Dear Investor,

Global equity markets delivered another year of strong returns over the twelve months to June, although the year included periods of significant volatility and uncertainty. A brief recap of how the year unfolded provides useful context for how our portfolios performed.

The first half of the financial year was characterised by steadily rising markets. Corporate earnings remained resilient, and investment in artificial intelligence infrastructure continued at scale, with the capital expenditure of the large technology companies increasingly flowing through to the order books and earnings of businesses across the broader economy. The second half was a very different environment. The outbreak of conflict in the Middle East in late February disrupted energy shipping through the Strait of Hormuz, pushed oil prices substantially higher and forced markets to reprice the outlook for inflation and interest rates. Global equities fell close to ten per cent over the following weeks before recovering as tensions eased, and most major markets closed the financial year at new highs.

This was a year dominated by thematics: an overarching AI capital expenditure cycle, alongside electrification and rising power demand, energy security, defence spending and strength in precious metals. Our portfolios capitalised on companies buoyed by these themes, but only where a set of concrete fundamentals supported the position rather than taking broad thematic exposure.

Pleasingly, both our Global long-only and Global alpha extension strategies outperformed their benchmarks over the financial year, delivering meaningful alpha on top of what was already a strong equity market (beta) return. Just as telling is where our alpha did not come from. Market concentration increased further over the year, with a small number of very large technology companies again accounting for a disproportionate share of index returns. We held broadly neutral positions in these stocks throughout, directing our active risk instead towards the parts of the market where the evidence of mispricing was strongest. This year, that was rarely at the top of the index.

CAPTURING THE BROADENING OF THE AI CAPITAL CYCLE

The clearest example was our positioning around the AI infrastructure buildout. As the capital expenditure of the large technology companies accelerated through 2025, the economic benefits began accruing to a much wider set of companies: the manufacturers of cabling, electrical equipment and power infrastructure, the engineering groups constructing data centres, and the electronics assemblers supplying them. We identified improving earnings and cash flow across these industrial names well before the market fully rewarded them, at valuations far less demanding than the technology companies driving the spending. We established overweight positions across European and global capital goods and electronics manufacturing, with the Italian cable manufacturer Prysmian, shown below, a good illustration of the opportunity. This proved our most profitable industry positioning of the year in both strategies as the market progressively recognised where the AI investment was actually landing.

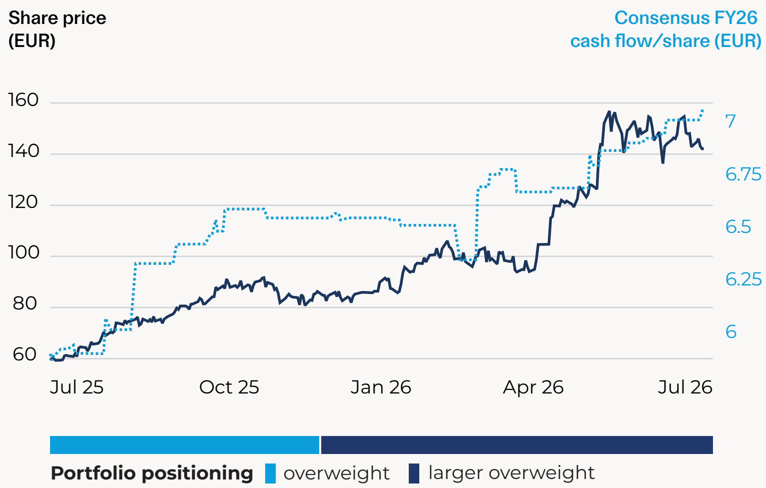
VALUATION OPPORTUNITY IN MEMORY AND HARDWARE

Prysmian: where the AI capex actually landed

Share price vs consensus FY2026 cash flow per share (point-in-time)

Share price
(LHS) +139%

Consensus FY26 cash flow/share
(RHS) +19%



Source: FactSet consensus estimates (FY Dec-2026, EUR) · MSCI index data · Vinva.
Estimates on an independent right-hand scale · positioning shown as broad categories only.

A related opportunity arose in memory and technology hardware. These businesses had long been priced as commodity cyclicals, and sentiment towards them remained poor even as AI workloads drove a structural tightening in demand for high-bandwidth memory and storage. Situations where market sentiment lags the fundamental data are exactly what our investment process is designed to identify.

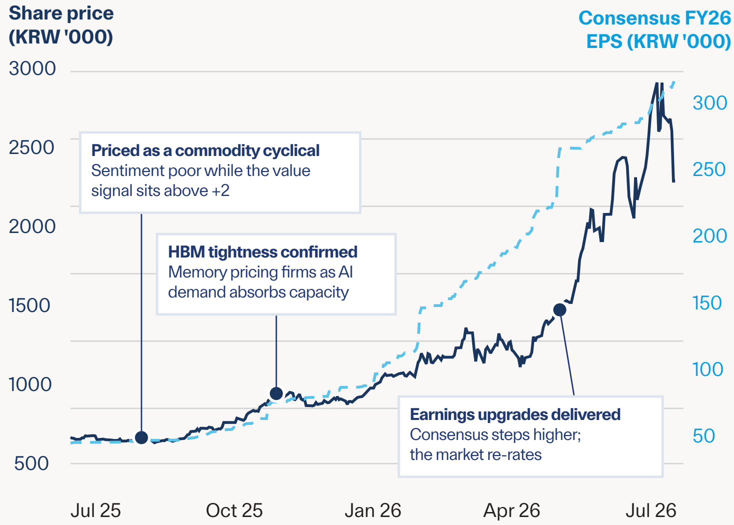
We built overweight positions in Asian memory manufacturers and US storage and semiconductor equipment names, and these re-rated strongly over the year as the earnings upgrades were delivered. SK Hynix, the leading manufacturer of the high-bandwidth memory used in AI systems and one of our largest overweight positions over the period, is shown below.

SK hynix: cheap, confirmed, re-rated

Share price vs point-in-time consensus FY2026 EPS · Jul 2025 – Jul 2026

Share price (LHS) +666%

Consensus FY26 EPS (RHS) +593%



Source: FactSet consensus estimates (FY Dec-2026, KRW) · MSCI index data · Vinva.
Estimates on an independent right-hand scale.

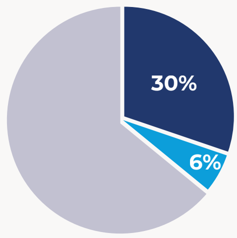
MONITORING THE RISKS IN THE AI INVESTMENT CYCLE

Environments in which thematics drive returns warrant particular attention to risk. Prices in these periods can move well ahead of the fundamentals that support them, and the further they move, the more sensitive markets become to changes in sentiment. The current AI investment cycle illustrates the point. The combined capital expenditure of the four largest technology companies has more than tripled in three years, from around US$225 billion in 2024 to guidance approaching US$725 billion for 2026. This expenditure now absorbs a substantial share of the cash flow those businesses generate and, implicitly, a substantial share of the cash flow of the entire index. Over the same period, the market has re-rated the companies doing the spending, which now trade at a meaningful premium to the broader market, with little margin should the returns on that investment fall short. We evaluate companies, not themes, and our process is agnostic on how any given cycle may play out. Each position is held and justified with an unbiased lens on objective metrics, which allows the portfolios to benefit where the earnings are real without depending on speculation.

AI capex concentration in US public markets

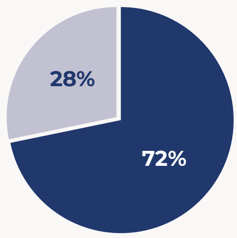
US members of MSCI World ex-Australia latest reported fiscal years

Share of total capex US$1.3tr+



Hyperscalers 30% (US$413bn) — 36% incl. AI infrastructure

Share of capex growth +US$250bn yoy



AI names grew capex +58% yoy; the remainder +9%

Source: FactSet Fundamentals · MSCI World ex-Australia constituents, Jul 2026
AI set: 5 hyperscalers + 11 AI-infrastructure names.

NAVIGATING THE FEBRUARY SELL-OFF

The most significant macro test of the year came with the Middle East conflict and the equity drawdown that followed. Our portfolios entered the period with deliberately limited exposure to macro outcomes, and our stock selection continued to add value through the drawdown itself, with both strategies outperforming while markets fell. Our systematic approach also meant we did not reposition due to a fast-moving geopolitical situation. The portfolios remained fully invested and participated in the recovery in full when it arrived. The first step in any successful active strategy is to capture the equity beta, and the alpha part of the portfolio must be constructed without compromising it. This year provided a clear demonstration of that principle.

Not every position worked in our favour. Our holdings in several established application software companies detracted as investors began to differentiate between businesses positioned to benefit from AI and those at risk of being disrupted by it. As the evidence on these names deteriorated, we reduced our exposure in a measured way rather than defending a prior view. The rapid, momentum-led recovery through the final months of the year was also a less favourable environment for us, and we returned a portion of our earlier gains during this period. Short periods of give-back are an expected feature of any genuinely diversified active strategy, and the full-year outcome remained comfortably positive in both strategies.

These are just a few examples from portfolios that hold several hundred positions globally, diversified across regions and industries. With the financial year now closed, our attention has already turned to the next. Performance is never banked and must be earned each year. The same discipline and research effort that has underpinned our results for clients over the past two decades is being applied with equal intensity to the year ahead.

We thank you for your continued trust and support.

Vinva Investment Team

Magellan Investment Partners is the retail distribution partner for Vinva.

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

E: vinvaenquiries@magellanfinancialgroup.com **P:** +61 2 9235 4888 **W:** magellan-vinvafunds.com