TALARIA

Talaria Global Equity Fund Foundation Units

Quarterly Update June 2026

Talaria Asset Management
Level 14, 330 Collins Street
Melbourne, VIC, Australia 3000
+61 3 8676 0667
talariacapital.com.au
AFSL 333732

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If you shouldn't put all your eggs in one basket, what do you do with one basket and one very big egg?

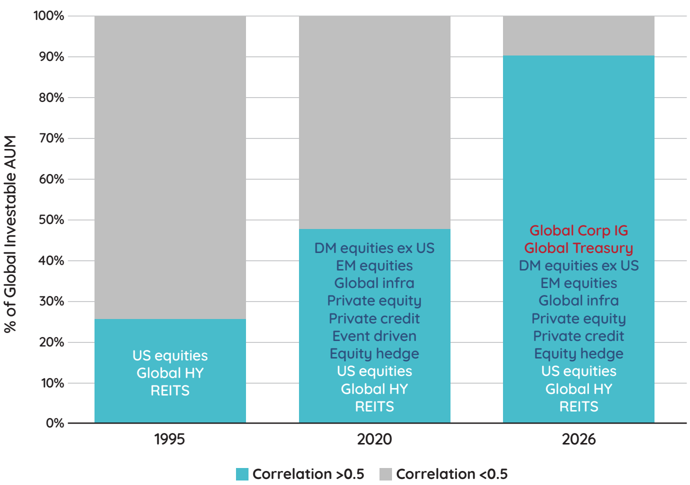
Summary

There is a real problem in financial markets. The share of global investable assets with a meaningful correlation to the S&P 500 has risen from roughly 26% in 1995 to over 90% today.

For many investors, what looks like a spread of risk has become a single bet. This is not a marginal change but a significant transformation of the diversification landscape.

The single bet is on the future of artificial intelligence. Its clearest expression is in equities, where the market is now dominated by a small number of companies linked to AI. And the gamble is not confined to equities. It has bled across other asset classes, increasingly drawn into the same AI complex.

Global investible assets are increasingly correlated



Note: *Asset class correlations are measured against the S&P 500. Global investible assets include global public equities, fixed income, private equities, private credit, gold, commodities, money markets, real estate and infrastructure.

Source: Talaria, Bloomberg, FRED, McKinsey, HFR, World Gold Council, Ocorian, KKR, Preqin, State Street

A single bet

High correlations would matter less if AI's future were assured. But history shows that periods of major technological transformation are characterised by tremendous uncertainty. The transformative potential is likely enormous, but the downside to assets linked to it could be too. This uncertainty is at odds with the level of conviction now embedded in global investable assets, evident not only in correlations but also in rich equity valuations.

There is currently a dangerous combination of highly concentrated risk and, as we have discussed in previous quarterlies, unusually low prospective returns. In these circumstances, the need to diversify is acute. But satisfying that need is difficult.

Numerous conventional solutions are now part of the problem. The assets investors often reach for when seeking diversification are themselves increasingly part of the correlated bucket. Developed market equities outside the US have moved from a correlation of 0.46 with the S&P 500 in 1995 to 0.79 today. REITs have made a journey from 0.61 to 0.82. Even equity hedge strategies, designed to reduce market correlation, sit at 0.81. Private assets are harder to nail down but their proxies are also highly correlated.

Bonds were an answer through much of the twenty-year period to 2020 as aggregate bond indices maintained a negative correlation with equities. This is what made the 60:40 portfolio work so well. But in 2022 it suffered 80% of the S&P 500's 24.5% rate shock drawdown; today the US Aggregate Bond Index's correlation stands at 0.60. For reasons discussed later, we remain of the view that the conditions that made the 60:40 portfolio effective are gone.

Against this backdrop, the strategies that have maintained genuinely low or negative correlation stand out precisely because they are so few. They also currently represent a startlingly small pool of investable assets. Volatility strategies and trend following are notable examples of where genuine diversification is now found. Their correlations have fallen even as correlations across many other approaches have risen and converged.

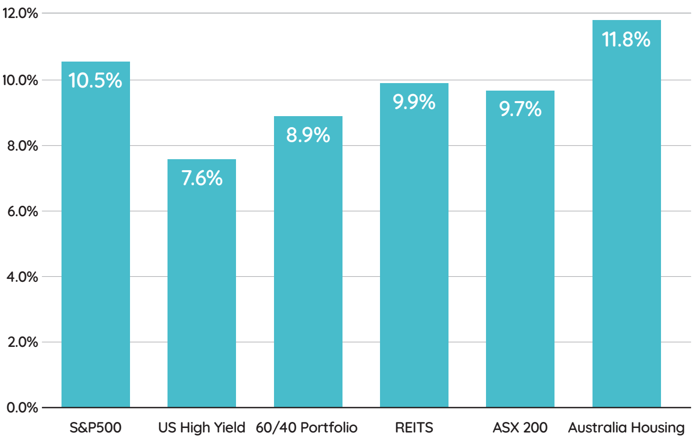
The practical effect is material. Within a representative model portfolio, we replaced the private asset non-core exposures with genuinely diversifying alternatives, leaving the core unchanged. The result raised the annualised return over 31 December 2020 to 31 May 2026 and delivered markedly better risk characteristics. Below, we set out the modelling. First, though, we consider why asset selection and diversification matter more now than they have in some thirty years.

Factors driving the need for diversification

For much of the period since the start of 1995 to the end of 2020, what counted most was maintaining exposure to markets, preferably with leverage. While there were naturally differences in return across asset classes, broadly speaking, participation mattered more than selection. It was less a matter of what you owned than how much you owned. Maintaining a passive 60:40 holding meant doubling your money every eight years, so $100 grew to over $900.

The monetary regime of deep globalisation created unusually supportive conditions for asset owners, including a prolonged decline in the cost of finance alongside exceptionally strong nominal cashflow growth. The widening gap between the two drove higher valuations and rewarded leverage and duration, the financial term for assets whose value depends heavily on distant future cashflows.

Asset class returns, p.a. (1995-2020)



Source: Talaria, Bloomberg

Yet, as we have argued, the conditions underpinning this regime are changing. Deglobalisation, economic nationalism and more persistent fiscal pressure suggest the relationship between cashflow growth and financing costs is unlikely to remain as supportive as before and may even become a negative.

Starting valuations add to the challenge. Deep globalisation began from a far more forgiving base. At the end of 1994, the US 10-year Treasury yielded 7.8%, headline year-on-year CPI was 2.7%, and the S&P 500 Shiller P/E was 19.9x. Today the equivalents are 4.5%, 4.2% and 41.0x. Investors were being paid materially more to own bonds, while equity valuations were, to say the least, much less demanding.

This combination of high starting valuations and a more difficult monetary regime represents a profound challenge for investors. It requires more care around asset selection and diversification, and less reliance on a blanket approach to market exposure.

We have previously laid out a playbook for this environment: short duration, strong balance sheets and real assets. The fourth leg, and the focus of this piece, is diversification.

The purpose of diversification revisited

The virtues of diversification can be framed technically through correlation coefficients, efficient frontiers and risk-adjusted returns. These are valid tools, but they are the mechanics behind a simpler intuition: investors do not experience wealth as a point-to-point outcome. Asset owners are not Rip Van Winkles, investing, sleeping and waking twenty years later to check the result. They experience the path by which wealth moves through time.

The path matters. Large drawdowns impair compounding, reduce flexibility and increase the risk of forced or poorly timed selling. They also limit the ability to act when prospective returns are most attractive. A smoother path is not merely more comfortable; it can improve long-run outcomes.

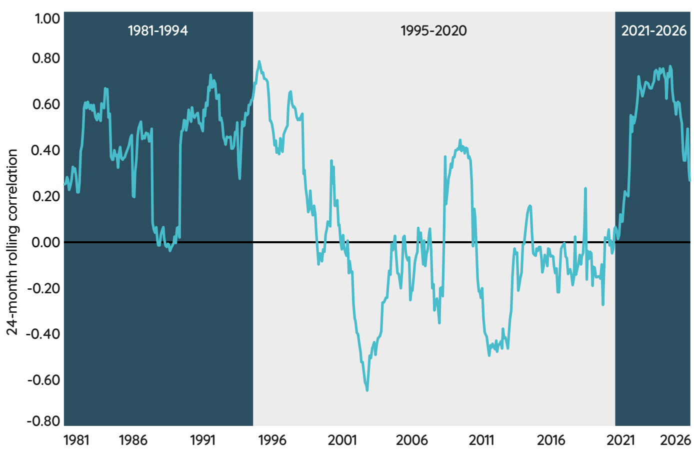
In principle, this should make diversification a constant. In practice, it is treated as dynamic. Investors tend to dial it down when liquidity is abundant, valuations are rising and recent returns have been strong. Concentration feels rational because it has been rewarded.

That logic is backwards. The case for increasing diversification is strongest when portfolios that appear diversified are, in substance, exposed to the same trade. The risks are clear. Major equity indices, in theory a source of genuine breadth, have become increasingly concentrated in a small number of very large businesses from the same technological ecosystem. An investor in global equity baskets today owns, in substantial part, a bet on a narrow set of companies tied to artificial intelligence: the hyperscalers building and deploying the infrastructure, and the original equipment manufacturers supplying the hardware that makes AI possible.

High correlations mean that different holdings, nominally unrelated, can behave as variations of the same exposure. In these circumstances, concentration may preserve exposure to what has worked, but it also increases dependence on the assets least likely to repeat their past returns.

The 60:40 portfolio: goodbye to all that

S&P 500 vs Bloomberg US Aggregate Bond Index, 24-month rolling correlation



As of 31/05/2026

Source: Talaria, Bloomberg

In recent decades the conventional answer to the diversification question was the 60:40 portfolio. Blending bonds with equities captured growth while mitigating drawdowns. The combination worked so well that many investors have come to treat this negative equity/bond correlation as a permanent feature of markets.

This is a misperception. Correlations between asset classes are regime dependent. The period from the early 1990s until the pandemic may have been no more than a temporary exception: preceded by the inflationary instability of the 1970s and 1980s and followed by a more fragmented, inflationary and fiscally constrained world.

One pressure point is government bonds, the main defensive exposure in the 60:40 portfolio. Rising sovereign debt risks changing the role of government bonds from a relatively benign means of financing the state into certificates of confiscation. That may sound extreme, but we have repeatedly laid out our reasons for expecting financial repression. Governments increasingly require a transfer of wealth from savers to borrowers. Bluntly, unless investors think they can benefit from trading opportunities, we believe they should bear as little exposure to sovereigns as they can manage, and at the shortest duration they can justify.

Even without repression, the risk borne by sovereign bondholders has changed. A private company with $40 million of debt, $5 million of revenue and $7 million of costs would struggle to borrow for ten years at 4.5%. Scale the millions to trillions and the comparison is uncomfortably close to the fiscal position of the United States.

The conditions that made the 60:40 portfolio work are gone. Supply shocks, fiscal pressure and declining confidence in sovereign credit can push yields higher just as share prices come under pressure. This happened in 2022, and it did again in March 2026.

False friends among private assets and liquid alternatives

Private assets have increasingly been viewed as an additional source of diversification. Private equity and private credit have undoubtedly reduced reported portfolio volatility, and lower volatility itself carries important behavioural advantages. Investors are less likely to make poor decisions when portfolios appear stable; colloquially, a smoother journey saves you from yourself.

Whether private assets provide genuine diversification in an economic or market sense is less clear. Certainly, listed private equity and BofA's private credit proxy point in the same direction, with both showing high correlation with the S&P 500. Neither is a perfect substitute for the underlying assets, but both suggest the diversification benefit may be less secure than the smoothed volatility implies.

Even if the diversification is real, it is not without cost, particularly in terms of liquidity.

> *"Major drawdowns are frequently accompanied by, and can themselves generate, an urgent need for capital. Private assets are not a source of ready funds, as investors have been repeatedly reminded."*

Drawdown episodes

	2022 rate shock 03 Jan 22–12 Oct 22 S&P -24.5%	Oct-23 pre-pivot drop 31 Jul 23–27 Oct 23 S&P -9.9%	Liberation Day tariffs 19 Feb 25–08 Apr 25 S&P -18.7%	Mar-26 oil shock 25 Feb 26–30 Mar 26 S&P -8.6%
Nasdaq 100	-34.2%	-9.8%	-22.8%	-9.3%
MSCI EM	-28.1%	-11.7%	-11.4%	-12.3%
60/40 Portfolio	-20.4%	-7.7%	-10.8%	-5.8%
Global Aggregate Corporate	-21.1%	-4.6%	+0.7%	-3.1%
Global High Yield	-19.1%	-3.3%	-2.5%	-3.1%
Global Aggregate Bonds	-20.5%	-5.1%	+1.8%	-3.1%

Source: Talaria, Bloomberg

The same caution applies to liquid alternatives, strategies that seek returns beyond traditional long-only equities and bonds while retaining the liquidity of public markets. They can be a source of genuine diversification, but they present their own complications.

Setting aside whether they are as liquid as the name implies, the form of alternative strategy also matters. Not all strategies that carry the label offer genuinely different underlying drivers of return. Those that remain primarily dependent on equity market performance are, in effect, directional exposure under a different name. Those dependent on manager skill and alpha generation face another problem: skilled managers are scarce, hard to identify and may not possess through-cycle alpha. Selecting them was already difficult when correlations were below 0.7. It is harder still above 0.8. To the extent that a basket is a guide, the HFRX Equity Hedge Index has a five-year correlation with the S&P 500 of 0.81.

The problem is evident in recent drawdowns. For example, across the last four S&P 500 selloffs, MSCI emerging markets, private asset proxies and corporate credit offered little or no protection.

True friends among spreads and systematic strategies

The challenge, then, is to distinguish between exposures that merely carry a different label and those that offer genuinely different drivers of return. A category of liquid alternative strategies derives its returns less from market direction or manager skill than from features of market structure and investor behaviour. Their value has increased significantly because they are less dependent on the forces now driving correlations across conventional, private and alternative assets. In some cases, they can also benefit from the very conditions that impair many other approaches.

While correlations elsewhere have risen, in many cases dramatically, a handful of spread and systematic strategies have maintained low or negative correlation with equities, among them trend following and volatility. Both exploit features of market structure; volatility strategies also draw on persistent behavioural tendencies among investors.

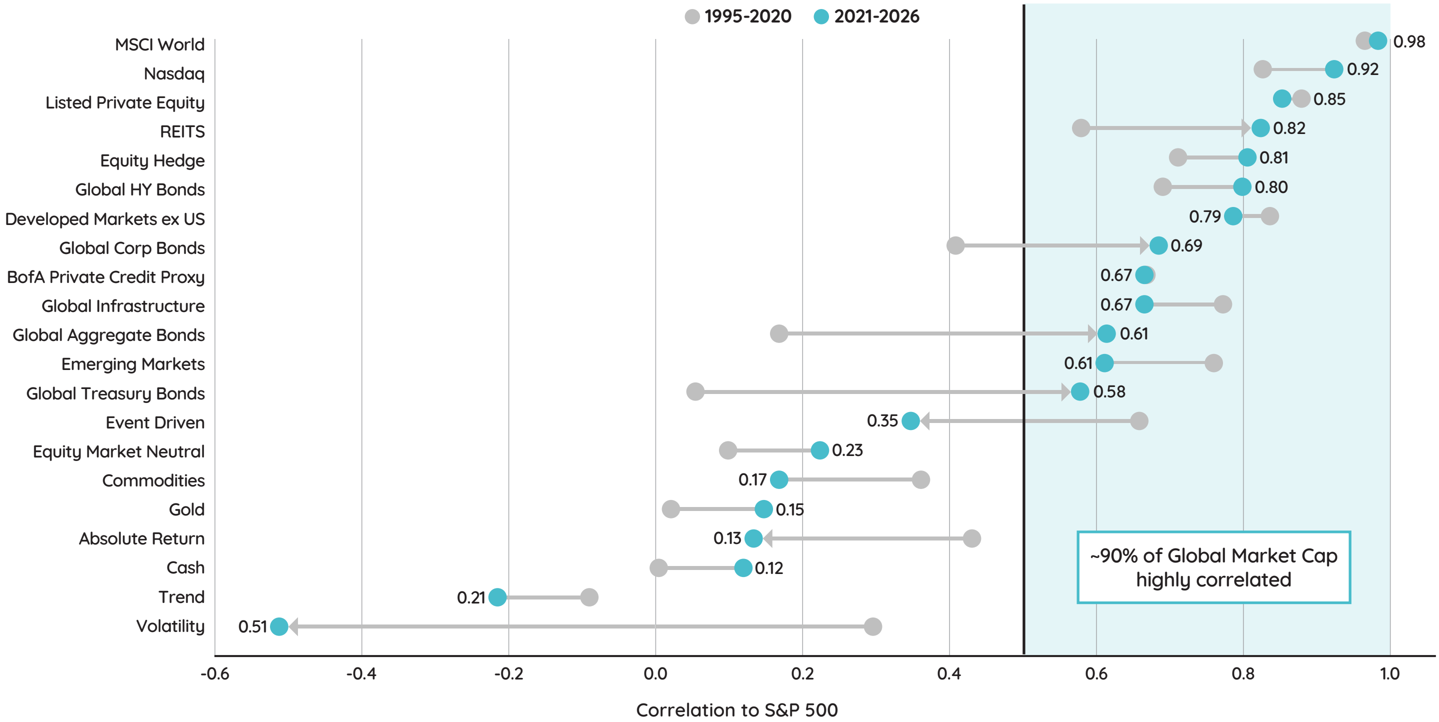
Drawdown episodes since 2022*

	2022 rate shock 03 Jan 22–12 Oct 22 S&P -24.5%	Oct-23 pre-pivot drop 31 Jul 23–27 Oct 23 S&P -9.9%	Liberation Day tariffs 19 Feb 25–08 Apr 25 S&P -18.7%	Mar-26 oil shock 25 Feb 26–30 Mar 26 S&P -8.6%
Listed Private Equity	-35.6%	-9.0%	-22.7%	-9.6%
Nasdaq 100	-34.2%	-9.8%	-22.8%	-9.3%
REITs (NAREIT)	-30.1%	-15.6%	-14.2%	-6.7%
MSCI EM	-28.1%	-11.7%	-11.4%	-12.3%
US Equity (S&P 500)	-24.5%	-9.9%	-18.7%	-8.6%
MSCI World ex-Australia	-26.0%	-10.5%	-16.5%	-8.9%
BofA Private Credit Proxy	-22.7%	-8.1%	-20.8%	-6.6%
60/40 Portfolio	-20.4%	-7.7%	-10.8%	-5.8%
Global Aggregate Corporate	-21.1%	-4.6%	+0.7%	-3.1%
Global High Yield	-19.1%	-3.3%	-2.5%	-3.1%
Global Aggregate Bonds	-20.5%	-5.1%	+1.8%	-3.1%
HFRX Yield Alternative **	-8.1%	-6.6%	-2.2%	-2.7%
HFRX Equity Hedge	-4.9%	-1.7%	-5.7%	-5.4%
Talaria Hedged	**-0.6%**	**-0.4%**	**-4.9%**	**-1.3%**

* Compounded daily total return across each peak-to-trough S&P 500 window.
** Monthly total returns used as it is reported monthly only. Window approximated as nearest month-end boundaries.

Source: Talaria, Bloomberg

More correlated, often at higher levels



Source: Talaria, Bloomberg

Central to our process is taking advantage of the volatility risk premium, an alternative premium that has not narrowed in the same way as the additional return investors receive for owning equities or lower-quality corporate credit. Our approach monetises the tendency for investors to pay more to insure their portfolios than the market movements that follow would ultimately justify.

The volatility risk premium persists because the demand for insurance is both behavioural and structural. Investors feel losses more acutely than equivalent gains: the pain of losing $10 is greater than the satisfaction of making $10. They also value certainty and often place a high price on protection against adverse outcomes. At the same time, most portfolios remain heavily exposed to growth assets, creating a natural and persistent demand for downside protection.

For many investors, therefore, this form of insurance is not just a cost but a portfolio construction tool. In a world already heavily skewed towards growth assets (real estate, private equity, equities etc), strategies that can reduce that skew and dampen drawdowns perform a valuable service. Investors are prepared to pay for insurance because it is useful, even if the price paid is often above the realised cost of the risk.

By combining the volatility risk premium with the equity risk premium, our process reduces dependence on market direction. Option premium and interest on cash provide return streams that do not require markets to rise, fall or remain unchanged. The equity exposure preserves access to the upside available from liquid global equities. Our bottom-up, value approach also leaves us well diversified away from market risk by stock, sector and region.

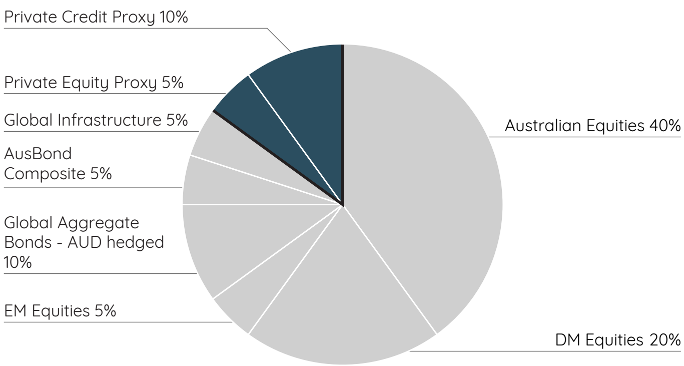
Modelling the impact of diversifiers on portfolios

The question is whether the distinction between false and true diversifiers shows up in portfolio outcomes. If many conventional diversifiers now behave like variations of equity exposure, then genuine alternatives should add value when they replace these assets that diversify by label but not by return driver.

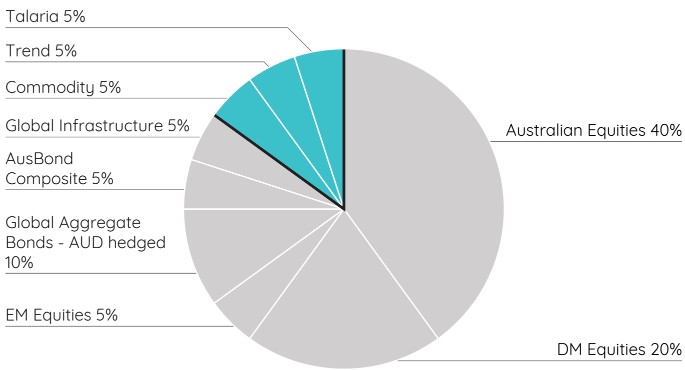
To test the practical effect of replacing conventional with genuinely diversifying alternatives, we modelled two representative portfolios.

The first is a “normal” portfolio. This combines a conventional core of equities, bonds and infrastructure with a non-core allocation to private asset proxies. The second is a “true alternatives” portfolio. The core allocation is unchanged, but the non-core allocation is replaced with strategies that derive a significant share of their return from alternative risk premia: commodity, trend and Talaria.

Normal Portfolio



True Alts Portfolio



	Portfolio A: Global Normal	Portfolio B: Global True Alts
Period start	2020-12	2020-12
Period end	2026-05	2026-05
Annualised return	8.7%	9.3%
Annualised volatility	8.7%	6.9%
Maximum drawdown	-12.5%	-6.7%

Source: Talaria, Bloomberg

From 31 December 2020 to 31 May 2026, the benefit is clear as the true alternatives portfolio generated a higher return and delivered materially lower volatility and a meaningfully smaller maximum drawdown.

That result is more relevant today. The modelled period began with equity valuations well below those prevailing now. If higher starting prices imply lower prospective returns from correlated growth assets, the value of replacing non-diversifying alternatives with genuinely diversifying exposures should be greater.

"The exercise reinforces the point that diversification is not achieved by owning different assets, but by owning different exposures with different drivers of return."

Conclusion

The scarcity of genuine diversifiers is extraordinary. Thirty years ago a spread of assets bought a spread of risk. Today more than $9 in $10 of global investable assets have a meaningful correlation with the S&P 500. Many conventional diversifiers have been drawn into the same bet: international equities, REITs, private assets, much of the hedge fund universe.

Beneath this convergence lies a two-part conviction. The first is that artificial intelligence will prove transformative. This may well turn out to be right. The second, an apparently blanket assumption, is that the assets tied to AI will deliver investors exceptional returns. Through today's correlations that bet now reaches almost everything. And it is based on an unsafe claim, surrounded by the enormous uncertainty that characterises every period of technological transformation. It is as if investors are pricing a cavalry charge as a one-horse race.

As readers will know, forecasting concerns us far less than what is already priced in. Conviction is pervasive, evident in prices as clearly as in correlation: in equities, particularly in the US, a highly optimistic outlook is embedded in starting valuations. That outlook may be vindicated. But when so much rests on a single, uncertain bet, there is little to be lost and much to be gained in seeking out exposures and return streams that do not depend on it. There are few strategies that still offer that independence and the associated protection. It is precisely their scarcity that gives them their value.

June 2026 Quarterly Performance

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 it 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 followings 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 +2.46% for the quarter.

Distributions: The Fund paid a June 2026 quarterly distribution of 21.14 cents per unit taking its 12-month income return to +9.08%

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.

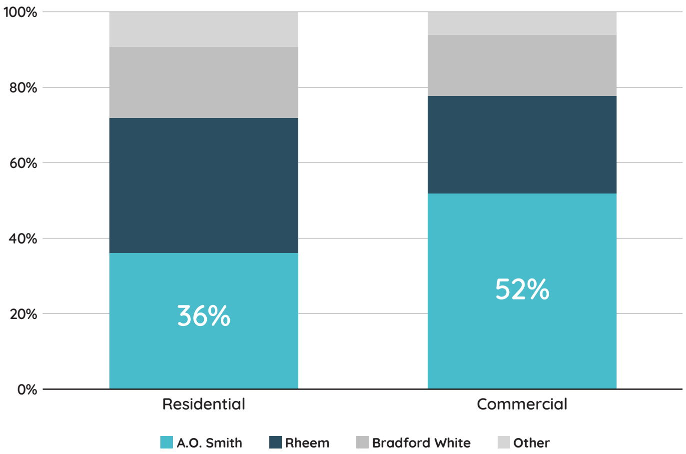
Stock in focus: A.O. Smith (AOS)

AOS is the leading US water heater manufacturer in a consolidated, replacement-led market. The shares trade near a ten-year low on cyclical volume weakness that has not cost it market share. Fair value is around $77 against $60 today, with a free cash flow yield of over 6% providing support while the cycle turns.

Business Overview

Founded in Wisconsin in 1874, A. O. Smith is the leading player in US water heaters (two-thirds of revenues), a stable and highly consolidated industry in which the top three manufacturers control more than 90% of both the residential and commercial markets.

Market share - US water heaters (2024)



Source: Company presentation, AHRI (Airconditioning, Heating and Refrigeration Institute)

AOS also sells boilers and water treatment products. The US accounts for around 80% of group revenue, with China and India making up most of the remainder.

Crucially, around 85% of water heating demand is non-discretionary replacement of old units on a ~15 year cycle, giving the business a durable, recurring revenue base that is far less cyclical than its construction exposed peers. The company converts close to 100% of earnings into free cash flow, carries no debt on its balance sheet, generates a ~34% return on invested capital, and is a dividend Aristocrat that has consistently returned the bulk of its cash to shareholders through dividends and buybacks.

Investment Case

The investment case rests on the cyclical US water heater slowdown reversing, with a long replacement cycle and steady share underpinning a return to low-single-digit organic sales growth. Well flagged near-term headwinds include weaker US residential volumes and higher steel and energy costs, which management is offsetting with a 4 to 7% price hike from mid-May, supporting a recovery in the second half of the year.

The struggling China business is now less than 10% of group earnings (down from 25% in 2019) and management is exploring strategic options, including a likely exit, which should remove a long-standing drag and a key risk to the investment case.

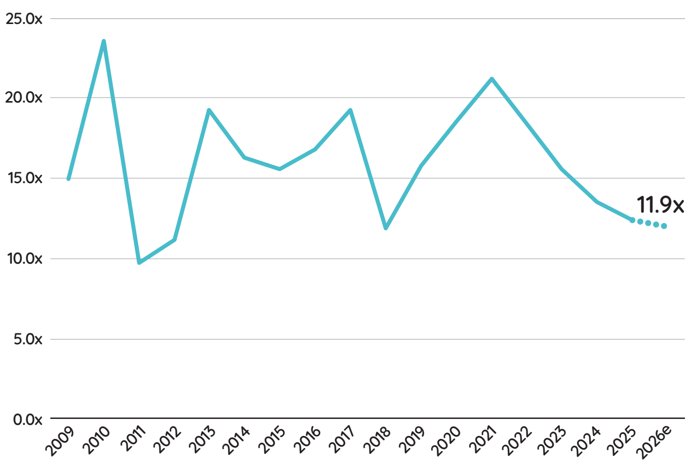
We expect the disciplined capital allocation to continue, with ~100% cash conversion and most free cash flow returned via dividends and buybacks.

The appeal today is that you can buy this quality franchise at a reasonable price. The weakness driving this is cyclical, not structural. US water heater volumes have had their slowest start to a year since Covid, but AOS has held onto its market share throughout. That leaves it well placed to benefit once volumes start to recover.

Valuation

At the current price of $60 AOS trades on roughly 12x FY26 EBIT, which is close to its 10-year trough of 10x. Applying a 14x EV/EBIT exit multiple (conservatively below the long-term average of 16x) on FY29 EBIT (c4.5% per annum growth) points to a fair value of around $77 per share, implying meaningful upside from here. Even with no re-rate or growth, the current free cash flow yield of ~6.2%, which gets consistently returned to shareholders, is a strong base.

EV/EBIT



Source: Company accounts, Bloomberg

In a downside scenario applying the Covid low EV/Sales multiple, the implied value sits just under $50, leaving the risk/reward skewed favourably at today's price.

Talaria Global Equity Fund - Foundation Units

Top 10 Holdings*

Table title	% weight
Bunzl	5.3%
Bayer	5.2%
Everest Group	5.1%
A.O Smith	4.9%
Exor	4.6%
Henkel	4.4%
Roche	4.3%
GSK	4.2%
Newmont	4.0%
Medtronic	3.7%

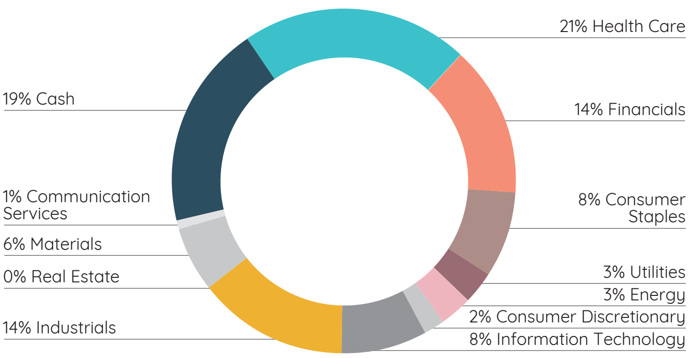
* Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Performance at 30 June 2026[1]

Period	Total Return	Average Market Exposure[4]
1 month	4.94%	60%
3 months	2.46%	57%
6 months	3.02%	55%
1 year	7.55%	57%
3 years p.a.	6.56%	60%
5 years p.a.	8.25%	58%
7 years p.a.	7.81%	58%
10 years p.a.	8.17%	59%
Since Inception p.a.[2]	7.55%	61%

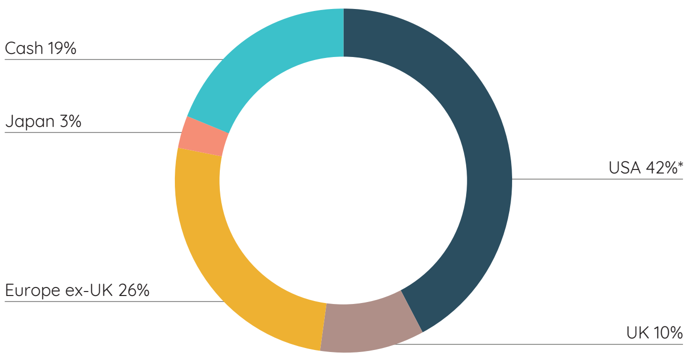
1 Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions.
2 Inception date for performance calculation is 1 October 2005.
3 Past performance is not a reliable indicator of future performance.
4 Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio.

Sector Allocation[5]



5 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 Allocation[5]



* USA includes American Depositary Receipts (ADRs) listings.

Quarterly distribution

Period	Cents per Units	Reinvestment price
June 2026	21.14	$5.1102
March 2026	9.173	$5.1941
December 2025	7.4262	$5.2570
September 2025	8.510	$5.2238
June 2025	26.400	$5.1902
March 2025	1.7888	$5.5518
December 2024	8.5585	$5.3207
September 2024	5.3809	$5.2890
June 2024	17.3304	$5.0482

Asset allocation

	% weight
Global equity	55%
Cash – put option cover	26%
Cash	19%
Total	**100%**

Portfolio contributors	Portfolio detractors
Bayer	EOG Resources
Bunzl	Total Energies
Henkel	Amdocs
Everest Group	Medtronic

Portfolio contributors and detractors are based on absolute quarterly contributions to return, including option positions.

Talaria Global Equity Fund - Foundation Units

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%

Important Information

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Talaria Global Equity Fund – Foundation Units. ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

Foundation Units are currently available to what the Corporations Act 2001 (Sections 761GA and 761G) defines as Wholesale Clients. Talaria Asset Management Pty Ltd ABN 67 130 534 342, AFS Licence No, 333732 is the investment manager and distributor of the Fund. References to "we" means Talaria Asset Management Pty Ltd, the investment manager. The information in this document is general information only and is not based on the financial objectives, situation or needs of any particular investor. In deciding whether to acquire, hold or dispose of the product you should obtain a copy of the current Information Memorandum and consider whether the product is appropriate for you. A copy of the Information Memorandum can be obtained by calling Talaria Asset Management on (03) 8676 0667. Investment decisions should not be made upon the basis of the Fund's past performance or distribution rate, or any ratings given by a rating agency, since each of these can vary. In addition, ratings need to be understood in the context of the full report issued by the rating agency itself. The information provided in the document is current at the time of publication.

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