Yarra Global Share Fund

Net returns as at 30 November 2024

	1 month %	3 months %	6 months %	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.	Since inception* % p.a.
Yarra Global Share Fund#	5.94	10.32	16.83	37.42	9.46	13.31	13.98	9.00
MSCI All Countries World Index^	4.31	8.08	12.83	28.36	10.75	12.19	12.37	7.93
Excess Return‡	1.63	2.24	4.00	9.06	-1.29	1.12	1.61	1.07

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.

Effective 20 March 2023, the Fund was renamed from the Nikko AM Global Share Fund to the Yarra Global Share Fund. There was no change to the Fund's investment team, philosophy or process. The Fund gains exposure to global equities by investing in the Nikko AM Global Equity Fund (Underlying Fund) (a sub-fund of the Nikko 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 5.94% (after fees) in November, to outperform the Benchmark return of 4.31% by 163 basis points (bps). This brings the Fund's rolling 1 year return to 37.42%, 906 bps ahead of the Index return of 28.36% p.a.

Key contributors to relative performance:

- Shares in Global brokerage firm Interactive Brokers Group surged due to strong quarterly earnings announced in October and increased trading volumes post the US election. The company's robust platform and competitive pricing continue to attract more clients amid market volatility, boosting investor confidence. The potential for rising interest rates is expected to increase future earned income, and the success of the Trump administration's election win suggests a likely relaxation of financial regulations, further contributing to the company's growth prospects.
- Netflix shares traded higher on the back of continued subscriber growth and popular new content releases. The company's ability to consistently deliver engaging content helped it maintain its leading position in the streaming market, and we anticipate management will continue to deliver gains in 2025.
- Ryan Specialty Holdings, an international specialty insurance firm focused on casualty and financial lines, saw its shares rise following impressive third-quarter results and the market's recognition of its favourable positioning in the casualty market, which is expected to experience accelerating rates. The company also benefits from ongoing consolidation in the wholesale broking industry.
- Masimo Corporation's shares surged following strong earnings, driven by significant market share gains and new contract wins within its healthcare segment. The company's innovative medical technologies and successful cost management strategies resonated well with investors. The recent ousting of founder CEO Joe Kiani and the planned separation of its consumer segment also raise the prospect of further value being realized in 2025.
- Sony Group Corporation's shares rose following the successful launch of the PlayStation 5 Pro on November 7th, boosting investor confidence in the company's gaming division. The new console, featuring significant hardware upgrades and enhanced gaming capabilities, received positive reviews and strong sales. Additionally, Sony's consolidated sales forecast for the fiscal year was slightly increased, reflecting strong demand across its product lines. The spin-off of Sony's financial divisions remains on track, and margins within the gaming division should remain elevated in the years to come. The sum-of-the-parts valuation for Sony remains significantly above its current share price.

Key detractors from relative performance:

- The portfolio's lack of exposure to index heavyweight Tesla, Inc. detracted from performance, as the company's shares rose 35%. The main driver for the shares was the success of Donald Trump in the US General Election and Elon Musk's likely appointment to lead the newly created Department of Government Efficiency ('DOGE'). It is viewed that lower government regulation may accelerate Tesla's opportunity to dominate the Autonomous Vehicle ('AV') market.
- Hitachi's second-quarter results disappointed the market, as its raised full-year guidance was in line with consensus expectations, along with a reminder of the drag from underperforming segments and a one-off write-down in a smaller affiliate. Despite this, the shares only declined by about 2% over the month, supported by a strong equity market backdrop. While immediate upgrades to forecasts are unlikely, the investment case remains strong, and a

period of stock price consolidation is expected following recent gains.

- Taiwan Semiconductor Manufacturing Co's shares fell despite strong quarterly results, continued market share gains, higher demand from Nvidia's Hopper GPU chip, and raised guidance. However, the shares were weak as the market started to price in likely Trump tariffs and subsequent implications for future trading for the company. Most AI-related stocks performed relatively poorly over the month as their share prices consolidated prior gains.
- In November, the largest four global hyperscalers continued to ramp up their AI infrastructure investments, expanding AI data centers to train the next state-of-the art models (LLMs and SLMs). Despite this, Broadcom Inc.'s share price declined as AI-related stocks consolidated their previous gains, and the market attempted to price in peak spending and consequently peak revenue for Broadcom. Additionally, the ongoing integration of VMware and restructuring efforts at Broadcom contributed to the weakness in the stock.
- Schneider Electric SE a global leader in energy management and automation, faced challenges after posting continued weakness in their Industrial Automation division late in October. The company also announced the sudden departure of CEO Peter Herweck after just 18 months in the role. This change was driven by a difference in management style and the board's focus on the immediate opportunities offered to the company in the areas of electrification and digitization.

Market review

The MSCI All Countries World index surged 4.31% (AUD, unhedged) in November, driven by a very strong US equity market. The US elections were undoubtedly the star show for the month, and although a Trump victory was increasingly the likely outcome, the scale of the Republican victory was the cliffhanger ending. Trump Season 2 starts in January, and it promises to have us on the edge of our seats. The co-stars are bigger than ever, with Elon Musk and RFK Junior joining Donald Trump as lead actors. One of the immediate outcomes from the election result has been the anticipation of sweeping deregulation and rising real rates, propelling the financial sector higher.

The big winning region was the USA, as MAGA policies look to support domestic growth while penalising overseas exporters. While prior AI winners underperformed, AI remains the biggest area of growth across markets with yet no sight of a slowdown. Although most mega-caps didn't perform well, Tesla, Inc. was an exception, rising more than 35% due to Elon Musk's growing influence and powerful role in the incoming administration.

Outside US markets, the election result was met with some caution. Emerging markets significantly underperformed developed markets, with Asian equities falling due to concerns over a potential future trade conflict and the view that the Chinese government's previously announced support measures are insufficient to address the ongoing domestic real estate and confidence crisis. Europe, facing increasing political and economic challenges, also performed poorly.

Country / regional exposure

	Fund %	Benchmark %
United States	71.75	66.76
Japan	6.05	4.73
China	0.00	2.61
United Kingdom	6.23	3.11
Canada	0.00	2.80
Europe ex UK	3.51	10.33
Asia Pacific ex China & Japan	9.49	7.60
Emerging Europe, Middle East, Africa	0.00	1.37
Latin America	0.00	0.69
Cash	2.97	0.00

Sector exposure

	Fund %	Benchmark %
Communication Services	6.87	7.88
Consumer Discretionary	17.39	10.86
Consumer Staples	5.89	6.05
Energy	1.46	4.02
Financials	17.69	17.03
Health Care	13.18	10.04
Industrials	10.68	10.60
Information Technology	21.60	25.10
Materials	2.28	3.66
Real Estate	0.00	2.15
Utilities	0.00	2.60
Cash	2.97	0.00

Top 10 holdings (underlying Fund)

	Fund %	Benchmark %	Country
NVIDIA	5.78	4.27	United States
Microsoft	5.64	3.76	United States
Amazon.com	4.68	2.47	United States
Meta Platforms	3.90	1.58	United States
Netflix	2.97	0.48	United States
Compass Group	2.76	0.07	United Kingdom
Cencora	2.74	0.06	United States
Interactive Brokers Group	2.63	0.00	United States
Intercontinental Exchange	2.61	0.12	United States
Booking Holdings	2.60	0.22	United States

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	37.42	9.46	13.31	13.50
Distribution return	0.00	0.00	0.00	0.48

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$333 mn as at 30 November 2024	
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 resident investors only.

Website www.yarracm.com

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