

Monthly Market Commentary

Most global equity markets started the year strongly, but it was the strength in European bourses outperforming US markets, that was perhaps January's stand out feature.

Better-than-expected Eurozone economic data helped drive part of this rotation. However, EU stocks also likely benefited from their significant valuation discount relative to more expensive US stocks, a topic we covered in the Talaria December 2024 Quarterly Report.

Also contributing to Europe's outperformance was the region's lack of exposure to mega-cap tech stocks. These came under intense selling pressure as news emerged of China's growing AI capabilities. The biggest casualty was global chip designer NVIDIA, whose market cap fell by approximately USD 600bn - the largest single-day drop ever for a US company.

Highlighting further how concentration can work both ways, US markets also underperformed thanks to some mixed results amongst mega-cap names. For example, Microsoft shares dropped 6.2% after issuing disappointing Q3 guidance, including softness in its Azure unit. Apple also struggled throughout the month following reports of lacklustre sales in China.

Despite these headwinds, US markets delivered decent results with the S&P500 and NASDAQ, up 2.7% and 1.6%, respectively. Small caps also did well with the S&P600 Small Cap Index rising 2.8% during the month. As noted above, European bourses led the way in January with the German DAX up 9.2%, followed by the French CAC, up 7.7% and UK FTSE, up 6.1%. Asian markets were more muted with Japan's Nikkei 225 down 0.8% and China's Shanghai Composite also weaker by 3%.

Against this backdrop, Information Technology was the only sector to finish in the red, falling 1.5% during the month. In contrast, Telecommunications was the best performing sector, rising 8.7%. Financials also did well, up 6.5%, thanks to higher capital market fees and no signs of stress in lending books.

Health Care was another strong performer, up 6.3% during the month as investors rotated back into the sector. Energy, Utilities, and Staples also performed well, rising 2.5%, 2.3%, and 1.8%, respectively.

Against this backdrop, the Fund delivered +2.75% in January.

The AUD rose 0.5% against the USD, with the US Dollar Index also broadly flat for the month following a period of sustained strength. Commodities were stronger with the Bloomberg Commodity Index rising 4% with WTI Oil also up 1%. Yields on 10-yr US government bonds fell 3bps to close at 4.54% while VIX fell 0.9 points ending the month at 16.4.

During the month, the Fund exited its positions in Japanese financial services group Sumitomo Mitsui Trust Group and Japanese telecom company KDDI Corp, both on valuation grounds

Pharmaceutical giants Roche and Sanofi were the two biggest contributors to performance. Both participated in the broader healthcare rally after posting good results with FY25 EPS guidance of double-digit growth at Sanofi and high-single digit growth at Roche, excluding FX. Sanofi also announced a ~EUR5bn buyback program accounting for ~4% of its current market capitalisation. French catering group Sodexo was the biggest detractor with the shares underperforming due to disappointing Q1 volumes. However, with the stock trading on a ~12x P/E, no balance sheet risk, and the group still delivering >4% organics sales growth, we will continue to hold and see good upside for shareholders over the medium term.

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 (Managed 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.

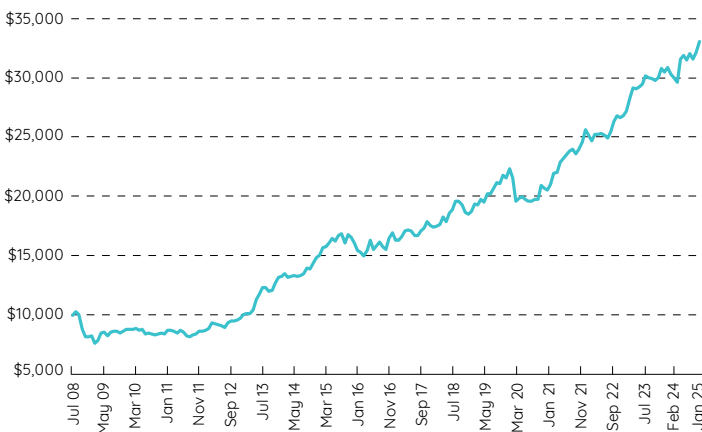
Performance as at 31 January 2025¹

	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	2.75%	3.14%	4.53%	7.24%	8.79%	8.10%	9.58%	8.19%	7.53%
Avg. Market Exposure ⁴	72%	69%	66%	64%	58%	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

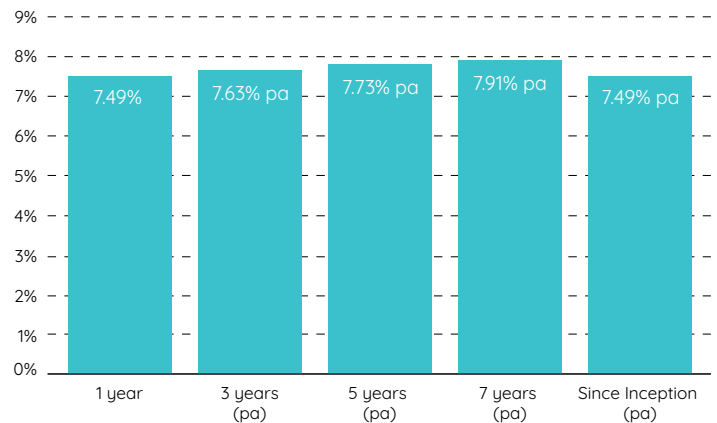
⁴ Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from September 2008

Growth of \$10,000 Since 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



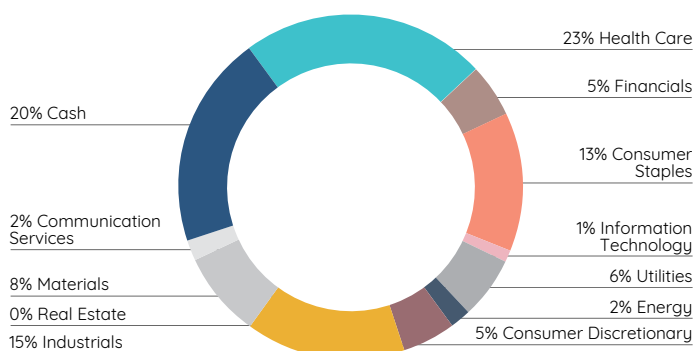
⁶ Illustrates Distribution Returns for the Talaria Global Equity Fund (Managed Fund) Units for the financial year ending 30 June 2024. Inception date is 18 August 2008.

Top 10 Holdings⁷

Company Name	Holding	Country	Sector	Description
Roche	5.8%	Switzerland	Health Care	A global leader in cancer treatments
Johnson & Johnson	5.6%	USA	Health Care	Pharmaceutical, medical devices and consumer health products company
Sanofi	5.4%	France	Health Care	Top 5 pharmaceutical firm with leading positions in diabetes and rare diseases
Newmont	4.8%	USA	Materials	One of the top 3 gold producers in the world
Nestle	4.3%	Switzerland	Consumer Staples	One of the world's largest food companies measured by revenues
Bunzl	4.2%	United Kingdom	Industrials	Multinational distribution and outsourcing business
Brenntag	3.7%	Germany	Industrials	Largest third-party chemicals and ingredients distributor in the world
Everest Re	3.6%	USA	Financials	Leading global provider of reinsurance and insurance services
Henkel	3.4%	Germany	Consumer Staples	A multinational household products and adhesives company
WEC Energy	3.3%	USA	Utilities	A US regulated electricity and gas utility company

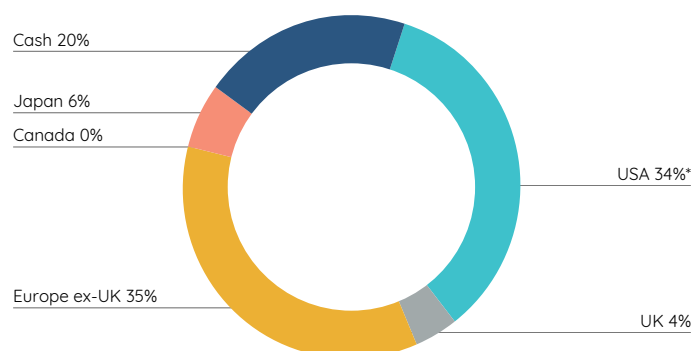
⁷ Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Sector Allocation⁸



^{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.

Regional Allocation⁹



* 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	\$5.08070 (31 Jan 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

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