Investment Commentary
Month to 31 July 2026

Yarra Global Share Fund

Net returns as at 31 July 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#	2.50	6.68	-10.04	10.67	6.08	12.30	8.48
MSCI All Countries World Index^	-1.28	6.86	11.94	16.66	11.85	13.20	8.22
Excess Return‡	3.78	-0.19	-21.98	-6.00	-5.78	-0.90	0.26

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 2.50% (after fees) in July, to outperform the Index return of -1.28% by 378 basis points (bps).

Key contributors to relative performance:

- IQVIA Holdings outperformed following an exceptionally strong Q2 update. Revenue, EBITDA and EPS all exceeded the high end of guidance, R&D bookings reached their highest level since 2022, and management raised full-year forecasts. Investors were encouraged by improving biotech funding, accelerating clinical research demand and evidence that AI-enabled analytics are driving both higher win rates and stronger growth.
- Amazon.com rallied sharply after delivering its fastest AWS growth in over four years. Cloud revenue rose 37%, AI and custom-chip businesses surpassed a US Dollars 25 billion annual revenue run rate, and management raised 2026 capex plans while signalling that demand still exceeds available capacity. The results reassured investors that enormous AI investments are translating into tangible revenue growth and backlog expansion.
- Microsoft Corporation outperformed after reporting a decisive earnings beat and demonstrating clear monetisation of AI. Azure revenue grew 43%, annual Azure revenue exceeded US Dollars 100 billion for the first time, Copilot surpassed 30 million paid seats, and commercial backlog reached US Dollars 678 billion. Investors rewarded evidence that AI spending is generating substantial revenue growth rather than simply increasing costs.
- Intercontinental Exchange (ICE) outperformed on strong Q2 earnings, continued growth in fixed-income and data services, and optimism surrounding its agreement to acquire MarketAxess. Investors were attracted by the combination of recurring data revenues, robust trading activity and strategic expansion in fixed-income markets. The stock also benefited from expectations that higher market volatility and interest rates would support transaction volumes and data demand.
- Mastercard Incorporated shares rose on another strong set of results. Q2 revenue increased 14%, EPS exceeded consensus by 6%, and payment volumes remained resilient despite macroeconomic uncertainty. Investors continued to favour Mastercard's high-margin, asset-light model, structural exposure to digital payments and consistent earnings delivery. Ongoing product innovation and expansion of value-added services reinforced confidence in the company's long-term growth outlook.

Key detractors from relative performance:

- ASM International N.V. underperformed despite reporting record quarterly revenue of more than Euro 1 billion, raising its 2027 outlook and guiding to a stronger second half. The shares had rerated sharply on AI-related semiconductor spending; leading to profit-taking and valuation concerns outweighing otherwise excellent results.
- Sandvik AB fell after reporting exceptionally strong Q2 results, including record revenues, improving margins and double-digit organic order growth. Investors focused instead on the sustainability of earnings, particularly the temporary tungsten pricing benefit that materially boosted margins. With its shares trading near peak valuations ahead of the results, concerns that margins could normalise triggered a derating, despite continued strength in mining and machining demand.
- Amphenol Corporation underperformed as investors questioned whether AI-driven demand could be sustained, while the shares traded at an elevated valuation following a very strong first half. Concerns around leverage following the CommScope acquisition eased after the company delivered record Q2 sales, orders and earnings later in July.
- Linde shares lagged in July, not because of poor execution, but because investors rotated away from defensive

compounders into higher-beta AI beneficiaries. Record Q2 results, a record project backlog and new semiconductor capacity investments, were insufficient to offset profit-taking.

- Synopsys, Inc. underperformed as investors remained cautious following a difficult first half marked by China-related export restrictions on EDA software and uncertainty around the integration of the Ansys acquisition. Although sentiment improved later in the month after export controls were relaxed and peers reported strong demand, the shares spent much of July recovering from earlier weakness.

Market review

At the headline level, global equity markets were relatively subdued. Beneath the surface, however, July experienced one of the most significant rotations for years. A relatively successful quarterly earnings season coincided with a sharp reversal in investor positioning, particularly across the AI ecosystem. For many prior market leaders, simply beating earnings expectations was no longer sufficient as high-momentum stocks crashed.

Semiconductor companies, which had been among the principal beneficiaries of the AI boom, came under considerable pressure. Elevated valuations, uncertainty surrounding export controls, concerns over China's accelerating technological capabilities, and forced deleveraging by retail investors combined to produce a sharp sell-off. The MSCI World Semiconductors Index fell 13.2% during the month, while the broader MSCI World Information Technology Index lost 4.1%. Outside the momentum crash, outperformance was selective. Microsoft Corporation and Amazon.com, Inc. delivered strong results and reinforced confidence in their strategic positioning, resulting in both stocks rebounding more than 25% from their lows, while other hyperscalers struggled to convince investors that escalating capital expenditure would translate into commensurate profits.

Beyond technology, geopolitics returned to the forefront. Escalating tensions in the Middle East briefly pushed Brent crude oil above US Dollars 100 per barrel, supporting energy prices and making the energy sector the strongest-performing area of the market. Although geopolitical concerns eased towards month-end, investors were reminded how quickly energy security can re-emerge as a market driver.

Regional performance reflected these same themes. The weakest returns came from Asia, and in particular Korea and Taiwan, where market exposure is more closely tied to semiconductor manufacturing and hardware supply chains than to software platforms or hyperscalers. Commodity and value-based indices, such as those in the UK, Australia and Canada, fared well.

Markets in July may have flatlined, but beneath the surface, real rates continued to rise, the AI trade wilted, and Future Quality had its chance to shine. Despite the deafening noise around AI, the Financials and Healthcare sectors are demonstrating leadership.

Country / regional exposure

	Fund %	Benchmark %
Canada	0.00	3.01
EM - Asia	3.35	9.75
EM - Europe, Middle East, Africa	0.00	1.21
EM - Latin America	2.14	0.82
Europe ex UK	17.19	10.89
Israel	0.00	0.24
Japan	8.44	5.05
Pacific ex Japan	2.19	2.28
United Kingdom	2.87	3.19
United States	61.61	63.55
Cash	2.21	0.00

Sector exposure

	Fund %	Benchmark %
Communication Services	2.28	7.87
Consumer Discretionary	11.61	8.97
Consumer Staples	7.96	4.83
Energy	0.00	3.95
Financials	21.05	17.18
Health Care	15.97	8.39
Industrials	11.15	10.86
Information Technology	25.57	30.28
Materials	2.20	3.56
Real Estate	0.00	1.63
Utilities	0.00	2.47
Cash	2.21	0.00

Top 10 holdings (underlying Fund)

	Portfolio %	Benchmark %	Country
NVIDIA Corporation	8.00	4.57	United States
Amazon.com, Inc.	5.89	2.59	United States
Microsoft Corporation	5.19	3.23	United States
Broadcom Inc.	3.99	1.73	United States
Mastercard Incorporated	3.11	0.46	United States
Coca-Cola Europacific Partners	3.01	0.02	United Kingdom
Compass Group PLC	2.87	0.05	United Kingdom
Bio-Techne Corporation	2.82	0.00	United States
Cencora, Inc.	2.77	0.06	United States
ASM International N.V.	2.67	0.04	Netherlands

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	-10.04	10.67	6.08	12.30
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 31 July 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

Applications and contacts

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

Website www.yarracm.com

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