

# Vinva Global Equity Fund

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

APIR: MGE9179AU | ARSN: 681 299 730



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

## FUND FACTS

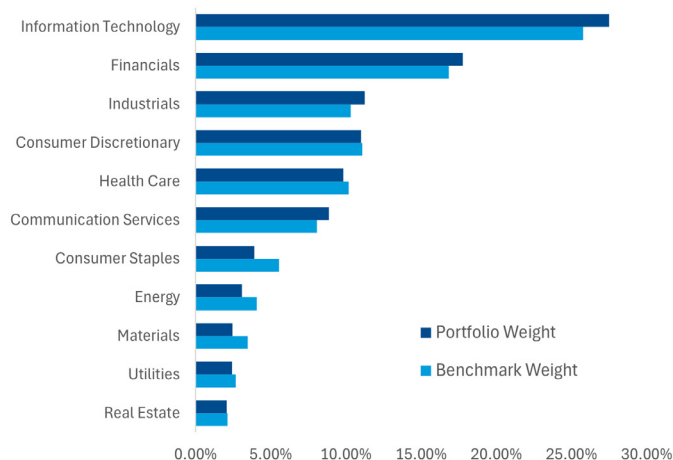
FUND SIZE	BUY/SELL SPREAD	DISTRIBUTION FREQUENCY	MANAGEMENT AND PERFORMANCE FEES <sup>1</sup>	INCEPTION DATE
\$0.6 million	0.25% / 0.25%	Annually	0.70%	22 October 2024

## PERFORMANCE<sup>2</sup>

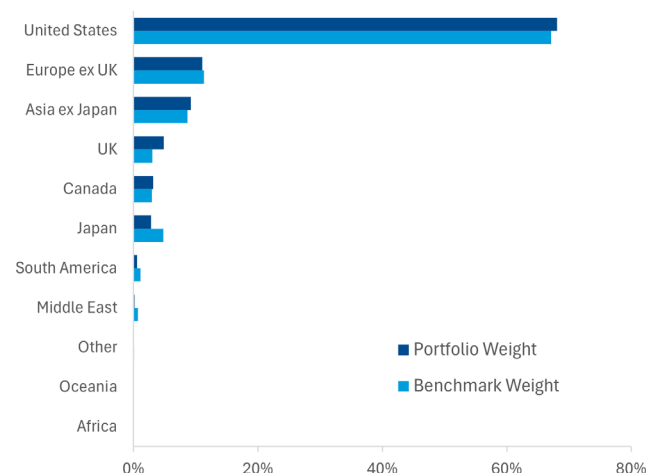
	1 MONTH (%)	SINCE INCEPTION (%)
<b>Vinva Global Equity Fund</b>	<b>4.7</b>	<b>4.3</b>
MSCI All Country World ex Australia ex Tobacco ex Controversial Weapons Index (AUD) *	4.3	4.1
Excess	0.4	0.2

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.	4.7
Nvidia Corporation	4.4
Microsoft Corporation	3.7
Amazon.com Inc	2.6
Meta Platforms Inc. Class A	1.6
Taiwan Semiconductor Manufacturing Co Ltd	1.3
Novartis AG Reg	1.3
Alphabet Inc Class A	1.3
Alphabet Inc Class C	1.1
Tesla Inc	1.0
Ex-top 10	76.9
Total	100.00

<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 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 rebounded in November, recording their strongest month of the year (MSCI World Index +4.9%). A decisive election victory by Donald Trump in the Presidential race, along with the Republican Party securing a majority in both the House and Senate, provided greater clarity on policy. Market expectations for tax cuts and an expansionary fiscal regime, combined with a more domestically-oriented trade agenda, drove US equities higher. Additionally, economic data remained resilient. S&P's Global Composite PMI for the US stayed in expansionary territory, driven by services, while the US ISM manufacturing index rose by more than the consensus expected. Core PCE rose +0.27% MoM in October, raising the three-month average to +2.8% annualized. The Fed cut interest rates by 25bps at the November meeting; however, the prospect of potentially inflationary tariffs alongside continued economic strength pushed the US Dollar higher, rising +2% against a broad basket of currencies. The S&P 500 posted its biggest monthly gain of the year (+6%), with mid and small caps outperforming. The S&P MidCap 400 and S&P SmallCap 600 up +9% and +11% respectively. From a sector perspective, Consumer Discretionary (+13.3%) and Financials (+10.3%) led the way, with all sectors posting positive gains. Health Care (+0.3%) was the main laggard as concerns about a Trump administration's less friendly stance towards pharmaceutical companies weighed on the sector. Canadian equities rose during the month, with the S&P/TSX Composite increasing +6.4%. Sector dispersion was much more evident in Canada. Information Technology (+28.3%) was the standout sector whilst Communication Services (-7.0%) and Health Care (-3.9%) were the worst performing sectors.

European equities underperformed as investors digested the potential impact of future tariffs on growth prospects for the region, with the S&P Europe 350 rising by just 0.6%. Only a handful of countries provided positive contributions, with Germany and the UK leading the way. Portugal, Italy and France all saw negative contributions. From a sector perspective, Information Technology was the leading sector, with Industrials and Financials also contributing positively. Materials detracted along with Consumer Discretionary, which was hit by further consumer weakness in China.

Pan Asian equities continued to fall in November, with the broader S&P Pan Asia BMI returning -1.1% in USD Dollar. Local currencies (except the Yen) continued to depreciate against the strong US Dollar, contributing to the underperformance in USD terms. There was wide dispersion between markets, with emerging market regions of the S&P Pan Asian universe (-2.8%) underperforming their developed counterparts (+0.5%). Singapore was the standout country from a local currency perspective, whilst Korea and Hong Kong indices fell. Nearly all sectors fell, with Utilities (-4.0%) and Materials (-3.8%) the laggards and Financials (+2.9%) and Communication Services (+1.7%) seeing a positive return. In Australia and New Zealand, the S&P/ASX 200 rose +3.7% to a new record high, whereas the S&P/NZX 50 rose +3.4%.

## FUND HIGHLIGHTS

The Fund had a positive alpha month, outperforming the benchmark by 0.4%. 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.

Quality signals were the largest contributor to the Underlying Fund's performance over the month, offset slightly by valuation signals. Stock specific performance was flat during the month.

The biggest stock contributors to performance included an overweight position in AppLovin Corporation Class A (+26bps) and an overweight position in Fortinet (+12bps). 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, 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 month the stock was also added to the Nasdaq 100 index. The overweight position in APP is driven most significantly by Vinva's quality signals. Fortinet (FTNT), headquartered in California, provides cybersecurity solutions and services. Its flagship product is its enterprise firewall platform FortiGate. Its other solutions include secure networking, zero trust access and cloud security capabilities. The company outperformed after reporting better-than-expected 3Q results, with billings up +6% YoY with improving product growth and profitability. Management highlighted a likely refresh cycle opportunity in 12-18 months' time. The overweight position in FTNT is driven by a combination of quality and segmentation signals.

An underweight position in Tesla (-12bps) detracted from performance during the month. Tesla (TSLA) is a US-based company operating in the electric vehicle and energy generation and storage industries. The company's share price outperformed in the month, rallying 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 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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