

Vinva Global Equity Fund

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

APIR: MGE9179AU | ARSN: 681 299 730



QUARTERLY REPORT

31 DECEMBER 2024

| INVESTMENT STRATEGY | OBJECTIVE | INVESTMENT APPROACH | INVESTMENT RISKS |
|---|---|--|--|
| The Fund invests substantially all of its assets in the Vinva International Equity Fund, (the “Underlying Fund”), which is a registered managed investment scheme managed by Vinva Investment Management Limited. The Underlying Fund, invests substantially all of its assets in global listed securities (or derivatives that provide exposure to global listed securities or indices). | The primary objective of the Fund is to outperform the return of the MSCI All Country World ex Australia ex Tobacco ex Controversial Weapons Index (AUD) with net dividends reinvested over periods of three years or longer. | Vinva uses an active systematic investment approach which harvests returns from global listed companies using a disciplined and repeatable process. The Underlying Fund’s portfolio will typically comprise over 400 investments and is managed to be style neutral and therefore not expected to be materially correlated to a single company, country, industry specific or macroeconomic risks. | All investments carry risk. While it is not possible to identify every risk relevant to an investment in the Fund, we have provided details of risks in the Product Disclosure Statement. You can view the PDS for the Fund on Magellan’s website www.magellangroup.com.au . |

FUND FACTS

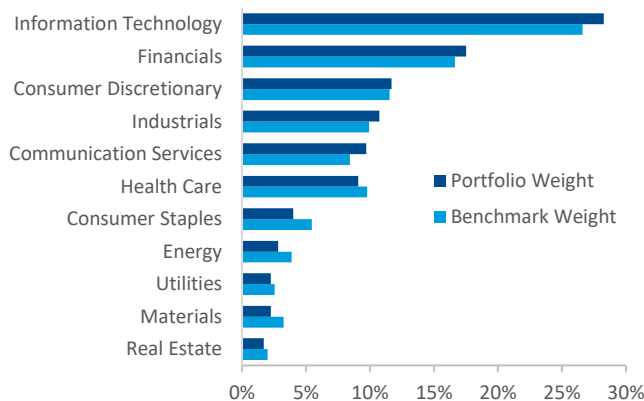
| FUND SIZE | BUY/SELL SPREAD | DISTRIBUTION FREQUENCY | MANAGEMENT AND PERFORMANCE FEES ¹ | INCEPTION DATE |
|-------------------|-----------------|------------------------|--|-----------------|
| AUD \$0.6 million | 0.25% / 0.25% | Annually | 0.70% | 22 October 2024 |

PERFORMANCE²

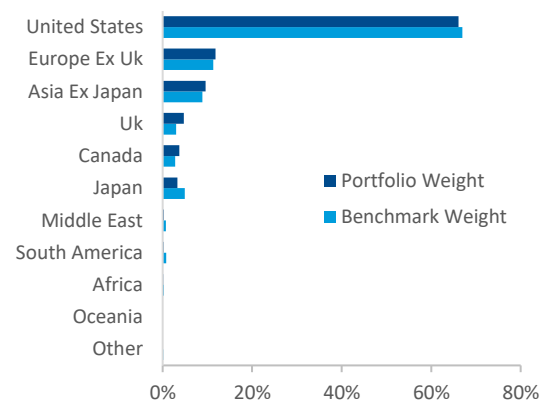
| | 1 MONTH (%) | SINCE INCEPTION (%) |
|---|-------------|---------------------|
| Vinva Global Equity Fund | 3.1 | 7.6 |
| MSCI All Country World ex Australia ex Tobacco ex Controversial Weapons Index (AUD) * | 2.8 | 7.0 |
| Excess | 0.3 | 0.6 |

Past performance is not a reliable indicator of future performance.

UNDERLYING FUND - SECTOR WEIGHTS COMPARED TO BENCHMARK³



UNDERLYING FUND - REGION WEIGHTS COMPARED TO BENCHMARK⁴



UNDERLYING FUND – TOP 10 HOLDINGS⁵

| STOCK | % |
|---|-------|
| Apple Inc. | 5.1 |
| Nvidia Corp | 4.4 |
| Microsoft Corp | 3.5 |
| Amazon.com Inc | 2.8 |
| Meta Platforms Inc. Class A | 1.7 |
| Alphabet Inc A | 1.5 |
| Taiwan Semiconductor Manufacturing Co Ltd | 1.4 |
| Tesla Inc | 1.3 |
| Broadcom Inc | 1.3 |
| Alphabet Inc C | 1.3 |
| Ex-top 10 | 75.7 |
| Total | 100.0 |

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. GICS sector classifications. Portfolio exposures are based on the Underlying Fund.

⁴ Source: Vinva Investment Management. Portfolio region exposures are based on the Underlying Fund.

⁵ Source: Vinva Investment Management. Portfolio holdings are based on the Underlying Fund.

* All MSCI data used is the property of MSCI. No use or distribution without written consent. Data provided “as is” without any warranties. MSCI and its affiliates assume no liability for or in connection with the data. Please see complete disclaimer in www.magellangroup.com.au/funds/benchmark-information/

MARKET REVIEW

Global equities rose in the final quarter of 2024 (MSCI World Index: +1.9%), although the path upward was uneven. Returns for unhedged Australian investors were much larger, attributable to the sharp appreciation of the US Dollar which rose over +10% against the Australian Dollar. November emerged as the strongest month of the year for global equities, flanked by weaker performances in October and December. Following the result of the US Presidential election, market expectations for tax cuts and an expansionary fiscal regime, combined with a more domestically-oriented trade agenda, drove US equities higher. Economic data remained robust, with S&P's Global Composite PMI for the US staying firmly in expansionary territory, driven predominantly by services, while the US ISM Manufacturing Index rose more than consensus expectations. Inflation, while slightly moderating, remained persistent (Core PCE: +0.11% MoM, +2.8% YoY) and the labour market showed no significant signs of weakness. US 10-Year bond yields rose +79bps over the quarter, despite the Federal Reserve delivering two 25bps cuts. As a result, the US Dollar experienced one of its strongest quarters on record, rising +7.7% against a broad basket of currencies. The S&P 500 Index gained +2.4% with small and mid-caps underperforming. The S&P400 MidCap Index rose +0.3% and the S&P600 SmallCap Index declined -0.6%. Canadian equities outperformed in the quarter with the MSCI Canada Index gaining +4.5%.

From a sector perspective, Consumer Discretionary (+11.0%) and Communication Services (+7.9%) were the best performers in the MSCI World Index over the quarter. Materials (-10.6%) and Health Care (-9.4%) saw the largest declines. European equities underperformed during the quarter due to political stalemate in France and deteriorating economic momentum across the continent, exacerbated by the threat of potential US tariffs in 2025. From a country perspective only 4 of 15 countries in the MSCI World Index produced positive returns in Q4 with Austria (+8.9%) the best performer by some way from Norway (+2.0%) and Germany (+1.6%). Portugal (-16.7%) and Denmark (-15.4%) were the worst performing countries on the continent.

In Asia Pacific, developed market equities (+3.5%) significantly outperformed emerging market equities (-4.7%). Japan delivered positive returns of +5.9% but Singapore was the strongest performed of the developed market Asia Pacific countries, with the MSCI Singapore Index rising +8.6%. The much-anticipated Chinese stimulus fell short of market expectations and domestic demand recovery continues to be slow. This weighed on local market returns and the MSCI China Index fell -7.0%. In Australia and New Zealand, the S&P/ASX 200 fell -0.8%, whereas the S&P/NZX 50 fared better, rising +5.1% over the quarter.

FUND HIGHLIGHTS

The Vinva Global Equity Fund had positive alpha since its inception on 22 October 2024, outperforming the benchmark by 0.6%. As the Fund invests substantially all of its assets in Vinva International Equity Fund (Underlying Fund), the commentary below is provided in relation to the investments held by the Underlying Fund.

Underlying Fund performance was driven by positive contributions from all signal groups, with quality and valuation signals the strongest. Stock specific performance was positive during the quarter.

The biggest stock contributors to performance included an overweight position in AppLovin Class A (+37bps) and an overweight position in Twilio Inc-A (+19bps). AppLovin Corporation (APP), headquartered in California, is a US technology company specialising in building a software-based platform for advertisers to enhance the marketing and monetisation of their content. The company outperformed after delivering strong Q3 results in November, with software revenue growing +29% and ad revenue up +56% YoY. The company also provided above-consensus Q4 revenue guidance of \$1.24-1.26bn. During the quarter the stock was also added to the Nasdaq 100 index. The overweight position in APP is driven most significantly by our quality signals. Twilio (TWLO) is a US provider of customer engagement platform solutions in the US and internationally. It offers various application programming interfaces and software solutions for communications between customers and end users including messaging, voice, email, flex marketing campaigns and user identity and authentication. The company's share price increased through October and November after its strong Q3 2024 results were released. TWLO had reported revenue of \$1.13bn, representing +10% year-over-year growth and +5% sequential growth and positive sentiment built around Twilio's collaboration with OpenAI. The overweight position in TWLO is driven by a combination of sentiment, quality, segmentation and value signals.

An underweight position in Tesla (-16bps) detracted from performance during the quarter. Tesla (TSLA) is a US-based company operating in the electric vehicle and energy generation and storage industries. The company's share price outperformed, rallying strongly in November on the back of President-elect Trump's victory in the election. Tesla's CEO, Elon Musk, is a close ally of Trump and is considered a powerful voice in the incoming administration, which investors believe may be beneficial for the EV market and Tesla. The underweight position in TSLA is driven by a combination of quality and value signals.



To find out more about our Vinva systematic equity funds, please contact Magellan on:

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