Alvia Family Office Fund

Alvia's 'best ideas' unitised fund leverages our family office investment process to deliver long term, consistent and compounding returns.

October 2026 update

Markets

Equities added to September's losses, fuelled by a sell-off in the so called "AI winners", which impacted the US and Japanese bourses in particular. In the US, the S&P 500 declined 0.9%, while the Nasdaq Composite reversed last month's outperformance, with a 5.3% drop. UK and European equities outperformed, with London's FTSE 100 adding 1.2%, while on the continent, Germany's DAX 40 advanced 2.5% and France's CAC 40 treaded water amid significant social unrest facing the country, with a 0.1% gain. Japan's Nikkei 225 handed back some of its outsized 2026 gains, with a 5.2% decline, while China's SSE composite shed a further 6.3%, taking its year-to-date losses to almost 10%. Our local bourse added 1.4%, supported by strength in portfolio holding **CSL Limited (ASX:CSL)**, in addition to the "Big 4" banks. The local property sector also caught a bid, with a 1.7% gain for the month.

Yields on government debt both locally and in the US moderated, which saw the respective bond indices rally 1.5% and 2.1% respectively. The yield on 10-year government paper in Australia closed at 5.13%, down 22 basis points, while the US equivalent closed below 5% at 4.93%, a decline in yield of 36 basis points.

The Bloomberg Commodity index closed down 0.4% for October. Iron ore was weak, slumping 6.1% to US$90.71 a tonne, while copper was also in the red, falling 1.5% to US$6.46 a pound. The price of oil remained elevated given the ongoing conflict in the Middle East, which saw the price on the WTI measure rally 15.2% to US$104.12 a barrel, which takes the year-to-date gain to 81.3%. The spot price of uranium closed 2.1% higher at US$91.55 a pound, while the long-term price hit a record high of $98, up 1.6%. Gold bullion lost 6.9% to US$3,898.90 an ounce. The Australian dollar added 0.9% against the Greenback to close out the month at 70.4 US cents and take its 2026 gain to 5.5%, while Bitcoin lost a further 7.3% to US$77,434.75 a coin.

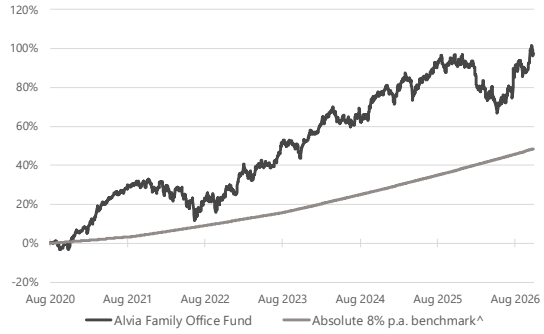
Portfolio

The portfolio gained 4.4% for the month, supported by broad-based strength in high conviction public markets investments, including **Constellation Software (TSX:CSU)**, **Gartner Inc (NYS:IT)**, **Rightmove (LON:RMV)**, **Greggs Plc (LON:GRG)** and **CSL Limited (ASX:CSL)**, which all contributed between 45 and 100 basis points. Despite the strength in the portfolio, the forward internal rate of return remains high at ~14%. The relative calm in equity market indices is in stark contrast to the volatility in the share price fortunes of the underlying constituents, which is providing attractive opportunities for active management.

Late in the month, Australia's largest hotels and retail liquor company, **Endeavour Group (ASX:EDV)**, provided a trading update for the first quarter of FY27, in conjunction with its annual general meeting. All eyes were looking for a turnaround in fortunes in the group's retail liquor business, known for its iconic Dan Murphy's and BWS outlets scattered all over the country. The division posted sales growth of 3.0%, with CEO Jayne Hrdlicka noting that despite a challenging consumer discretionary environment, the company's material investment in pricing is starting to bear fruit. Performance in the Hotels business was more challenging, with growth decelerating to 1.9%, with food and beverage sales higher, while gaming revenue was soft.

The investment team believes that given elevated corporate and government bond yields, it is prudent to add a degree of defence to the portfolio. **Australian Composite Bond ETF (ASX:OZBD)** provides compelling duration, spread and yield to maturity attributes to the portfolio, with a larger exposure to high quality corporate issuers, over government. Given the fiscal illdiscipline of a number of governments, including locally and in the US, our preference is to gain exposure to corporate debt.

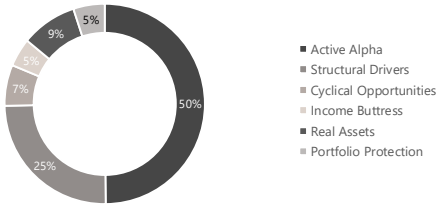
Cumulative return since inception



Top 5 investments

CSU.TSX	Constellation Software Inc	6.3%
CSL	CSL Limited	5.3%
IT.NYS	Gartner Inc	4.8%
RMD	ResMed Inc	4.6%
ENVO	Envoi Pathology	4.5%
Top 5 total		**25.4%**
Number of investments - total (public/private)		27 (21/6)
Average investment weight		3.7%

Weighting by investment category



Key portfolio metrics

EV/EBITDA (x)	13.4
Price to earnings ratio (x)	19.8
6-year historical EBITDA CAGR (%)	14.3%
6-year average return on invested capital (%)	43.8%
FCF yield (%)	6.1%
Net debt to EBITDA (x)	0.9

Unit prices as at 31 October 2026 (A$ per unit)

Entry price	1.5067
Mid price	1.5037
Exit price	1.5007

Performance as at 31 October 2026 (A$)*

	Total since inception	Since inception p.a.	6 years p.a.	4 years p.a.	3 years p.a.	1 year	1 month
Alvia Family Office Fund (net of fees)	**97.4%**	**11.5%**	**12.6%**	**12.4%**	**10.8%**	**2.6%**	**4.4%**
Absolute 8% p.a. benchmark^	48.4%	6.5%	6.7%	7.6%	8.0%	8.0%	0.7%
Value added (net of fees)	49.0%	5.0%	6.0%	4.8%	2.8%	(5.4%)	3.7%

* Fund class inception date is 6th August 2020. Performance figures are historical percentages, which have been calculated using end of month prices and do not allow for the effects of income tax or inflation. Returns assume the reinvestment of all distributions. For periods greater than one year, with the exception of "Total since inception", returns are annualised. Performance can be volatile and future returns can vary materially from past returns. The name of the fund was changed from Alvia High Conviction Fund to Alvia Family Office Fund, effective 1 August 2023.

^ Fund benchmarks: inception date to 31 August 2021 - RBA Cash Rate + 3.00% per annum; 1 September 2021 to 31 July 2023 - 6.00% per annum; 1 August 2023 onwards - 8.00% per annum

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FUND PROFILE

Absolute Return Focused
8-12% p.a.

Minimum Investment
$250,000

Management Fee
0.85% p.a. + GST

Performance Fee
15% p.a. of performance above the benchmark (8.00% p.a.), subject to a high water mark

Timeframe
The Fund is suited to investors with a long-term investment horizon.

Entry/Exit Fees
Nil

Distribution Frequency
Annually, subject to availability of income.

Typical Number of Investments
20 to 40

Trustee
Independently owned, DDH Graham Limited.

The Fund provides access to Family Office investment expertise and investment ideas, without the barrier of a significant investment minimum.

Objective

To deliver sustainable, long term risk-adjusted returns with a focus on capital preservation.

Structure

The Fund is an open-ended, unregistered managed investment scheme structured as a unitised trust, for wholesale investors only.

Investment Mandate

Unconstrained, incorporating listed securities, managed funds and private companies; long and short positions; all geographies.

Investment Philosophy

The Fund's investment process is founded on the underlying principle that good investing requires a solid temperament as much as strong analysis.

Investing is principled upon long-term compounding of returns and not short-term speculative price forecasts. All of the Fund's investments are subject to a rigorous five step review process, consistent with the approach used across Alvia's five asset class model portfolios.

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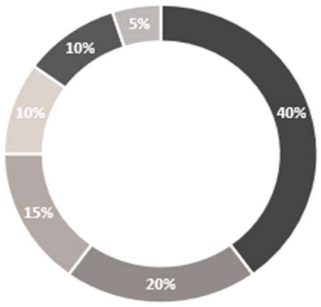
Portfolio Weighting



Active Alpha - 40%

High conviction businesses with strong economics and capable management, where continued execution should compound value. Designed to drive meaningful upside when markets are constructive.

Structural Drivers - 20%

Exposure to durable, long-term trends across sectors or geographies. Selected to quietly compound as structural forces play out over time.

Cyclical Opportunities - 15%

Positions anchored in change, recovery, or re-rating. Returns are driven by improving fundamentals and disciplined timing within the cycle.

Income Buttress - 10%

Cash-generative investments that return capital through distributions. Intended to provide ballast and paid patience through more volatile periods.

Real Assets - 10%

Hard-asset backed exposure with tangible utility and inflation resilience. Adds diversification and substance beyond purely financial assets.

Portfolio Protection - 5%

Downside mitigation. Structured to reduce drawdowns and preserve flexibility when markets dislocate.