

Vinva Australian Equity Fund

Exposure to a diversified portfolio of equities using an active systematic investment approach.

APIR: MGE2445AU | ARSN: 681 452 013



QUARTERLY REPORT

30 JUNE 2025

INVESTMENT STRATEGY	OBJECTIVE	INVESTMENT APPROACH	INVESTMENT RISKS
The Fund invests substantially all of its assets in the Vinva Australian Equities Fund, (the “Underlying Fund”), a registered managed investment scheme managed by Vinva Investment Management Limited. The Underlying Fund, invests substantially all of its assets in Australian listed securities (or derivatives that provide exposure to Australian listed securities or indices).	The primary objective of the Fund is to outperform the return of the S&P / ASX 300 Accumulation Index over periods of three years or longer.	Vinva uses an active systematic investment approach which harvests returns from Australian listed companies using a disciplined and repeatable process. The Underlying Fund’s portfolio will typically comprise over 90 investments. The Underlying Fund is managed to be style neutral and therefore not expected to be materially correlated to a single company, or to industry specific or macroeconomic risks.	All investments carry risk, returns are not guaranteed and there is a risk that investors may lose money on any investment they make. The Fund’s Product Disclosure Statement (PDS) sets out the significant risks relevant to the Fund. You can view the PDS at www.magellangroup.com.au .

FUND FACTS

FUND SIZE	BUY/SELL SPREAD	DISTRIBUTION FREQUENCY	MANAGEMENT FEES ¹	INCEPTION DATE
AUD \$0.6 million	0.15% / 0.15%	Annually	0.70%	22 October 2024

PERFORMANCE²

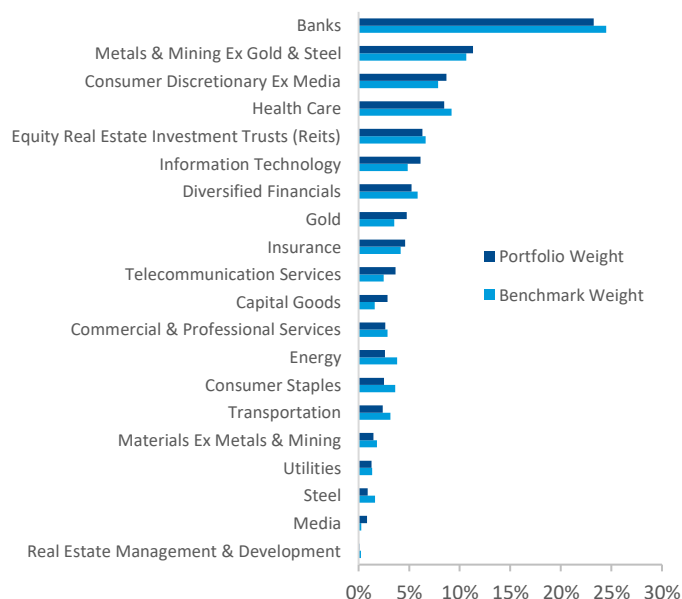
	1 MONTH (%)	3 MONTHS (%)	SINCE INCEPTION (%)
Vinva Australian Equity Fund	1.2	10.8	8.5
S&P/ASX300 Accumulation Index	1.4	9.5	6.3
Excess	-0.2	1.3	2.2

Past performance is not a reliable indicator of future performance.

UNDERLYING FUND - TOP 10 HOLDINGS³

STOCK	%
Commonwealth Bank of Australia	11.0
BHP Group Limited	8.1
ANZ Group Holdings Limited	4.4
National Australia Bank Limited	4.0
CSL Limited	3.5
Westpac Banking Corporation	3.3
Goodman Group	3.0
Telstra Group Limited	2.5
Wesfarmers Limited	2.5
Aristocrat Leisure Limited	2.4
Ex-top 10	55.2
Total	100.0

UNDERLYING FUND - SECTOR WEIGHTS COMPARED TO BENCHMARK⁴



¹ Transaction costs may also apply – refer to the Product Disclosure Statement. All fees are inclusive of the net effect of GST.

² Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable). Returns are calculated by Magellan and denoted in AUD.

³ Source: Vinva Investment Management. Portfolio holdings are based on the Underlying Fund.

⁴ Source: Vinva Investment Management. Based on Vinva defined sectors. Portfolio exposures are based on the Underlying Fund.

MARKET REVIEW

The S&P/ASX 300 Accumulation Index returned 9.5% in the June quarter.

Global equities rose in Q2 (MSCI World Index up 9.5%), staging a dramatic recovery that saw the MSCI World Index rebound 22% since the tariff-related tumult experienced in early April. The quarter was once again dominated by US trade policy, with broader-than-expected tariffs by President Trump inducing an equity sell-off and a dislocation in bond markets. A surge in yields and a weakening US dollar followed. The US dollar continued to weaken throughout the quarter, falling over 7% against a basket of major currencies. Equities rallied after the US administration moved to soften its stance and pause most tariffs until July; progress on trade deals with China, the UK, the European Union and Canada since then has seen renewed investor confidence. Economic data in the US remains robust, and strong corporate earnings added to positive sentiment.

In Europe, the ECB cut interest rates for an eighth time this cycle, this time by 25 basis points to 2%. Inflation in the Eurozone is now back within the 2% target, and the cycle of loosening monetary policy is likely close to an end. However, the European Commission revised its estimate of Eurozone GDP growth down to 0.9% for the year. Commodities saw mixed performance over the quarter. Iron ore prices fell, hampered by talks of Chinese steel production cuts. Oil prices fell despite a rally as conflict in the Middle East escalated. Gold and copper prices rose, with gold reaching record highs.

Australian equities also rose over the quarter, recovering from their maximum drawdown in April in just 38 days – the third-fastest recovery since 2000. Supporting equities were expectations for further RBA interest rate cuts this year. In May, the RBA cut the cash rate by 25bps to 3.85% and flagged further easing, with trimmed mean inflation tracking back towards the midpoint of its 2–3% target band. In fact, the May monthly trimmed mean CPI indicator fell to 2.4% YoY, its lowest reading since November 2021. As a result, the futures market priced in three additional cuts in 2025. The quarter also saw a decisive election victory for the Australian Labor Party, which brings policy stability for businesses. However, economic data remains mixed, with soft GDP and a resilient labour market. Q1 GDP rose only 0.2% QoQ and returned to negative growth on a per-capita basis, driven by weak household consumption and a decline in public spending. Unemployment held steady at 4.1% and underemployment is at cycle lows, with unit labour cost growth up 5.1% YoY. The housing market remains on an upward trajectory, with national house prices reaching record levels in June. The NAB business surveys showed business conditions eased over the quarter to below-average levels, but business confidence continued to improve.

Information Technology (+26.8%) was the best-performing sector over the quarter, led by Life360 (+62.4%) and Technology One (+47.5%) while Materials (-0.3%), dragged down by Pilbara Minerals (-20.7%) and Mineral Resources (-10.0%), underperformed the broader market. At a stock level, the best performers included Life360 (+62.4%), TechnologyOne (+47.5%), and Pro Medicus (+42.6%) while IDP Education (-60.9%), Pilbara Minerals (-20.7%) and Treasury Wine Estate (-19.8%) were amongst the biggest laggards.

FUND HIGHLIGHTS

The Vinva Australian Equity Fund had a strong positive alpha quarter, outperforming the benchmark by 1.3%. As the Fund invests substantially all of its assets in the Vinva Australian Equities Fund (Underlying Fund), the commentary below is provided in relation to the investments held by the Underlying Fund.

Performance was driven by most of our signal groups, led by our behavioural and quality signals. Valuation signals detracted marginally. Stock-specific performance was positive during the quarter.

The biggest stock contributors to performance included an overweight position in Life360 Inc. (+41bps) and an overweight position in TechnologyOne (+17bps). Life360 (360) outperformed after it delivered a solid 1Q25 performance, surpassing consensus expectations with total revenue guidance of \$450–480m, reflecting growth of 21–29% year-over-year, driven by 33% growth in subscription revenue. The company added 4.1 million monthly users during the quarter and announced strategic partnerships with Aura and AccuWeather, which are expected to enhance its revenue growth potential. The overweight position in 360 is driven primarily by our behavioural signals. TechnologyOne (TNE) outperformed after it delivered a robust 1H25 result, with total revenue reaching \$291m (up 19% YoY) and annual recurring revenue (ARR) of \$511m, reflecting a 21% increase YoY driven by accelerating UK growth and SaaS+ adoption. The company also indicated PBT guidance for FY25 of 13–16%, highlighting that this is at the conservative end. The overweight position in TNE is driven by a combination of behavioural and quality signals.

An overweight position in AGL Energy Limited (-15bps) detracted from performance during the quarter. AGL (AGL) underperformed over the quarter as Energy Minister Chris Bowen announced the intention to make changes to the mechanism around the Default Market Offer (DMO) from FY27 onwards, stating that the current mechanism is not working as intended., with current price rises of approximately 10% considered too high for some customers under the FY26 DMO. Approximately 70% of AGL's book is captured under the DMO. In addition, AGL confirmed it is reviewing the divestment of its 20% stake in Tilt Renewables. The overweight position in AGL is driven primarily by our value signals.

Stock contributors/detractors are based in local currency terms unless stated otherwise.



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