

Monthly Market Commentary

Global equity markets were particularly volatile in April as trade tensions dominated headlines. The fallout from higher-than-expected US 'Liberation Day' tariffs saw equities sell-off sharply, until buying, notably from retail investors and some "stepping back from the brink" on policy helped drive indices back to around where they started the month.

Point-to-point index returns were therefore a case of 'nothing to see here'. However, it is worth highlighting that at the most acute points of stress in April, even traditional safe-haven assets weakened. With the VIX reaching 52, yields on US government bond yields rose alongside a falling US dollar. This is an unusual set-up in a US context, more often observed in emerging markets.

With larger buffers to first losses and higher annualized rates of returns, the Fund capitalized on this period of elevated volatility to generate 62bps of premium in April, which will flow through to performance in the weeks ahead.

By the end of the month, there was still little clarity on where tariff levels will settle or how global trading relationships will evolve. That said, there are signs these policy settings are now impacting the real world. In April, the US Conference Board Consumer Confidence Index dropped to its lowest level since May 2020, while the first week of April saw a 64% decline in US import bookings from China vs the end of March.

Through result season, numerous companies have also flagged weaker outlooks. For example, PepsiCo downgraded its FY25 EPS thanks to "higher supply chain costs related to tariffs and subdued consumer backdrop". Others have withdrawn guidance completely (Harley Davidson, Logitech, Delta Airlines), some withdrew then revised down FY guidance (GM), and some even offered investors two sets of FY25 guidance to choose from (United Airlines). Results season has also been telling on how companies intend to mitigate some of these headwinds. Industrial goods manufacturer, Stanley Black & Decker was one of many companies to flag pricing as a lever to defend margins, stating it had implemented "high single digit price rises in April with plans for second increases effective beginning of Q3".

As discussed above, headline monthly returns masked a lot of the period's volatility. In the US, the NASDAQ finished up 0.9% while the S&P500 closed down 0.8%. The latter recorded both its worst two-day performance since March 2020, as well as its best day since October 2008 during the month. US small caps underperformed with the S&P600 Small Cap Index falling 4.3%. European bourses also delivered broadly 'uneventful' returns with the German DAX up 1.5%, alongside the UK FTSE and French CAC which fell 1% and 2.5%, respectively. Even in Asia, headline performance was muted with Japan's Nikkei225 up 1.2% and China's Shanghai Composite down 1.7%.

Energy was the worst performing sector in April, down 11.2% as demand headwinds from rising trade tensions and the prospects of higher OPEC+ production weighed on oil prices. Apart from Health Care which finished down 2%, all other sectors were higher in April led by defensives, Staples and Utilities, up 3.3% and 3.4%, respectively.

Against this backdrop the Fund returned -2.56% for the month.

The AUD rose 2.5% against the USD which was weaker against most major currencies as the DXY Index fell 4.5% for the month (down 5.7% at its weakest). The Bloomberg Commodity Index fell 5.1% thanks largely to the weakness in oil prices with WTI oil falling 18.6%. Yields on 10yr US Govt Bonds spiked to a high of 4.48% during the month, before settling to close at 4.16%. As noted, the VIX also reached a high of 52 before falling to close at 24.7, up 2.42 for the month.

In terms of portfolio changes, the Fund sold its positions in Secom, NTT, Femsa and Nestle on a mix of valuation reasons and changes to investment thesis. New positions included Japanese utilities group Daigas Group (formerly Osaka Gas) and Calgary-based Canadian Utilities.

One of the biggest contributors to performance in April was the Fund's holding in gold miner, Newmont Corporation. The company delivered a good set of Q1 results, in-line with consensus, and re-affirmed FY guidance, as the stock enjoyed support from a rising gold price. Based on current spot prices, cost per ounce of ~\$1,650 and current go forward production (ex-disposals), we estimate the stock is currently trading on a FCF yield of ~7.5% with all of this set to be returned to shareholders.

UK-based distributor Bunzl was the biggest detractor after shares dropped ~25% on a disappointing Q1 update provided ahead of schedule. Execution issues, customer losses, price deflation, weaker volumes, and higher costs all weighed on momentum with the company flagging a ~100bps hit to H1 margins, alongside a downgrade to FY organic sales/margins. The company also paused its buyback and stepped away from prior M&A spending targets. Obviously, the company is facing many challenges, but we think most of these can be rectified in time and are probably being reflected in the price with the stock trading on a ~13x P/E (lowest level since 2012, ex. COVID). The balance sheet also carries no risk (~1.6x Net Debt/EBITDA) affording management duration as they seek to turn the ship around.

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 Currency Hedged 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 April 2025¹

	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	-2.56%	-1.61%	-0.57%	4.15%	5.82%	10.51%	6.74%	5.66%	7.26%
Avg. Market Exposure ⁴	64%	65%	67%	65%	59%	57%	59%	60%	59%

¹ Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions
² Inception date for performance calculation is 31 December 2012
³ Past performance is not a reliable indicator of future performance

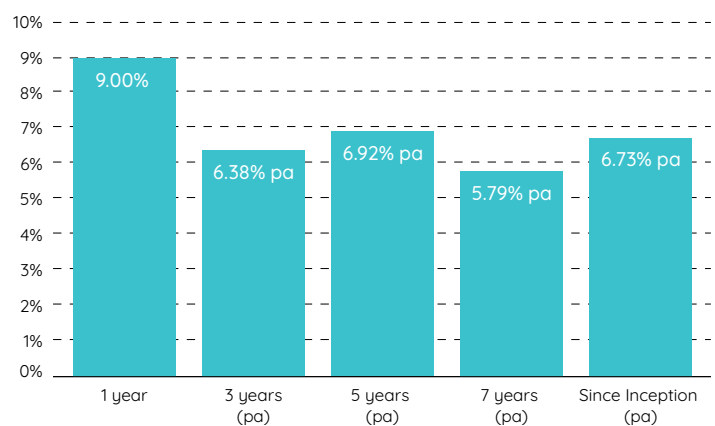
⁴ Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio.
 Since inception market exposure is calculated from 31 December 2012

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



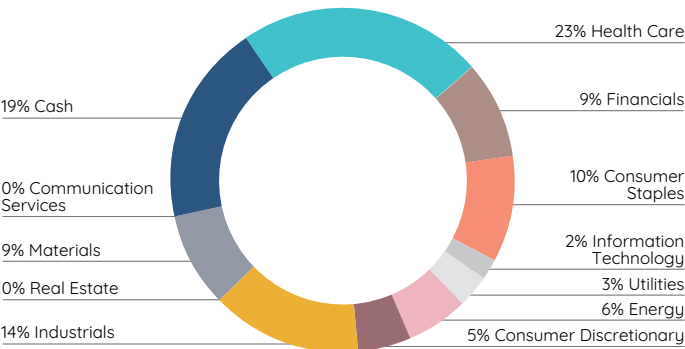
⁶ Illustrates Distribution Returns for the Talaria Global Equity Fund Currency Hedged Complex ETF Units for the financial year ending 30 June 2024. Inception date is 31 December 2012.

Top 10 Holdings⁷

Company Name	Holding	Country	Sector	Description
Newmont	5.4%	USA	Materials	One of the top 3 gold producers in the world
Roche	5.3%	Switzerland	Health Care	A global leader in cancer treatments
Sanofi	4.9%	France	Health Care	Top 5 pharmaceutical firm with leading positions in diabetes and rare diseases
Henkel	4.9%	Germany	Consumer Staples	A multinational household products and adhesives company
Johnson & Johnson	4.5%	USA	Health Care	Pharmaceutical, medical devices and consumer health products company
Everest Re	3.9%	USA	Financials	Leading global provider of reinsurance and insurance services
Bunzl	3.7%	United Kingdom	Industrials	Multinational distribution and outsourcing business
CF Industries	3.7%	USA	Materials	North America's largest manufacturer of nitrogen-based fertiliser
Bayer	3.3%	Germany	Health Care	Multinational pharmaceutical and life sciences company
EOG Resources	3.2%	USA	Energy	One of North America's largest independent oil and gas producers

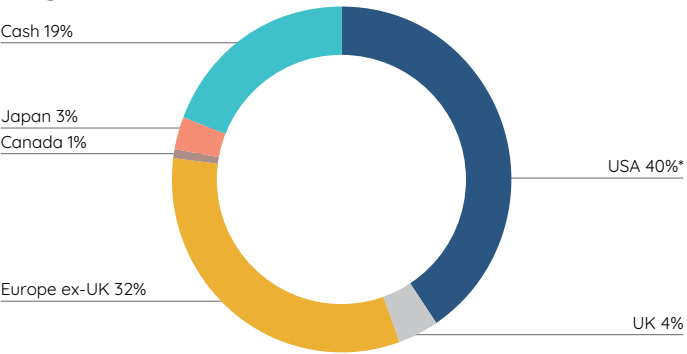
⁷ Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Sector Allocation⁸



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Regional Allocation⁹



* USA includes American Depositary Receipts (ADRs) listings.

Fund Snapshot

APIR Code	WFS0547AU	Inception Date	31 December 2012
Management Fee	1.20% 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	\$5.51340 (30 Apr 2025)
Major Platform Availability	AMP North Asgard, Ausmaq, BT Wrap, BT Panorama, CFS FirstWrap, Hub24, IconIQ, IOOF, Linear, Macquarie, Mason Stevens, MLC Wrap, MLC Navigator, Netwealth, Powerwrap, Praemium, Grow Wrap/Voyager	Buy / Sell Spread	0.25% / 0.25%
		Distributions	Quarterly
		Minimum Investment	\$5,000

Important Information

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Talaria Global Equity Fund Currency Hedged 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 Currency Hedged 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 04/2025 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. © 2025 Lonsec. All rights reserved. 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.

