Yarra Global Share Fund

Net returns as at 31 December 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#	-2.52	-2.64	2.99	16.58	10.89	12.83	8.86
MSCI All Countries World Index^	-0.63	2.66	13.59	21.31	14.48	12.68	8.19
Excess Return‡	-1.89	-5.30	-10.59	-4.73	-3.58	0.15	0.67

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.

The Fund gains exposure to global equities by investing in the Amova AM Global Equity Fund (Underlying Fund) (a sub-fund of the Amova 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 -2.52% (after fees) in December, to underperform the Index return of -0.63% by 189 basis points (bps). We acknowledge that relative performance in 2025 has been weak and materially below expectations. A combination of style headwinds, tariff uncertainty, geopolitical volatility, and company-specific M&A activity has weighed on results; however, we also recognise that we made mistakes, and we apologise for those. In response, we are implementing improvements to our process to ensure these mistakes are not repeated, enhancing everything except the one thing that has not changed: our search for Future Quality companies.

Key contributors to relative performance:

- European banks performed strongly, with CaixaBank S.A. and Intesa Sanpaolo S.p.A. among the Fund's top contributors. This capped off a marquee year for the sector, which entered the year with undemanding valuations and while valuations have risen, the sector remains inexpensive relative to the broader market and banks in other regions, supported by growing net income from increased loan originations and a stable credit backdrop.
- First Citizens BancShares, Inc. shares traded higher alongside the broader U.S. banking sector. The yield curve continues to steepen, with US Federal Reserve cuts supporting the economy and providing a tailwind for banks. Credit has been broadly resilient aside from a few high-profile blowups, one of which had hurt FCNCA earlier in the year, as it realised losses on the First Brands bankruptcy.
- Booking Holdings Inc. shares recovered some of their prior valuation compression as fears of AI disruption moderated. While fundamentals have continued to be strong, the stock had seen its multiple reappraised, as investors questioned the model and take rate in the world of chatbots. While AI certainly changes the game for Booking, it is yet to show up in the numbers but amid uncertainty, the market has favoured pricing the potential negative impacts over the positive ones.
- Synopsys, Inc. shares rallied strongly on the news of a strategic partnership with NVIDIA Corporation, which included a USD 2 billion investment by NVIDIA in Synopsys stock. While the partnership is non-exclusive and there is already significant collaboration between the two players, it places an increased emphasis on employing NVIDIA's accelerated compute in the context of EDA (Electronic Design Automation) to boost the efficiency at the top of the semiconductor design funnel. Synopsys then posted their first earnings since the chaos of Q3 which came in marginally ahead of expectations. The shares are well positioned heading into 2026 - valuation has come back and earnings expectations have been firmly reset while chip design end markets remain strong.
- Genpact Limited continued to perform strongly as investors reacted positively to its Q3 2025 results beat in November, with revenues up 6.6% and adjusted EPS up 14%, driven by accelerating Advanced Technology Solutions and strong Data-Tech-AI demand. Momentum was further supported by raised full-year guidance, continued recognition of Genpact's leadership in agentic/AI-enabled operations, and sustained client demand for AI-driven efficiency gains.

Key detractors from relative performance:

- Sony Group Corporation gave back some of the gains from its strong second half of 2025. During the month, Sony built up its ownership in Peanuts Holdings to around 80% after a half-billion-dollar investment to bolster its entertainment portfolio.
- Broadcom Inc. shares reacted poorly to the fiscal Q4 print posted in December, with the stock declining by a double-digit percentage on the day. This followed a strong run of

positive headlines for Broadcom, particularly around its partnership with Alphabet Inc. to produce the latter's TPUs, which have emerged as a credible alternative to NVIDIA Corporation's GPUs. This was demonstrated by the performance of Gemini 3 and catalysed interest from third party customers to access the hardware. While Broadcom both printed and guided ahead of consensus, it wasn't enough to overcome the market's lofty expectations and the negative sentiment surrounding the AI trade that was prevailing at the time.

- Netflix, Inc. shares traded lower following the acceptance of a bid to acquire the studio and streaming assets of Warner Bros. Discovery (WBD). This was then complicated by an attempted hostile takeover by Ellison-backed Paramount Skydance (PSKY) for the entirety of WBD's assets, which has been pushed back by the WBD board. Repeated rejections of the PSKY offer look to be reducing the chances of the bidding war which the market feared and thus increasing the chances that the Netflix deal goes through. The track record of large-scale media deals is poor—Warner prominent among them—so it is understandable the market is questioning why this time should be different. Strategically, the transaction strengthens Netflix's competitive position by removing a streaming rival and adding high-quality IP, but near-term concerns remain around deal economics, limited incremental subscriber upside, and potential regulatory hurdles flagged by US President Donald Trump.
- Bio-Techne Corporation stock gave back some of its recent outperformance. The post-COVID recovery in life sciences has been constrained in 2025 by funding pressure across academia and biotech. These two headwinds are abating as expectations of the budget for academic funding have been revised up and biotech funding is showing green shoots. There is typically a 2-3 quarter lag between funding and spending in biotech, so this will likely impact results next year and potentially support TECH shares as end markets normalise. Bio-Techne has demonstrated an ability to grow at roughly twice the industry rate in normalised environments, with leverage to high-growth segments across its product portfolio.
- Uber Technologies, Inc. saw some multiple compression in the month, with news of Waymo's continued scale up and the perceived competition AVs bring to Uber. As the narrative shifts to a potential winner-takes-all market in AVs, Uber as the demand aggregator sees the value of its network compromised. This is not the reality at present and there continues to be fragmentation on the supply side which would enhance the value of the Uber network. On top of this is the issue of utilisation of expensive AVs - with the customer base Uber has established, partnering with Uber is the easiest way to optimise utilisation.

Market review

Equity markets were up around 1% in December (in local currency terms) as the Santa rally took hold and investors welcomed Christmas by bidding up the more cyclical ends of the market. This was reflected in the Materials sector, driven by a very strong gold price, supported more recently by strength in other precious metals and copper. The Financials sector also performed well, as a cut by the Fed in short-term rates attracted further investment into banks, benefitting holdings such as CaixaBank S.A., Intesa Sanpaolo S.p.A. and First Citizens BancShares, Inc. The cyclical boost to markets could also be seen across previously underperforming defensive sectors such as Real Estate, Utilities, Healthcare, and Consumer Staples.

The defining feature of 2025 was the extraordinary acceleration of the AI infrastructure boom. What began as enthusiasm for semiconductor and cloud-related businesses in 2024 broadened dramatically into industrials, utilities, and construction firms tied to the physical build-out of data-centre capacity. As hyperscalers lifted capital-expenditure forecasts by more than 50% and signalled spending levels approaching US Dollars 600 billion into 2026, markets rewarded any company even loosely linked to this investment cycle. This delivered exceptional gains for a narrow cohort of high-beta beneficiaries, particularly within Industrials in the final month of the year.

For investors with long-term valuation discipline such as us, an environment driven more by momentum and narrative than by fundamentals has proved challenging. Data showed that in the US, companies with no profits or SPAC-like characteristics rallied aggressively through the year, while high-quality, resilient businesses lagged despite stable earnings.

After a decade of exceptional relative returns, Quality stocks entered 2025 at elevated valuation premia and have experienced their steepest relative drawdown since the early 2000s, surpassing even the reversals seen after the global financial crisis.

On a regional basis, value stocks outside the United States outperformed, with Europe and commodity-rich indices - Canada, Australia, and the UK - all outperforming during the month. The less value-oriented indices, such as the United States, underperformed, while both Japan and Hong Kong also gave up some of the gains made earlier in the year.

Country / regional exposure

	Fund %	Benchmark %
Asia Pacific ex China & Japan	7.34	8.07
Canada	0.00	3.04
China	4.46	3.04
Emerging Europe, Middle East, Africa	0.00	1.57
Europe ex UK	14.85	11.35
Japan	6.52	4.85
Latin America	0.00	0.81
United Kingdom	2.32	3.27
United States	61.74	64.01
Cash	2.76	0.00

Sector exposure

	Fund %	Benchmark %
Communication Services	3.82	8.84
Consumer Discretionary	18.07	10.21
Consumer Staples	4.61	5.09
Energy	0.00	3.40
Financials	24.37	17.63
Health Care	13.59	9.03
Industrials	9.80	10.63
Information Technology	21.08	27.22
Materials	1.91	3.66
Real Estate	0.00	1.75
Utilities	0.00	2.54
Cash	2.76	0.00

Top 10 holdings (underlying Fund)

	Portfolio %	Benchmark %	Country
NVIDIA Corp	6.50	4.87	United States
Microsoft Corp	6.18	3.67	United States
Amazon.com	5.24	2.38	United States
Broadcom Inc.	3.46	1.67	United States
Intesa Sanpaolo	2.92	0.11	Italy
Sony Group Corp	2.85	0.17	Japan
CaixaBank SA	2.67	0.05	Spain
HDFC Bank Limited	2.65	0.13	India
Netflix, Inc.	2.47	0.43	United States
DBS Group Holdings	2.43	0.10	Singapore

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	2.99	16.58	10.89	12.75
Distribution return	0.00	0.00	0.00	0.08

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$340 mn as at 31 December 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

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