QVG CAPITAL

OPPORTUNITIES FUND

MONTHLY REPORT - JULY 2026

July performance was -1.2% versus the Small Ords -3.2%. Since inception returns are +11.5% p.a.

Psychologist Barry Schwartz said *"The secret to happiness is low expectations"*. **Generation Development** shareholders might agree. Expectations for the June quarter update were low as reflected by a share price that has sagged -43% this calendar year into the report. Fears of customer losses, that inflows would be muted by CGT changes and the resumption of hostilities in Iran, made for a gloomy short-term outlook. The Q4 result itself was not the disaster feared and any uncomfortable questions regarding the costs required to support growth have been pushed until the August result. This 'not-as-bad-as-it-could-have-been' release resulted in a +37% move on the day of the quarterly announcement. We think move of this magnitude say more about the market than it does GDG and remain positive on the company.

Financial services software provider **Bravura's** share price story mirrors that of GDG. Bravura had fallen -20% this year prior to its trading update. Pessimism into the report reflected fears around mighty A$ strength relative to the puny British Pound (£) and ill-founded (in our view) AI disruption fears. Bravura is undergoing a spectacular turnaround under a new board and management who are vertical market software experts. We believe Bravura may seek to make acquisitions to complement its modest organic growth; this is not something embedded in consensus or priced by the market.

Genusplus was a detractor to fund performance in July. GNP suffers the misfortune of being classed as an AI-supply chain winner as they are involved in 'rewiring the nation' to support the growth in renewables generation and indirectly benefit from the power demand as AI usage increases in the future. GNP have sought to diversify their business and grow recurring maintenance earnings to mitigate the risk associated with their large high-voltage powerline construction works. Recent share price weakness has saw the stock trade back to as little as 15x forward PE. US peers trade at more than double this. Whilst comparables analysis is fraught with danger, we believe GNP is at the very least on a fair multiple given the quality of the business, with upside possible from further contract wins.

In a market that was generally weak, other detractors to performance included **ZIP Co, Siteminder** and **Wagners.** We are optimistic about the short and medium-term future for all three.

OUTLOOK

We are not huge fans of seasonal analysis of market returns (eg *sell in May and go away, live to fight another day*) but can't help but notice July is usually a good month for absolute returns in smaller companies. The fact the market did not perform this month might be ascribed to:

a) Iran
b) Rates
c) Pre reporting season nervousness
d) Other

Looking forward, some combination of reduced rate expectations, a benign earnings season and a reallocation of capital away from AI supply chain trades would be the most favourable combination to see capital flow towards domestic smaller companies. Absent this, we believe the combination of earnings growth and the relatively cheap valuations (for the growth) on which our companies trade, means that the portfolio can deliver acceptable to good returns over the medium term.

NET PERFORMANCE

PERIOD	FUND RETURN	BENCHMARK RETURN	OUT / UNDER-PERFORMANCE
1 month	-1.23%	-3.17%	+1.94%
1 year	-12.27%	+1.81%	-14.08%
3 year p.a.	+10.67%	+7.46%	+3.21%
5 year p.a.	+3.61%	+2.18%	+1.43%
Since Inception	+162.90%	+73.18%	+89.72%
Since Incept p.a.	+11.45%	+6.35%	+5.10%

TOP 5 HOLDINGS

1. Generation Development (GDG)
2. Aussie Broadband (ABB)
3. ZIP Co. (ZIP)
4. Life360 (360)
5. MA Financial (MAF)

This information refers to investments in the QVG Opportunities Fund (Fund). Any person wishing to invest in the Fund should review the Information Memorandum and seek legal, financial and taxation advice. The trustee and manager of the Fund is QVG Capital Pty Ltd (ABN 69 619 271 886) (QVG Capital). QVG Capital's AFSL No. 507070. Only investors who are wholesale clients (as defined in s761G and s761GA of the Corporations Act 2001 (Cth)) may invest in the Fund. An investment may achieve a lower than expected return and investors risk losing some or all of their principal investment. Past performance is no indication of future performance.

QVG CAPITAL

FACT SHEET

THE MANAGER

QVG Capital is an independent 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 staff. QVG manages a long-only small companies fund – the QVG Opportunities Fund – and an all-cap absolute return fund – the QVG Long Short Fund.

QVG's FUNDS

QVG Capital manages the **QVG Opportunities Fund**; a 'best ideas' fund focusing on smaller companies and the **QVG Long Short Fund**; an all-cap absolute return fund. The Opportunities Fund predominantly invests in Australian-listed smaller companies; defined as those outside the S&P/ASX 100. The Opportunities Fund is closed to new investors while the Long Short Fund is open to new and existing investors.

TONY WATERS

Tony has over 30 years' experience in financial markets. Prior to QVG he was 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.

CHRIS PRUNTY, CFA

Chris has over 20 years' experience in financial markets. Prior to QVG he was 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.

OUR APPROACH

TRACK RECORD The managers have a long association having worked together for over two decades and at three previous firms; CCZ Equities, Investors Mutual and Ausbil Investment Management where they were Portfolio Managers of the award-winning Ausbil Micro Cap Fund.

ALIGNMENT Our personal investment in the fund means there is a high degree of alignment between our investors and ourselves. The principals do not buy Australian-listed companies outside the fund.

PHILOSOPHY & PROCESS Our philosophy and process has been refined and tested over a decade and has stood the test of time in the small companies space in Australia. An earnings focus with quantitative measures of quality and value and our experience combines to generate a portfolio of undervalued growth companies in the process of being discovered by the market.

CAPACITY MANAGED The fund has been designed to mitigate the liquidity risk of investing in small companies. The manager is aware that too many assets under management impacts performance and will seek to actively manage capacity with maintaining performance the key objective. The fund closed to new investors on 1 August, 2018.

FUND INFORMATION

Name	QVG Opportunities Fund	**Investor Eligibility**	Wholesale or 'sophisticated' investors only
Structure	Wholesale Unit Trust	**Minimum Investment**	$250,000 (unless otherwise agreed)
Investment Universe	ASX-listed smaller companies	**Liquidity**	Daily Unit Pricing Applications and Redemptions
Benchmark	S&P/ASX Small Ords Accum	**Fees**	1.2% management and 20.5% performance
Stock Holdings	29	**Admin & Custodian**	MUFG Corporate Markets
Stock Limit	10% at cost	**APIR Code**	QVG9204AU
Trust FUM	$615m	**Platform Availability**	Netwealth, HUB24, AUSMAQ, POWERWRAP

CONTACT INFORMATION

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