

Monthly Market Commentary

The second quarter of 2026 saw global equity markets stage a powerful rally off March lows, fuelled by easing Middle East tensions, strong corporate earnings, good macro data, and strength in AI-themes. While point-to-point returns for the quarter were solid across the board, June marked a clear shift in leadership with growth and technology stocks underperforming alongside broadening participation.

Japan stood out among developed-world indices in terms of performance with the Nikkei225 rising 5.6% in June to finish the quarter up 37.2% in local currency terms. In addition to reaching new all-time highs, the Nikkei225 also recorded its best quarter since 1965 with semiconductors and AI supply-chain beneficiaries driving the bulk of returns.

US markets also delivered exceptional performance over the quarter with the NASDAQ, S&P500 and S&P600 Small Cap Index all reaching new records following gains of 21.4%, 14.9% and 19.2%, respectively. The S&P500 and NASDAQ had their best quarter since Q2 2020 driven by AI and semiconductors with the semiconductor index, the SOX, up double digits in each of the three months. However, a notable pull back in the Magnificent 7 complex through June, down 8.8% as a cohort, saw large caps fall with the NASDAQ and S&P500 down 2.8% and 1.06%, respectively. In contrast, the S&P600 Small Cap Index continued steaming ahead, rising 7.1%, while the S&P500 Equal Weighted Index was also up by 2.18% in the month of June.

Lower energy prices helped continental bourses with the German DAX and French CAC40 up 10.2% and 7.5%, respectively, in local currency terms over the quarter. In the UK, commodity price weakness weighed on index returns with the FTSE lagging in a relative sense, up 3.2% for the quarter. Elsewhere in Asia, China's Shanghai Composite rose 5.2% for the quarter in local currencies.

Against this backdrop the Fund delivered a return of +2.76% for the quarter.

Distributions: The Fund paid a June 2026 quarterly distribution of 18.76 cents per unit taking its 12-month income return to +8.56%

In terms of sectors, performance over the quarter was dominated by Information Technology, up 33.5%, while Energy was the worst performer, down 13.9% on declining energy prices. All other sectors finished up for the quarter, except Utilities.

However, June saw notably higher dispersion with Magnificent-7 weakness driving Communications, Consumer Discretionary and Information Technology meaningfully lower, while broad-based commodity price weakness also saw Materials decline in June. In contrast, Finance, Health Care and Industrials all posted strong gains, up 3.4%, 4.8% and 2.6%, respectively in the month of June.

Hawkish commentary from the US Federal Reserve helped the USD in June with the DXY up 2.3%. The AUD also fell 3.7% against the USD to finish the quarter largely flat. Commodities were broadly weaker over the quarter with weakness in precious metals and a 31.4% decline in WTI contributing to the Bloomberg Commodity Index falling 8.9%. From the end of March, the VIX fell 8.8 points to close at 16.45 while yields on the 10yr US Treasuries rose 15bps to 4.47% by quarter end.

German-based Bayer was the biggest contributor to Fund performance during the quarter after a favourable court ruling gave greater certainty around glyphosate liabilities. UK-based Bunzl was the second biggest contributor with shares well supported after management upgraded FY guidance at the H1 pre-release thanks to accelerating organic growth. Adhesives and consumer goods group, Henkel and US reinsurer, Everest Group were other notable contributors. Key detractors included oil and gas companies EOG Resources and TotalEnergies impacted by lower energy prices.

In terms of notable portfolio changes during the quarter, the Fund exited its position in chemical distributor Brenntag on valuation grounds and gained exposure to consultancy Accenture. The Fund also gained exposure to US-based 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 high single-digit free cash flow yield, Tenet remains an attractive investment opportunity.

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 Complex ETF 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 30 June 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	5.47%	2.76%	3.14%	7.67%	6.93%	9.06%	8.48%	8.72%	7.39%
Avg. Market Exposure ⁴	60%	57%	55%	57%	60%	58%	58%	59%	61%

¹ Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions.
² Inception date for performance calculation is 18 August 2008.
³ Past performance is not a reliable indicator of future performance.

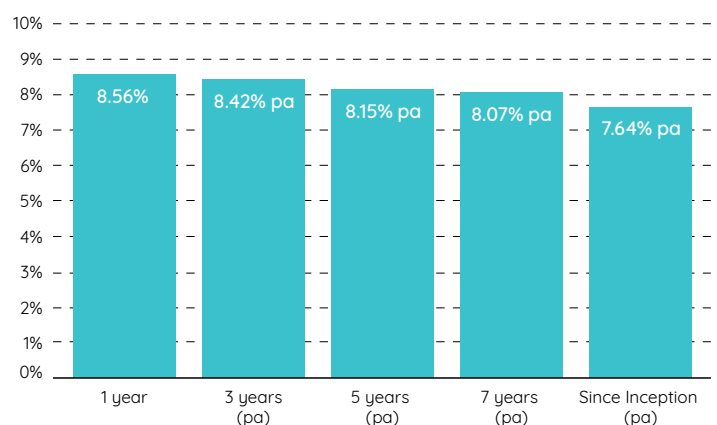
⁴ Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from September 2008.

Growth of \$10,000 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



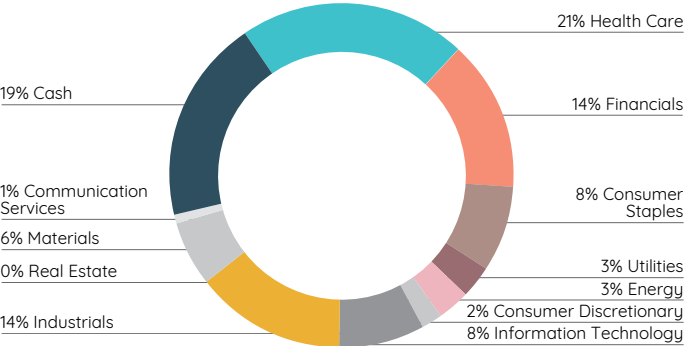
⁶ Illustrates Distribution Returns for the Talaria Global Equity Fund Complex ETF Units for the financial year ending 30 June 2025. Inception date is 18 August 2008.

Top 10 Holdings⁷

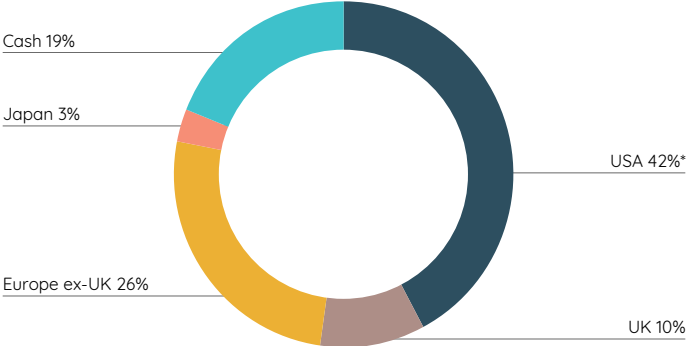
Company Name	Holding	Country	Sector	Description
Bunzl	5.3%	United Kingdom	Industrials	Multinational distribution and outsourcing business
Bayer	5.2%	Germany	Health Care	Multinational pharmaceutical and life sciences company
Everest Group	5.1%	USA	Financials	Leading global provider of reinsurance and insurance services
A.O Smith	4.9%	USA	Industrials	A leading manufacturer of water heaters in North America
Exor	4.6%	Netherlands	Financials	A diversified holding company
Henkel	4.4%	Germany	Consumer Staples	A multinational household products and adhesives company
Roche	4.3%	Switzerland	Health Care	A global leader in cancer treatments
GSK	4.2%	United Kingdom	Health Care	One of the world's largest pharmaceutical companies.
Newmont	4.0%	USA	Materials	One of the top 3 gold producers in the world
Medtronic	3.7%	USA	Healthcare	A leading medical devices 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



Regional Allocation⁹



^{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.

* USA includes American Depositary Receipts (ADRs) listings.

Fund Snapshot

APIR Code	AUS0035AU	Inception Date	18 August 2008
Management Fee	1.16% p.a. of the net asset value of the Fund plus Recoverable Expenses	Liquidity	Daily
Recoverable Expenses	Estimated to be 0.12% of net asset value of the Fund each Financial Year	Exit Price	\$4.96490 (30 Jun 2026)
Major Platform Availability	Ausmaq, BT Panorama, CFS Edge, CFS FirstChoice, Dash, Expand, Hub24, IconIQ, IOOF Pursuit, Linear, Macquarie, Mason Stevens, Netwealth, North, Powerwrap, Praemium	Buy / Sell Spread	0.20% / 0.20%
		Distributions	Quarterly
		Minimum Investment	\$5,000

Important Information

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