

Vinva Australian Equity Fund

APIR: MGE2445AU | ARSN: 681 452 013

To Australian wholesale and retail investors

QUARTERLY REPORT

31 MARCH 2026

| 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 Fund aims to outperform the S&P/ASX 300 Accumulation Index, after the Responsible Entity’s fees, 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.magellaninvestmentpartners.com |

FUND FACTS

| FUND SIZE | BUY/SELL SPREAD | DISTRIBUTION FREQUENCY | MANAGEMENT FEES ¹ | INCEPTION DATE |
|--------------------|-----------------|------------------------|------------------------------|-----------------|
| AUD \$19.1 million | 0.15% / 0.15% | Annually | 0.70% | 22 October 2024 |

PERFORMANCE²

| | 1 MONTH (%) | 3 MONTHS (%) | 1 YEAR (%) | SINCE INCEPTION (% p.a.) |
|-------------------------------|-------------|--------------|------------|--------------------------|
| Vinva Australian Equity Fund | -8.0 | -3.5 | 12.8 | 7.2 |
| S&P/ASX300 Accumulation Index | -7.3 | -2.0 | 11.6 | 5.7 |
| Excess | -0.7 | -1.5 | 1.2 | 1.5 |

Past performance is not a reliable indicator of future performance.

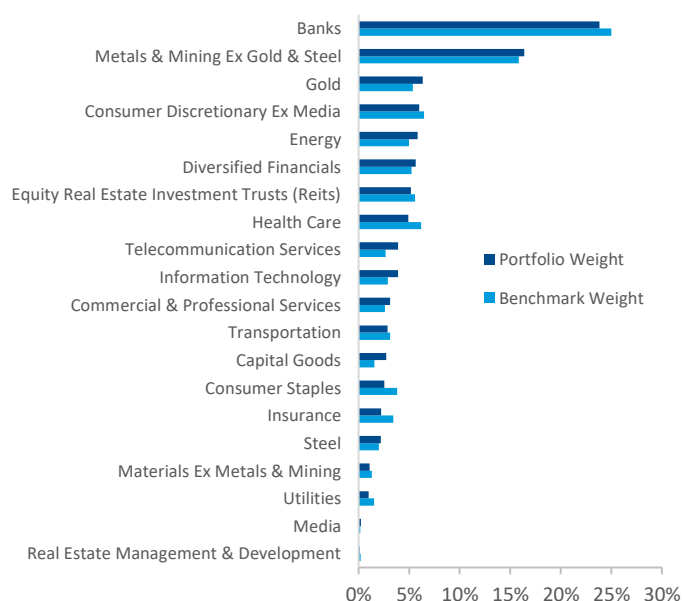
UNDERLYING FUND - TOP 10 HOLDINGS³

| STOCK | % |
|--------------------------------|-------|
| Commonwealth Bank of Australia | 10.7 |
| BHP | 10.1 |
| ANZ | 4.5 |
| National Australia Bank | 4.2 |
| Westpac | 4.0 |
| Telstra | 3.3 |
| Macquarie | 3.1 |
| Woodside Energy | 3.1 |
| CSL | 2.2 |
| Aristocrat Leisure | 2.1 |
| Ex-top 10 | 52.7 |
| Total | 100.0 |

PORTFOLIO STATISTICS³

| | |
|----------------------------------|-------|
| Total number of positions (Long) | 147 |
| Expected tracking error | 1.63% |

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 and statistics 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 -2.0% in the March quarter. Australian equities had a turbulent quarter as a hawkish monetary policy pivot and persistent inflationary pressures weighed on investor sentiment. The Reserve Bank of Australia raised the cash rate by 25 basis points at both its February and March meetings, lifting the official rate to 4.10% – the first back-to-back increases since 2023 – citing inflation that had picked up materially in the second half of 2025 and capacity pressures stronger than previously assessed. The March decision was carried by a narrow five-to-four majority. Monthly CPI data published during the quarter showed headline annual inflation at 3.8% for January, above market expectations, before easing modestly to 3.7% in February, with trimmed mean inflation remaining elevated at around 3% – well above the RBA's 2–3% target band. Labour market data remained resilient, with the seasonally adjusted unemployment rate holding at 4.1% in January before edging up to 4.3% in February, though the trend rate eased to 4.2%, suggesting underlying conditions remained tight. Consumer sentiment, as measured by the Westpac–Melbourne Institute Consumer Sentiment Index, remained firmly in pessimistic territory throughout the quarter, slipping to 90.5 in February before recovering marginally to 91.6 in March, with households increasingly concerned about the interest rate outlook and the escalating Middle East conflict.

Sector performance was divergent, with energy stocks among the relative outperformers as oil prices surged following the outbreak of conflict in the Middle East and disruption to global energy supply chains. Resources more broadly delivered mixed results, with metals and mining facing headwinds from softer global growth expectations even as elevated energy prices supported the energy sub-sector. The financials sector navigated a complex environment with back-to-back rate hikes providing a tailwind for bank net interest margins, although rising credit concerns and the prospect of further monetary tightening tempered enthusiasm. Rate-sensitive sectors including real estate investment trusts, utilities and healthcare came under meaningful pressure as bond yields moved higher in response to the RBA's hawkish pivot and global inflation concerns. The February reporting season delivered broadly mixed results, with earnings resilience in resources and financials offset by margin pressure in consumer-facing sectors, while small-cap stocks underperformed their large-cap counterparts in a risk-off environment of tighter financial conditions. The NAB Quarterly Business Survey for Q1 2026 captured the deteriorating mood, with business confidence falling to -4 index points – its lowest since late 2024 – even as business conditions held at around +7, reflecting a softening in sentiment rather than a sharp deterioration in activity.

Energy (+36.0%) was the best-performing sector over the quarter, led by Woodside Energy (+52.6%) and Santos (+31.7%) while Info Tech (-27.2%), dragged down by WiseTech Global (-44.3%) and Life360 (-44.0%), underperformed the broader market. At a stock level, the best performers included Woodside Energy (+52.6%), Lynas Rare Earths (+52.4%) and Santos (+31.7%) while Pro Medicus (-46.9%), WiseTech Global (-44.3%) and Life360 (-44.0%) were amongst the biggest laggards.

FUND REVIEW

The Fund had a negative alpha quarter, underperforming the benchmark by 1.5%. As the Fund invests the bulk 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.

Behavioural, sentiment and valuation signals were the main detractors over the quarter, offset to some extent by positive alpha from our tactical signals. Stock-specific performance was negative during the quarter.

The biggest stock contributors to performance included an underweight position in Cochlear (+21bps) and an underweight position in Northern Star (+18bps). Cochlear Ltd (COH) fell in Q1, with most of the fall in February after posting a 9% decline in 2H25 profit and management downgraded guidance to the lower end of the A\$435–460m range for FY26, due partially to delays with Nucleus Nexa contracting (its new smart cochlear implant system announced last year). 2H25 revenue was ~4% below consensus, and underlying NPAT was also ~4% below. Implant sales were lower than market expectations, with unit growth of +6% YoY. The underweight position in COH is driven by a combination of behavioural, segmentation and value signals. Northern Star (NST) underperformed over the quarter, falling heavily in March as gold prices fell from record highs driven by a strengthening of the US Dollar in the wake of the conflict in the Middle East. An operational update during the month also highlighted softer-than-expected milling performance at KCGM and the difficulty of achieving previous production guidance, which was a second production downgrade of the year. The underweight position in NST is driven in part by our quality and value signals.

An overweight position in Xero (-40bps) detracted from performance during the quarter. Xero Ltd (XRO) declined significantly over the quarter, weighed down by a broad sell-off in SaaS and tech stocks amid growing concerns about long-term earnings disruption from agentic AI and the potential displacement of accounting software. Investor sentiment was further dampened by a reduced willingness to pay elevated multiples in an uncertain environment. The market also remained sceptical of XRO's acquisition of Melio, with analysts suggesting limited value is being ascribed to Xero's US business despite the potential upside from the deal; however, the company did provide guidance for run-rate EBITDA break-even by 2HFY28. The overweight position in XRO is driven by a combination of behavioural and short-horizon signals.

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

This commentary has been written by Vinva Investment Management.

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