# Yarra Global Share Fund

## Net returns as at 30 June 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# | 3.02 | 8.15 | -9.83 | 9.67 | 6.62 | 12.32 | 8.42 |
| MSCI All Countries World Index^ | 3.02 | 13.62 | 16.99 | 18.10 | 12.77 | 13.58 | 8.29 |
| Excess Return‡ | 0.00 | -5.46 | -26.81 | -8.43 | -6.16 | -1.26 | 0.12 |

**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 3.02% (after fees) in June, in line with the Index return.

Key contributors to relative performance:

- Bio-Techne shares rose after the company agreed to be acquired by competitor Merck KGaA for US Dollars 73 per share. This represented a 35% premium to the share price before rumours of an activist investor's involvement saw the stock rally earlier in the month.
- US Foods Holding outperformed as investors rotated towards defensive, non-AI-exposed cash generators amid rising concerns over AI capex sustainability and softening consumer discretionary trends. Signs of stabilising independent restaurant demand, improving volume trends and continued execution of cost and productivity initiatives supported sentiment. The company's pricing power and resilient business model, with limited AI disruption risk, reinforce its appeal.
- Amphenol was one of the clearest AI infrastructure beneficiaries, supplying critical high-speed connectors, cables and interconnect products used across hyperscale data centres. Its positioning aligned closely with the flow of capital towards hyperscaler supply chains solving data centre bottlenecks. Record hyperscaler spending, strong bookings and successive earnings upgrades reinforced Amphenol's status as a core AI "picks and shovels" holding, while continued guidance upgrades and margin expansion sustained positive sentiment.
- Palomar Holdings outperformed, supported by continued strong underwriting execution, robust premium growth and disciplined risk selection across its speciality insurance portfolio. Elevated catastrophe pricing, hard market conditions in earthquake and speciality lines, and improving reinsurance economics reinforced earnings visibility. Investor rotation towards high-ROE, cash-generative speciality insurers with limited AI disruption risk provided further support.
- ASM International N.V. benefited from its position as a key enabler of AI-driven semiconductor capex. Q1 results exceeded expectations, delivering a record operating margin and a stronger H2 outlook, supported by robust logic and foundry demand. Broker upgrades earlier in the year reflected increasing ALD intensity at 2nm and Gate-All-Around nodes, alongside improved customer visibility, including from TSMC.

Key detractors from relative performance:

- Microsoft significantly underperformed as investors reacted negatively to record AI-related capex and slowing Azure growth, raising concerns over near-term returns, margin dilution and potential market share loss. Scepticism deepened as heavy capex, OpenAI exposure and questions around returns drove Microsoft's perceived relegation to an AI loser. The broader SaaSpocalypse, a fundamental repricing of software and information-based companies, added further pressure.
- Amazon underperformed as investor sentiment cooled towards hyperscalers amid growing scrutiny of AI capex returns. Softer consumer discretionary indicators, rising sovereign yields and elevated energy prices pressured retail margins, while AWS growth normalised relative to stronger comparators. Rotation into direct AI supply chain beneficiaries, semiconductors, memory and AI hardware, left mega-cap spenders lagging despite continued strong underlying cash generation.
- Broadcom underperformed following a period of strength, as investors took profits after outsized year-to-date gains and rotated into higher-beta memory and DRAM names, which delivered some of the strongest returns across the semiconductor complex. Concerns around the sustainability of hyperscaler custom ASIC demand grew

following reports of Meta seeking to monetise excess computing capacity, while elevated valuations left limited room for further re-rating. Modestly cautious commentary on near-term networking demand and normalising AI order momentum also weighed on sentiment despite continued strong underlying fundamentals.

- Netflix's momentum faded as management maintained, rather than upgraded, full-year guidance and issued softer outlook commentary, while May results highlighted slower net subscriber additions and elevated content spending.
- Intercontinental Exchange (ICE) underperformed as softer-than-expected US mortgage activity weighed on Mortgage Technology growth, while normalising volatility from April onwards reduced trading volumes across energy and interest-rate derivatives relative to Q1 highs.

## Market review

Two themes dominated investor attention: the relentless build-out of artificial intelligence infrastructure and geopolitical developments in the Middle East. While concerns over energy security and inflation eased, investors continued to focus on the scale of capital spending required to support AI. Hyperscalers continue to raise investment plans, extending the earnings upgrade cycle across semiconductors, data centres, power equipment and selected industrial suppliers.

The result is an increasingly concentrated market. Over the past six months, capital flowed towards the companies supplying the AI "picks and shovels" as investors sought direct exposure to the next phase of growth. South Korea enjoyed one of its strongest periods in decades, driven by memory semiconductor manufacturers, while Taiwan continued to benefit from its critical role in the global technology supply chain.

June was a month of digestion and consolidation. Defensive, low-volatility sectors such as Health Care, Staples and Utilities performed well, whereas commodity-based sectors, Materials and Energy, underperformed as commodity prices reacted to a strengthening dollar and a peace plan in the Middle East. Consumer-related companies continued to lag as higher living costs continued to pressure household budgets.

Beneath the surface, however, market leadership remained exceptionally narrow. Much of the global equity market's advance in 2026 was driven by a relatively small group of companies linked directly or indirectly to AI investment. Market concentration has now reached levels last seen 35 years ago. Indeed, AI alone has been responsible for more than 85% of market returns this year. The key lesson from the first half is not simply that technology has won, but that capital has become increasingly concentrated behind a single investment theme. Such concentration has generated exceptional returns, but it also leaves markets unusually dependent on a narrow set of assumptions and outcomes.

## Country / regional exposure

| | Fund % | Benchmark % |
|---|---|---|
| Canada | 0.00 | 2.93 |
| EM - Asia | 3.43 | 10.20 |
| EM - Europe, Middle East, Africa | 0.00 | 1.20 |
| EM - Latin America | 2.08 | 0.78 |
| Europe ex UK | 18.33 | 10.84 |
| Israel | 0.00 | 0.24 |
| Japan | 8.14 | 5.00 |
| Pacific ex Japan | 2.68 | 2.14 |
| United Kingdom | 3.05 | 3.03 |
| United States | 61.01 | 63.63 |
| Cash | 1.28 | 0.00 |

## Sector exposure

| | Fund % | Benchmark % |
|---|---|---|
| Communication Services | 2.37 | 7.82 |
| Consumer Discretionary | 10.97 | 8.70 |
| Consumer Staples | 8.04 | 4.72 |
| Energy | 0.00 | 3.53 |
| Financials | 20.20 | 16.18 |
| Health Care | 15.61 | 8.27 |
| Industrials | 12.54 | 11.04 |
| Information Technology | 26.50 | 32.09 |
| Materials | 2.49 | 3.56 |
| Real Estate | 0.00 | 1.59 |
| Utilities | 0.00 | 2.51 |
| Cash | 1.28 | 0.00 |

## Top 10 holdings (underlying Fund)

| | Portfolio % | Benchmark % | Country |
|---|---|---|---|
| NVIDIA Corporation | 8.32 | 4.55 | United States |
| Amazon.com, Inc. | 5.40 | 2.27 | United States |
| Microsoft Corporation | 4.34 | 2.59 | United States |
| Broadcom Inc. | 4.04 | 1.67 | United States |
| ASM International N.V. | 3.45 | 0.05 | Netherlands |
| Compass Group PLC | 3.05 | 0.05 | United Kingdom |
| Mastercard Incorporated Class A | 2.91 | 0.41 | United States |
| Bio-Techne Corporation | 2.88 | 0.00 | United States |
| Coca-Cola Europacific Partners plc | 2.87 | 0.02 | United Kingdom |
| US Foods Holding Corp. | 2.79 | 0.00 | 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 | -9.83 | 9.67 | 6.62 | 12.32 |
| Distribution return | 0.00 | 0.00 | 0.00 | 0.00 |

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$280 mn as at 30 June 2026 | |
| APIR code | SUN0031AU | |
| Estimated management cost | 0.99% p.a. | |
| Buy/sell spread | +/- 0.15% | |
| Platform availability | AMP North<br>Asgard<br>BT Panorama<br>Hub24<br>IOOF Wrap | Macquarie Wrap<br>MLC Navigator<br>Netwealth<br>Praemium |

## 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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