

Monthly Market Commentary

May was another good month for global equities albeit with a notable deterioration in breadth. Indices were supported by the perception of easing geopolitical tensions, good economic updates and an exceptional earnings season. Robust AI spending contributed to strength in technology related areas of the market. It was these that dominated performance.

On reporting, as at month end, 97% of companies in the S&P500 had reported with Q1 earnings growing by an average of 28.6%, the fastest pace since Q4 21 and more than double the 13.1% expected at the end of March. Technology related sectors delivered even more impressive growth thanks to both strong sales and margin expansion, with Q1 earnings across Information Technology and Communications growing by an average of over 50%.

In terms of regional performance, Japan's Nikkei225 was again the standout, rising 11.9%, driven by strength in AI-proxy SoftBank Group, up 43%, and strong performance from local semiconductor stocks. Semiconductor strength also helped US markets with the US-semiconductor index, the SOX, recording its best 2-month performance since 1996, up 69% from the end of March. The NASDAQ finished up 8.4%, while the S&P500 also delivered good absolute performance, up 5.15%, ahead of both its equal-weighted equivalent, +2.51%, and the S&P600 Small Cap Index, +0.9%. European bourses lagged in local currency terms with Germany's DAX rising 3.3%, followed by the French CAC40 and UK FTSE, both up less than 1%. China's Shanghai Composite Index closed lower by 1.1%.

Narrow breadth was most obvious at a sector level with Information Technology up 15.9%, miles ahead of the next best performers, Consumer Discretionary and Materials, both up around 3%. Noticeable laggards included Energy, which fell 6.2% as energy prices retreated, along with defensive sectors Utilities and Staples, down 5.4% and 2.3% respectively.

The AUD fell 0.2% against the USD as the US dollar basket, DXY, rose 0.9%. Commodities were weaker with the Bloomberg Commodity Index falling 3.8%, thanks partly to lower oil prices as WTI fell 17%. VIX also fell 1.57 points to close at 15.32 while yields on 10-year US Treasuries rose 6bps to 4.44% by month end.

Against this backdrop the Fund returned 0.32% for the month.

The Fund's holding in Japan-based security firm, Secom was a meaningful contributor in May. Its shares surged on a solid FY26 result in which management flagged high-single digit price rises in coming months, alongside a new ~¥100bn buyback (approx. 3% of market-cap) and a 20% step-up in the dividend. Given signs the company is actively beginning to lean on its significant cash reserves to support shareholder returns (net cash approx. 18% of market-cap), we think there is scope for more upside to shareholder returns.

In terms of new positions, the Fund gained exposure to US private hospital operator, Tenet Healthcare. With balance sheet issues now largely resolved, we think Tenet can continue recycling capital into its higher returning day-surgery business (one-third of EBITDA) while also funding more capital management in the form of buybacks. Given shares continue to trade on a low double-digit free cash flow yield, we think there is good upside for shareholders.

We believe the most compelling way to compound clients’ wealth is by utilising multiple return sources to deliver superior risk-adjusted investment outcomes.

- Long-term compounding of investor wealth
- Multiple sources of return
- Quarterly distributions
- Risk focused investment mindset



The investment process behind the Talaria Global Equity Fund takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Our unique investment methodology harnesses the benefits of consistent income generation and capital appreciation to grow investors’ real wealth.

Performance as at 31 May 2026¹

	1 Month	3 Months	6 Months	1 Year	3 Years (pa)	5 Years (pa)	7 Years (pa)	10 Years (pa)	Since Inception (pa) ²
Total Return	0.32%	-0.97%	-1.64%	1.45%	5.07%	7.47%	7.55%	7.11%	7.33%
Avg. Market Exposure⁴	56%	55%	55%	57%	60%	58%	57%	59%	61%

¹ Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions.
² Inception date for performance calculation is 1 October 2005.
³ Past performance is not a reliable indicator of future performance.

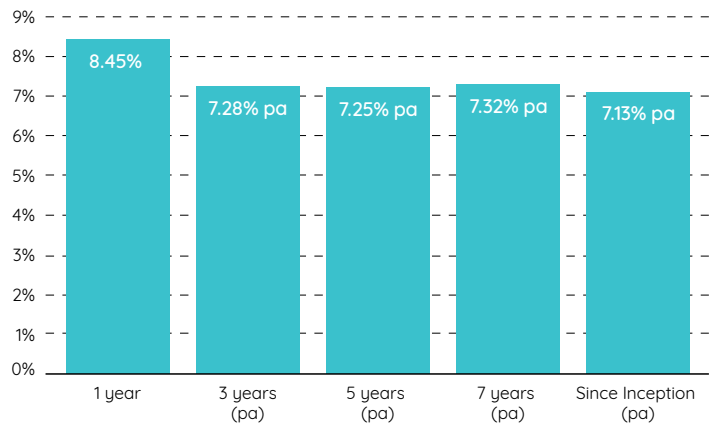
⁴ Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from 1 October 2005.

Growth of \$100,000 Since Inception⁵



⁵ Calculations are based on exit price, net of management fees and expenses and assumes reinvestment of distributions Past performance is not a reliable indicator of future performance.

Annual Distributions⁶



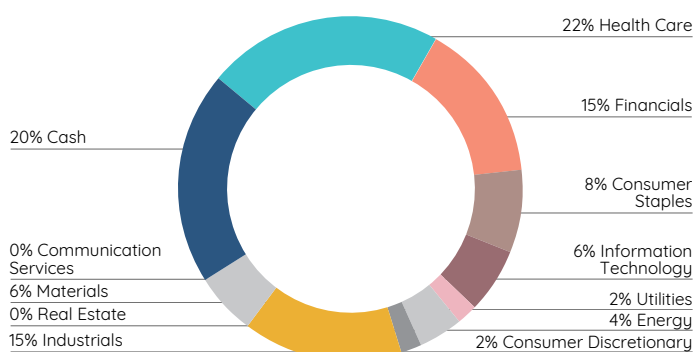
⁶ Illustrates Distribution Returns for the Talaria Global Equity Fund - Foundation Units for the financial year ending 30 June 2025. Inception date is 1 October 2005.

Top 10 Holdings⁷

Company Name	Holding	Country	Sector	Description
Newmont	5.7%	USA	Materials	One of the top 3 gold producers in the world
Bayer	5.0%	Germany	Health Care	Multinational pharmaceutical and life sciences company
Bunzl	4.7%	United Kingdom	Industrials	Multinational distribution and outsourcing business
Henkel	4.7%	Germany	Consumer Staples	A multinational household products and adhesives company
Exor	4.5%	Netherlands	Financials	A diversified holding company
Everest Group	4.5%	USA	Financials	Leading global provider of reinsurance and insurance services
A.O Smith	4.4%	USA	Industrials	A leading manufacturer of water heaters in North America
Roche	4.3%	Switzerland	Health Care	A global leader in cancer treatments
GSK	4.0%	United Kingdom	Health Care	One of the world's largest pharmaceutical companies.
Pfizer	4.0%	USA	Health Care	A research led global pharmaceutical company

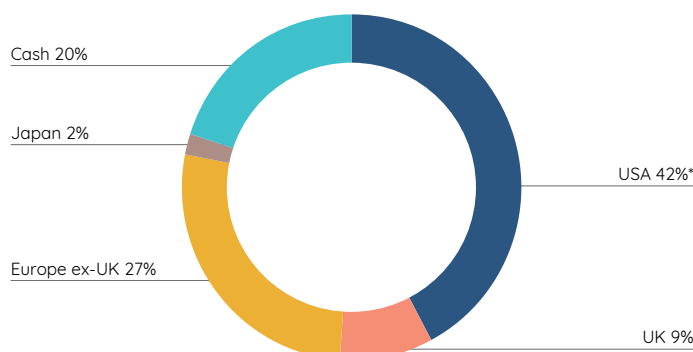
⁷ Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Sector Allocation⁸



^{8,9} Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Regional Allocation⁹



* USA includes American Depositary Receipts (ADRs) listings.

Fund Snapshot

Management Fee	Nil	Inception Date	1 October 2005
Performance Fee	20% - subject to High Watermark	Liquidity	Daily
Distributions	Quarterly	Availability	Wholesale Clients Only
Minimum Investment	\$50,000	Buy / Sell Spread	0.20% / 0.20%

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