

# Vinva Global Equity Fund

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

APIR: MGE9179AU | ARSN: 681 299 730



28 FEBRUARY 2025

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, 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 <a href="http://www.magellangroup.com.au">www.magellangroup.com.au</a> .

## FUND FACTS

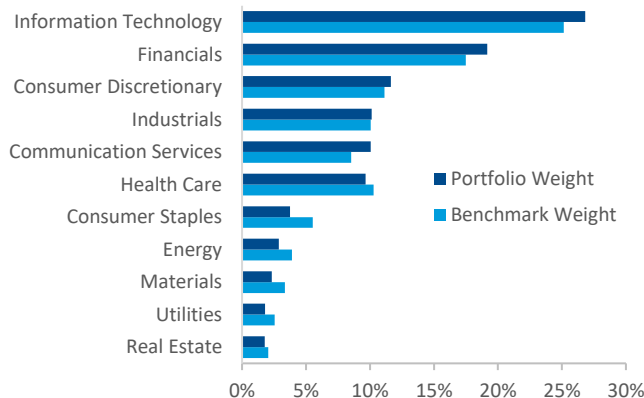
FUND SIZE	BUY/SELL SPREAD	DISTRIBUTION FREQUENCY	MANAGEMENT FEES <sup>1</sup>	INCEPTION DATE
AUD \$1.1 million	0.25% / 0.25%	Annually	0.70%	22 October 2024

## PERFORMANCE<sup>2</sup>

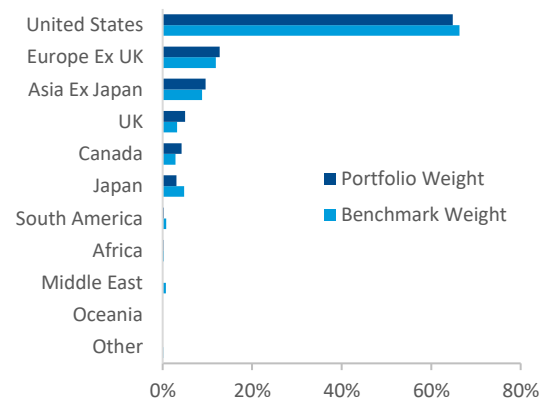
	1 MONTH (%)	3 MONTHS (%)	SINCE INCEPTION (%)
<b>Vinva Global Equity Fund</b>	<b>-0.3</b>	<b>5.9</b>	<b>10.5</b>
MSCI All Country World ex Australia ex Tobacco ex Controversial Weapons Index (AUD) *	-0.3	5.2	9.5
Excess	0.0	0.7	1.0

Past performance is not a reliable indicator of future performance.

## UNDERLYING FUND - SECTOR WEIGHTS COMPARED TO BENCHMARK<sup>3</sup>



## UNDERLYING FUND - REGION WEIGHTS COMPARED TO BENCHMARK<sup>4</sup>



## UNDERLYING FUND – TOP 10 HOLDINGS<sup>5</sup>

STOCK	%
Apple Inc.	4.8
Nvidia Corp	4.0
Microsoft Corp	3.5
Amazon.com Inc	2.6
Meta Platforms Inc. Class A	1.9
Taiwan Semiconductor Manufacturing Co Ltd	1.4
Alphabet Inc A	1.3
Novartis AG Reg	1.2
Deutsche Telekom AG	1.2
Alphabet Inc C	1.1
Ex-top 10	77.0
Total	100.0

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

<sup>2</sup> 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.

<sup>3</sup> Source: Vinva Investment Management. GICS sector classifications. Portfolio exposures are based on the Underlying Fund.

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

<sup>5</sup> Source: Vinva Investment Management. Portfolio holdings are based on the Underlying Fund.

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## MARKET REVIEW

Global equities fell in February (MSCI World Index -1.0%), as a range of headwinds faced equity markets. Concerns over global growth, protectionist US trade policy, geopolitical tensions, soft economic data and a lacklustre earnings season all weighed on sentiment. Volatility increased, as the Trump administration initially delayed, then reaffirmed, the introduction of tariffs on its largest trading partners. The risk-off environment led to a re-inversion of the yield curve, with the US 10-year bond yield falling 21 basis points to 4.21%, below the 3-month yield of 4.3%. Adding to concerns, US economic data showed some signs of weakness, with personal consumption and consumer confidence falling and inflation expectations rising. Year-over-year inflation continues to fall - Core PCE for January slowed to +2.6% YoY – however the recent month-over-month trend remains above the Fed's target. The uncertain outlook impacted earnings expectations as the S&P 500 saw consensus EPS downgrades on 18 out of 20 trading days and EPS estimates for calendar year 2025 are now 1% below where they were at the end of 2024. From a sector perspective, Consumer Staples (+4.5%) and Energy (+2.3%) were the best performers in the MSCI World Index over the month. Consumer Discretionary (-6.9%) and Communication Services were the laggards.

Equity markets outside of North America generally fared better. European equities outperformed, buoyed by optimism of a potential ceasefire in Ukraine and supportive monetary policy from the ECB. European defence stocks were large beneficiaries of a growing consensus amongst EU policymakers to increase defence spending and reduce dependency on US providers. From a country perspective 14 out of 15 European countries in the MSCI World Index produced positive returns with Ireland (+12.8%) and Spain (+9.5%) the best performers. The Netherlands (-0.3%) was the only European country to decline over the month.

In Asia Pacific, emerging market equities (+1.0%) outperformed their developed counterparts (-3.1%), driven by a large rise in Chinese equities as momentum surrounding DeepSeek and related AI stocks in the Chinese technology sector continued. The MSCI China Index rose +11.6% whilst Hong Kong and Singapore also rose, with the MSCI Hong Kong Index and MSCI Singapore Index rising +6.7% and +2.4% respectively. In Australia and New Zealand, the S&P/ASX 200 fell -3.8% whereas the S&P/NZX 50 fell by -3.0%.

## FUND HIGHLIGHTS

The Vinva Global Equity Fund had a neutral alpha month, performing in line with the benchmark. As the Fund invests substantially all of its assets in the Vinva International Equity Fund (Underlying Fund), the commentary below is provided in relation to the investments held by the Underlying Fund.

Fund performance was driven by quality signals, which detracted, offset by strong performance from global linkage and valuation signals. Stock specific performance was negative during the month.

The biggest stock contributors to performance included an overweight position in Banco Santander (+12bps) and an overweight position in Standard Chartered (+11bps). Banco Santander (SAN) is a Spanish multinational retail, corporate and investment bank. The company's share price outperformed after it reported strong 4Q24 net profit 13% ahead of consensus expectations driven by increased revenues and a lower effective tax rate. Q4 CET1 came in at 12.8%, 30bp higher than expected, and management have now committed to distribute all capital generation above 13% CET1, which could see increased shareholder returns. The overweight position in SAN is driven by a combination of global linkage and value signals. Standard Chartered (STAN) is a multi-national bank, headquartered in the UK, with offerings in wealth management, corporate and investment banking. The company's share price outperformed after reporting strong 4Q24 results, with pre-provision earnings 14% ahead of market expectations. Wealth solutions revenue was exceptionally strong, up +36% YoY with net interest margin and net interest income ahead of expectations. STAN also announced a USD 1.5bn share buyback, larger than the USD1.1bn the market had anticipated. The overweight position in STAN position in STAN is driven most significantly by value signals.

An overweight position in NetApp (-12bps) detracted from performance during the month. NetApp (NTAP) provides cloud-led and data-centric services to manage and share data on-premises and private and public clouds worldwide. It underperformed after reporting quarterly results that missed expectations. Hybrid Cloud revenue disappointed investors as the company announced that several deals expected to close in the quarter had slipped into February. NTAP slightly reduced FY25 revenue guidance on the back of the sale of Spot, an Israeli startup it acquired in 2020, incremental FX headwinds and increased uncertainty in US Federal spending. The overweight position in NTAP is driven most significantly by quality signals.



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

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