YARRA CAPITAL MANAGEMENT

Investment Commentary
Month to 30 September 2026

Yarra Global Share Fund

Net returns as at 30 September 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#	-0.40	2.70	-7.80	11.50	6.35	12.21	8.44
MSCI All Countries World Index^	1.86	1.18	11.23	18.71	12.41	13.45	8.26
Excess Return‡	-2.26	1.52	-19.03	-7.20	-6.06	-1.24	0.18

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 -0.40% (after fees) in September, to underperform the Index return of 1.86% by 226 basis points.

Key contributors to relative performance:

- ASM International outperformed on the back of strong Q2 results, including record revenue, robust margins and guidance for H2 revenue growth of more than 20%. Investors remained enthusiastic about ASM's exposure to ALD deposition technology, HBM memory and AI-related semiconductor investment, while a completed Euro 150 million buyback programme provided additional support.
- Applied Materials outperformed as investors became increasingly confident that AI-driven semiconductor capital spending would remain elevated. The company highlighted stronger demand from leading-edge foundry, DRAM and advanced packaging customers, raised its 2026 revenue growth outlook towards 40%, and benefited from positive analyst revisions tied to AI infrastructure and memory spending.
- Amphenol Corporation outperformed as investor confidence grew in its role as a key supplier to AI infrastructure. Strong demand for high-speed interconnects, fibre-optic solutions and data-centre connectivity products supported the shares. The stock also benefited from a 2-for-1 stock split, positive analyst target revisions and continued optimism around AI-driven growth across communications and networking markets.
- NVIDIA Corporation outperformed following another exceptional earnings report. Revenue more than doubled year-on-year, guidance significantly exceeded expectations, and management projected approximately 70% revenue growth through to fiscal 2028. Investors remained focused on sustained AI infrastructure demand, Blackwell system adoption and growing inference workloads.
- SMC Corporation outperformed as improving factory automation sentiment and stronger semiconductor capex expectations led investors back into high-quality automation names. Shares were supported by better-than-expected earnings, analyst upgrades and growing confidence that AI-driven investment in semiconductor manufacturing and industrial automation.

Key detractors from relative performance:

- US Foods Holding Corp. underperformed as investors took profits following a strong year-to-date run. Analyst sentiment softened during the month, including a price-target reduction, while concerns around slower growth and valuation weighed on the shares despite otherwise solid operating performance.
- Netflix underperformed on concerns about slowing engagement trends and intensifying competition from YouTube. Several analyst downgrades cited weaker viewing metrics and concerns over content performance, while management acknowledged that growth was not meeting expectations. These concerns overshadowed otherwise solid revenue growth and profitability.
- TechnipFMC underperformed largely due to profit-taking following a period of strong share-price performance. This came despite strong Q2 results, robust cash generation and continued confidence in offshore spending. Investors also appeared to rotate away from energy services, while expectations of an improvement in the Middle East conflict also weighed on shares.
- Meta Platforms (underweight) shares were among the market's strongest performers, rising sharply following the launch of its Muse AI assistant. Strong user adoption, improving sentiment around AI monetisation and multiple analyst target upgrades helped drive a significant re-rating despite ongoing concerns around AI investment spending.
- Nu Holdings underperformed despite reporting strong

profitability and customer growth. Shares fell sharply following media reports that the company was exploring a potential acquisition of Monzo, raising investor concerns around dilution, capital allocation, execution risk and expansion beyond its core Latin American markets.

Market review

Global stock markets continue to trade near record levels. Although global equities dropped slightly in their local currencies during September, a weaker Australian dollar resulted in the MSCI All Country World Index (ACWI) closing the month 1.86% higher (in AUD terms).

AI investment, rising bond yields and energy prices, dominated what was a volatile backdrop. With the key driver being artificial intelligence. After a brief and deserved pullback in July, investors returned enthusiastically to companies exposed to AI infrastructure, including semiconductors, networking and power equipment.

Strong economic data and resilient growth pushed expectations towards a higher-for-longer interest-rate environment. Investors became increasingly focused not only on inflation, but also on the funding requirements associated with government borrowing, defence spending and AI investment. Rising yields created pressure on valuations, particularly for long-duration growth businesses, creating tailwinds for value investors.

Escalating geopolitical tensions in the Middle East pushed Brent crude oil above US Dollars 100 per barrel, reviving concerns that inflation could prove more persistent than expected. Energy security, largely overlooked during prior AI-led rallies, once again became an important consideration for investors.

Despite these headwinds, global markets remained resilient, albeit highly concentrated. Information Technology and Communication Services were the only sectors to deliver both positive absolute and relative returns. September's strongest performers were overwhelmingly linked to the expansion of AI spending; however, prior winners in the Industrial sector were marked down as high rates weighed on electrical and capital goods companies. Consumer-facing sectors remained under pressure as higher costs hit household budgets.

Regionally, developed markets outperformed. Japan benefited from strong earnings growth, accelerating share buybacks and ongoing corporate governance reform, while US equities continued to be supported by AI-related investment and earnings momentum. Europe lagged as investors questioned whether the region could match the earnings growth and AI exposure available elsewhere, while the UK proved more resilient thanks to its greater exposure to financials, energy and other value-oriented sectors.

Rising rates, high oil prices and a credit-backed AI cycle have created a favourable environment for value investors, yet 3Q26, and July in particular, showed the benefits of patience and what the manager believes a Future Quality portfolio can potentially deliver when the backdrop changes.

Country / regional exposure

	Fund %	Benchmark %
Canada	0.00	2.90
EM - Asia	2.93	9.96
EM - Europe, Middle East, Africa	0.00	1.21
EM - Latin America	1.93	0.79
Europe ex UK	16.55	10.32
Israel	0.00	0.24
Japan	7.79	5.20
Pacific ex Japan	1.61	2.16
United Kingdom	2.71	3.00
United States	64.44	64.21
Cash	2.04	0.00

Sector exposure

	Fund %	Benchmark %
Communication Services	4.81	8.01
Consumer Discretionary	9.66	8.24
Consumer Staples	6.60	4.51
Energy	2.47	3.96
Financials	19.27	16.17
Health Care	14.52	8.42
Industrials	8.55	10.27
Information Technology	30.37	33.21
Materials	1.72	3.51
Real Estate	0.00	1.45
Utilities	0.00	2.25
Cash	2.04	0.00

Top 10 holdings (underlying Fund)

	Portfolio %	Benchmark %	Country
NVIDIA Corporation	8.16	5.11	United States
Microsoft Corporation	5.83	3.52	United States
Amazon.com, Inc.	5.48	2.35	United States
Broadcom Inc.	3.67	1.55	United States
Mastercard Incorporated Class A	3.05	0.44	United States
ASM International N.V.	2.97	0.05	Netherlands
Cencora, Inc.	2.72	0.05	United States
Compass Group PLC	2.71	0.05	United Kingdom
IQVIA Holdings Inc	2.70	0.04	United States
CaixaBank SA	2.66	0.05	Spain

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	-7.80	11.50	6.35	12.21
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$261 mn as at 30 September 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

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

Disclaimers

Yarra Funds Management Limited (ABN 63 005 885 567, AFSL 230 251) ('YFM') is the issuer and responsible entity of a range of registered managed investment schemes, which includes those named in this document ('Funds'). YFM is not licensed to provide personal financial product advice to retail clients. The information provided contains general financial product advice only. The advice has been prepared without taking into account your personal objectives, financial situation or particular needs. Therefore, before acting on any advice, you should consider the appropriateness of the advice in light of your own or your client's objectives, financial situation or needs. Prior to investing in any of the Funds, you should obtain and consider the product disclosure statement ('PDS') and target market determination ('TMD') for the relevant Fund by contacting our Investor Services team on 1800 034 494 or from our website at www.yarracm.com/pdsupdates/. The information set out has been prepared in good faith and while Yarra Funds Management Limited and its related bodies corporate (together, the "Yarra Capital Management Group") reasonably believe the information and opinions to be current, accurate, or reasonably held at the time of publication, to the maximum extent permitted by law, the Yarra Capital Management Group: (a) makes no warranty as to the content's accuracy or reliability; and (b) accepts no liability for any direct or indirect loss or damage arising from any errors, omissions, or information that is not up to date. No part of this material may, without the Yarra Capital Management Group's prior written consent be copied, photocopied, duplicated, adapted, linked to or used to create derivative works in any form by any means.

YFM manages each of the Funds and will receive fees as set out in each PDS. To the extent that any content set out in this document discusses market activity, macroeconomic views, industry or sector trends, such statements should be construed as general advice only. Any references to specific securities are not intended to be a recommendation to buy, sell, or hold such securities. Past performance is not an indication of, and does not guarantee, future performance. Information about the Funds, including the relevant PDSs, should not be construed as an offer to any jurisdiction other than in Australia. With the exception of some Funds that may be offered in New Zealand from time to time (as disclosed in the relevant PDS), we will not accept applications from any person who is not resident in Australia or New Zealand. The Funds are not intended to be sold to any US Persons as defined in Regulation S of the US federal securities laws and have not been registered under the U.S. Securities Act of 1933, as amended.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. Holdings may change by the time you receive this report. Future portfolio holdings may not be profitable. The information should not be deemed representative of future characteristics for the strategy. There can be no assurance that any targets stated in this document can be achieved. Please be advised that any targets shown are subject to change at any time and are current as of the date of this document only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially. These targets are being shown for informational purposes only.

Parts of this document have been prepared by Amova Asset Management Europe Ltd (formerly known as Nikko Asset Management Europe Ltd). Amova Asset Management Europe Ltd is the investment manager of the strategy. Amova Asset Management Europe Ltd does not hold an Australian Financial Services Licence.

This material is issued in Australia by Yarra Funds Management Limited.

© Yarra Capital Management, 2026.