Ironbark Investment Solutions

Ironbark Brown Advisory Global Share Fund - Class H (Hedged)

Quarterly Report / As at 30 June 2026

Fund facts

Objective:
The Fund seeks to outperform the Benchmark by 2-3% p.a. after fees, over rolling five-year periods through investment in a focused selection of equities on a global basis.

Benchmark:
MSCI ACWI NR 100% Hedged to AUD

APIR:
DAM7719AU

ARSN:
090 379 105

Inception date:
14 April 2022

Class size:
$0.1m

Exit price:
$0.5308

Net performance (%)

	1 month	3 months	1 year	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)	10 years (p.a.)	Since inception (p.a.)
Fund[1]	**0.80**	**5.04**	**-1.19**	**8.35**	**N/A**	**N/A**	**N/A**	**8.52**
Benchmark[2]	0.04	14.93	25.13	19.51	N/A	N/A	N/A	13.89
Active	*0.76*	*-9.89*	*-26.32*	*-11.16*	*N/A*	*N/A*	*N/A*	*-5.37*

Top 5 holdings

Stocks	Sector	Country
Alphabet - Class C	Communication Services	United States
Taiwan Semiconductor Manufacturing	Information Technology	Taiwan
Microsoft	Information Technology	United States
Visa - Class A	Financials	United States
Mastercard - Class A	Financials	United States

[1] Fund performance prior to 23 September 2024 is not attributable to the current investment manager. From 29 August 2024 to 20 September 2024, a transition manager was appointed to the Fund to coordinate an orderly transition of the portfolio from the prior investment manager over this period. Returns prior to 29 August 2024, reflect the previous investment manager(s) of the Fund.

[2] The MSCI ACWI NR 100% Hedged to AUD was adopted as the Fund's benchmark on 23 September 2024. Benchmark calculations prior to this date are based on the MSCI World NR 100% Hedged to AUD, the previous benchmark of the Fund.

Past performance is not indicative of future performance. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Returns are rounded to two decimal places. Slight variations to actual calculations may occur. Significant investor activity can impact performance returns in a fund or of a class of a fund.

Top 5 monthly contributors

Contributing Stocks	Active weight
Taiwan Semiconductor Manufacturing	Overweight
ASML Holding	Overweight
Safran	Overweight
GE Aerospace	Overweight
Visa - Class A	Overweight

Top 5 monthly detractors

Detracting Stocks	Active weight
Microsoft	Overweight
London Stock Exchange Group	Overweight
Autodesk	Overweight
B3 SA - Brasil, Bolsa, Balcao	Overweight
Alphabet - Class C	Overweight

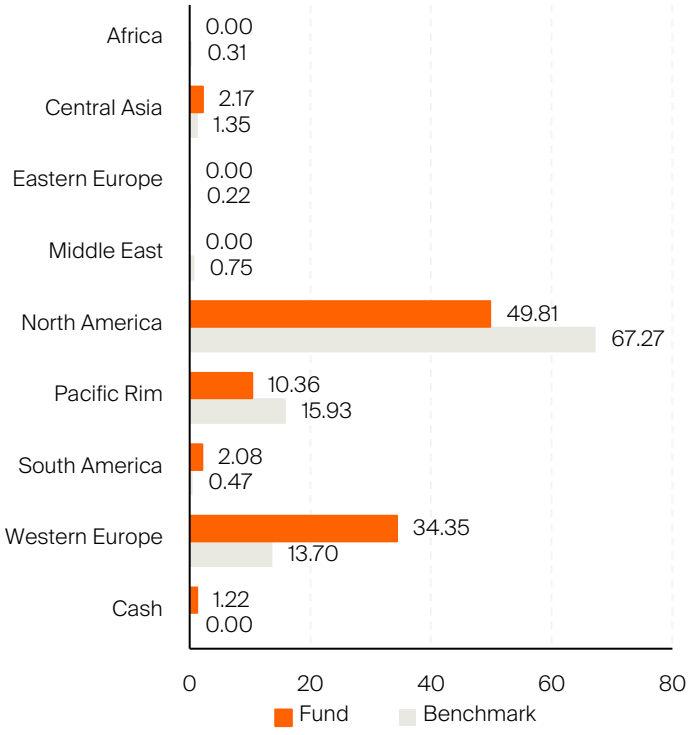
Top 5 quarterly contributors

Contributing Stocks	Active weight
Taiwan Semiconductor Manufacturing	Overweight
ASML Holding	Overweight
Safran	Overweight
GE Aerospace	Overweight
Alphabet - Class C	Overweight

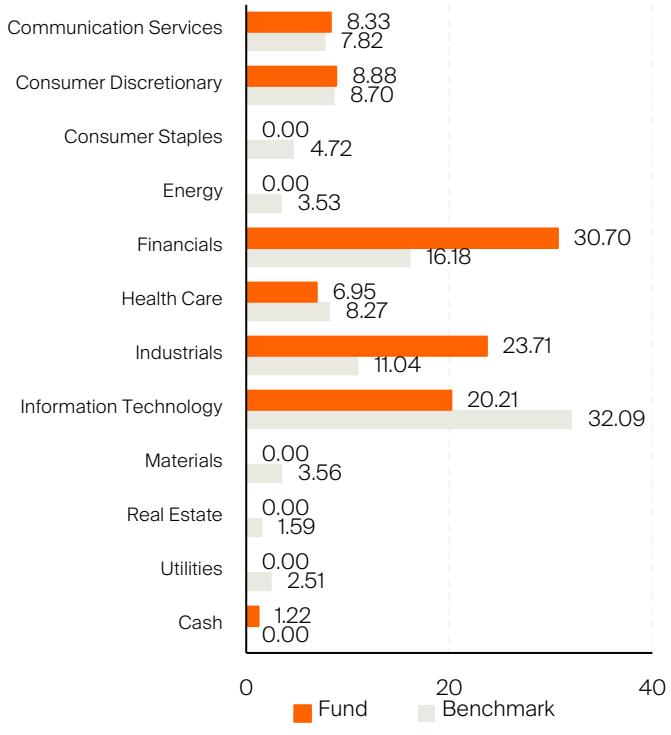
Top 5 quarterly detractors

Detracting Stocks	Active weight
Zoetis - Class A	Overweight
Deutsche Boerse	Overweight
B3 SA - Brasil, Bolsa, Balcao	Overweight
London Stock Exchange Group	Overweight
AIA Group	Overweight

Regional asset allocation (%)[3]



Sector asset allocation (%)[3]



[3] Totals may not equal due to rounding.

Investment manager commentary

Performance review

The Ironbark Brown Advisory Global Share Fund – Class H (the 'Fund') returned 5.04% (net) for the quarter, underperforming the MSCI ACWI NR 100% Hedged to AUD by -9.89% which returned 14.93% over the period.

The main drivers of underperformance were the Fund's exposure to the technology sector through a combination of investments across software and cloud that were weak, including Microsoft, Autodesk and Workday. The investment manager exited the latter two companies during the quarter. Underperformance was also driven by companies in the benchmark that the investment manager does not own but that delivered very strong returns, particularly memory-chip producers and CPU manufacturers. Another detractor was the Fund's exposure to Financials, where portfolio investments in financial-market infrastructure, including Deutsche Boerse, London Stock Exchange Group and B3, as well as payments companies, fell behind traditional global and European banks. These banks led sector performance and are not owned in the portfolio. Sectors to which the Fund does not have exposure, including Energy, added to performance.

Taiwan Semiconductor Manufacturing benefits from its leadership in advanced node manufacturing, which allows it to gain market share and benefit from strong demand for high-performance computing and AI infrastructure. As we have moved through 2026, Taiwan Semiconductor Manufacturing has continued to raise its capex plans, supported in part by demand from Nvidia and other leading AI customers. ASML continues to benefit from the build-out of AI infrastructure and remains a critical enabler of leading-edge semiconductor manufacturing. ASML's dominant position in Extreme Ultraviolet (EUV) lithography, where it holds a monopoly in the equipment required for leading-edge semiconductor manufacturing, positions it well to benefit from continued AI-driven capacity expansion and meaningful long-term revenue growth. Alphabet continues to benefit from its full-stack position across Search, Cloud, and model infrastructure. Alphabet's recent results suggest its AI investments are bearing fruit. Alphabet's equity raise in June will support its AI capex buildout and related growth opportunities and was well received by the market. Safran continues to perform strongly, supported by robust aerospace aftermarket demand and higher original equipment deliveries. Management indicated that the company is tracking toward the upper end of full year guidance, supported by continued strength in maintenance, repair, and overhaul demand, with little impact from geopolitical events due to optimism regarding a sustained ceasefire and its effect on jet fuel prices, as well as structural support from demand still outstripping supply for spares and service capacity. Additionally, engine retirements remain below historic levels, which is a positive driver for aftermarket returns. Visa delivers strong revenue growth, with value-added services (VAS) and new payment flows being major contributors. The investment manager believes that the acceptance, security, and trust that the Visa network provides, combined with ongoing investment in innovation, can make agentic commerce and stablecoins future growth drivers for the company.

Zoetis observed increased competition across its main franchises and most recently also saw generic competition in therapeutic categories. The investment manager exited the company during the quarter. B3's share price was weak during the quarter despite strong underlying fundamentals. Both cash equity and derivatives delivered strong volume growth. The potentially tighter monetary environment negatively impacted sentiment. B3 also had a CEO transition during the quarter, with the new CEO, Christian Egan, approved in May. B3 continues to diversify its product portfolio and retains exposure to structural growth opportunities in Brazil. The company maintains a virtual monopoly across 90% of its business lines. PT Bank Central Asia: Increased macroeconomic and political impacts have been affecting the investment environment in Indonesia. In the investment manager's view, the share price was mainly impacted by this macroeconomic volatility driven by concerns about potential repercussions of higher oil prices on credit growth and asset quality in oil-importing countries such as Indonesia. This was paired with MSCI's review of Indonesia's Emerging Market status, something the investment manager would not position for. Meanwhile, BCA reported strong results, with mid-teens loan growth and maintained 8-10% 2026 loan book growth guidance. Autodesk's share price has been impacted by market concerns about increased competition from AI challengers, including the potential impact of world models replacing large parts of the 3D creation stack. The investment manager exited the company during the quarter.). AIA Group: Similar to the investment manager's other EM investments, AIA Group's share price was impacted by the challenging macro environment, which was pricing in a path of monetary tightening that led to FX weakening of EM currencies against the USD. AIA Group's fundamentals remained strong, with growing premiums across the majority of regions and particularly strong momentum in its largest market, China. The investment manager continues to see broad-based strength in Value Of New Business (VONB) growth at strong margins.

Portfolio Activity

The investment manager initiated a position in **Compass Group** in April. Compass Group is the largest global food services operator, with a 12% market share. Its US and local scale advantage across regions drive industry-leading, high-single digit operating margins for its food business. The food services industry is highly fragmented, Compass Group leads in this market, which benefits from ongoing, structural growth from the ongoing outsourcing trend especially within healthcare and education, its largest end markets, and in Europe. Compass Group combines global scale with a sector-focused model, maintaining local brands for over 25 sub-sectors, this helps the company build strong customer relationships, win new contracts and hold client retention rates of around 96%.

Portfolio activity (continued)

One key competitive advantage in Compass' business model has been "Food Buy", its procurement platform through which Compass is able to drive profitability through scale and visibility into the supply chain, creating value for customers through lower prices. The investment manager expects the company to continue driving contract wins, supported by its strategy of establishing local scale, providing strong value to clients, and gaining exposure to large, still underpenetrated end markets. The investment manager had the opportunity to initiate a position at a 10%+ five-year base case IRR, due to market concerns about Compass's exposure to AI risk from increasing white-collar unemployment. While this is a risk at the margin, the company's business model has only marginal exposure to entry-level white-collar workers, while also servicing clear AI beneficiaries in the technology and data centre sectors.

The investment manager initiated a position in **Siemens Energy** in April. Siemens Energy is a leading provider of power generation equipment and grid infrastructure with strong positions across large gas turbines, high voltage transmission and broader electrification technologies. The company operates across structurally attractive end markets with high barriers to entry given decades of technology investments and 1/3 of revenues coming from aftermarket servicing and upgrades. Across Gas & Grid, Siemens Energy operates within oligopolistic and capacity constrained markets which are benefitting from a meaningful shift in end market demand driven by the electrification of industrial and consumer processes and the use of gas turbines within AI orientated data centres. The business overall is entering a period of FCF harvest as capacity linked capex normalises into 2027 whilst the revenues and margins of the recent backlog expansion lead to elevated FCF growth past 2030. Alongside this, the investment manager expects Siemens Energy to materially increase their dividend and share buybacks over the coming years, acting as a further tailwind to FCF per share growth. The investment manager has followed the company closely since their ownership of peer GE Vernova through General Electric since 2023. The investment manager was able to initiate a position at a double-digit 5-year base case IRR during a period of market volatility.

The investment manager exited their investment in **Unilever** in May. Unilever has been a day-one investment in the Strategy, with a holding period of 11 years. Over that time, while compounding at mid-single digits and contributing positively to the strategy's absolute returns, it fell behind the investment manager's double-digit annualised return target. The investment manager has been patient with the investment and the turnaround strategy of Unilever's new management team. However, despite the turnaround progressing successfully and in line with their thesis with Unilever growing revenues at mid-single digits and thereby leading its consumer peers over the last two years the investment manager has failed to see the levels of returns and compounding they target in the Strategy. While valuation looks attractive and has for a long time the investment manager is ultimately exiting due to what they assess as a less attractive industry, as the moats have narrowed over time despite good execution by management. The company has started to execute the new strategy very well. Volume growth recovered after 2022 to low single digits, supported by 1–3% price growth, with overall organic growth in the mid-single digits. This was in line with the investment manager's expectations. Unilever also regained market share, outperforming its peers in consumer staples over the last two years, driven by a refocus on its power brands. Management separated its tea business in 2022, followed by the spin-off of ice cream in December 2025 and the subsequent announcement of the separation and combination of its food business with McCormick in March 2026 all strategic decisions that sharpened the focus on its core consumer and beauty brands. The investment manager thinks Unilever is making the right strategic moves. The investment manager expected that a separation of Foods would unlock value, and McCormick is a logical partner. This appears to be the last significant strategic step in Unilever's development. However, the market is not rewarding this. After years of restructuring and cleaning up a matrix hodgepodge structure, the investment manager's assessment of the value in Unilever is not shared by the market, and they seem to be wrong the investment manager's investment in Unilever has not worked. The investment manager sees better opportunities to allocate capital elsewhere and has exited Unilever in favour of their new investment in global food caterer Compass Group.

The investment manager exited their position in **Workday** during May after a relatively brief holding period of approximately eight months. Several fundamental factors have changed since the investment manager's initial investment in September of last year, prompting them to revise both their growth and margin estimates for Workday. These revisions have led them to conclude that they can no longer achieve the IRR targets embedded in their base case. Most crucially and the ultimate trigger for a thesis break in this case were the recent changes in the management team. When the CEO stepped down and co-founder Aneel Bhusri was re-appointed, the investment manager expected, and already sees, a change in capital allocation discipline at Workday, as evidenced by the immediate moderation of the company's margin targets. This, paired with the expected reduced discipline around stock-based compensation, materially impacted key inputs into their investment thesis. The investment manager's view on the inherent customer acquisition cost advantages that incumbents possess remains unchanged, as does their belief that "systems of record" in software are particularly resistant to disruption by AI. The investment manager did, however, adjust their estimates to reflect the expected need to ramp up investments in an environment characterised by increased competition from AI-driven challengers. Ultimately, taking into account management changes, the investment manager's revised estimates, and a widening range of possible outcomes, they decided to cut their losses and exit the position. The funds have been allocated to build out a new investment in Siemens Energy.

Portfolio activity (continued)

The investment manager exited **Zoetis** in May. They were attracted to the investment due to its position as the largest pure-play animal health company, benefiting from significant scale in R&D and as the highest-quality marketer to veterinarians and livestock producers, which increases switching costs. The company had further shifted its business mix meaningfully toward a higher and more profitable contribution from its companion animal segment. The investment manager's investment in Zoetis began to face increased growth headwinds in 2025 due to incremental competition in its industry-leading dermatology and Simparica Trio products. Additionally, the launch of Librela the first available therapy for osteoarthritis pain in dogs underperformed their expectations. Furthermore, the investment manager has observed increased competition across Zoetis's main franchises and, most recently, Zoetis also saw generic competition in therapeutic categories. Several concerns have emerged: (1) despite the high barriers to entry in animal health, competition in the sector has intensified during the investment manager's ownership; (2) they do not have enough visibility on Zoetis's pipeline to assess the path of future contribution at this point; and (3) they misinterpreted Zoetis's ability to contribute to the portfolio from a deferrable demand perspective, as it did not deliver the defensiveness they expected. As such, the investment manager sees their investment thesis in Zoetis as broken and has fully exited the position.

The investment manager initiated a position in **Nvidia** in June. Over the last four years, Nvidia has positioned itself as the leader across all parts of the technical component layer within the AI technology stack, including AI silicon, networking, cooling and total rack systems. Meanwhile, it has invested heavily in seeding an AI ecosystem based on Nvidia technology within the application, model and cloud compute layers, helping to drive usage of its infrastructure products. Nvidia has reshaped its business from consumer and professional GPU cyclicality toward data-centre infrastructure platform economics. This has resulted in market expansion far beyond the investment manager original base case estimates. As part of the investment manager's ongoing analysis of semiconductor end market demand across the entire value chain, they observed that every part of the technical infrastructure around Nvidia including optical networking demand, lasers, CPUs, TSMC's capex plans, wafer fab equipment demand, and the contract manufacturers assembling Nvidia's racks all implied that demand for Nvidia equipment remains very robust and likely underestimated. The investment manager has updated their estimates to derive new base case estimates for Nvidia to reach a double-digit five-year IRR.

The investment manager initiated a position in **Progressive Corporation** in June. Progressive is a dominant property and casualty (P&C) personal insurance carrier in the US and the leading auto insurance carrier. Its scale advantage is driven by its' low-cost offering to customers, which allows it to reinvest in product enhancements, offer more competitive prices, and benefit from marketing scale. In addition, Progressive's ability to leverage data for customer segmentation has resulted in consistent market share gains, in both hard and soft insurance pricing markets, and consistent profitability. The currently soft insurance market, characterised by generally lower premium levels and greater availability of insurance, has provided the investment manager with an attractive entry point to purchase the industry leader at a double-digit, five-year IRR. The investment manager expects the company to gain market share, drive 10% FCF growth, and offer a non-deferrable demand profile within the Strategy.

The investment manager exited **Autodesk** in June. Since the investment manager's first-quarter drawdown review, they have continued their research and discussions around substitution risk for Autodesk, with a particular focus on the potential impact of world models replacing large parts of the 3D creation stack. At the same time, the investment manager has seen physical-AI startups, such as Jeff Bezos' Prometheus, investing heavily in developing engineering-grade physical models. (Prometheus closed a successful funding round in June, valuing the company at a level broadly comparable to Autodesk's market capitalisation.) The competitive environment for Autodesk is intensifying. As the investment manager sees substitution risk increasing and the range of outcomes for software companies widening, the investment manager has decided to allocate capital elsewhere, funding their initiations in Nvidia and Progressive Corporation.

Market outlook

Since the inception of the Fund's Strategy, the investment manager has looked for high-quality companies with superior customer outcomes that they believe are able to pass on price increases, generate high levels of recurring revenue and require low financial leverage. This approach helps the investment manager's focus on the long term and on capital preservation. The investment manager believes this focus on long-term thinking, intrinsic value and mitigating the damaging impact of loss aversion in decision-making is especially valuable in the current environment. The investment manager continues to work diligently through the impact AI is having on the business-model quality of investments in the portfolio and their universe. The investment manager is striving to calibrate both the opportunities and risks associated with AI, and they acknowledge the very fast pace of technological development today. The investment manager believes the market is still early in understanding the positions of incumbents in certain industries. Indiscriminate selling can provide opportunities for long-term investors with a differentiated view, but it can also expose genuine changes in business-model quality. The investment manager's task is to distinguish between the two with discipline. The recent increase in portfolio activity should therefore be seen as a continuation of the investment manager's process, not a departure from it. The investment manager has made mistakes of omission and commission, and they are responding to them through fundamental research, valuation discipline and active capital allocation. The investment manager remains focused on owning companies that create exceptional value for customers, convert that value into durable cash flows and can generate attractive five-year returns for their investors.

1800 034 402 **client.services@ironbarkfg.com.au** **www.ironbarkfg.com.au**

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