

## ALC Market Neutral Fund

### Monthly report – February 2026

#### February 2026

The ALC Market Neutral Australian Fund detracted 1.62% in January, against the performance benchmark of 0.37%.

US equities declined in February 2026, with the S&P 500 falling 1.3% and the Nasdaq dropping 3.4%, marking the largest monthly declines since March 2025 as concerns about artificial intelligence disruption triggered a sharp rotation away from technology and growth stocks. Value significantly outperformed Growth, gaining 1.5% versus a 3.8% decline, as investors rotated into defensive sectors including basic materials, consumer staples, and utilities. Commodities outperformed equities with the S&P GSCI returning 6.2%, driven by energy as escalating US-Iran tensions pushed oil prices higher throughout the month. Gold surged 13.3% on safe-haven flows, while Australian equities gained 5.32%, supported by strength in commodities and energy-related sectors.

Fund weakness in performance was driven by the long book, contributing -2.56% while the short book detracted only -0.94%.

Performance was primarily driven by the long book, with weakness concentrated in Technology (-1.30%) and Consumer Cyclical (-0.89%), partially offset by Materials (+0.66%) on the long side and Consumer Non-Cyclical (+0.80%) in the short book.

On the long side, SDR was the largest detractor, reducing returns by 0.91%, while LOV also weighed on performance, detracting 0.85%. These losses were partially offset by RRL, which provided support and contributed 0.69%, helping to cushion broader long-side weakness.

The short book provided some relief, with IEL contributing 0.41% and COH adding 0.39%. While these selective short positions generated positive contributions, overall performance was insufficient to offset the significant losses in the long book, resulting in a net drag.

#### Outlook and Positioning

The Fund continues to rebalance monthly, on quantitative factors including Price Momentum, Earnings Momentum, Quality, Valuation and Sentiment. In January, the largest long positions are in Regis Resources LTD(RRL-ASX), ORA BANDA MINING LTD (OBM-ASX) and Insignia Financials Ltd (IFL-ASX)

Fund Facts	
Fund Inception	31/1/2024
Strategy inception	30/11/2019
Management Fee	2% p.a. of the NAV (including GST less RITCs)
Performance Fee	20% over performance benchmark
Buy/Sell Spread	0.2% / 0.2%
Portfolio manager	Vincent Hua
Registry	APEX
Auditor	PwC
Trustee	AL Capital Holding Pty Ltd
Custodian	UBS
Unit Price	0.8824
Performance	
February Return	-1.66%
Alpha – February	-2.04%
Annualised Return since Inception	6.35%
Alpha Since Inception	1.35%
3 Month Return	-6.02%
One Year Rolling Return	-16.53%
Volatility	23.775
Sharpe Ratio <sup>1</sup>	0.39
Portfolio	
Net Position	-4%
Longs	15
Shorts	38

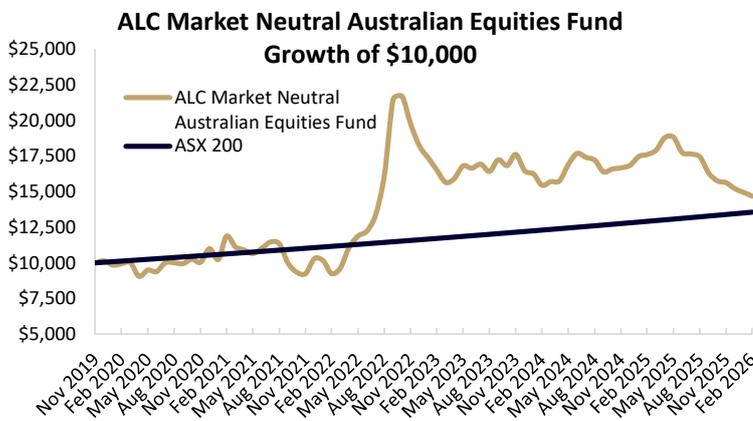
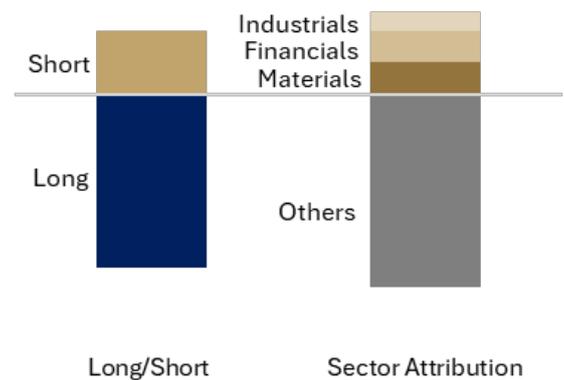
Returns	1 Month	3 Months	6 months	9 months	1 year p.a	Since inception p.a.*
ALC Market Neutral Australian Equities Fund	-1.66%	-6.02%	-15.74%	-21.94%	-16.56%	6.35%
Performance Benchmark	0.37%	1.21%	2.45%	3.72%	5.00%	5.00%
Out (Under) Performance	-2.04%	-7.23%	-18.19%	-25.66%	-21.56%	1.35%

Performance is reported net of all fees. Returns greater than one year are annualized. Historical performance shows the ongoing performance both of a different fund previously managed by the AL Capital that operated with the same strategy and investment management team as the ALC Market Neutral Australian Equities Fund. This information has been provided for illustrative purposes only. Past performance is not a reliable indicator of future returns.

\*The inception date of the ALC Market Neutral Australian Equities Fund is 31/01/2024, and inception date of the Strategy is 30/11/2019. Since inception performance is shown at the Strategy inception date, annualized

Exposures as % of NAV	Long	Short	Net
Communication Services	7%	-3%	3%
Consumer Discretionary	3%	-4%	-2%
Consumer Staples	0%	-1%	-1%
Energy	6%	-6%	0%
Financials	7%	-7%	-1%
Health Care	1%	-2%	-1%
Industrials	4%	-4%	0%
Information Technology	2%	-1%	1%
Materials	9%	-12%	-3%
Real Estate	5%	-6%	-1%
Utilities	2%	-1%	1%
<b>Total</b>	<b>45%</b>	<b>-49%</b>	<b>-4%</b>

## Attribution



## Fund Strategy

The ALC Market Neutral Australian Equities Fund targets absolute returns independent of market direction. The strategy blends quantitative factor models to identify long and short opportunities across ASX-listed equities. Portfolio construction is driven by signals including valuation, momentum, and quality. Positions are dynamically adjusted to maintain market neutrality, with strict controls on sector, factor, and single-stock risk. The portfolio is actively managed, aiming to capture alpha while preserving capital across market cycles

## Meet the Manager



Vincent Hua  
PORTFOLIO MANAGER  
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Vincent Hua is a seasoned banking and investment expert with 30 years of experience. He has held top roles at major global banks such as Lehman Brothers, Commonwealth Bank, Shinsei Bank, and Westpac. In the last 12 years, he has managed numerous direct investments in different sectors worldwide, including resources, retail, infrastructure, logistics, and financial services. He co-founded the Mason Stevens Group and held the roles of CEO and CIO for over ten years.

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ALC Active Australian Equities Fund's Target Market Determination is available <https://www.eqt.com.au/insto>. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.