

Amova SRI Equity Strategy

Monthly Update 31 March 2026

Assets are held in the Amova Wholesale SRI Equity Fund. The Amova SRI Equity Fund (retail) and the GoalsGetter KiwiSaver Scheme Amova SRI Equity Fund invest in units in the wholesale fund, which the commentary refers to.

Market Overview

- Global equity markets had a tumultuous quarter with mixed outcomes 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

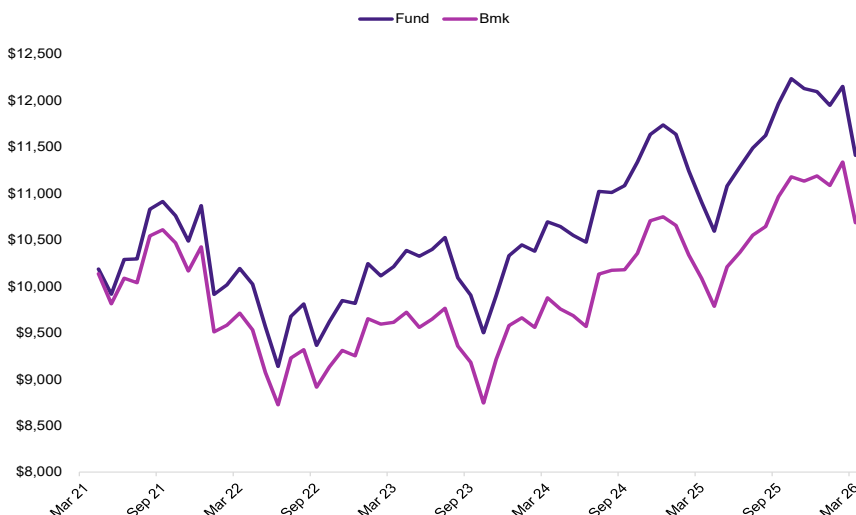
- The fund ended the quarter down 5.7% and behind the index return.
- It was a busy period for news flow as companies reported earnings results for the period ending December 2025.
- Fisher & Paykel Healthcare announced an earnings guidance upgrade.
- Contact Energy and Genesis Energy completed equity raisings to fund their pipelines of new electricity generation. Contact raised \$575 million while Genesis raised \$400 million.
- Overweight position Infratil and underweight positions Air New Zealand, Precinct Property added value. Overweight positions in Summerset, Ryman Healthcare and Stride detracted value.

Performance

	One month	Three months	One year	Three years (p.a.)	Five years (p.a.)	Ten years (p.a.)
Wholesale¹	-6.10%	-5.66%	4.63%	3.77%	2.67%	9.20%
Benchmark²	-5.76%	-4.49%	5.95%	3.59%	1.33%	7.63%
Retail³	-6.01%	-5.70%	3.79%	2.79%		
KiwiSaver⁴	-6.05%	-5.76%	3.56%	2.69%	1.55%	

- 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).
- KiwiSaver fund transitioned from core strategy to SRI strategy in February 2022.

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



Portfolio Manager

Michael De Cesare,
Portfolio Manager



Responsible for the SRI Equity Fund and has primary responsibility for the Communications, Transport, and Consumer Staples sectors within the NZ equities team. Michael has over 15 years of experience in the finance industry including ANZ Institutional Bank and Fortis Investments. Michael holds a First-Class Honours degree in Industrial Economics from the University of Nottingham Business School, United Kingdom. Joined in 2012.

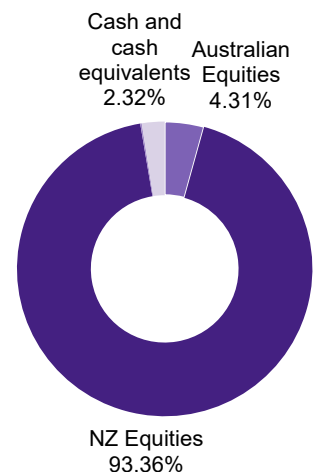
Overview

The SRI 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. The fund excludes any company that derives more than 10% of its revenue from alcohol, pornography, gambling, tobacco and extraction of thermal coal and tar sands oil. There is a full ban on controversial weapons.

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	Stride	OW

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

Top 10 Holdings (% of fund)			
Fisher & Paykel Healthcare	16.37	A2 Milk	6.11
Infratil	11.20	EBOS	4.58
Auckland International Airport	9.36	Spark New Zealand	4.33
Contact Energy	7.28	Mainfreight	3.98
Meridian Energy	6.89	Freightways	2.96

Sector Allocation (% of fund)	Fund	Benchmark
Health care	28.12	23.63
Industrials	20.21	21.58
Utilities	14.19	17.33
Financials	11.20	11.95
Consumer staples	8.01	8.08
Communication services	7.82	6.39
Real estate	4.96	7.23
Information technology	2.40	0.93
Cash and cash equivalents	2.32	0.00
Energy	0.77	0.91
Materials	0.00	0.35
Consumer discretionary	0.00	1.62
Number of holdings	30	50

Market Commentary

It was a tumultuous quarter for global equity markets with mixed outcomes as earnings results, economic data, signals from Central Banks and the outbreak of conflict in the Middle East all contributed to performance. 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. Persistently elevated inflation in Australia led the Reserve Bank of Australia to raise rates by 25bps, the first hike since 2023, and follows a period of monetary policy easing via 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 quarter on AI fears. Most companies in New Zealand that provided earnings results and forward guidance met or exceeded market expectations. At the end of February, the Middle East conflict sent oil prices higher, and uncertainty spread across investment markets.

Fund Commentary

The largest positive contributors to the fund's relative return were overweight positions **Infratil** (IFT), and underweight positions **Air New Zealand** (AIR), **Precinct Property** (PCT). IFT (+5.1%) rose late in the quarter, benefitting from an upbeat investor day where it upgraded financial year 2027 earnings guidance for Canberra Data Centres, CDC. AIR (-25.9%) delivered a disappointing earnings result and has subsequently been impacted by sharply higher oil and jet fuel prices following the start of the conflict in the Middle East. PCT (-12.4%) participating in the broad-based listed property sector decline. Increasing bond rates were a key contributor to the weakness, while from a stock-specific perspective, its earnings result came in slightly below market expectations.

The largest negative contributors to relative return were overweight positions **Ryman Healthcare** (RYM), **Summerset** (SUM), and **Stride** (SPG). RYM (-27.2%) and SUM (-26.8%) share prices continue to struggle. Investor sentiment remains negative on the sector, as the NZ housing market has failed to pick up any material upward momentum. Positively, SUM announced a solid result that showed strong sales and robust demand. SPG (-20.2%) fell as part of the broader listed property sector decline.

Key portfolio changes during the month included exiting several listed property positions, Centuria Industrial REIT (CIP), Waypoint (WPR) and Investore (IPL). Adding to our positions in **Vista** (VGL); **Freightways** (FRW); and **Worley** (WOR). Reducing our positions in **Mercury** (MCY); **Port of Tauranga** (POT); and **Ingenia** (INA).

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

Key Fund Facts

Estimated annual fund charges (incl. GST)	Foreign Currency Exposure: 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 94.7% hedged.	Strategy Launch: January 2008
Wholesale: Negotiated outside of the unit price. Retail: 0.95% refer to PDS for more details. KiwiSaver: 1.15% refer to PDS for more details.	Exclusions: Controversial weapons (including but not limited to cluster munitions and chemical, biological and nuclear weapons).	Strategy size: \$70.5m
Distributions Wholesale: Calendar quarter Retail: March and September KiwiSaver: Does not distribute	Restrictions: Tobacco stocks, fossil fuels, adult entertainment, alcohol and gambling. 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%

Compliance

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

Contact Us

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