

Australian Equities Extension Fund

About the Fund

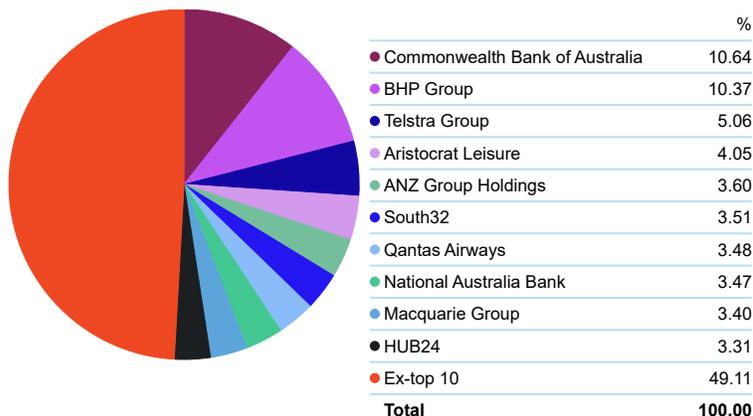
Vinva Investment Management Limited (Vinva), as the Australian Equities Extension Fund (Fund) investment manager, was appointed to construct and manage an active long short portfolio of domestic equities. Vinva is an investment management firm established in 2010. Vinva specialises in managing share investment strategies across Australia and the globe on behalf of large institutional clients.

The Fund aims to provide investors with a total investment return (after fees) that outperforms the S&P/ASX 300 Accumulation Index⁷ ("Benchmark") over periods of seven years or longer. The Fund's universe of investible securities is typically the 300 largest listed companies on the ASX. Vinva's investment style applies a systematic approach to the implementation of over 40 investment signals which are optimised for low transaction costs. Vinva has developed a proprietary systematic valuation approach to managing money by analysing company data to determine if profitable investment opportunities can be realised, either by purchasing undervalued profitable companies or shorting (selling) overvalued stocks with weaker balance sheets and volatile earnings. The Fund's strategy therefore is principally bottom-up in nature with tight risk management around stock and sector active exposures for diversification purposes.

Fund Facts

APIR Code	BEG0006AU
Asset Class	Domestic Equity
Inception Date	28/10/2014
Minimum Initial Investment	\$ 5,000
Distribution Frequency	Annually
Minimum Suggested Investment Timeframe	7 Years
Month End Exit Price	\$ 1.3061
Management Fees & Costs	1.13% p.a
Total Cost Ratio (TCR)	3.64% p.a
Fund Size NAV	\$ 181,904,807

Portfolio Top 10 Holdings



Investment Growth of \$10,000 Since Inception¹



- Australian Equities Extension Fund - Benchmark

Net Performance Summary (%)¹

	1 Month	3 Month	1 Year	3 Year	5 Year	S.I. p.a
Australian Equities Extension Fund	4.16	5.08	17.00	15.67	13.18	10.58
Benchmark	3.89	7.12	16.36	12.28	10.82	8.86

¹Past performance is not a reliable indicator of future performance.

Portfolio Sector Weights Compared to Benchmark



Market and Portfolio Commentary (Provided by Vinva)

Domestic Market Update

The S&P/ASX 300 Accumulation Index returned 3.89% in February.

Australian equities delivered a top-quartile month, with the ASX 100/200/300 each rising around 4% in February. The rally was supported by the second-strongest reporting period in the last 25 years, with ASX 200 EPS upgraded by 1.9%, second only to February 2021 in the post-pandemic rebound. The ASX 200 profit base increased by A\$2.7bn to A\$150.5bn. EPS growth forecasts are around 10% for June 2026 and June 2027, with analysts leaning towards further upgrades as global industrial recovery continues. Consistent with previous months, commodity producers outperformed in February, benefiting from the largest EPS and DPS upgrades. This outperformance was supported by strengthening commodity prices and stronger operating leverage as producers emerge from a period of cost and CAPEX inflation. Commodity producers saw a 3.8% EPS forecast increase and a 6% increase in their FCF outlook. Australian companies guided to a 2.8% increase in dividends (roughly A\$2.5bn) and announced 22 new buybacks, a seasonal record totalling A\$3.4bn. The RBA raised the cash rate by 25bps to 3.85% during February, a move that provided additional support to the Aussie dollar (up 14.1% YoY at the end of February). The RBA justified the hike on the basis of additional demand despite little increase in aggregate supply. Household consumption, business investment and export growth were all stronger than forecast for 2H25. The labour market remains tight, with unemployment sitting at 4.1%. Housing remains at a record high, with sales robust; however, price momentum is expected to soften due to the latest hike. The latest NAB business survey showed that business confidence rose by 1pt to 3 in January, although it remains softer than in October 25, while business conditions fell by 3pts.

Financials ex REITs (+9.0%) was the best-performing sector over the month, led by Commonwealth Bank (+18.4%) and National Aust. Bank (+13.0%), while HealthCare (-13.0%), dragged down by Pro Medicus (-29.2%) and Cochlear (-26.0%), underperformed the broader market. At a stock level, the best performers included Lynas Rare Earths (+27.3%), PLS Group (+20.9%) and Commonwealth Bank (+18.4%), while Pro Medicus (-29.2%), Cochlear (-26.0%) and AMP (-22.1%) were amongst the biggest laggards.

Fund Performance Summary

The Fund had a positive alpha month, outperforming the benchmark by 0.27%.

Behavioral and short-horizon signals detracted from fund performance over the month, while quality and valuation signals contributed. Stock specific performance was positive during the month.

The biggest stock contributors to performance included an underweight position in Cochlear (+36bps) and an underweight position in Treasury Wine Estate (+35bps). Cochlear Ltd (COH) fell 26.05% 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, partially due 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. Treasury Wine Estates Ltd (TWE) fell 15.3% in February. Despite a 2H25 EBITs pre-announcement on 10 February of ~A\$236m, versus guidance of A\$235m–A\$255m, TWE also disclosed a US\$65m cash outflow as part of its settlement agreement with US distributor RNDC (which is closing down operations in California). TWE also suspended its interim dividend at the result, likely motivated by its current financial leverage of 2.4x, and hinted at concerns around inventory management and destocking in the US and China. The underweight position in TWE is driven most significantly by our behavioural signals.

An overweight position in Xero (-45bps) detracted from performance during the month. Xero Ltd (XRO) fell 11.32% in February amid broad sell-offs in tech stocks due to concerns around AI disruption. Uncertainty around long-term earnings led investors to become less willing to pay elevated multiples for the stock. There was no significant company-specific news during the month; however, XRO provided guidance for run-rate EBITDA breakeven by 2HFY28 associated with its recent acquisition of Melio. The overweight position in XRO is driven by a combination of behavioural and short horizon signals.

Notes

1. Past performance is not a reliable indicator of future performance. All returns are in AUD unless otherwise specified.
2. Performance is net of all Centric and underlying investment manager fees but gross of any financial advice and/or platform fees. All returns greater than 12 months have been annualised.
3. Since Inception (S.I.) fund returns are from first full month available November 2014.
4. It is important to note that the value of assets in the Fund and the level of returns will vary and no return is guaranteed.
5. Total Cost Ratio is inclusive of Management Fees and Costs, Performance Fees and Transaction Costs. Refer to the Product Disclosure Statement (PDS) for further information.
6. It is anticipated that income distributions will be paid annually. Please refer to the PDS for more information.
7. Prior to 14 February 2025, the fund's benchmark was the S&P/ASX 200 Accumulation Index.

Disclaimer:

Issued by Specialised Private Capital Ltd (ABN 87 095 773 390, AFSL No. 246744) trading as Centric Capital (Centric) as Responsible Entity of the Australian Equities Extension Fund (ARSN 601 747 648) ("the Fund"). Please refer to the Product Disclosure Statement (PDS) for further information about the Fund.

Returns are in Australian Dollars (AUD), calculated on the basis of end of month redemption prices, assume all distributions are reinvested and are net of fees and costs (including GST and net of RITC for Australian taxable sales) unless stated otherwise. Returns do not take into account any taxes payable by an investor. The returns represent past performance only and are not a reliable indicator of future performance. The value of an investment may rise or fall with changes in the market. Centric does not guarantee the performance of the Fund.

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