

Alphinity Global Sustainable Equity Fund – Active ETF



QUARTERLY REPORT JUNE 2026

Performance ¹	1 Month %	3 Months %	1 Year %p.a.	3 Years %p.a.	5 Years %p.a.	Since Inception ² %p.a.
Fund return (net)	5.1	11.5	3.7	9.5	7.5	8.6
MSCI World Net Total Return Index (AUD)	3.1	12.5	14.8	17.7	13.3	14.0

Fund facts

Portfolio managers	Jeff Thomson, Jonas Palmqvist, Trent Masters, Chris Willcocks.
APIR code	HOW1000AU
Inception date	3 June 2021
ASX Code	XASG
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	\$195.7m
Distributions	Annually at 30 June
Min. Investment	\$10,000
Max. cash position	20%
Carbon Intensity (ave weighted) Scope 1 & 2	24.5 (vs MSCI Benchmark 97.9)

Top 10 positions

Company	Sector	%
Nvidia	Information Technology	6.2
Apple	Information Technology	5.7
JP Morgan	Financials	4.7
Alphabet	Information Technology	4.3
ASML	Information Technology	4.2
Eli Lilly	Health Care	4.1
DBS Group	Financials	4.0
Chubb	Insurance	3.6
Caixa Bank	Financials	3.5
Caterpillar	Industrials	3.4
Total		43.9

Data Source: Fidante Partners Limited, 30 June 2026

Fund features

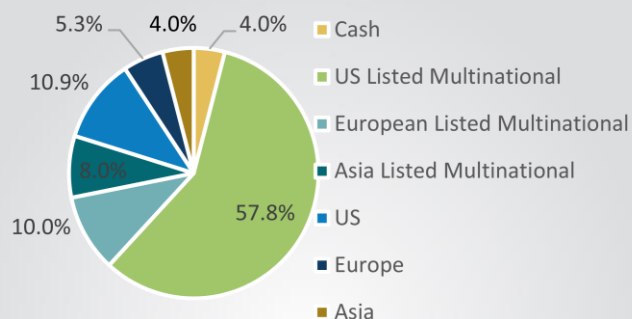
Sustainable companies: An investable universe of companies that we believe have a net positive alignment with one or more of the 17 United Nations Sustainable Development Goals (SDG's) and exceed Alphinity's minimum ESG criteria.

Exclusions: Exclusions from the investable universe, defined by a Charter, for activities that are considered to be incongruent with the SDG's

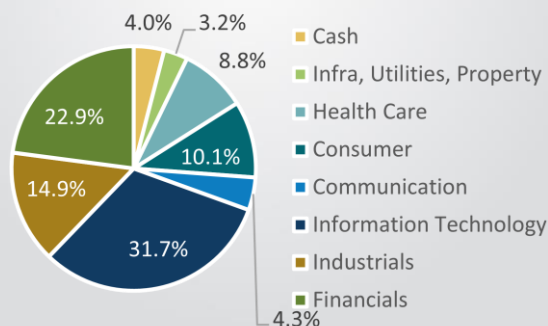
Active ownership and stewardship: We seek to engage with companies on ESG matters and also intend to vote all proxies put to shareholders

Consistent Returns: We can invest in growth, value, cyclical or defensive companies, because we aim to own them at the right time in their earnings cycle

Geographical exposure



Sector exposure



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

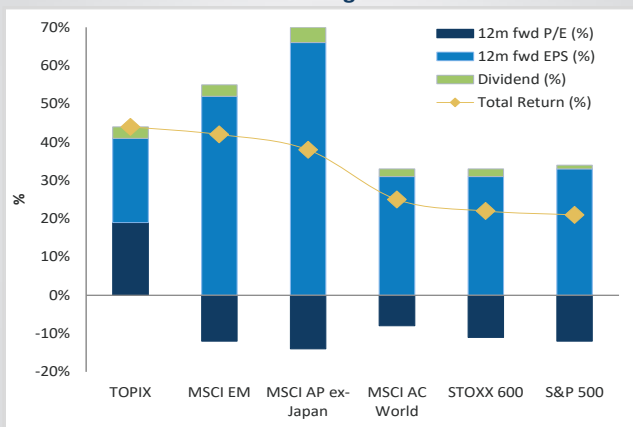
² The inception date for the Fund is 3 June 2021

³ Numbers may not add due to rounding

Market comment and outlook

Equity markets put war, and inflation fears aside and continued their march higher over the June quarter, with the MSCI World Index gaining 13% in AUD terms. In the US, both the S&P 500 index (+14.4% in AUD) and the Nasdaq (+21% in AUD) posted their strongest quarterly gains since the post Covid rebound in 2020. It was again US Tech stocks that contributed the most to global returns, and a stronger US Dollar enhanced performance when converting back to AUD. Looking at comparative performance, the European Stoxx 600 rose 8.4%, Japan's TOPIX gained 11% and China A shares were relatively weaker, closing up 6.5% in AUD terms.

All Global Indices – Sources of Return YTD – Earnings doing the heavy lifting



Source: Bloomberg, 30 June 2026

Interestingly, despite the strong returns at an index level, the moves were more nuanced when looking at the various industry groups with wider dispersion in performance leadership. For example, the “Magnificent 7” group of stocks - those that have historically been the biggest contributors to US market returns - lost value in June and are trading close to flat so far throughout 2026, significantly underperforming the broader market. Questions are increasingly being asked of the Hyperscalers and whether can justify increased CAPEX spending. How tolerant investors will be of declining cashflows will also become clearer in coming months and will no doubt be a factor in capital management plans. Capital shifted from these index heavyweights into the plumbing of the AI boom, with semiconductors, memory stocks and industrial / power companies all on the capital receiving end, although some of the moves (particularly in Asian memory stocks) were becoming increasingly speculative and traded with extreme volatility.

On a sector level, Technology (+33%) was the only sector that outperformed the market while Industrials (+11.3%) and Financials (+10.7%) also performed strongly. A sharp correction in oil and broader commodity prices led to Energy (-14%) and Materials (+0.5%) underperforming, while the more defensive sectors like Consumer Staples and Healthcare also lagged.

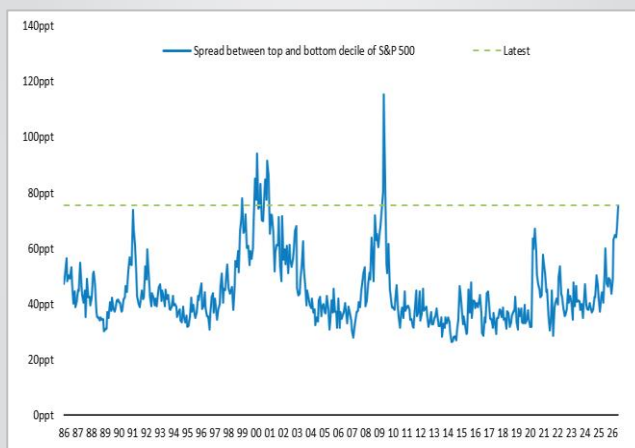
Economic data in the US was generally positive, with Manufacturing PMIs rising to 54.0 in May. The Manufacturing cycle in the US is partly cyclical (AI investment) and partly a pull forward effect tied to war-

related supply concerns but is nevertheless in an expansionary cycle. The US labour market remained resilient through Q2 2026. Nonfarm payrolls averaged approximately 111,000 additions per month over the quarter, and the unemployment rate averaged ~4.3% - consistent with conditions near full employment. Kevin Warsh was confirmed as Fed Chair and took the helm in late May 2026, inheriting a complex environment of resurgent inflation, a strong labour market, and White House pressure for rate cuts. His appointment was initially associated with expectations of a path to lower rates, but the macro backdrop quickly shifted that view. The Fed held rates steady, albeit with a more hawkish tone. The recent fall in oil prices resulted in a marginal improvement in consumer confidence, after having fallen to a record low in May.

Portfolio comment and outlook

The economic backdrop is mixed - on a positive note, resilient labor markets and an improving manufacturing cycle, with PMI now in expansionary territory >50 five months in a row. Against this, the Middle Eastern conflict has caused some deterioration in the outlook for growth, inflation and rates. Nonetheless, the cease-fire in early April contributed to a resumption of stronger equity markets and renewed focus on company earnings, and the more recent MOU peace agreement between the U.S. and Iran added to this positive trend. We continue to believe the cycle and relative market leadership can prove resilient in the face of macro headwinds. Although the bull market is relatively stable at an index level, this masks a sharp rise in the underlying divergence of individual stock and sector returns. Historically, the degree of performance divergence now visible in the U.S. market has only been seen during Covid, the Global Financial Crisis, and the dot-com bubble. This is not a reliable signal for the timing of any future market or regime shift, but it does speak clearly to the outsized influence the AI theme has on market leadership. It is a dynamic we are mindful of, and one that continues to shape how we think about portfolio construction, diversification and risk appetite.

S&P500 – Performance dispersion back at GFC levels



Source: FactSet, BofA US Equity & Quant Strategy, 30 June 2026. Median last 3m returns of the top and bottom quintile 1986-5/2026

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QUARTERLY REPORT – JUNE 2026

The global corporate earnings cycle remains strong and supportive of markets. Over the last three months, expectations for global earnings growth in 2026/27 have increased by +4.8%/+4.9% respectively. Reported earnings growth in the first quarter this year was +23% y/y and analysts now expect growth of +21%/+14% for 2026/27 respectively. This is one of the strongest periods of corporate earnings growth outside of a post-recession ‘V-shaped’ recovery. The breadth of earnings revisions across sectors and regions is also improving, but most sectors pale in comparison to Technology Hardware & Semiconductors. In fact, in June Technology was the only sector with upgrades higher than the overall market. Energy, which saw strong upgrades earlier in the quarter, is losing earnings momentum on the back of the recent reversal in oil prices. Across other sectors, the earnings leadership is still largely procyclical, with both Financials and Industrials seeing positive upgrades. Consumer Discretionary as well as the more defensive sectors Health Care and Consumer Staples remain in negative-to-flat earnings territory.

AI remains the clear, dominant market theme, although it continues to evolve and broaden out to new sub-sectors, and new narratives regarding potential AI winners and losers. Capital raisings by the large tech companies have accelerated and recently expanded beyond bonds to include equity — Alphabet being a notable recent example. Underlying these developments is a structural change in the competitive dynamic between the major technology players, alongside a fundamental shift in their financial profile. The AI investment cycle is driving capex higher and free cash flows lower, significantly increasing the capital intensity of these businesses. How this investment cycle ultimately plays out will remain a central focus for markets — but for now, the clearest beneficiaries, both in earnings and share price performance, remain the companies on the receiving end of that technology spend.

Earnings Sentiment – Back in positive trend across all regions



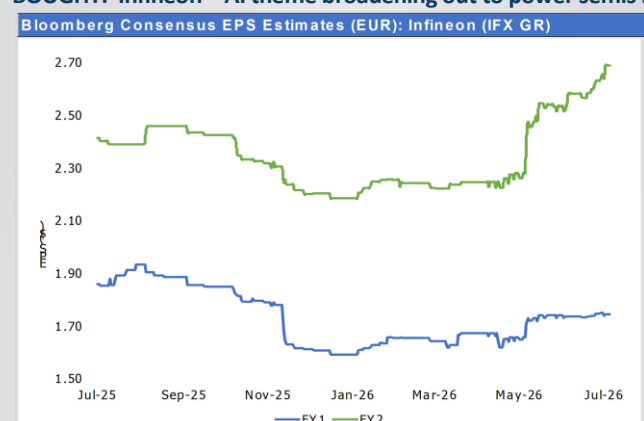
Source: Bloomberg, 30 June 2026

We manage the portfolio accordingly and maintain a strong exposure to the earnings leadership primarily through several positions in Technology, Financials and Industrials. Within Tech and Industrials, year-to-date we have gradually broadened our exposure within the AI theme as the investment cycle reaches further into different sub-sectors' earnings (semi equipment, memory, power semis, gas turbines). We have largely been funding new additions from existing,

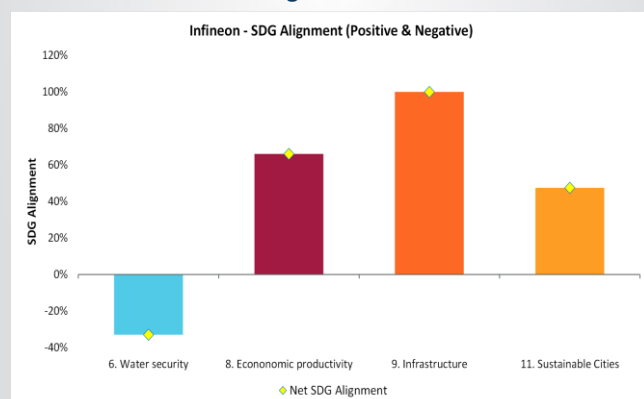
more mature AI-exposure stocks. There is a discernible speculative element to recent price action in some areas, and consequently we remain thoughtful about stock selection and position sizes, aiming to manage overall portfolio risk stemming from the AI theme. We continue to believe that diversification and quality will be key risk mitigants over a full market cycle.

During the quarter, we added positions in Micron, AMD, Infineon and Siemens Energy, all seeing remarkable earnings upgrades from AI infrastructure demand. This was financed from within Tech by divesting Amphenol, Motorola Solutions and Tencent, as well as trimming other positions in Tech and Industrials with similar earnings drivers. In Industrials, Veralto was sold and replaced by Clean Harbors which is in an attractive, early stage of its earnings recovery. In Financials, Moody's was divested based on signs of degrading earnings upside. We also initiated a new position in Eli Lilly following its strong earnings beat driven by the next leg of global GLP-1 adoption, this was financed by exiting Boston Scientific (delayed earnings turn-around). Within Consumer, we added Asics and Ross Stores, both with strong, idiosyncratic earnings growth. We also exited CBRE and CRH due to increasing cyclical risks in their markets, and their inability to keep pace with the current strong earnings leadership. Overall, the Portfolio continues to be strongly exposed to fundamentally driven, positive earnings revisions across a broad selection of different sectors and geographies, which we expect to drive performance over time.

BOUGHT: Infineon – AI theme broadening out to power semis's



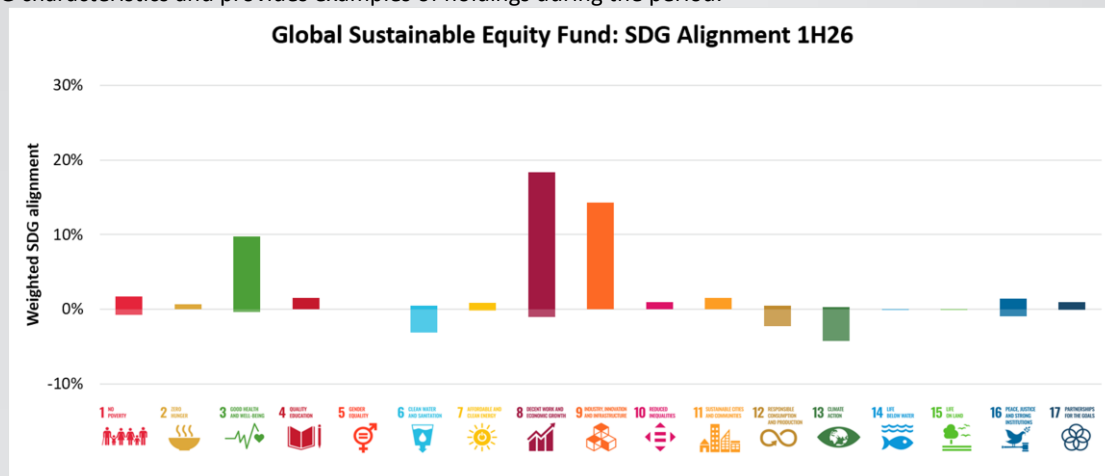
Net SDG Alignment Score: 180%



Source: EPS Chart: Bloomberg, Alphinity 8 July 2026. SDG score Alphinity, 30 June 26

Alignment with the United Nations Sustainable Development Goals -1H26

The fund uses the United Nations Sustainable Development Goals (SDGs) to invest in companies with a net positive sustainability alignment. This chart shows the weighted SDG alignment of the **Global Sustainable Equity Fund** for the first half of 2026*. It highlights the fund's SDG characteristics and provides examples of holdings during the period.



*To reflect our sustainable investing activity over the 6-month period, we multiply each company's SDG alignment with its average portfolio weight. This upweights the SDG score of companies held at larger weights for longer periods. This methodology is consistent with the approach used to present the SDG data in our annual Responsible Investment Report.

- The positive alignment to **SDG8 (Decent Work and Economic Growth)** reflects the fund's holdings in technology and AI enablers which support the global economy and digitalisation (Microsoft, Alphabet, Nvidia, Apple). Semiconductor leaders TSMC and ASML also contribute significantly, alongside financial services companies including DBS Group Holdings and Chubb providing economic infrastructure through banking and insurance services.
- Strong contribution to **SDG9 (Industry, Infrastructure and Innovation)** is driven with industrial companies like Parker Hannifin and Caterpillar, while robotic surgery company Intuitive Surgical contributes through technology innovation. CRH's infrastructure materials business also adds to this alignment.
- Companies aligned with **SDG3 (Good Health and Well-being)** include AstraZeneca's therapeutic products, Eli Lilly's pharmaceutical products, Asics sports goods and Welltower's aged and assisted living real estate portfolio.
- Alignment to **SDG7 (Affordable and Clean Energy)** is driven by Siemens Energy through its renewable energy and grid infrastructure solutions, with additional contributions from industrial companies like Howmet and ABB supporting the energy transition.
- While all companies require a net positive SDG alignment for the fund, we acknowledge there are some companies with negative sustainability-related impacts. The largest negative alignment is to **SDG13 (Climate Action)**, driven by companies which generate revenues from products and services with material carbon emissions footprints. Energy use in data centres (Alphabet, Microsoft) and emissions-intensive manufacturing (TSMC, CRH) are the key contributors. The negative alignment to **SDG6 (Clean Water and Sanitation)** is primarily attributable to water across the AI value chain, from semiconductor manufacturing to data centre water cooling requirements. The waste impacts from consumer technology companies like Apple and e-commerce retailers such as Amazon and Walmart contribute to the negative alignment to **SDG12 (Responsible Consumption and Production)**. We seek to focus on these impacts within our ESG risk framework and stewardship activities

Company highlight: Clean Harbors

Clean Harbors is North America's leading provider of environmental and industrial services, specialising in hazardous waste management and disposal (SDG12). The company operates the largest network of hazardous waste treatment facilities in North America, playing a critical role in the waste system by safely managing materials that would otherwise pose environmental and health risks.

A key differentiator is Clean Harbors' re-refining business, which recycles used motor oil into high-quality lubricant oil. To put this into context, in 2023, the company re-refined 235 million gallons of used oil. Clean Harbors also recycled nearly 1.7 million metric tons of materials, treated more than 4 billion gallons of wastewater, and responded to 14,000 environmental clean-up emergencies. We also believe the company's technical expertise supports industrial innovation (SDG9), enabling other companies to operate responsibly by providing essential environmental compliance services. For example, Clean Harbors provides PFAS-related services from sampling and laboratory testing through to treatment and destruction, positioning the company as a leader in addressing 'forever chemical' contamination.

While operations carry a small carbon footprint (reflected in negative SDG13 alignment), the company's core business fundamentally addresses sustainability challenges across waste disposal, recycling and environmental protection.

One stock story: Ross Stores



Good – Better – Best !

What they do:

Ross Stores is the second-largest off-price apparel retailer in the US, operating two banners: Ross Dress for Less (1,917 stores) and dd's Discounts (365 stores), a lower-income-focused format launched in 2004. Both banners buy up overflow, unsold, and overrun inventory from brands and department stores globally and resell it at a discount — a business built entirely on turning other retailers' excess stock into value for price-conscious consumers.



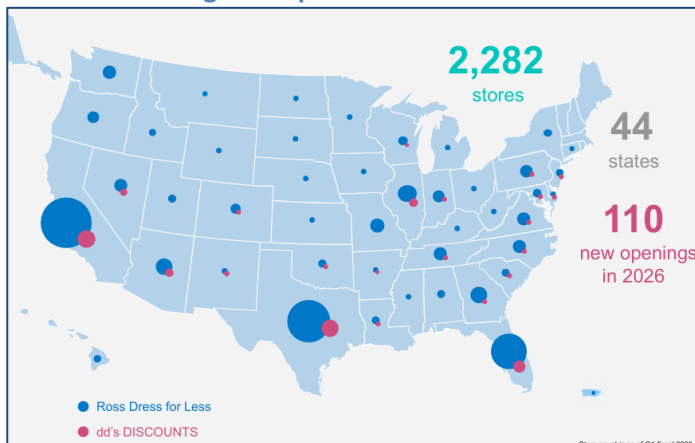
The investment case:

Ross sits in a structurally advantaged part of US retail. Off-price is a genuine growth channel benefitting from the K-shaped economy where value-seeking consumers need somewhere to shop, and pressured retailers need somewhere to clear excess inventory.

Within the off-price peer set, three things differentiate Ross Stores:

- Demographic and location skew** — stores are typically situated in locations with a demographic skew to lower-income and Hispanic/African American consumers. They are also concentrated in sunbelt states with strong net migration. Ross Stores should benefit from trade-down behaviour, particularly in a K-shaped economy. This skew, however, leaves the business exposed to demographic-specific spending headwinds.
- Location strategy compounds the traffic story** — Ross has a higher rate of co-location with other off-price retailers than peers and is the single most popular neighbour for other off-pricers. In a "treasure hunt" shopping category, incremental foot traffic can come from simply neighbouring peer stores. A smaller store footprint enables it to improve the "halo effect" across its store base faster through simple merchandising improvements.
- Pack-away inventory as a lever, not just a risk** — Ross uses pack-away inventory (~40% of total) but holds stock for typically less than six months. When executed well, it enables store managers to drive traffic through popular restocks, protect margins via discounted sourcing, and provides a natural inflation hedge — though it does carry incremental storage and merchandising risk if execution slips.

Ross operates 2282 stores across 44 states – with strong store growth potential to 3600 stores



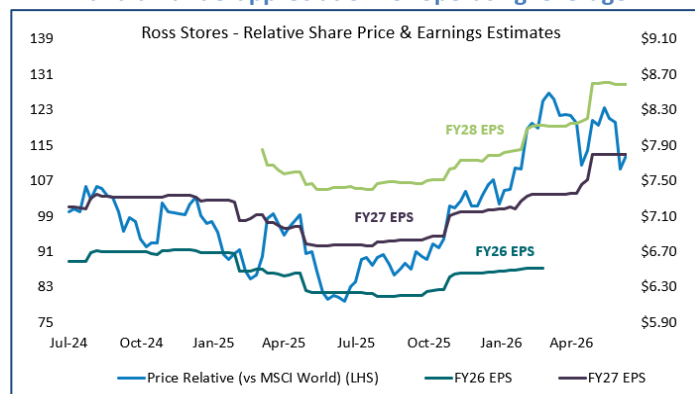
Source: Ross Stores Investor Presentation - May 2026

Execution has been consistently ahead of expectations.

Ross has a strong track record of beating guidance and consensus expectations across top line and margins. The business' recent improvement in performance can be partly attributed to CEO transition in 2025 (Jim Conroy, formerly of Boot Barn and Claire's, taking over from his predecessor with an 11-year tenure in the company).

Recent results have reflected buying group and merchandising adjustments that have improved both the customer shopping experience and store banner perception. This has led to strong comp sales performance, driven mostly by traffic, and impressive incremental margins. We believe Ross is gaining share within the off-price channel rather than riding a favourable backdrop.

Strong earnings upgrades driven by strong top line momentum and an underappreciation for operating leverage



Source: Bloomberg, 9 July 2026

In summary:

Ross Stores' combination of demographic tailwinds, a compounding location strategy, and consistent execution ahead of its own conservative guidance make it a structural earnings upgrade story — one of the more durable growth stories in US retail today.

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QUARTERLY REPORT – JUNE 2026

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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 Sustainable 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.