

## Monthly Market Commentary

April saw global equity markets enjoy a very strong rebound, led by Technology and Growth stocks. Away from these areas, there was also broad-based strength.

Easing Middle East tensions were one factor fuelling risk-on sentiment, amid a flurry of diplomatic activity and ceasefire announcements. Other factors included renewed AI optimism, which has extended to supply chain beneficiaries.

Earnings season was also robust, with approximately 84% of S&P 500 companies, thus far, reporting an EPS beat, the highest level since mid-2021. S&P 500 earnings are now tracking +27% year-on-year, the fastest growth since Q4 2021, with all eleven sectors reporting year-on-year revenue growth. Notable share price reactions included technology giant Alphabet and construction equipment maker Caterpillar, an increasing beneficiary from the AI spending boom.

On a regional basis, Japan's Nikkei 225 surged 16.1%, driven by strength in technology and AI-linked stocks, most notably SoftBank, whose shares rose approximately 46% in April. US markets also delivered strong performance, with the tech-heavy NASDAQ up 15.3%, its best month since October 2002. The S&P 500 and S&P 600 Small Cap Index also rose by more than 10%. European bourses lagged in relative terms but delivered good absolute returns in local currency terms. Germany's DAX rose 7.1%, ahead of both the French CAC (+3.8%) and UK FTSE (+2%). China's Shanghai Composite Index also rose solidly, up 5.7% during the month.

Sectors heavily exposed to the AI ecosystem were the standout performers in April, with Information Technology and Communication Services up 17.5% and 16.3%, respectively. Consumer Discretionary also rose strongly, up 9.7%, while defensives lagged, with Utilities and Staples both up approximately 3%. Health Care and Energy were the only two sectors to finish down, falling 0.3% and 2.1%, respectively.

The AUD rose 4.4% against the USD, with the DXY Index falling 1.9% in April. Commodities were broadly strong, with the Bloomberg Commodity Index up 3.9% and WTI oil up 3.6% to close above \$100 per barrel. Alongside equity market strength, the VIX fell 8.3 points to close at 16.9. Yields on 10-year US Treasuries rose 5bps to 4.37% by month-end.

Against this backdrop, the Fund returned -2.67% for the month.

UK-based distributor Bunzl was the largest contributor to performance in April. Shares benefitted from a well-received Q1 result in which full-year guidance was reaffirmed, along with signs that inflationary pressures are benefitting sales. US-based reinsurance group Everest was also a meaningful contributor after Q1 results showed solid reinsurance trends alongside a step-up in buyback activity. Given the stock continues to trade below book value, these are highly accretive ways to deploy capital.

Water boiler maker AO Smith was the largest detractor in April, with shares impacted by waning sentiment towards housing-exposed stocks and a weak Q1 result. Along with missing estimates, the group also downgraded full-year EPS guidance by approximately 4%, citing more cyclical weakness (residential volumes at their lowest since COVID). However, valuation support is notable (approximately 12x EBIT). Additionally, balance sheet risk is minimal (approximately 0.5x net debt/EBITDA), and the group continues to generate strong cash flows. Hence, we will continue to hold and think the stock has a fair value of approximately \$73 per share (approximately 20% upside from current levels).

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 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.

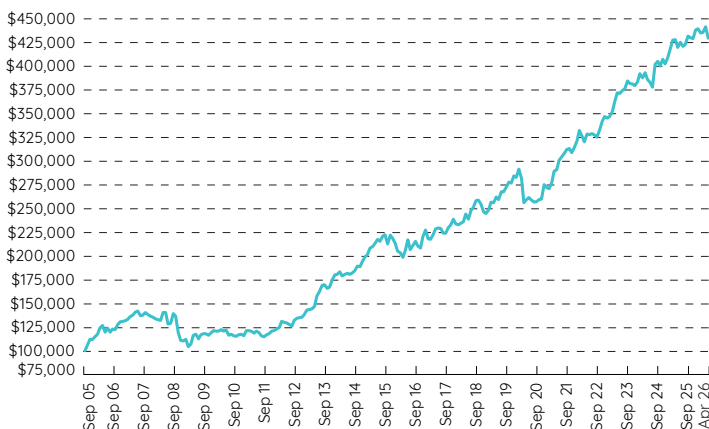
## Performance as at 30 April 2026<sup>1</sup>

	1 Month	3 Months	6 Months	1 Year	3 Years (pa)	5 Years (pa)	7 Years (pa)	10 Years (pa)	Since Inception (pa) <sup>2</sup>
<b>Total Return</b>	-2.67%	-1.24%	0.22%	2.33%	4.92%	8.13%	7.32%	7.66%	7.34%
<b>Avg. Market Exposure<sup>4</sup></b>	55%	54%	55%	57%	60%	58%	58%	59%	61%

<sup>1</sup> Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions.  
<sup>2</sup> Inception date for performance calculation is 1 October 2005.  
<sup>3</sup> Past performance is not a reliable indicator of future performance.

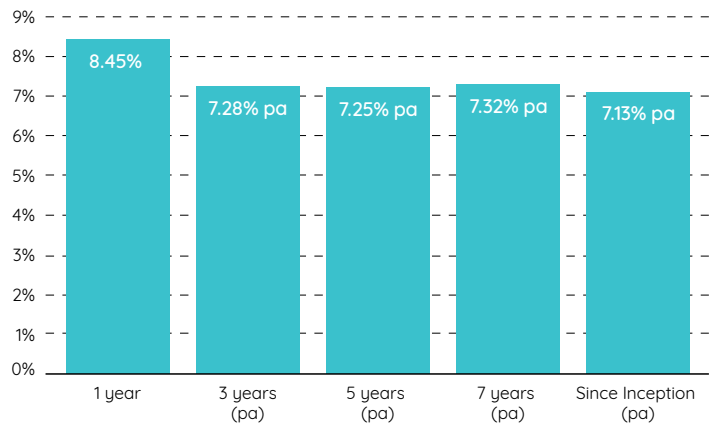
<sup>4</sup> Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from 1 October 2005.

## Growth of \$100,000 Since Inception<sup>5</sup>



<sup>5</sup> 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<sup>6</sup>



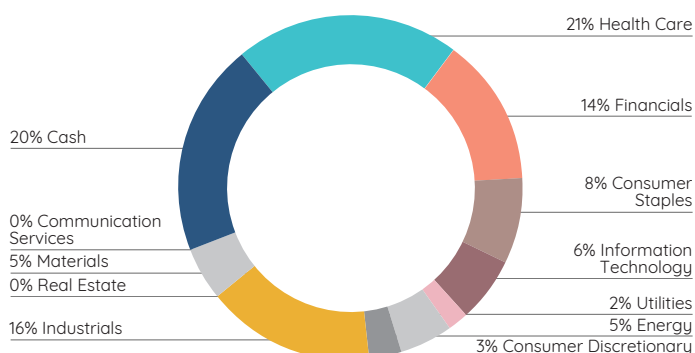
<sup>6</sup> Illustrates Distribution Returns for the Talaria Global Equity Fund - Foundation Units for the financial year ending 30 June 2025. Inception date is 1 October 2005.

## Top 10 Holdings<sup>7</sup>

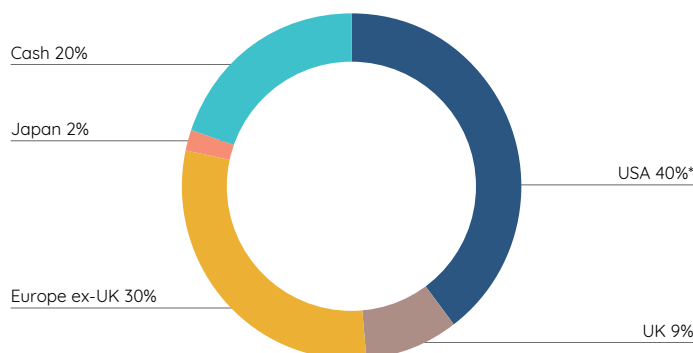
Company Name	Holding	Country	Sector	Description
Newmont	5.4%	USA	Materials	One of the top 3 gold producers in the world
Roche	5.3%	Switzerland	Health Care	A global leader in cancer treatments
Bunzl	4.5%	United Kingdom	Industrials	Multinational distribution and outsourcing business
Henkel	4.5%	Germany	Consumer Staples	A multinational household products and adhesives company
Bayer	4.4%	Germany	Health Care	Multinational pharmaceutical and life sciences company
GSK	4.3%	United Kingdom	Health Care	One of the world's largest pharmaceutical companies
Exor	4.1%	Netherlands	Financials	A diversified holding company
EOG Resources	4.0%	USA	Energy	One of North America's largest independent oil and gas producers
Everest Group	4.0%	USA	Financials	Leading global provider of reinsurance and insurance services
A.O Smith	3.6%	USA	Industrials	A leading manufacturer of water heaters in North America

<sup>7</sup> 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<sup>8</sup>



## Regional Allocation<sup>9</sup>



<sup>8,9</sup> 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

<b>Management Fee</b>	Nil	<b>Inception Date</b>	1 October 2005
<b>Performance Fee</b>	20% - subject to High Watermark	<b>Liquidity</b>	Daily
<b>Distributions</b>	Quarterly	<b>Availability</b>	Wholesale Clients Only
<b>Minimum Investment</b>	\$50,000	<b>Buy / Sell Spread</b>	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. 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