



# Talaria Global Equity Fund (Managed Fund)

**Quarterly Update** December 2024

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



*Signatory of:*



# Investment Insights

## Dear Prudence, won't you come out to play?

The idea that prudence brings opportunity may raise eyebrows. Nowadays, everyone assumes that things like leverage, scale, and disruption bring opportunity. Prudence just brings weak tea and crumpets.

That was certainly true for last year's equity markets as prudence delivered only modest returns. The widening spread between what people paid for shares and the cash flows those shares generated stood out. Liquidity, momentum, and sentiment grew the gap between price and fundamentals, with valuations in the US, for example, moving to near all-time highs.

Looking at the S&P500, the latest forward price earnings ratio of 21.7x is 1.9 turns higher than the five-year average and 3.4 turns higher than the ten-year average. Contrary to popular opinion, tech does not have a monopoly on what's expensive as the rating of sector neutral indices demonstrates.

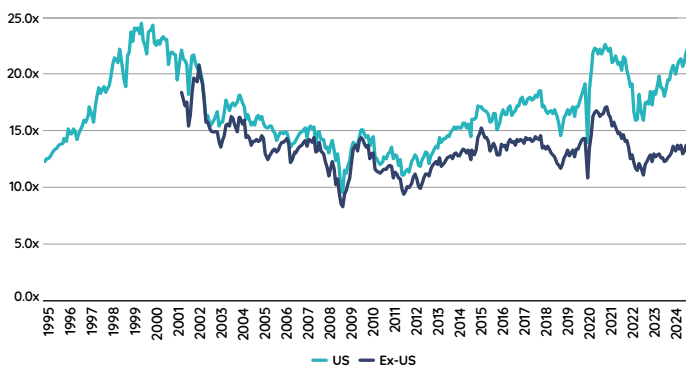
Early in 2025, the resultant risks are in plain sight but calling time on any associated trend is not the focus of what follows. After all, even at a more than twenty-year extreme, it would be bold to ring the bell, say, on the valuation gap between US shares and the rest of the world's markets.

Instead, this report looks at the index and the portfolio with a longer-term view, acknowledges our surprise at the strong performance of indexes in 2024, particularly as the lagged effect of interest rate hikes on earnings came through, examines our risk-taking and decision-making against various criteria, and asserts the attractions of the portfolio.

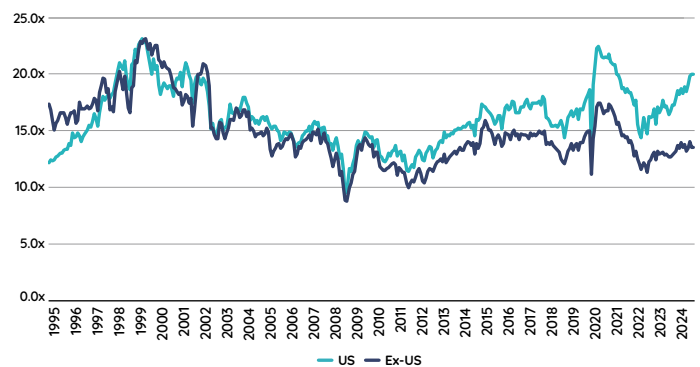
Our strategy is prudent, inherently exposing our investors to less risk and characteristics that are not in vogue. We are confident in this approach, which provides a significant margin of safety today in the same way it has done for nearly two decades. The improvement in our holdings' fundamentals is yet to be reflected in valuations, and the sectoral, regional and factor exposures are very different from both the index and other global equity funds.

### US is extremely expensive relative to the rest of world

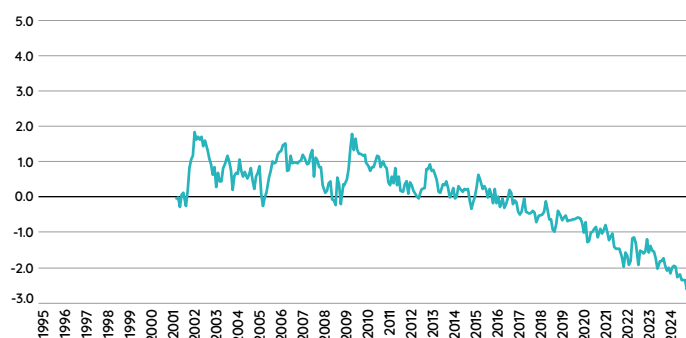
P/E, NTM



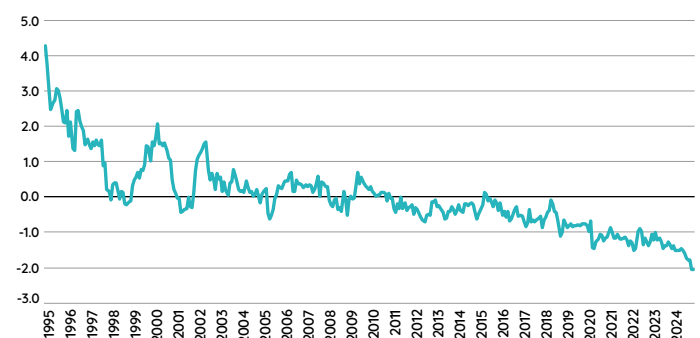
Sector neutral P/E, NTM



Z-Score for Relative P/E



Z-Score for Relative Sector Neutral P/E



Source: Piper Sandler

## Perspective

One of the core advantages of a long track record is that it offers perspective, something that becomes especially apparent when reflecting on a year like 2024. That perspective, born out of experience, shows that it is a mistake to infer too much from any one 12-month period, especially when it stands out.

For instance, in 2022, the Talaria Global Equity Fund was up 8% net while the index was down 15%, a strong result. But there was no reason to get carried away because it's understood that any single year is no more than one data point in a longer series.

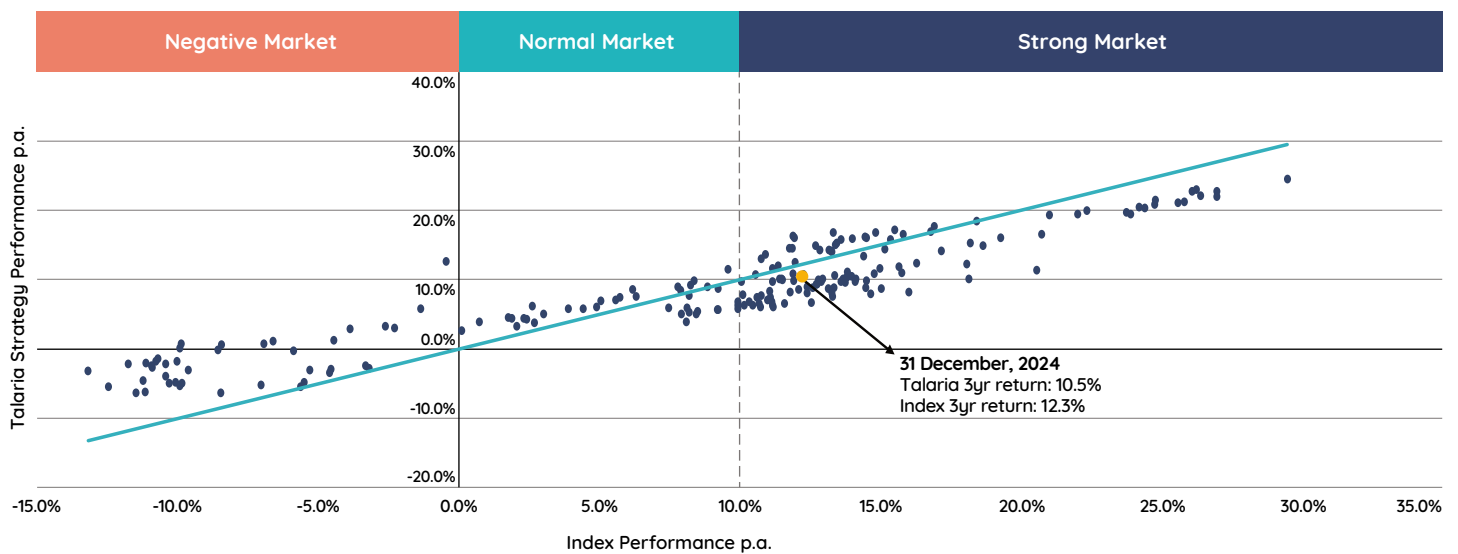
Arguably, what 2022 best highlighted was the rather mundane fact that the Talaria strategy is consistent. The approach isn't designed for extreme outperformance in one-off market years, even if it can occasionally deliver this.

While 2024 was an exceptionally strong year for global equity markets, Talaria's performance was only in the high-single digits, but making too much of such a year, as with 2022, would be to ignore the bigger picture.

The chart below helps draw that bigger picture using data going back to September 2008. It compares the strategy's monthly rolling three-year annualised returns with the index in three different return regimes. In down markets, we consistently outperform, sometimes generating positive returns when the market is negative. In more moderate markets, we tend to keep pace with the index, and in strong markets, our performance may lag but still delivers attractive numbers.

The orange dot shows that the latest three-year annualised gross return was 10.5% versus the index's 12.3%. What it does not show is how much less volatile the strategy's journey to 10.5% was compared to the index's to 12.3%, but that's another story.

### Talaria rolling 3-year returns v Index



Performance	Down Market (3yr Index Return <0%)	Normal Market (3yr Index Return 0-10%)	Strong Market (3yr Index Return >10%)	Total Return
Talaria Mean Return	-1.8%	6.3%	12.6%	9.2%
Index Mean Return	-8.0%	6.2%	15.1%	9.2%
Talaria Outperformed in	41 / 41	24 / 38	29 / 117	94 / 196
Outperformance %	100%	63%	25%	

Returns are based on Talaria Global Equity Strategy (pre-fees) and assumes the reinvestment of distributions. All data as at 31 December 2024. MSCI World (ex-Aust) Index in \$A Net Dividends Reinvested. Past performance is not an indicator of future performance.

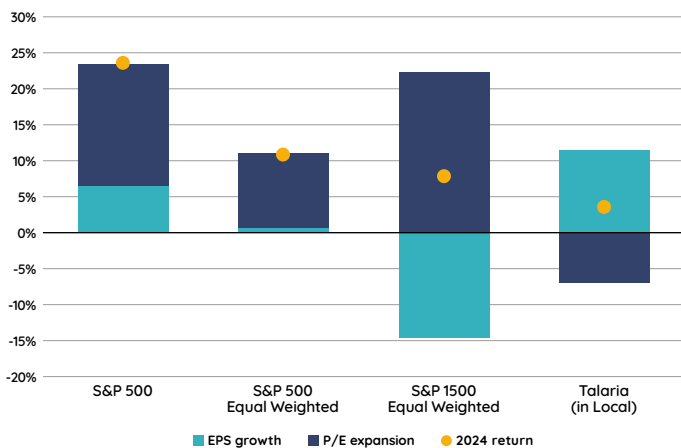
Source: Talaria, Bloomberg

## Surprised

While perspective is invaluable, it would be disingenuous to claim we weren't surprised by the strength of equity markets in 2024. In December 2023's quarterly, we expressed a view that the long-term outlook for global equity returns was poor. Yet, the positive way this anticipated low-return decade began was not something we expected.

The exceptional performance of global equities was driven by the United States, with the S&P 500 up +23% for the year (see table below). While 7% EPS growth contributed, the much larger driver was valuation, as investors were willing to pay significantly more for each dollar of sales or earnings.

### % Attribution to Return

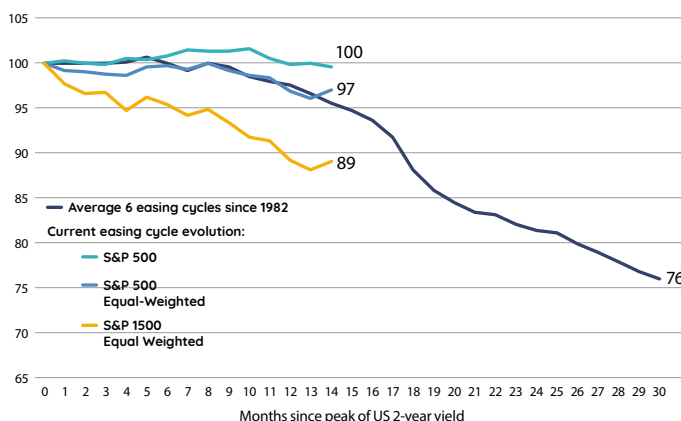


Talaria return is only local performance of gross capital at risk of holdings as of 31 December 2024 for illustrative purposes.

Source: Talaria, Bloomberg

Driven by the Magnificent Seven, it helped that forecasts for the headline index held steady. This defied the usual trend after interest rates peak when earnings forecasts two years out are typically revised down.

### 2yr forward EPS change, post end of tightening



Source: Piper Sandler, Bloomberg

Nevertheless, while continued enthusiasm for mega tech may have made sense, what arguably went against logic was the degree of enthusiasm for a broader cohort of U.S. stocks where the numbers were not compelling.

For the S&P 500 Equal Weighted, EPS increased by 1%, while the index rose +10%, driven almost entirely by valuation. Even more striking was the performance of the S&P 1500 Equal Weighted, which reflects a broader and more representative sample of U.S. listed companies. Here, EPS fell by -15%, yet the index still delivered a +8% return, driven by a dramatic multiple expansion from 15.8x to 20.0x.

Unlike the headline index, forecasts for the S&P 500 Equal Weighted followed a similar pattern to previous monetary policy cycles, with post-peak rate forecasts declining steadily. Again more strikingly, two-year forward earnings estimates for the S&P 1500 forecasts were -11%, much worse than the historical average.

Thus the rationale for investors paying significantly more for many U.S. shares cannot be solely related to recent and near-term fundamentals. The appetite seems to reach further into the future, appearing to rely on optimistic assumptions around further margin expansion from current highs, robust topline growth even as inflation moderates, and, in a dynamic out of the George Soros reflexivity theory, continued multiple expansion.

At today's valuations there must be very little room for error.

## Thinking about risks and decisions

Last year's performance presents an attractive opportunity for investors in our strategy, but it also prompts self-examination. It's one thing to bring perspective to any single year, but we still need to test whether we remain true to our investment process.

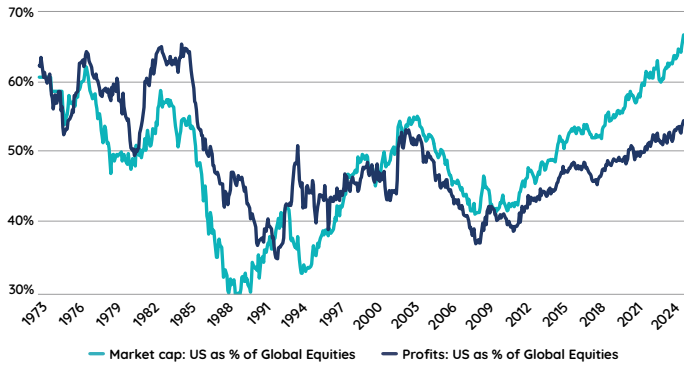
When reflecting on 2024, we can assess our approach by considering two overarching risks: the risk of permanent capital loss and the risk of failing to maintain purchasing power. These headline risks can be divided into three key dimensions: taking enough risk, exposing the portfolio to holdings that fail to deliver, and taking on valuation risk.

Through 2024, our delta-adjusted equity exposure averaged 63.8%, in line with our long-term average. With hindsight, having more capital at risk would have been better but the consistency of our exposure demonstrates that there was no decline in our risk appetite.

Execution from our holdings has been strong. As well as growing earnings last year, the estimates of our portfolio companies have been resilient, with no signs of underperformance or failure to deliver. There is no evidence that the investment team has failed to identify companies capable of executing, nor that the mix of holdings has drifted toward lower-quality companies.

In terms of valuation and reflecting last year's growth in EPS, the portfolio's average forward P/E of 12.5x, is lower than at the start of 2024 and significantly below the broader market. As a consequence of maintaining valuation discipline, we remained underweight US equities in general and avoided US tech entirely. This restraint, while costly in relative terms for 2024, reflects a broader commitment to protecting capital over the long-term, not chasing short-term returns.

### US Stocks and Profit continue to gain market share in global equity



Source: Factset, Refinitiv, Societe Generale

The portfolio's risk positioning is the result of innumerable individual decisions made throughout the year. Each position, weight, and exit reflect a probabilistic assessment made under conditions of uncertainty. Our investment process is rooted in the idea that good decisions are based on probabilities, not outcomes.

This principle mirrors the concept of Annie Duke's "thinking in bets." Just as a poker player should bet on the strength of a hand, not on the result of a single round, we base our investment decisions on probabilities, even if those decisions don't always produce favourable short-term outcomes.

The relationship between the quality of decisions and their outcomes is not always obvious in the short term, but over time, they converge. Probabilities and outcomes cannot be entirely independent. To achieve favourable outcomes consistently, probabilities must be assessed correctly.

Consider the poker analogy further. A player who mistakenly believes weak hands are strong may be lucky, winning a few rounds, but over time a flawed assessment of probabilities will result in poorer outcomes compared to a player who calculates odds more accurately.

While poker is a simpler and less serious activity than investing, the principle holds. Sound decisions don't guarantee immediate success, but over time, a disciplined approach to assessing probabilities should result in more favourable outcomes.

### Portfolio versus index

We ended 2024 with a portfolio that has upside both in absolute and relative terms. The portfolio's fundamentals have improved without this being reflected in multiples.

The table below gives a snapshot of the portfolio against a broad global index, treating Talaria's gross equity holdings and the index as if they were each one company. Three things stand out.

Metrics (Index 100 = Sales)	Talaria Portfolio	FTSE Developed
<b>Income Statement Figures</b>		
Sales	100	100
EBIT	12.5	16.1
Interest Paid	1.1	1.2 <sup>(1)</sup>
Pre-Tax	11.5	14.8
Tax Rate	23%	20% <sup>(1)</sup>
After-Tax Profit	8.9	11.9
Dividends	4.0	4.3
Retained Earnings	4.9	7.6
<b>Balance Sheet Figures</b>		
Equity (Book Value)	63	74
Debt	41	96
Cash	15	65
Net Debt	26	31
Total Capital (Equity + Debt)	89	105
<b>Leverage Ratios</b>		
Debt / Equity	66%	130%
Net Debt / Equity	43%	44%
Net Debt / Total Capital	30%	30%
<b>Efficiency/Profitability Ratios</b>		
Sales / Total Capital	124.1%	92.5%
EBIT / Total Capital	15.6%	14.9%
ROE	15.7%	15.8%
Return on Total Capital	11.0%	11.0%
<b>Valuation Figures</b>		
Price	110.5	229.1
Price / Sales	1.1	2.3
Price / Book Value	2.0	3.0
Price / Earnings	12.5	19.3
Earnings Yield	8.0%	5.2%
Dividend Yield	3.6%	1.9%
Retained Earnings Yield	4.4%	3.3%
Dividend Payout Ratio	45%	36%
Enterprise Value / EBIT	10.7	16.3

Notes: (1) Based on Talaria estimate of index interest expense and tax rate.

Source: Bloomberg, Talaria

First, the Talaria portfolio has less balance sheet risk through lower total debt to equity than the index. It also has lower refinancing risk and lower vulnerability to credit spreads widening.

Second, the portfolio's holdings have similar levels of profitability to the index. This might be a surprise given the relatively low exposure to the US and to tech.

Third, and perhaps most importantly, the portfolio's holdings have a lower starting valuation, reflected in an earnings yield of 8.0% compared to the index's 5.2%. While analysts project the index to grow earnings by around 10% in 2025, outpacing the portfolio's expected 7% growth, this 3% spread is overshadowed by the portfolio's higher initial yield, even if we hold that spread long into the future.

To illustrate, we modelled a long-term nominal earnings growth rate of 4% for the portfolio and a 7% rate for the index, consistent with next year's forecasts and above the average spread of the past decade. Despite the index's higher growth rate, our model indicates it would take approximately 25 years for its cumulative cash flows to converge with those of the portfolio.

## Summary

The Beatles asked Prudence to come out to play. In markets, exactly when she does so is hard to say because prudence and patience are closely related. However, on making an appearance she will no doubt prove her worth.

If investors are asking themselves where to put their incremental dollar it's conceivable that the answer for some is "in what's working, give me more of what's going up". But bringing a longer-term perspective, we do not believe it is controversial to say that a rational approach would be to invest in portfolios with desirable, perhaps also unfashionable characteristics, attractive valuations and less risk.

## December 2024 Quarterly Performance

A sharp increase in the US dollar against all major currencies and rising US bond yields were the most notable developments in financial markets. But it was also interesting that growth in global equity indices slowed considerably in the fourth quarter. Market leadership narrowed towards large US tech and away from Europe and emerging markets. US-listed equities reached 67% of global equity market capitalization, an all-time high.

A renewed optimism for US equities in the wake of the election of Donald Trump for US president dissipated somewhat in December. The resilient US economy and potential policy proposals from the incoming US administration helped push the trade-weighted US dollar index to an all-time high while Fed policy tightened. Elsewhere in Europe, political and economic woes continued to put pressure on local equity indices. Emerging markets were particularly weak, as US dollar strength and the prospect of tariffs continued to weigh on sentiment. Yields rose in both the US and Europe.

By region, the US delivered another positive quarter but with a notable slowdown from earlier in the year. Leadership was also narrower, again favouring larger and growthier stocks. The tech-heavy NASDAQ, home to the Mag 7, was up a solid +6.2% while the broad-based S&P500 was up just 2.1% and the small-cap S&P600 ended down -1.0%. Europe had a tough quarter amid macroeconomic woes. The Stoxx600 index was down -2.9% while the French CAC was down -3.3% due to continued political instability. Germany's DAX was the exception to the negative trend, up +3.0%, in anticipation of a political change viewed favourably by markets.

The rally in China that started in September, fizzled out by the end of December. Shanghai's composite rose just +0.5% as freshly announced fiscal and monetary stimulus programs failed to live up to market expectations. In Japan, the Nikkei 225 delivered a more solid +5.2% but on the back of a much weaker yen.

Against this backdrop the Fund delivered a return of +2.16% for the quarter.

**Distributions: The Fund paid a December 2024 quarterly distribution of 7 cents per unit taking its 12-month income return to 7.80%.**

Narrower market leadership was also evident across sectors with only four of the ten closing higher. Consumer discretionary, home to Tesla (up +52% in Q4), was up the most at +8.5%. The other tech-heavy sectors, communication services and IT, were also up +6.5% and +4.5%, respectively. Financials was the only other positive sector, up +3.6%, buoyed by optimism from potential banking deregulation proposals. On the flip side, the worst performing sector was Materials, down -14.5%, on the back of weaker European and Chinese demand. Defensive sectors were also lower with healthcare the worst performing, down -11.6%.

The US 10-year yield jumped almost 80 basis points and closed the quarter at 4.57%. Stronger economic growth, the implications of a Trump presidency and still-present inflation all contributed to a hawkish shift in the Fed narrative.

The US Dollar also rallied against most major currencies on the back of expected monetary tightening (DXY Index up +7.6%). The broader Bloomberg commodity index was down -1.6%, reflective of global demand softening while oil was up +5.2%, driven by still-tense geopolitical landscape in the Middle East as well as OPEC production cuts. The VIX was marginally up by 0.7 points to close the quarter at 17.4, still below the long-term average but with considerable intra-quarter volatility.

The largest contributor to Fund performance was Gilead, a US-based pharmaceutical company. Strong quarterly results along with positive Phase 3 drug trial data on HIV treatment have supported the shares. WEC, a US utility company, is another strong contributor to performance. After an initial rally, the shares ended the quarter roughly at the same price as they started. We generated strong premium income from selling both puts and calls. We remain invested as the current price continues to offer upside.

The largest detractor to returns this quarter was Bayer, a German pharmaceutical and agrichemicals company. The main reason for the decline was the company's deteriorating 2025 earnings outlook. Despite the weaker outlook, our investment case remains intact, and we continue to see Net Debt to EBITDA moving lower, along with broadly stable earnings and a manageable litigation payment profile. Newmont, the largest gold miner in the world, was another detractor in the quarter. Despite a stable gold price, Newmont reported rising operating costs that have negatively impacted on the earnings outlook. The company remains a high margin, long life miner for as long as the gold price remains over \$1,000 per ounce, with assets in relatively stable jurisdictions and a free cash flow yield of 6.5% to 7% this year.

The Fund initiated two new positions in the quarter. One was Amdocs, a leading provider of billing and customer relationship tools for the US telecom sector. It has stable margins, generates solid revenues from long-term contracts while maintaining a leading market position. We see recent share price pressures as temporary and value the business at \$106, about 25% above current levels. The other is Cenovus, a Canadian oil and gas company. Given its strong operational performance, low-cost production, and significant royalty income, Cenovus is returning substantial capital to shareholders through dividends and buybacks, with an attractive valuation and high free cash flow yield. The Fund exited Alibaba, a Chinese online retail giant and cloud provider, after the shares rallied on Chinese government proposals in October.

# Stock in focus: Sanofi

Sanofi is one of the largest pharmaceutical companies globally. Headquartered in France, the company has a diverse portfolio of medicines that treat a range of debilitating ailments from type 1 and type 2 diabetes to blood clots and eczemas. Sanofi also offers vaccines for various infectious diseases like influenza and polio as well as over-the-counter consumer health products.

An important example in their portfolio is Dupixent (30% of 2024 group sales), the only drug approved for the systemic treatment of moderate-to-severe atopic dermatitis (a form of eczema). Dupixent improves the quality of life for millions of people worldwide (the prevalence of the disease is high, with up to 10% of adults afflicted worldwide).

Sanofi possesses several features that make it stand out as an investment. The company offers an attractive annual dividend (current yield of 4.3%) that has increased every year since 2000. It also has short duration cashflows, with a current free cash flow yield of around 8%, or around EUR 10bn per annum even after accounting for annual Research and Development (R&D) spending of EUR8bn. The balance sheet is strong, with a net debt to EBITDA ratio of less than 1x in 2024.

But perhaps the biggest attraction comes from the sizable discount to fair value that the shares are trading on.

## The value of new science

Pharmaceutical companies strive to strike a fine balance between maximising cashflows from existing patent protected drugs ("Existing Science") and investing in the development of innovative new drugs ("New Science").

The money spent on New Science for pharmaceutical companies is significant. In 2022, the top 20 global pharmaceutical companies spent collectively \$145bn on R&D of new drugs, equivalent to approximately 17% of revenues. Working out the effectiveness of R&D efforts is therefore critical in determining the value of a pharmaceutical company. We describe our methodology in what follows.

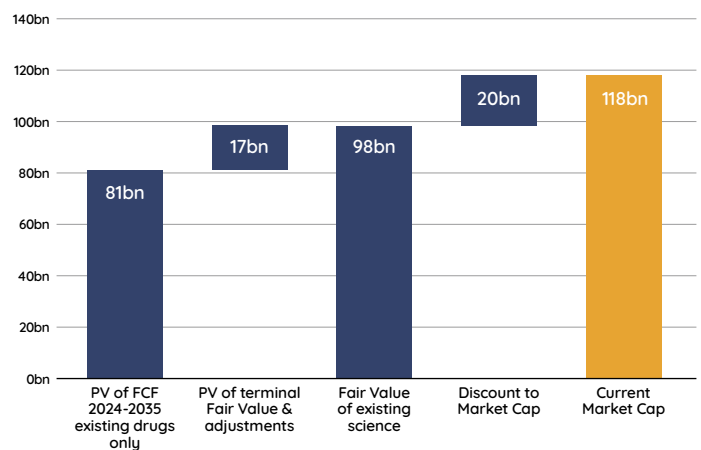
### Determining the value of Existing Science

We first take the projections of cashflows generated from the sale of existing drugs. There is a high degree of certainty with regards to such cashflows since these drugs are protected by patents and command high, stable margins.

Chart 1 below shows the results of our modelling of the present value (PV) of cashflows generated by Sanofi from its existing, patent protected drugs up to 2035 (first bar), the PV of the terminal value (second bar) and the current market value (fifth bar). There are two important points to note. One, the R&D spend on New Science is funded by the sale of the existing drugs. This means that cashflows in our projection period are lower than they would have otherwise been had the company stopped funding R&D altogether. And two, the revenues generated by any future drugs that have not been yet approved are excluded from any future cash flows - in other words, the R&D spend in the forecast period is assumed to simply be nothing but a cost without an offsetting benefit.

Put simply, existing drugs generate significant value of EUR 98bn in PV. This is even before we incorporate the value of New Science. In fact, the market is pricing in that Sanofi's innovation engine is only worth around EUR 20bn in present value terms.

**Chart 1 - Value of Existing Science and discount to current market cap (in EUR)**



Source: Company reports, Talaria

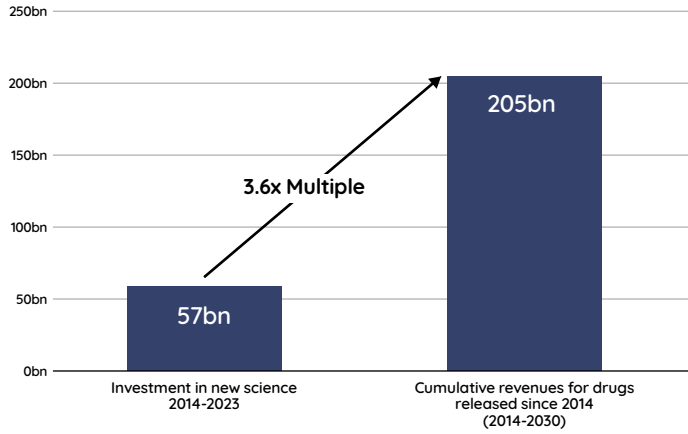
### Evaluating the effectiveness of New Science spending

On the basis that the market is assuming New Science carries a value implied by the market of around EUR 20bn, we examine Sanofi's actual track record of turning R&D spending into sales.

For the ten years starting in 2014 the company has spent a total of EUR 57bn on R&D, (see Chart 2). To judge the productivity of these investments, we have taken the cumulative revenues generated by drugs that went into circulation after 2014. The forecast period for sales extends to 2030 and the cumulative sales expected for the period are EUR 205bn. This implies that investment in New Science will yield 3.6x of revenues with reasonable certainty (all drugs in the analysis are already released, protected by patents and generating sales that are unlikely to deviate significantly from the projections).

With an average cashflow margin of 33%, it means that Sanofi is at the very least able to recover fully 1.2x the amount of money invested in New Science.



**Chart 2 - Sanofi: Productivity of New Science**


Source: Company reports, Talaria

## Valuation and conclusions

New Science for the past decade carried a 3.6x multiple of sales on investment or roughly 1.2x multiple of cashflows on investment. We expect the company to spend on average of over 8bn per annum on R&D over the next decade. The PV of this spending is equal to EUR 72bn.

Bringing it all together, the fair value of Existing (EUR 98bn) and New Science (EUR 72bn, 60bn at 1.2x multiple) is equal to EUR 170bn, or EUR 135 per share. Today's share price in effect suggests ten years of R&D spend will yield only a third of the value that new science has generated in the previous decade, making Sanofi an investment with a very attractive positive skew.

# Talaria Global Equity Fund (Managed Fund)

## Top 10 Holdings\*

Company name	% weight
Roche	5.7%
Johnson & Johnson	5.6%
Sanofi	5.4%
Nestle	4.3%
Bunzl	4.3%
Everest Re	4.1%
Sodexo	3.8%
Henkel	3.6%
Brenntag	3.6%
Newmont	3.5%

\* 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..

## Performance at 31 December 2024<sup>1</sup>

Period	Total Return	Average Market Exposure <sup>4</sup>
1 month	1.68%	66%
3 months	2.16%	65%
6 months	8.56%	65%
1 year	7.11%	62%
3 years p.a.	9.26%	58%
5 years p.a.	8.27%	57%
7 years p.a.	9.04%	58%
10 years p.a.	8.07%	59%
Since Inception p.a. <sup>2</sup>	7.39%	61%

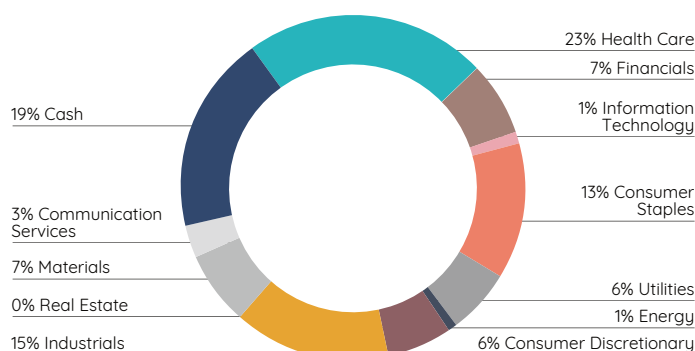
<sup>1</sup> Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions.

<sup>2</sup> Inception date for performance calculation is 18 August 2008.

<sup>3</sup> Past performance is not a reliable indicator of future performance.

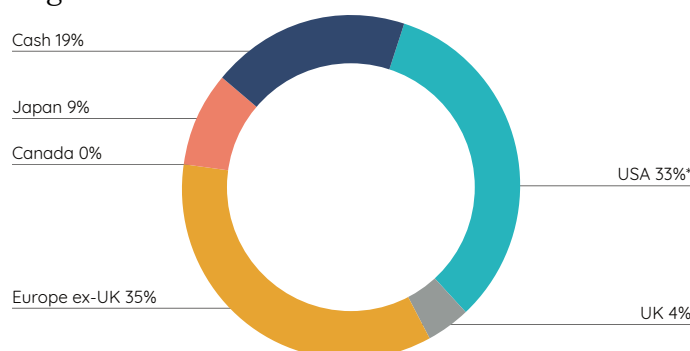
<sup>4</sup> Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from September 2008.

## Sector Allocation<sup>5</sup>



<sup>5</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..

## Regional Allocation<sup>5</sup>



\* USA includes American Depositary Receipts (ADRs) listings.

## Quarterly distribution

Period	Cents per Units	Reinvestment price
December 2024	7.000	\$4.9550
September 2024	7.000	\$4.9186
June 2024	15.550	\$4.8406
March 2024	7.600	\$5.0606
December 2023	7.600	\$4.9896
September 2023	7.300	\$5.0630
June 2023	14.4457	\$5.0085
March 2023	7.250	\$4.9811
December 2022	7.000	\$4.8288

## Asset allocation

Asset allocation	% weight
Global equity	68.0%
Cash - put option cover	13.0%
Cash	19.0%
<b>Total</b>	<b>100.0%</b>

## Portfolio contributors

Portfolio contributors	Portfolio detractors
Gilead	Bayer
WEC	Newmont
Sodexo	Brenntag
Subaru	Ambev

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

# Talaria Global Equity Fund (Managed Fund)

## Fund snapshot

<b>APIR Code</b>	AUS0035AU	<b>Inception Date</b>	18 August 2008
<b>Management Fee</b>	1.16% p.a. of the net asset value of the Fund plus Recoverable Expenses	<b>Liquidity</b>	Daily
<b>Recoverable Expenses</b>	Estimated to be 0.12% of net asset value of the Fund each Financial Year	<b>Exit Price</b>	\$5.01490 (31 Dec 2024)
		<b>Buy / Sell Spread</b>	0.20% / 0.20%
<b>Platform Availability</b>	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	<b>Distributions</b>	Quarterly
		<b>Minimum Investment</b>	\$5,000

## Important Information

Units in the Talaria Global Equity Fund (Managed Fund) are issued by Australian Unity Funds Management Limited (ABN 60 071 497 115, AFS Licence No. 234454) the Responsible Entity for the Fund. Talaria Asset Management Pty Ltd (ABN 67 130 534 342, AFS Licence No. 333732) is the investment manager of the Fund. The information in this document is general information only and is not based on the financial objectives, situation or needs of any particular investor. Units in the Talaria Global Equity Fund (Managed Fund) (the Fund) are issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454. 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 objectives, financial 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 Product Disclosure Statement (PDS) for the Fund and consider whether the product is appropriate for you. A copy of the PDS is available at [australianunity.com.au/wealth](http://australianunity.com.au/wealth) or by calling Australian Unity Wealth Investor Services team on 1300 997 774. 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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