Monthly Market Commentary

The first quarter of 2025 was marked by the abrupt unwinding of the momentum trade that dominated markets throughout 2024. Big tech was sharply down. Rising global trade policy uncertainty triggered a risk-off response by investors. Stagflation worries emerged. Investors sought protection by rotating into gold, bonds and equities with defensive characteristics. European markets were the only bright spot in an otherwise dismal quarter for global equities.

The growing valuation gap between US and European equities reversed somewhat in the first quarter. Big Tech led the sell-off in America as the AI hype took a breather, not least because of the emergence of competition from China. Trade policy uncertainty sapped consumer and business confidence, dimming growth prospects. At the same time, sticky prices and higher tariffs drove inflation expectations up. Investors reached for protection, bidding up the price of gold to an all-time high while bond yields fell. Europe did well, partly from simple mean reversion but also on catalysts such as Germany signaling plans for significant fiscal expansion.

By region, the Stoxx600 was up 5.2% driven by optimism of European economic recovery. The German DAX rose the most, up 11.3%, as investors cheered the removal of the “debt brake”. The French CAC and the UK’s FTSE were also up 5.6% and 5.0%, respectively. The US, on the other hand, had a very poor start to the year driven by weakness in Mega Cap tech. The tech-heavy NASDAQ entered correction territory, down -10.4% while the broader-based (but still heavily concentrated and dominated by a narrow cohort of tech) S&P500 fell by -9.3%.

In Asia, the Nikkei also entered correction territory, falling by -10.7% as tariffs dimmed the prospects of exporters while tighter monetary conditions dampened overall growth prospects. China’s Shanghai composite had a muted quarter, down -0.5%, with DeepSeek fueled AI optimism offset by the imposition of higher US tariffs.

Against this backdrop the Fund delivered a return of +5.54% for the quarter.

Distributions: The Fund paid a March 2025 quarterly distribution of 7.6 cents per unit taking its 12-month income return to 7.97%.

By sector, big tech was the biggest loser last quarter. The three tech-heavy sectors IT, consumer discretionary and communication services were down the most by -12.0%, -10.5% and -4.6%, respectively. On the positive side was a mix of defensive and cyclical sectors. Energy fared best, up 9.2% and supported by a surge in natural gas prices. Utilities and Staples also delivered strong performance, up 6.6% and 5.5%, as investors rotated out of tech and sought relative stability amidst rising geopolitical risks.

The US 10-year yield fell 36 basis points to 4.21% while corporate credit spreads widened by 40 basis points to 181 as worries about economic growth resurfaced. At the same time, commodity prices rallied 7.7%, hinting of rising inflationary pressures. The VIX reached 22.3, a few points above the long run average and up from 17.4 in December. Finally, the US dollar weakened by -3.9% relative to most major currencies, a somewhat unusual development in a risk-off environment.

The largest contributor to returns in the quarter was Roche, a Swiss pharmaceutical company that reported strong FY24 numbers, improved growth guidance and a number of successful pipeline drug trials. Another contributor to returns was Newmont, the largest global gold miner, on the back of a strong gold price. We continue to hold and add to both positions.

The largest detractor to performance in the quarter was Sodexo, a French catering and facilities manager on the back of a downgrade to their full year guidance. Despite this setback, the company continues to demonstrate solid growth potential and remains attractively valued. Another detractor to performance was Henkel, a German consumer goods company that also reported a disappointing growth outlook. Valuation support keeps us invested in both companies.

The Fund initiated six new positions during the quarter, capitalizing on higher market implied volatility and compelling valuations. The new investments include Essity, a Swedish consumer goods company with a dominant market position in adult incontinence and feminine care products, and Pfizer, a U.S. pharmaceutical giant trading at a discount to its fair value. In the technology and energy sectors, the fund added HP Inc., a prominent U.S. personal computer maker, and EOG Resources, a large oil and gas producer. Rounding out the new positions are Citigroup, a major U.S. bank and Robert Half, a global human resources consulting firm benefiting from strong demand for staffing solutions worldwide.

The Fund exited five positions during the quarter. Two utilities, WEC Energy Group and Redeia Corporación, were sold after shares reached very full valuations. Similarly, health care giant Gilead Sciences was exited following a strong run. In Japan, the fund divested from KDDI, a major telecommunications operator, and Sumitomo Trust Bank, both of which were trading at elevated valuations compared to their intrinsic value.

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Talaria Global Equity Fund Complex ETF
Ticker code: TLRA
Monthly Update | March 2025

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.

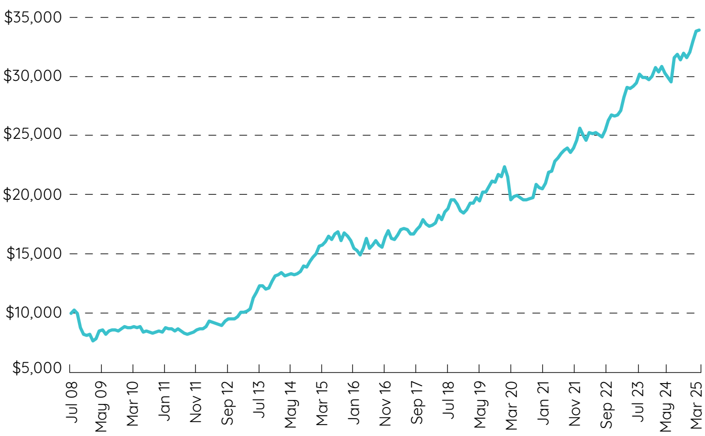
Performance as at 31 March 2025[1]

	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	0.09%	5.54%	7.82%	9.81%	11.19%	11.59%	9.79%	7.95%	7.62%
Avg. Market Exposure[4]	64%	67%	67%	65%	59%	57%	59%	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

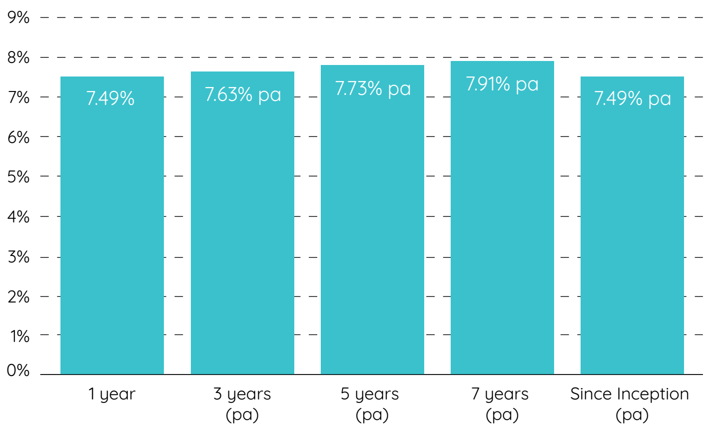
4 Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from September 2008

Growth of $10,000 Since Inception[5]



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 Distributions[6]



6 Illustrates Distribution Returns for the Talaria Global Equity Fund (Managed Fund) Units for the financial year ending 30 June 2024. Inception date is 18 August 2008.

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Zenith HIGHLY RECOMMENDED
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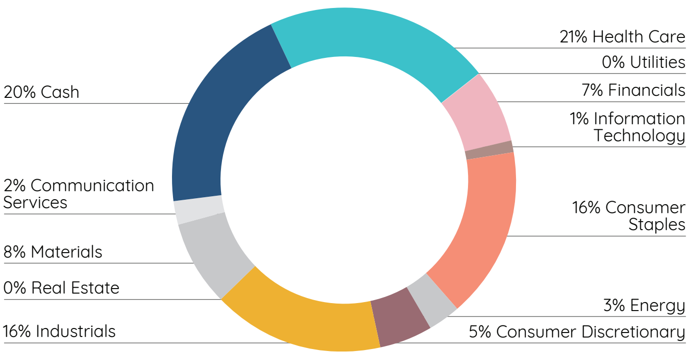
Top 10 Holdings[7]

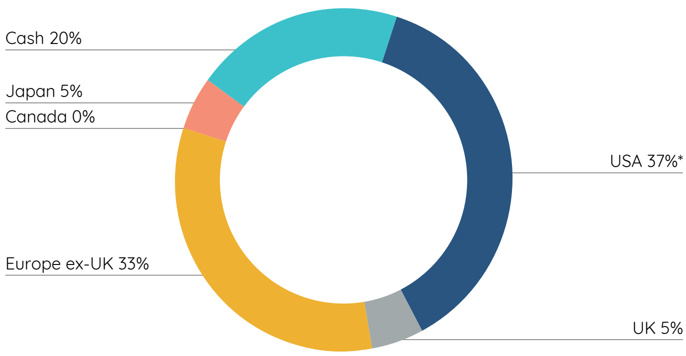
Company Name	Holding	Country	Sector	Description
Johnson & Johnson	4.8%	USA	Health Care	Pharmaceutical, medical devices and consumer health products company
Bunzl	4.6%	United Kingdom	Industrials	Multinational distribution and outsourcing business
Sanofi	4.5%	France	Health Care	Top 5 pharmaceutical firm with leading positions in diabetes and rare diseases
Everest Re	4.5%	USA	Financials	Leading global provider of reinsurance and insurance services
Newmont	4.4%	USA	Materials	One of the top 3 gold producers in the world
Roche	4.4%	Switzerland	Health Care	A global leader in cancer treatments
Henkel	4.1%	Germany	Consumer Staples	A multinational household products and adhesives company
Brenntag	3.9%	Germany	Industrials	Largest third-party chemicals and ingredients distributor in the world
CF Industries	3.6%	USA	Materials	North America's largest manufacturer of nitrogen-based fertiliser
FEMSA	3.5%	Mexico	Consumer Staples	Operates largest Mexican convenience store chain, and part owner of Coca-Cola bottling and Heineken

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 Allocation[8]



Regional Allocation[9]



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**	$5.21910 (31 Mar 2025)
		Buy / Sell Spread	0.20% / 0.20%
Major Platform Availability	AMP North, Asgard, Ausmaq, BT Wrap, BT Panorama, CFS FirstWrap, CFS FirstChoice, Hub24, IOOF Pursuit, IconiQ Investment, Linear, Macquarie, Mason Stevens, MLC Wrap, MLC Navigator, MyNorth, Netwealth, Powerwrap, Praemium, Xplore Wealth	**Distributions**	Quarterly
		Minimum Investment	$5,000

Important Information

Signatory of: PRI Principles for Responsible Investment

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Talaria Global Equity Fund Complex ETF ("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). This report has been prepared by Talaria Asset Management (Talaria) to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Talaria, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. Talaria Global Equity Fund Complex ETF's Target Market Determination is available here. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed. The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned November 2024 for fund AUS0035AU) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at Fund Research Regulatory Guidelines. The rating issued 05/2024 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Talaria Asset Management. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.