QVG CAPITAL

LONG SHORT FUND

MONTHLY REPORT - AUGUST 2026

SUMMARY

August performance was -0.9% taking since inception returns to +11.9% p.a.

COMMENTARY

Betting on good companies was a losing strategy in August. On a one-month horizon the only game in town was betting on higher inflation. If you own stocks, bonds or property all of these suffer as their future cashflows become less valuable. Commodities on the other hand appreciate to retain their real value. This was evident on the ASX with large industrials down -2.2% vs resources up 11.5%. This does not suit our positioning however we are reluctant to increase our commodity exposure given the superior forward returns on offer for industrials should inflation expectations stabilise.

Key contributors for the month included **Bravura**, **L1 Group**, **SRG** and **IPG**. Key detractors included **HUB24**, **Generation Developments** and **Life 360.**

On the short side the key contributors were businesses particularly susceptible to cost inflation while our key detractors were two highly shorted stocks that gave optimistic outlook commentary and one stock that received a takeover offer.

Bravura's result showed accelerating revenue growth, margin expansion, a beat to earnings expectations and upgraded guidance. We're enthused by the level of operational improvement still to be executed.

SRG continued their impeccable track record with their existing company and the newly acquired business both growing more quickly than expected**. L1 Group** benefited from leveraged bets on resources flowing through to performance fees and an increased ability to raise future capital. **IPD Group** also delivered an accelerating organic growth rate alongside successful M&A. IPG has the same formula today that has delivered its attractive historical returns. Same multiple, same growth, same M&A prospects.

HUB24 and **Generation Development** were a drag as investor sentiment deteriorated and inflows slowed. GDG's issues have been compounded by increased operating expenditure, which has meant earnings downgrades.

Life360 beat guidance for the June quarter and full year revenue expectations were raised, but a September quarter earnings downgrade now places a heavy burden on the December quarter to hit consensus. With advertising a growing share of revenue, this seasonality is likely the new pattern. We retain a meaningful holding — the product continues to improve and the valuation is compelling for the growth on offer.

OUTLOOK

Last month we suggested the portfolio's best-case environment was some combination of reduced rate expectations, a benign earnings season, and capital rotating away from AI supply chain trades.

Time to mark the wish list:

- August's inflation release says lower rates are unlikely in the near term.
- Reporting season was mixed, with the clearest losers exposed to CGT changes and housing weakness.
- The AI supply chain trade has cooled somewhat, while results from the companies themselves are impressive.

The rates picture is unhelpful. But our companies are growing earnings, and we aren't paying much for that growth. From this starting point, we think the odds of good returns over the medium term are high.

NET PERFORMANCE

PERIOD	FUND RETURN
1 month	-0.91%
12 months	-15.34%
3 years p.a.	+7.01%
5 years p.a.	+3.89%
Since Inception*	+127.34%
Since Inception p.a.*	+11.89%

*Inception on 13th May 2019

TOP 5 HOLDINGS

1. HUB24 (HUB)
2. Genus Group (GNP)
3. ZIP Co (ZIP)
4. Bravura (BVS)
5. Lovisa (LOV)

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FACT SHEET - AUGUST 2026

THE MANAGER

QVG Capital is a boutique investment management company managing funds on behalf of high-net-worth individuals and institutions (“wholesale investors”). QVG was established in June 2017 by Tony Waters and Chris Prunty and is wholly owned by its team.

THE FUND

The QVG Long Short Fund is a ‘best ideas’ fund with the flexibility to take advantage of the best ASX opportunities regardless of share price direction or market capitalisation. The net result of our long and short positions is a portfolio with reduced equity market exposure and a return profile driven predominantly by our stocking picking. The fund aims to deliver strong absolute returns greater than the RBA cash rate with the enhanced flexibility to manage equity market exposure with respect to the prevailing

KEY CHARACTERISTICS

FLEXIBLE INVESTMENT MANDATE The fund can profit by investing across the market capitalisation spectrum and can sell or ‘short’ stocks we believe will decline in value.

STRONG ALIGNMENT Our personal investment in the fund means there is a high degree of alignment between our investors and ourselves. We are heavily invested in the QVG funds and do not invest in Australian equities outside the funds.

PROVEN PHILOSOPHY & PROCESS Our philosophy and process has been refined and tested over a decade and has stood the test of time. An earnings focus with quantitative measures of quality and value and our experience combines to generate long and short ideas mispriced by the market.

PERFORMANCE CULTURE QVG seeks to be a performance driven rather than product driven organisation. We take pride in our track record and will always prioritise investment returns over asset gathering.

JOSH CLARK
CFA

Lead Portfolio Manager

Josh has over 17 years’ experience in financial markets spanning roles at several fund managers. Josh has held portfolio management responsibility for the Long Short Fund since its inception in 2019, Prior to this he was the sole analyst on the Ausbil Micro-Cap Fund with Portfolio Managers Tony Waters & Chris Prunty.

TONY WATERS
Portfolio Manager

Tony has over 30 years’ experience in financial markets most recently as the Portfolio Manager of the Ausbil Micro Cap Fund from its inception until April 2017. Tony joined Ausbil from Investors Mutual in 2008. Before that he spent 9 years as a small cap analyst at institutional stockbroker CCZ Equities.

CHRIS PRUNTY
CFA

Portfolio Manager

Chris has over 20 years’ experience in financial markets most recently as the Co Portfolio Manager of the Ausbil Micro Cap Fund having joined Ausbil at the inception of the fund in February 2010. Prior to Ausbil, Chris was an analyst researching smaller companies at Investors Mutual, Confluence Asset Management and CCZ Equities.

FUND INFORMATION			
Name	QVG Long Short Fund	**Investor Eligibility**	Wholesale or ‘sophisticated’ investors only
Structure	Wholesale Unit Trust	**Minimum Investment**	$100,000 (unless otherwise agreed)
Investment Universe	ASX-listed companies	**Liquidity**	Daily Unit Pricing Applications and Redemptions
Benchmark	RBA Cash Rate	**Fees**	1.5% management and 20% performance (plus net GST)
Stock Holdings	Long 20-40; Short 25-35	**High Water Mark**	Yes
Typical Gross Exposure	100 – 300%	**Admin & Custodian**	Link Fund Solutions
Typical Net Exposure	0 – 100%	**APIR Code**	QVL8781AU

CONTACT INFORMATION

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