Investment Commentary
Month to 30 April 2025

Yarra Global Share Fund

Net returns as at 30 April 2025

	1 month %	3 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Share Fund#	-1.20	-5.87	17.46	14.00	13.65	12.67	8.82
MSCI All Countries World Index^	-1.70	-6.06	13.50	14.18	13.58	11.04	7.77
Excess Return‡	0.50	0.19	3.96	-0.18	0.07	1.62	1.05

Past performance is not a reliable indicator of future performance. Taxes payable by investors have not been taken into account. The figures shown have been provided for illustrative purposes – they are unaudited and subject to change. The total returns shown are prepared on an exit to exit basis – they include all ongoing fees and expenses and assume reinvestment of all distributions.
* Inception date of Yarra Global Share Fund: November 1995.
# Effective 20 March 2023, the Fund was renamed from the Nikko AM Global Share Fund to the Yarra Global Share Fund. There was no change to the Fund's investment team, philosophy or process. The Fund gains exposure to global equities by investing in the Nikko AM Global Equity Fund (Underlying Fund) (a sub-fund of the Nikko AM Global Umbrella Fund which is an open ended investment company registered under Luxembourg law as a societe d'investissement, a capital variable).
^ Benchmark: MSCI All Countries World Index (with net dividends reinvested) expressed in Australian Dollars (unhedged).
‡ Excess return: The excess return figures shown represent the difference between the Fund's return and the benchmark.

Portfolio review

The Fund returned -1.20% (after fees) in April, to outperform the Index return of -1.70% by 50 basis points (bps). For the 12 months to the end of April, the Fund's return of 17.46% is 396 bps ahead of the Index return of 13.50%.

Key contributors to performance:

- Netflix, Inc, a global streaming entertainment provider, saw its share price rise, driven by the release of highly anticipated content such as "You: Season 5" and "Black Mirror: Season 7", which significantly boosted subscriber growth alongside strong quarterly results. Strategic content investments and strong viewership metrics have reinforced its market position, while a stable operating environment and increasing management confidence further supported performance.
- Encompass Health Corporation, a provider of inpatient rehabilitation, reported a strong Q1 2025, with revenue up 10.6% and adjusted EBITDA rising 14.9%, driven by favourable occupancy rates and strategic expansion. The company's solid performance and raised guidance were positively received by analysts.
- HDFC Bank Limited, one of India's largest private sector banks, reported a 6.7% year-on-year increase in net profit and a 10.3% rise in net interest income for Q4 FY25. While shares underperformed in 2024 during the execution of its merger, the bank's strong financial health, efficient asset management, and stable asset quality are now being rewarded by investors looking for exposure in India.
- Amphenol Corporation, a global provider of interconnect and sensor solutions, achieved record sales and earnings in Q1 2025, with sales up 48% driven by strong organic growth across IT datacom, mobile devices, defence, and communications networks. Strategic acquisitions and robust profitability have been rewarded by investors, following a period of underperformance after Liberation Day.
- L'Oréal S.A. a global leader in beauty and personal care, reported a 4.4% year-on-year increase in Q1 sales, supported by strong performance in its fragrances and haircare segments. The company's solid growth and strategic initiatives stand out in a market facing significant policy uncertainty.

Key detractors from performance:

- Bio-Techne Corporation, a provider of life sciences research and diagnostic products, saw its shares struggle amid concerns over reduced NIH funding, which weighed on the broader biotechnology sector. The manager believes life sciences research remains a critical area of national security, and as uncertainty clears and confidence returns, Bio-Techne's differentiated business model is well positioned to deliver outsized organic revenue growth and margin expansion.
- Samsonite Group S.A., a global leader in travel luggage and accessories, saw its shares trade lower, largely due to a sharp rise in short interest amid policy uncertainty affecting travel markets and discretionary spending.
- Ryan Specialty Holdings, Inc., saw its shares underperform due to a soft market in professional and executive liability insurance. Despite strong revenue growth in 2024, Q1 2025 results were impacted by higher income tax and interest expenses, which weighed on net income.
- The challenging macroeconomic backdrop, caused by Trump's tariff announcements and Saudi Arabia agreeing to release supplies into the market to curtail others from gaming their OPEC+ supply agreements, led to a significant drop in the oil price and an inevitable fall in Schlumberger Limited's (SLB) share price. The manager has been reducing their exposure to SLB and decided to sell their

remaining position as a partial funding source for L'Oréal. The company has since announced results that were below market expectations, including a greater than 20% drop in EPS for Q1 2025.

- Elevance Health Inc, a leading health insurance company, saw its share price weaken despite a 15.4% increase in operating revenue for Q1 2025. The underperformance was attributed to higher medical cost trends in the Medicaid industry and disappointing results from peer United Healthcare. However, management believes United's issues are idiosyncratic and should not affect their own business.

Market review

Before social media, smartphones, or even printed newspapers, the world was anything but an information black hole. News didn't ride the airwaves or fibre cables; it travelled by foot, by whisper, and by alehouse chat. In fact, the pub was the Reddit and Substack platform of the day. More than just places to grab a drink, they were the beating heart of a city's culture, history, and storytelling tradition. With no centralized media, the people were the press. Stories flowed along kinship lines, religious structures, and ale-soaked barstools.

The human hunger for stories, secrets, and scandal continues in the modern world, the difference lies in how we consume it – on phones, with X or Facebook. The headlines are relentless, an ever-changing flow of information, changing so fast, we struggle to assimilate what it all means. It can be easy to miss the forest for the trees, helping explain why professional investors located in smaller, more remote cities around the world have advantages over the overcrowded financial capitals of London and New York.

Markets in April were just as volatile, as the implications of US trade policy impacted stocks, bonds, and currencies. The month started with US President Trump's 'Liberation Day' and tariffs at levels not experienced for almost a century. Volatility spiked and equity markets sold off – the Nasdaq 100 fell more than 15% in just three days – only for Trump to announce a 90-day reprieve and for markets to recover.

The MSCI All Countries World Index ended the month with a return of -1.70% (AUD, unhedged). US equities, although recovering somewhat during the final week of the month, underperformed most other regions. Growth stocks outperformed their value counterparts, as both the energy and healthcare sectors underperformed.

European Commission President Ursula von der Leyen announced her proposal for almost Euro 800 billion of spending to boost the bloc's defence capabilities, while Germany's incoming chancellor Friedrich Merz is also loosening the purse strings with proposals to ease off the debt brake for defence spending with a new Euro 500 billion infrastructure package, driving European markets higher. Despite better performing European equity markets, economic data continued to suggest the continent isn't out of the mire just yet.

Deteriorating economic indicators were also present in the UK and Japan – yet both regions outperformed the US indices, indicating a level of optimism for future growth, lower relative valuations, and a falling US dollar. In fact, the FTSE 100 – like several international bourses – is at or near all-time highs.

In the first part of the month, US tariffs on Chinese goods soared to an eye-watering 145%, with tit-for-tat retaliation from China. Later in April, the US administration's willingness to negotiate helped to ease tensions and drive a rebound in Hong Kong stocks.

Country / regional exposure

	Fund %	Benchmark %
United States	64.41	63.90
Japan	5.01	5.03
China	1.75	3.07
United Kingdom	5.34	3.43
Canada	0.00	2.87
Europe ex UK	12.87	11.88
Asia Pacific ex China & Japan	7.09	7.52
Emerging Europe, Middle East, Africa	0.00	1.53
Latin America	0.00	0.77
Cash	3.53	0.00

Sector exposure

	Fund %	Benchmark %
Communication Services	7.60	8.29
Consumer Discretionary	17.14	10.59
Consumer Staples	7.76	6.42
Energy	0.00	3.75
Financials	17.36	18.00
Health Care	17.41	10.13
Industrials	10.09	10.71
Information Technology	16.83	23.61
Materials	2.27	3.63
Real Estate	0.00	2.11
Utilities	0.00	2.74
Cash	3.53	0.00

Top 10 holdings (underlying Fund)

	Portfolio %	Benchmark %	Country
Microsoft Corp	5.21	3.49	United States
NVIDIA Corp	4.24	3.49	United States
Amazon.com	4.20	2.37	United States
Netflix, Inc.	3.84	0.69	United States
Meta Platforms Inc	3.77	1.65	United States
Sony Group Corp	3.29	0.22	Japan
HDFC Bank Limited	3.06	0.17	India
Coca-Cola Europacific Partners plc	2.98	0.02	Netherlands
Cencora, Inc.	2.85	0.07	United States
Intercontinental Exchange, Inc.	2.75	0.13	United States

Portfolio holdings may not be representative of current or future investments. The securities discussed may not represent all of the portfolio's holdings and may represent only a small percentage of the strategy's portfolio holdings. Future portfolio holdings may not be profitable.

Income and growth

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Growth return	17.46	14.00	13.65	12.31
Distribution return	0.00	0.00	0.00	0.35

Fund growth return is the change in redemption prices over the period. Fund distribution return equals total Fund return minus Fund growth total return. Total Fund returns are post fees, pre tax using redemption prices and assume reinvestment of distributions.

Features

Investment objective	The Fund aims to achieve capital growth over the long term, with total returns (before fees) 3% above the MSCI All Countries World ex-Australia Index (with net dividends re-invested) expressed in Australian Dollars (unhedged) over rolling three-year periods.	
Recommended investment time frame	5+ years	
Fund inception	November 1995	
Fund size	A$314 mn as at 30 April 2025	
APIR code	SUN0031AU	
Estimated management cost	0.99% p.a.	
Buy/sell spread	+/- 0.15%	
Platform availability	AMP North Asgard BT Panorama Hub24 IOOF Wrap	Macquarie Wrap MLC Navigator Netwealth Praemium

Applications and contacts

Investment into the Yarra Global Share Fund can be made by Australian resident investors only.

Website www.yarracm.com

Investor Services Team 1800 034 494 (Australia) +61 3 9002 1980 (Overseas) IST@yarracm.com