

Alphinity Global Equity Fund – Active ETF

MONTHLY REPORT – JULY 2025

Performance ¹	1 Month %	Quarter %	1 Year %	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	Since Inception ² % p.a.
Fund return (net)	2.5	8.8	9.0	14.4	14.9	13.5	13.0
MSCI World Net Total Return Index (AUD) ³	3.1	11.2	17.4	18.9	16.3	13.6	13.1

Fund facts

Portfolio managers	Jonas Palmqvist, Jeff Thomson, Trent Masters, Chris Willcocks.
APIR code	HOW0164AU
Inception date	21 December 2015
ASX Code	XALG
Investment objective	To outperform the MSCI World Net Index (AUD).
Management fee	0.75% p.a.
Performance fee	10% of the excess return of the Fund above the Performance Benchmark (MSCI World Net Return Index (AUD)) and only paid if performance is above the Performance Hurdle (Reserve Bank of Australia cash rate target). Any negative or unpaid performance is carried forward to the next period. ¹
Buy/sell spread	+0.25% / -0.25%
Fund size	\$663m
Distributions	Annually at 30 June
Min. Investment	\$10,000
Max. cash position	20%

Top 10 positions

Company	Sector	%
Microsoft	Information Technology	6.8
Nvidia	Information Technology	6.0
JP Morgan	Financials	4.7
The Coca Cola Company	Consumer Staples	4.0
ServiceNow	Information Technology	3.8
Linde	Materials	3.8
Netflix	Communication Services	3.8
AstraZeneca	Health Care	3.7
Amphenol	Information Technology	3.7
TSMC	Information Technology	3.7
Total		44.0

Data Source: Fidante Partners Limited, 31 July 2025

¹ Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

² The inception date for the Fund is 21 December 2015

³ From 21 December 2015 to 30 April 2019, the Benchmark was the MSCI World Equity ex Australia (Net) Index. The current index is effective from 1 May 2019

Fund features

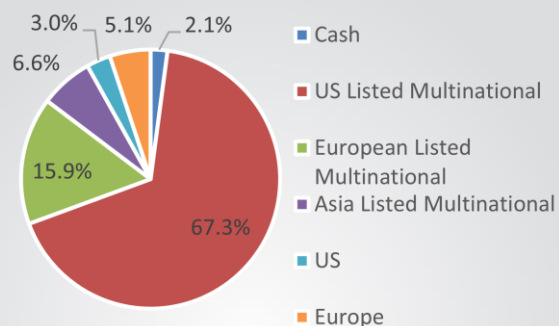
Consistent returns: Aims to provide consistent strong risk-adjusted returns across different market cycles

Style agnostic: Can invest in growth, value, cyclical or defensive companies, because we aim to own them at the right time in their earnings cycle.

Concentrated: An actively managed, long only portfolio of 25-40 high conviction, quality companies, which is also diversified across sectors and regions

Robust process: A disciplined and repeatable investment process finding high-quality businesses with strong earnings that are under appreciated by the market.

Geographical exposure



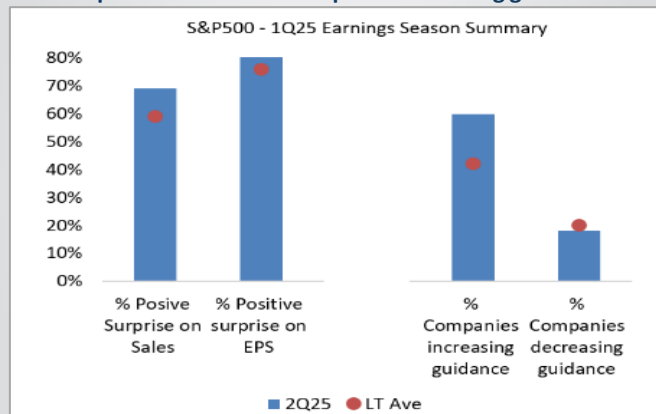
Sector exposure



Market comment and outlook

Equity markets posted four straight months of gains, many of these reaching record highs with US corporate earnings helping Tech stocks rally, allaying some concern around an AI spending bubble. The US market (S&P500 index) gained 4.4% in AUD terms over July, outperforming the broader global index which gained 3.5%. The recent pivot from US into European shares also reversed with Europe underperforming and closing flat, not helped with some of the region's largest stocks like SAP, ASML and Novo Nordisk all stumbling, while parts of the Industrials and the luxury consumer space were also notably weaker post earnings. Emerging markets were mixed with strength in China, Taiwan and Korea offset by weakness in India and in Brazil as the US imposed a 50% tariff on some of its key exports.

2Q25 US Reporting season – More beats than usual vs lowered expectations & more companies increasing guidance



Source: Bloomberg, 15 August 2025

More progress on trade talks also lifted markets, with US / European negotiations resulting in a framework agreement by the end of the month with continued 10 to 15% baseline tariffs rather than the escalated 50% rate that was initially threatened. No further escalation of China tariffs was also supportive, with an extension of the tariff truce for another 90 days until November.

The month began with a lot of retail buying in some of the unloved (and more shorted) names and a momentum unwind on the other side, where stocks with strong earnings and price momentum were sold. However, this activity slowed down as the month progressed and stock moves reacted to quarterly earnings which positively surprised with just over 75% of companies beating earnings expectations. On a global sector level, Technology (+6.3%) Energy (+4.6%) and Utilities (+4.4%) were among the top performers, while the more defensive Healthcare (-1%) and Consumer Staples (-0.6%) sectors were the biggest laggards.

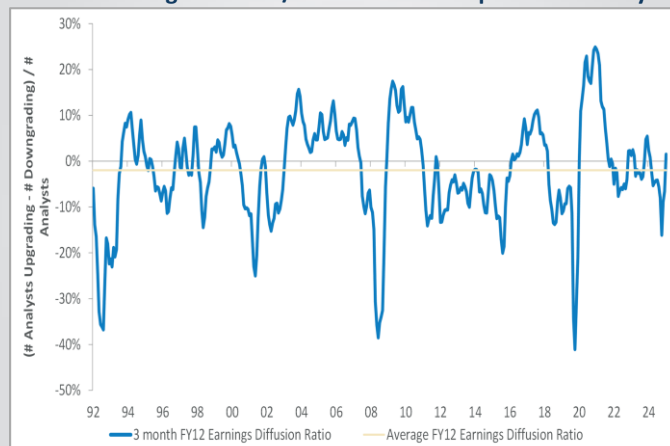
Economic data was again mixed with a stronger than expected GDP print (+3% versus 2.6% expected) helping to lift the USD from slump and served to reinforce US Federal Reserve Chair Powell intention to push back on political pressure to cut interest rates. The Fed kept rates on hold, adding “we don’t consider the fiscal needs of the

Federal government” which only served to increase tensions. Adding more fuel to the rate cutting debate was the downward revisions in the employment data with a sharp downward revision in 3 months of jobs growth. This sent bond yields lower towards the end of the month, although the US 10-year yield closed up 14 basis points to 4.37%.

Portfolio comment and outlook

Recent U.S. policy announcements have brought some more clarity on its tariffs, but the resulting impact in the next 6-12 months on consumers and corporate profits remains uncertain. Economic ‘hard’ data is overall resilient, but recent signs of a slow-down in the U.S. labour market and emerging goods inflation may complicate potential policy responses, if they were to gain momentum going forward. Global equity markets continue to be positive, but these uncertainties in combination with markets having rallied back to historic-high valuations have elevated market risks.

Global Earnings Diffusion/Sentiment back in positive territory



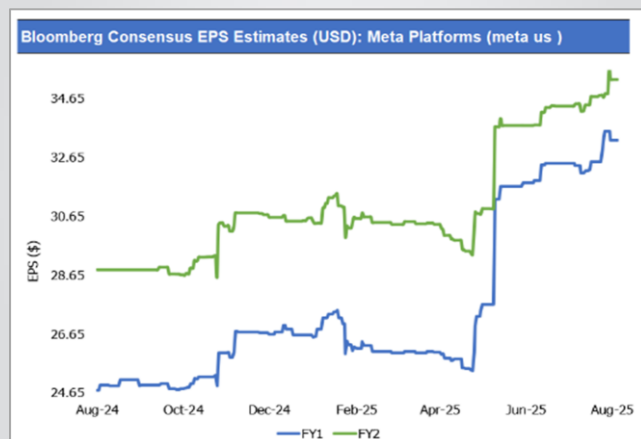
Source: Bloomberg, 31 July 2025

The second quarter reporting season is coming to an end, with over 80% of companies having reported. Results have overall been positive with ~3/4 of companies beating expectation. However, it's been more challenging to live up to heightened expectations in stocks, with price reactions skewed more negatively than usual: only ~35% of U.S. stocks outperformed during the earnings season. Led by the U.S., the global earnings cycle inflected positive over the last month for the first time in 2025, rising +0.7% for 2025 and +0.4% for 2026. This has been driven by Technology, Communications and Financials, whilst Consumer Discretionary, Health Care and Materials have seen the largest downgrades. Going forward, as the market's focus increasingly lifts to 2026, we are looking for more clarity on earnings headwinds from tariffs across sectors, as they work their way through the supply chains.

After a period of higher portfolio activity earlier in the year due to the leadership rotation in large parts of the global market, the portfolio's exposure to fundamentally backed, positive earnings revisions have recovered to high levels again. During July, we added Meta to the portfolio after a strong report showing its large AI investments starting to bear fruit on the top-line.

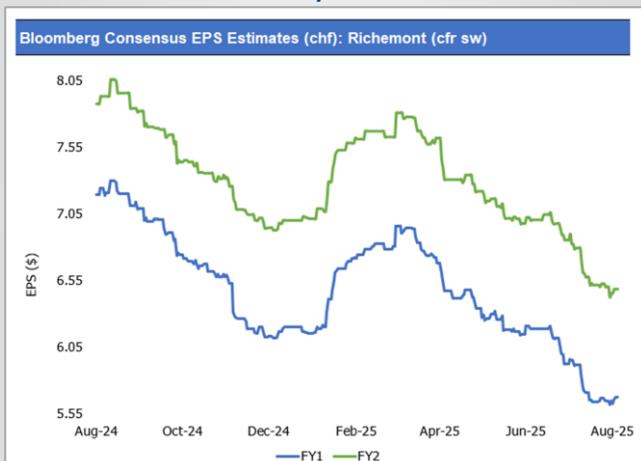
We also added to our positions in JPMorgan (strong earnings momentum continues) as well as Intuitive Surgical and Booking Holdings (stocks pulled back despite good reports). We divested our positions in Sherwin-Williams (U.S. housing market recovery further postponed) and Richemont (new earnings headwinds emerging in luxury markets). Overall, the portfolio is invested in strong growth businesses as well as more defensive companies, and quite selectively within cyclicals (mainly Financials). The Alphinity investment process will always organically adapt and recalibrate around abrupt, macro-led earnings leadership changes, resulting in a disciplined application of our investment philosophy. We maintain a high quality and diversified portfolio focused on idiosyncratic earnings leadership, which we expect to be relatively less impacted by tariff and geopolitical uncertainty.

BOUGHT: META - Strong results with AI investments starting to bear fruit



Source: Bloomberg, 15 August 2025

SOLD: RICHEMONT – New earnings headwinds emerging in luxury markets



Source: Bloomberg, 15 August 2025

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Important information: This material has been prepared by Alphinity Investment Management Limited (ABN 94 002 835 592, AFSL 234668) Alphinity, the investment manager of the Alphinity Global Equity Fund. Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at www.fidante.com should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance. Alphinity and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, Alphinity and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.