

October, while the U.S. 10-year bond yield increased by 50 basis points to 4.28% amid growing fiscal concerns as investors focused on upcoming tax and spending decisions in Washington for 2025. This longer bond yield increase is particularly surprising given the Fed began to cut rates at the end of September by 50 basis points.

In the Eurozone, inflation continued to decrease, and ECB President Christine Lagarde expressed growing confidence in returning inflation to target levels in a timely manner. The Bank of Japan maintained its policy rate at 0.25%, reflecting ongoing caution due to recent market volatility following a rate hike in July, coupled with domestic political uncertainty and the impending U.S. election.

China saw aggressive profit-taking as speculative investors withdrew following a seemingly innocuous press conference from the National Development and Reform Commission (NDRC) earlier in the month. Nonetheless, substantial fiscal, monetary, and housing measures enacted in September are too significant to overlook. This setback in China led to a sharp decline in Brent crude prices, despite rising tensions in the Middle East. Conversely, gold prices surged by 10.3%, supported by central bank purchases and geopolitical uncertainties that continue to bolster demand for gold.

Portfolio Positioning

The Fund continues to maintain a short interest rate and credit duration of 0.47 years and 3.61 years respectively and is fully currency hedged. At the end of August, the average rating of the entire portfolio BBB+. This low interest rate duration has allowed us to deliver consistent returns, despite the large increase in yields. As a comparison, the Bloomberg Aus bond Composite 0+ Year Index, a popular benchmark for Fixed Income investing in Australia, returned -1.88% in October.

The fund was heavily invested in floating rate securities, accounting for 55% of the fund's fixed income portfolio at the end of July, the fund had a Yield to Call/Maturity of 5.98%.

The fund participated in notable new issues from well known Australian Issuers such as Melbourne Airport, AMP Group, Bendigo and Adeliade Bank, Greater Southern Bank, Hollard Insurance Co, Judo Bank, National Australia Bank, and foreign issuers including German Utility company EnBW, and French Diversified Bank BPCE Bank, and American BDC Company Blue Owl Credit Income Corp.

Outlook

We continue to be cautious at this time of the cycle.

At the time of writing, we have lowered our credit duration, and added some protection on the downside for the portfolio.

We continue to remain cautious on credit spreads, as they have tightened significantly in recent months, and could see some weakness in coming months.

We thank investors for their support and appreciate the ongoing confidence placed in our approach

Monthly Performance Since Inception

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year
FY24					0.65%	2.15%	1.10%	1.13%	1.20%	1.30%	1.49%	0.80%	**10.24%**
FY25	1.03%	0.97%	1.76%	1.79%									**5.67%***

Performance is reported net of all fees. Financial Year returns are the compounded returns of each month, with current financial year the compound return of the current financial year to date. Past performance is not a reliable indicator of future returns

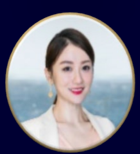
Quarterly Distributions Since Inception (Cents per Unit)

	September	December	March	June	Year
FY24		0	2.00	4.13	6.13
FY25	1.80				1.80*

*Financial Year to date

For all general enquiries, please contact our distribution team:

PHIL SMITH
HEAD OF DISTRIBUTION
E: phil.smith@alcapital.com.au
P:+61 410 478 848



REGINA JIANG
CLIENT RELATIONSHIP MANAGER
E: regina.jiang@alcapital.com.au
P:+61 426 291 017