

Amova Core Equity Strategy

Monthly Update 31 March 2026

Assets are held in the Amova Wholesale Core Equity Fund. The Amova Core Equity Fund (retail) invests in units in the wholesale fund which the commentary refers to.

Market Overview

- Global equity markets had mixed outcomes over the quarter as company earnings results, economic data, central bank moves and the outbreak of conflict in the Middle East all played a part.
- The United States S&P 500 index declined 4.6%, the UK FTSE 100 index increased 2.5%, the Japanese Nikkei 225 gained 1.4%, the Australian ASX 200 index fell 1.6% and the MSCI World index ended the quarter down 2.6%.
- The S&P/NZX 50 index lost 4.5%.

Fund Highlights

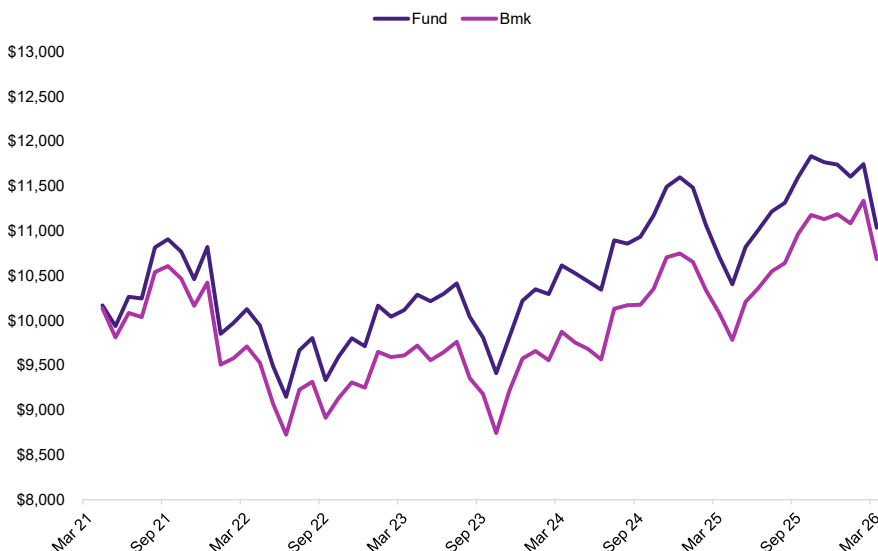
- The fund ended the quarter down 6.0%, 1.5% behind the index return.
- It was a busy period for news flow as companies reported their earnings results for the period ending December 2025.
- Fisher & Paykel Healthcare announced an earnings guidance upgrade.
- Contact Energy and Genesis Energy both announced equity raisings to fund their pipelines of new electricity generation. Contact raised \$575 million while Genesis raised \$400 million.
- Underweight position in Air New Zealand and Precinct Properties and an overweight position in Infratil added value. Overweight positions in Summerset, Ryman Healthcare and Vista Group detracted from value.

Performance

	One month	Three months	One year	Three years (p.a.)	Five years (p.a.)	Ten years (p.a.)
Wholesale¹	-6.05%	-6.01%	2.98%	2.93%	1.99%	8.04%
Benchmark²	-5.76%	-4.49%	5.95%	3.59%	1.33%	7.63%
Retail³	-6.08%	-6.15%	2.07%	2.00%	1.08%	6.91%

- Returns are before tax and before the deduction of fees and including tax credits (if any).
- Benchmark: S&P / NZX 50 Index Gross (with Imputation Credits). No tax or fees.
- Returns are before tax and after the deduction of fees and expenses and including tax credits (if any).

Five Year Cumulative Performance, \$10,000 invested^{1,2}



Portfolio Manager

Michael Sherrock,
Head of Equities



Michael joined Amova AM in 2006 and covers the Energy, Materials, Metals and Mining, and Media sectors. He has over 20 years' experience and previously held roles with Schroders UK and ASB Group Investments. Michael is a CFA charterholder and holds a Bachelor of Commerce degree from the University of Auckland.

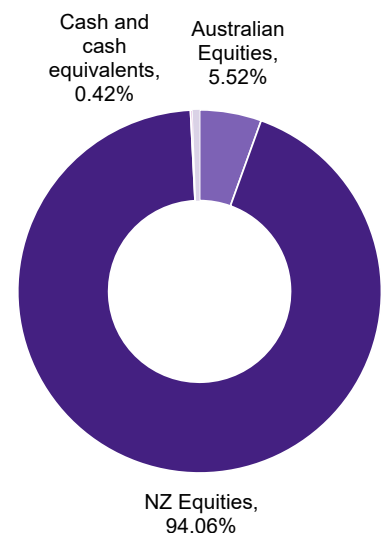
Overview

The Core Equity strategy seeks growth opportunities by investing in New Zealand and Australian equity markets. Our local equity portfolio management team hand-pick stocks that they believe have potential for growth of income and capital.

Objective

The fund aims to outperform the benchmark return by 3% per annum before fees, expenses and taxes over a rolling three-year period.

Asset Allocation



Attribution to Performance

What Helped:		What Hurt:	
Infratil	OW	Summerset	OW
Air New Zealand	NH	Ryman Healthcare	OW
Precinct Properties	UW	Vista Group	OW

OW: overweight; UW: underweight; NH: no holdings

Top 10 Holdings (% of fund)

Fisher & Paykel Healthcare	16.22	A2 Milk	5.75
Infratil	11.33	Spark New Zealand	5.03
Auckland International Airport	9.50	EBOS	4.75
Contact Energy	7.80	Mainfreight	4.03
Meridian Energy	6.65	Summerset	3.45

Sector Allocation (% of fund)

Sector Allocation (% of fund)	Fund	Benchmark
Health care	28.53	23.63
Industrials	18.83	21.58
Utilities	15.08	17.33
Financials	11.33	11.95
Communication services	8.63	6.39
Consumer staples	7.28	8.08
Real estate	5.07	7.23
Information technology	2.31	0.93
Consumer discretionary	2.01	1.62
Energy	0.51	0.91
Cash and cash equivalents	0.42	0.00
Materials	0.00	0.35
Number of holdings	32	50

Market Commentary

It was a mixed quarter for global equity markets as earnings results, economic data, signals from central banks and the outbreak of conflict in the Middle East all played a part in the performance of various equity markets. Contrasting inflation prints in the United States created doubt around the direction of interest rates with the Consumer Price Index coming in lower than expected while the Producer Price Index came in higher than expected. Persistently high inflation in Australia led to the Reserve Bank of Australia raising rates by 25bps - the first hike since 2023 and follows a series of cuts in 2025. At its first meeting since November 2025, the Reserve Bank of New Zealand left rates on hold. Technology stock prices struggled during the month as illustrated by the NASDAQ index falling 3.4%. The majority of companies in New Zealand who provided earnings results and earnings guidance met or exceeded market expectations. At the end of February the US and Israel started a bombing campaign in Iran which sent oil prices higher and uncertainty across investment markets.

Fund Commentary

The largest positive contributors to the fund's relative return were underweight position in Air New Zealand (AIR) and **Precinct Properties** (PCT) and an overweight position in **Infratil** (IFT). AIR was impacted twice over the quarter, first by a disappointing earnings result and then by sharply higher oil and jet fuel prices following the start of the conflict in the Middle East. AIR ended the quarter down 25.9%. The Real Estate sector fell on the back of higher bond rates with PCT also impacted by reporting a result that was slightly lower than market expectations albeit more of a timing issue than any fundamental problems. PCT fell 12.4% over the quarter. IFT rose late in the quarter following an investor day that saw them upgrade financial year 2027 earnings guidance for CDC. IFT ended the quarter up 5.1%.

The largest negative contributors to relative return were from overweight positions in **Summerset** (SUM), **Ryman Healthcare** (RYM) and **Vista Group** (VGL). Both SUM and RYM share prices continue to struggle as investor sentiment remains negative to the sector. Despite announcing a result that showed good sales and solid demand, SUM fell 26.8% while RYM fell 27.2%. Software companies globally came under pressure as investors started pointing fingers at any company that could possibly be disrupted by AI. VGL was caught up in that sell off and ended the quarter down 35.0%.

Key portfolio changes during the quarter included adding to our positions in **Aristocrat Leisure** (ALL), **Contact Energy** (CEN), **EBOS** (EBO), **Fletcher Building** (FBU), **Freightways** (FRW), **Ingenia Communities** (INA), **Mainfreight** (MFT), **ResMed** (RMD), and VGL. A new position was established in **PCT**. Positions in **Auckland International Airport** (AIA), **Chorus** (CNU), **Channel Infrastructure** (CHI), **Fisher & Paykel Healthcare** (FPH), **Gentrack** (GTK), IFT, **Mercury** (MCY), **NextDC** (NXT), **Port of Tauranga** (POT), RYM and **Waypoint REIT** (WPR) were reduced. The fund's holding in Investore Property (IPL) was divested.

(**Bold** denotes stocks held in the portfolio).

Key Fund Facts

Estimated annual fund charges (incl. GST)		Hedging:	Foreign currency exposures may be hedged to NZD at the Manager's discretion within an operational range of 0% to 105%. Currently the fund's foreign currency exposure is 85.9% hedged.	Strategy Launch:	October 2007
Wholesale:	Negotiated outside of the unit price.	Exclusions:	Controversial weapons (including but not limited to cluster munitions and chemical, biological and nuclear weapons).	Strategy size:	\$274m
Retail:	0.95% refer to PDS for more details.	Restrictions:	Tobacco stocks, fossil fuels. For more information, please refer to the Statement of Investment Policy and Objectives (SIPO) on our website https://nz.amova-am.com/retail/funds/reports-and-documents	Buy / Sell spread:	0.29%/0.29%
Distributions					
Wholesale:	Calendar quarter				
Retail:	March and September				

Compliance

The wholesale fund complied with its investment mandate and trust deed during the quarter.

Contact Us

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