

ALC Active Australian Equities Fund Monthly Report May 2026

May 2026

The ALC Active Australian Equities fund rose 7.11% in May, against the ASX 200 up 1.15%, representing outperformance of 5.97%. The fund delivered 57.69% over the last 12 months, outperforming the market by 50.69%.

Global equities reached new highs in May, supported by strong AI-related earnings, and continued capital expenditure across the semiconductor and data-centre ecosystem. Emerging markets (+9.7%) outpaced developed markets (+4.6%), with AI-exposed Korea (+33%) and Taiwan (+14%) the drivers. Oil fell below US\$100/bbl late in the month as investors priced in greater probability of Middle East de-escalation, easing inflation concerns and supporting risk appetite. Domestically, ASX 200 (+1.1%) lagged global peers as gains were concentrated in AI-enabler proxies. Trading conditions were also heavily influenced by non-fundamental factors including superannuation transition flows and the MSCI rebalance, contributing to elevated dispersion across the market. Materials (+10.3%) and Capital Goods (+9.0%) led the market, supported by copper, lithium, mining services and data-centre infrastructure exposures. Cyclical Retail (+6.3%) was resilient as investors looked through potential budget-related housing weakness while another downgrade from CSL (-23%) dragged the Health sector down -8.9%.

Fund performance was driven by the long book, contributing +6.81% while the short book detracted only -0.09%.

Megaport (MP1) was a positive contributor. MP1 rallied sharply after announcing approximately A\$254m of AI infrastructure contracts through its Latitude.sh subsidiary, covering GPU compute, networking and storage services. Investors viewed the contracts as validation of MP1's strategy to move beyond just networking and become a broader beneficiary of AI infrastructure spending, driving a substantial re-rating in the shares.

Endeavour Group (EDV) was a positive contributor on the short side. EDV underperformed following a weak trading update that highlighted slowing sales growth and a softer consumer backdrop. Sentiment deteriorated further at the company's Investor Day, where management outlined a strategic reset, lower dividend payout ratio and cost-reduction initiatives, raising concerns around the pace of earnings recovery and execution risk.

Qantas Airways (QAN) was a negative contributor on the short side. QAN rose as oil prices pulled back and the travel outlook improved amid signs of Middle East de-escalation. Within the portfolio, the position has served as a hedge against Middle-East escalation, with sizing expected to be reduced as geopolitical tensions continue to ease and the war-risk premium unwinds.

Outlook

Our conviction in the current portfolio construction remains strong. Energy prices will remain high for at least 6 months even if there is an immediate resolution in the Middle East. The heightened inflationary outlook will continue to weigh on consumer discretionary, REITs and financial sectors creating alpha from the short book. Onerous tax changes in the May Federal Budget will further damage consumer confidence and Bank earnings which will compress inflated multiples. A resolution in the Middle East will lead to a weaker USD which supports our thesis that we are in the early stages of a strong commodity cycle supported by structural supply shortages, with demand driven by sovereign security, AI infrastructure build-out, and energy transition tailwinds.

Fund Facts	
APIR	ETL2310AU
ARSN	668 391 302
Fund Inception	27/07/2023
Strategy inception	31/12/2018
Management Fee	2.21%
Performance Fee	20.5% over performance benchmark
Buy/Sell Spread	0.2% / 0.2%
Portfolio manager	Julian Scott
Registry	APEX
Auditor	PwC
Responsible Entity	EQT
Custodian	UBS, Citi, BNP
Unit Price	1.2799

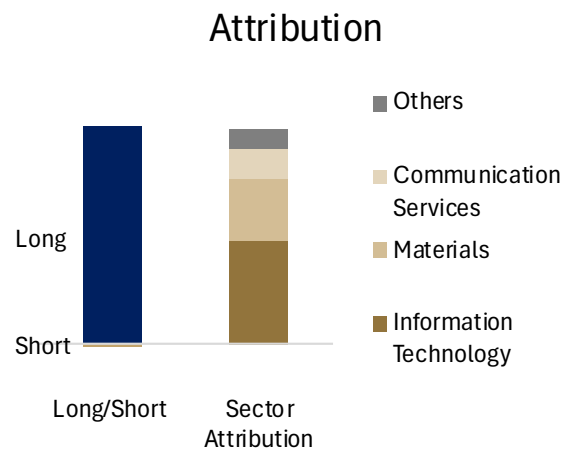
Performance	
May Return	7.11%
Alpha – May	5.97%
Annualised Return since Inception	10.99
6 Month Return	21.12%
One Year Rolling Return	57.69%
Volatility	29.12%
Sharpe Ratio ¹	1.83

Portfolio	
Longs	62
Shorts	44

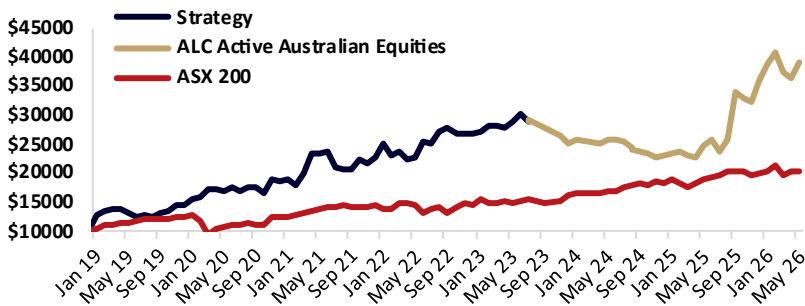
Returns	1 Month	3 Months	6 Months	1 Year	2 Years p.a.	Since inception p.a.*
ALC Active Australian Equities Fund	7.11%	-4.40%	21.12%	57.69%	23.28%	10.99%
ASX 200	1.15%	-4.03%	3.11%	7.00%	10.13%	9.67%
Active Performance Fund	5.97%	-0.37%	18.01%	50.69%	13.14%	1.31%

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 Active Australian Equities Fund is 27/07/2023

Exposures as % of NAV	Long	Short	Net
Communication Services	3%	-4%	-1%
Consumer Discretionary	6%	-26%	-21%
Consumer Staples	0%	-3%	-3%
Energy	6%	-2%	4%
Financials	7%	-23%	-16%
Health Care	22%	-3%	19%
Industrials	21%	-12%	9%
Information Technology	15%	0%	15%
Materials	38%	-15%	23%
Real Estate	2%	-13%	-11%
Utilities	0%	-3%	-3%
Total	120%	-104%	16%



ALC Active Australian Equities Fund
Growth of \$10,000



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

Fund Strategy

The ALC Active Australian Equities Fund invests in ASX-listed companies using a research-led process that begins with idea flow from industry networks, corporate access, and market research. Ideas are tested via fundamental and technical analysis—assessing valuation, catalysts, macro settings, and liquidity—to inform sizing and timing.

The portfolio is actively managed and continuously monitored, with positions adjusted as conviction and market conditions evolve.

Meet the Manager



Julian Scott
Portfolio Manager

Julian Scott is a seasoned investment professional with over 25 years of global trading experience across asset classes.

He has managed portfolios across Asia-Pacific, with a focus on fundamental long/short trading, relative value and liquidity. Previously, Julian held senior portfolio management and trading roles at Segantii Capital Management, Goldman Sachs, Morgan Stanley, UBS, where he ran various long/short trading strategies.

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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.