ALC Active Australian Equities Fund
Monthly Report September 2026

The ALC Active Australian Equities fund fell -6.29% in September, against the ASX 200 down -2.42%, representing underperformance of -3.88%. The fund delivered -21.29% over the last 12 months, underperforming the market by -23.98%.

Global equities were mixed in September as rising bond yields and higher oil prices weighed on most markets, though AI-related technology strength kept US and tech-heavy Asian benchmarks positive. The MSCI World fell 1.2% in USD terms (still +12.1% YTD), with Europe, China and Australia the weakest major markets while the Nasdaq rose 1.9%. Breadth narrowed sharply: the S&P 500 equal-weight index lagged its cap-weighted counterpart by 4.5-4.8ppt as higher yields punished rate-sensitive and cyclical names. Technology and Communication Services were the only S&P 500 sectors to advance; Financials, Materials and Real Estate led declines. Leadership narrowed further around AI infrastructure. Semiconductors, hyperscalers and AI-linked names continued to outperform while equal-weight, small-cap and most non-tech sectors lagged badly; the Russell 2000 fell 5.3%, its steepest month in over a year. Agentic AI rollouts (including Meta's "Muse") sparked fresh disruption fears for software incumbents even as they reinforced demand for chips, memory and infrastructure.

The defining theme was a synchronised global yield spike. The Fed delivered its first hike since 2023 (+25bp to 3.75-4.00%), and the ECB, BoJ and RBA all tightened too.. The RBA raised the cash rate 25bp to 4.60%, a unanimous decision and its fourth hike of the cycle, citing capacity constraints and oil pass-through. Australian yields rose in parallel (3-year +26bp, 10-year +28bp, 3s10s +1bp), roughly half the US 10-year move (+53bp to 5.29%). The AUD fell to US$0.695 as the DXY gained 2.1%.

The US-Iran conflict remained an unresolved seven-month stalemate of flare-ups and failed diplomacy. Brent jumped over 10% and briefly breached US$100/bbl, reinforcing inflation concerns via diesel and fuel prices and contributing directly to the yield backdrop. The domestic equity impact followed the move with STO +6.2%, ALD +9.2% and VEA +14.2%.

Fund Facts	
APIR	ETL2310AU
ARSN	668 391 302
Fund Inception	27/07/2023
Strategy inception	31/12/2018
Management Fee	2.21%
Performance Fee	20.50% over benchmark
Buy/Sell Spread	0.20% / 0.20%
Portfolio manager	Julian Scott
Registry	APEX
Auditor	PwC
Responsible Entity	EQT
Custodian	UBS, Citi, BNP
Unit Price	0.7645

Performance	
September Return	-6.29%
Alpha – September	-3.88%
Annualised Return since Inception	-2.46%
6 Month Return	-28.67%
One Year Rolling Return	-21.29%
Volatility	32.67%
Sharpe Ratio[1]	-2.90

Portfolio	
Longs	78
Shorts	38

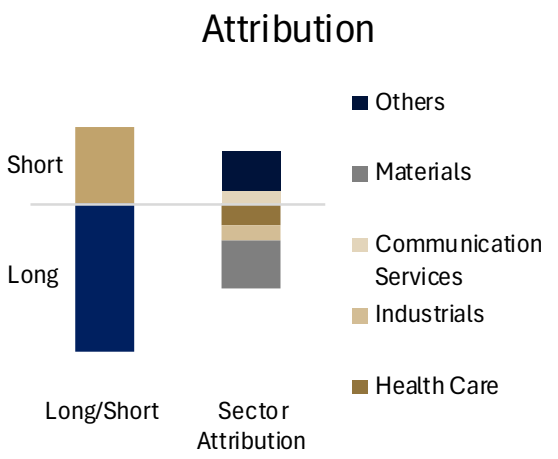
The ASX 200 fell -2.4%, its first down month since March, driven by the same trio of higher yields, a stronger USD and higher oil. Health (+3.9%) was the standout, led again by CSL (+8.2%) as its post-results rally extended into a buyback. Energy (+0.5%) was the only other positive sector with Technology the clear laggard (-9.8%): Xero (-33.5%) led the rout on both rising yields and renewed AI-disruption fears, with WiseTech (-19.8%) and NextDC (-21.9%) also hit hard. Australia's 10-year yield rose 28bp, helping Insurers (+2.4%) but weighing on Discretionary (-3.2%), Utilities (-3.1%) and Real Estate. Resources fell -5.1% as the stronger USD and higher real yields hit metals; Iron ore -6.4% and gold -6.6%.

In the portfolio, MP1 was a positive contributor to performance, rallying 22.5% over the month as the company announced around $1b of new AI deals. Short positions in consumer stocks, particularly TPW, generated alpha following weak August results, a softening consumer and rising rates. AYA (-25.1%) contributed negatively to performance as the stock was sold off upon news of medtech peer EIQ failing to secure FDA approval for one of it's technologies.

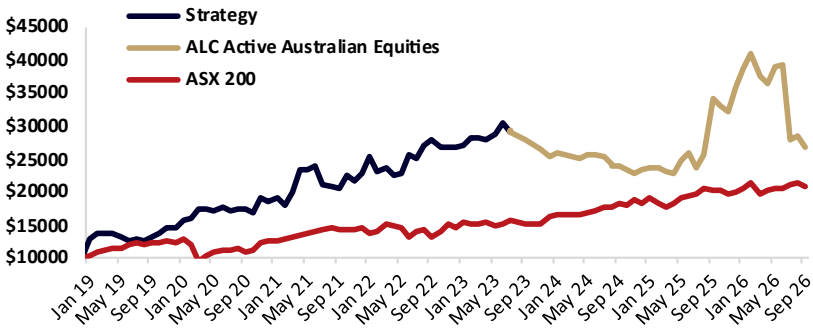
Returns	1 Month	3 Months	6 Months	1 Year	2 Years p.a.	Since inception p.a.*
ALC Active Australian Equities Fund	-6.29%	-31.58%	-28.67%	-21.29%	6.03%	-2.46%
ASX 200	-2.42%	1.33%	5.43%	2.68%	6.55%	9.27%
Active Performance Fund	-3.88%	-32.92%	-34.10%	-23.98%	-0.52%	-11.74%

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	2%	-9%	-7%
Consumer Discretionary	7%	-27%	-20%
Consumer Staples	0%	0%	0%
Energy	15%	-3%	12%
Financials	11%	-9%	2%
Health Care	20%	-6%	13%
Industrials	11%	-7%	4%
Information Technology	20%	0%	20%
Materials	48%	-15%	33%
Real Estate	4%	-6%	-2%
Utilities	0%	0%	0%
Total	137%	-83%	55%



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.

For all general enquiries, please contact our distribution team:

phil.smith@alcapital.com.au
tiffany.zhu@alcapital.com.au
info@alcapital.com.au

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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.