

# Yarra Global Share Fund

## Net returns as at 28 February 2026

	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#	-5.32	-12.35	-9.33	11.59	8.45	12.20	8.42
MSCI All Countries World Index <sup>^</sup>	-0.43	-3.03	8.37	18.51	13.58	12.97	8.05
Excess Return <sup>‡</sup>	-4.89	-9.32	-17.70	-6.91	-5.13	-0.77	0.37

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 société d'investissement, a capital variable).

<sup>^</sup> Benchmark: MSCI All Countries World Index (with net dividends reinvested) expressed in Australian Dollars (unhedged).

<sup>‡</sup> Excess return: The excess return figures shown represent the difference between the Fund's return and the benchmark.

### Portfolio review

The Fund returned -5.32% (after fees) in February, to underperform the Index return of -0.43% by 489 basis points (bps).

Key contributors to relative performance:

- **Coca-Cola Europacific Partners** shares rose after delivering strong FY25 results and announcing a further Euro 1 billion share buyback. Earnings, free cash flow and margins beat expectations, supported by pricing, mix and productivity gains, while management guided confidently for 2026. The combination of resilient consumer demand, visible cash returns (dividend plus buybacks) and balance-sheet discipline drove positive revisions and supported the share price.
- **Netflix** shares surged after fourth quarter results beat expectations and management walked away from a costly Warner Bros. Discovery acquisition, triggering a relief rally. Investors welcomed the focus on capital discipline, strong subscriber growth, expanding margins and rapidly growing advertising revenues. Upbeat 2026 revenue and margin guidance reinforced confidence in Netflix's monetisation strategy and cash-generation outlook, driving a recovery in the shares.
- **Encompass Health Corporation** shares rallied after reporting strong fourth quarter results and issuing above-consensus 2026 guidance. Revenue, EBITDA and EPS all beat expectations, supported by higher patient volumes, pricing and capacity expansion. Management highlighted structural demand from an ageing population and continued hospital openings as key drivers, prompting upgrades and further reinforcing confidence in sustained high cash flow returns.
- **Sandvik AB** performed well following strong fourth quarter results, highlighted by double-digit organic order growth and resilient margins. Order intake exceeded expectations,

driven by mining and aftermarket demand, while cash generation remained robust. Management's confirmation of strategic progress and stable margin delivery reassured investors that earnings momentum would carry into 2026, offsetting currency headwinds.

- **Linde** shares traded up as investors focused on its strong pricing discipline and a record project backlog, despite cautious macro commentary. The company delivered an earnings beat and maintained high returns on capital, while analysts raised price targets on confidence in backlog-driven growth and margin resilience into 2026.

Key detractors from relative performance:

- **IQVIA Holdings** shares were sold off despite posting decent fourth quarter results. Management guidance for 2026 was lowered while their results also coincided with the market's focus on AI losers. IQVIA's integrated model - proprietary data aggregation, analytics, consulting, and labour-intensive clinical trial execution, is being questioned by investors as under structural long run threat from AI. The shares have derated sharply, along with other CRO operators, and now trades at 13x forward earnings.
- **Amazon.com** shares fell sharply following fourth quarter, earnings as investors reacted negatively to a higher than expected USD 200 billion 2026 capital-expenditure plan, aimed at AI and AWS infrastructure. Although revenue beat estimates and AWS growth accelerated, the scale of the capex growth and concerns about near-term free cash flow generation led to the share's underperformance.
- **Rakuten Bank** shares were under pressure after its parent reopened talks on restructuring its fintech businesses, reviving concerns over governance, minority shareholder dilution and conflicts of interest. Despite solid operating performance, uncertainty around potential consolidation with Rakuten Group's other fintech units weighed heavily on sentiment.

- **Trip.com** shares struggled to perform despite strong fourth quarter growth, with investors focused on AI disintermediation and ongoing regulatory scrutiny in China. While international bookings grew rapidly, margins were also pressured by elevated spending however, the underperformance was in line with other similar companies grouped as an AI loser.
- **Nu Holdings** shares traded lower after earnings expectations proved too high following a strong prior rally. Although fourth quarter results beat forecasts, investors focused on rising costs, increased borrowings, credit-risk concerns and the absence of clear margin guidance, while ambitious global expansion plans also raised perceived risk. The manager views this as a temporary pullback in the share price.

## Market review

February proved to be a month of records and extremes. As often paraphrased, there are decades where nothing happens, and weeks where decades happen. It began with Anthropic's release of its "co-work plug-in", marking a decisive shift from AI as an assistant to AI as an autonomous, workflow-owning agent within the enterprise. Entire categories were suddenly at risk of being subsumed, and the so-called "SaaS apocalypse" was born, a fundamental repricing for all information and software-based companies. The implications of what AI might mean for the economy and markets were then amplified by a dystopian research report from Citrini Research, which poured fuel on the fire. This was now personal. AI is coming after our, yours and that of our children's future.

Before we reach any AI-driven world of abundance, however, a great deal more physical "stuff" is required. At the start of the month, Amazon.com became the last of the hyperscalers to announce a further increase in capital expenditure for 2026, outlining a USD 200 billion programme - the largest single-year corporate capex plan in history. Combined hyperscaler spending, now approaching USD 700 billion for 2026 alone, can be compared with China's annual infrastructure spend at the turn of the millennium - a scale that is difficult to comprehend. To reach this nirvana, enormous investment is required, alongside a significant transfer of wealth from the spenders to those embedded in the supply chain.

As a result, Materials, Utilities, Energy and Industrials were easily the best-performing sectors over the month, while defensive sectors, namely those less vulnerable to AI disruption such as Consumer Staples and Real Estate, also performed well. By contrast, the major spenders, including the hyperscalers, underperformed, weighing on the Information Technology and Communication Services sectors. Financials also underperformed as falling Treasury yields, rising credit risk and AI-related disruption combined to weigh on the sector. The month saw value stocks continue to power ahead, posting a 4.6% relative gain vs growth, while Future Quality investing struggled.

The US once again underperformed as a significant proportion of AI-related investment is flowing overseas to semiconductor

hubs such as Taiwan and South Korea. Japan also performed strongly following the election victory of Sanae Takaichi, while commodity and pharmaceutical based regional indices such as Australia, Canada and the UK also outperformed.

While true abundance remains some distance away in the future, it is very much "all hands to the pump" in the physical economy. In the meantime, conditions are not altogether unfavourable. The Dow reached a new record high, breaking through 50,000 points, Walmart entered the USD 1 trillion plus market capitalisation club, and YouTuber-turned-boxing celebrity Logan Paul reportedly set a world record by selling a 1998 Pokémon card for USD 16.5 million - one of many beneficiaries of record levels of liquidity.

## Country / regional exposure

	Fund %	Benchmark %
Asia Pacific ex China & Japan	6.68	9.30
Canada	0.00	3.13
China	3.61	2.87
Emerging Europe, Middle East, Africa	0.00	1.63
Europe ex UK	19.28	11.67
Japan	7.79	5.39
Latin America	1.28	0.92
United Kingdom	2.32	3.45
United States	56.33	61.63
Cash	2.72	0.00

## Sector exposure

	Fund %	Benchmark %
Communication Services	3.79	8.43
Consumer Discretionary	14.12	9.55
Consumer Staples	5.54	5.52
Energy	0.00	3.94
Financials	21.75	16.93
Health Care	14.92	9.01
Industrials	13.31	11.71
Information Technology	21.48	26.08
Materials	2.36	4.23
Real Estate	0.00	1.86
Utilities	0.00	2.75
Cash	2.72	0.00

## Top 10 holdings (underlying Fund)

	Portfolio %	Benchmark %	Country
NVIDIA Corp	7.13	4.44	United States
Microsoft Corp	5.21	2.86	United States
Amazon.com	4.94	2.08	United States
Broadcom Inc.	3.31	1.48	United States
Coca-Cola Europacific Partners plc	3.07	0.02	Netherlands
CaixaBank SA	2.81	0.05	Spain
Intesa Sanpaolo S.p.A.	2.75	0.10	Italy
Sony Group Corp	2.69	0.15	Japan
Netflix, Inc.	2.63	0.42	United States
DBS Group Holdings Ltd	2.60	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	-9.33	11.59	8.45	12.12
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\$304 mn as at 28 February 2026	
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

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## Applications and contacts

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

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