Harris Global Value Share Fund

OBJECTIVE
The Fund seeks to achieve long term growth of capital through investments in equities on a global basis.

ARSN	675 539 321	**INCEPTION DATE**	18 September 2024
APIR	DAM3284AU	**FUND SIZE**	$6.2m
BENCHMARK	Unaware	**EXIT PRICE**	$1.1116

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	**-2.56**	**3.64**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**10.65**
MSCI World NR[1]	-4.65	-2.42	n/a	n/a	n/a	n/a	n/a	9.32
Active	*2.09*	*6.06*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*1.33*

Top 5 monthly contributors and detractors

Contributing Stock	Sector
BNP Paribas	Financials
Allianz	Financials
Elevance Health	Health Care
Fresenius	Health Care
American Intl Group	Financials

Detracting stocks	Sector
Kering	Consumer Discretionary
Glencore	Materials
Alphabet – Class A	Communication Services
Airbnb – Class A	Consumer Discretionary
Aptiv	Consumer Discretionary

Top 5 quarterly contributors and detractors

Contributing Stock	Sector
BNP Paribas	Financials
Alibaba Group	Consumer Discretionary
Bayer	Health Care
American Intl Group	Financials
Fresenius	Health Care

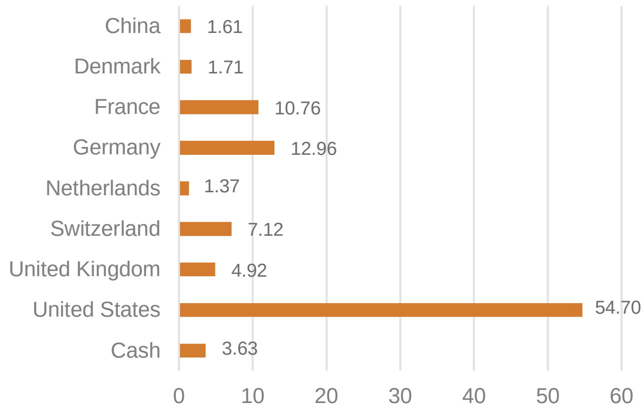
Detracting stocks	Sector
Alphabet – Class A	Communication Services
Kering	Consumer Discretionary
WPP	Consumer Services
Glencore	Materials
IQVIA Holdings	Health Care

Top 5 holdings

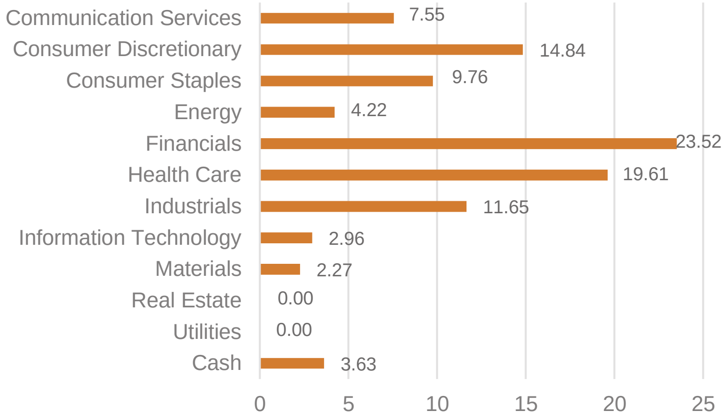
Stocks	Sector	Country
BNP Paribas	Financials	France
Bayer	Health Care	Germany
Mercedes-Benz Group	Consumer Discretionary	Germany
Kering	Consumer Discretionary	France
Sysco	Consumer Staples	United States

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.
[1]The MSCI World NR Index is referenced for comparison purposes only.

Country asset allocation (%)[1]



Sector asset allocation (%)[1]



[1]Totals may not equal due to rounding.

Market Environment

Global equities finished lower during the quarter despite 8 of 11 GICS sectors posting positive returns. By sector, information technology and consumer discretionary generated almost all of the negative momentum, while financials and health care contributed the most to market returns. By country, the US was the largest detractor followed by Denmark, while Germany and the UK contributed to market performance.

Portfolio Performance

The Harris Global Value Share Fund (the 'Fund') returned 3.64% (net) for the quarter.

Top contributors

BNP Paribas was a contributor during the quarter. The France-headquartered bank's stock price rose throughout the period as it posted strong fiscal-year 2024 results. Performance was driven by strength in the Corporate and Institutional Banking and Personal Finance segments. The company also demonstrated improved efficiency, with revenue growth outpacing cost growth. Given BNP's strong underlying profitability and highly diversified business, the investment manager believes the bank is well-positioned for sustained capital generation and long-term growth.

Alibaba Group was a contributor during the quarter. The China-headquartered consumer discretionary company's stock price rose throughout the period as it delivered strong third-quarter 2024 results, driven by accelerating growth in its E-commerce and Cloud businesses. Top-line growth in E-commerce improved meaningfully following the introduction of new fees and monetisation tools for merchants. Cloud revenue grew due to strong demand for cloud services and AI demand. Over the past few years Alibaba has aggressively invested in AI and, as a result, is one of the early leaders in China today. Alibaba is unique in that they are a leader in both cloud computing services (similar to AWS) and large language models (similar to ChatGPT). Even with the share price appreciation in the first quarter, the investment manager believes the company continues to offer attractive upside.

Bayer was a contributor during the quarter. The Germany-headquartered company's stock price rose throughout the period as it delivered in line 2024 results and 2025 guidance. The guidance in particular was reassuring as Bayer is enduring a challenging agriculture market and the patent expiration of its profitable drug Xarelto, so this year's outlook was unusually uncertain. In addition, Bayer unveiled a restructuring program in its Agriculture business that will begin to close performance gaps to peers and drive margin expansion. The investment manager believes this year is critical for Bayer to demonstrate improved execution and note CEO Bill Anderson's efforts on restructuring and organisational change. The investment manager appreciates these initiatives and think they will unlock improved performance at Bayer, while they also see promising efforts to bring an end to ongoing litigation.

Top detractors

Alphabet a detractor during the quarter. The US-headquartered company's stock price declined despite having posted fourth-quarter 2024 earnings that were in line with consensus expectations. Search revenue growth remained strong, and management reiterated that the new "AI Overviews" feature is driving higher engagement with comparable monetisation. The one miss during the quarter was in the Cloud segment, where revenue grew 30% year-over-year but fell slightly short of consensus expectations. The investment manager believes the shortfall was largely due to short-term capacity constraints and that the long-term growth outlook for Google Cloud remains robust. The investment manager continues to see Alphabet as a collection of great businesses that can further benefit from the company's world class AI capabilities. With shares trading at just 15x, the investment manager estimates of next year's earnings per share, they believe the stock is meaningfully undervalued.

Portfolio Performance (continued)

Kering was a detractor during the quarter. The France-headquartered luxury goods company's stock price declined despite fourth quarter 2024 results that were largely in line with the investment manager's expectations. The stock's weakness towards the end of the quarter came following the announcement of Gucci's next creative director. The investment manager views the legacy and long-term focused management of the company's brands as the largest source of Kering's underlying value and are confident in management's ability to identify key creative personnel that can extract that value for shareholders.

WPP Group was a detractor during the quarter. The UK-headquartered advertising company's stock price declined after it delivered weaker than expected fourth quarter 2024 results and 2025 guidance. The results were impacted by client losses, disruptions from restructuring activity, and pullback in more discretionary client spending. Despite the headwinds, margins and free cash flow remained resilient. While the economic environment remains uncertain, management believe WPP's growth should start to recover in the back half of 2025, and their free cash flow generation should rebound as restructuring activities fade. While the past year has been a tough one for WPP, the investment manager continues to believe the business can deliver low single-digit growth and much improved free cash flow. WPP can also monetise equity assets like Kantar for material amounts. The investment manager continues to think the discounted valuation overly discounts the company's fundamental value.

Portfolio Positioning

The investment manager initiated the following position(s) during the period:

Keurig Dr Pepper is one of North America's leading beverage companies, with dominant positions in single serve coffee and flavoured soft drinks. The soft drink portfolio has an enviable track record of volume growth and market share gains. The investment manager believes this strong performance can continue well into the future thanks to favourable demographic trends, brand strength and its unique distribution network. Recently, the stock price came under pressure due to fundamental weakness in the Keurig coffee division. At-home coffee consumption normalised as people returned to work, while price hikes are also weighing on demand. The investment manager believes these industrywide challenges will prove transitory as coffee remains a popular beverage across demographics. Keurig is poised to capitalise on this demand with the largest installed base of single-serve brewers and ample runway to further increase household penetration. At the current quote, the market ascribes minimal value to Keurig. The investment manager was happy to purchase shares in this above-average business that is trading at a discount to the market, other beverage peers and private market transactions.

Molina Healthcare is a leading managed care company. Molina is the fourth largest player in managed Medicaid but has consistently delivered industry-leading growth and margins. In the investment manager's view, this is thanks to the company's exceptional management team and culture of operational excellence. The investment manager thinks Molina has a long runway for growth via continued share gains in Medicaid and untapped opportunities in their Medicare and Marketplace business segments. Recently, fundamentals have been pressured by an unprecedented redeterminations cycle in Medicaid, and valuations have compressed due to uncertainty around policy changes in a new political administration. The investment manager believes earnings pressure from redeterminations is temporary and that any Medicaid policy changes will prove manageable, providing the investment manager an opportunity to purchase shares at a meaningful discount to intrinsic value.

Mondelēz International is a global snacking powerhouse with leading market share positions in crackers, cookies and chocolate. The brand portfolio houses iconic names like Cadbury, Milka, Toblerone, Oreo and Ritz. Mondelēz possesses a unique global footprint that over-indexes to snacking occasions. Snacking is an advantaged category that benefits from robust pricing power, low private label competition and rising per capita consumption. The investment manager believes these attributes will help Mondelēz sustain industry-leading growth. A rapid rise in commodity costs has temporarily depressed margins, masking the company's true earnings power. The investment manager believes Mondelēz's strong pricing power and commodity relief will help restore profitability. The short-term fears surrounding commodity inflation allowed the investment manager to purchase shares at a discounted valuation relative to history, peers and the broader market.

Samsung Electronics is one of the world's leading semiconductor companies. The investment manager likes that Samsung is a scaled, low-cost player with leading market positions in key industry verticals. In the investment manager's view, the company is well positioned to benefit from ongoing AI advancements, given its focus on increasing research and development during down-cycles. The investment manager initiated a position in Samsung at a discount to their estimate of intrinsic value, as they believe its strong balance sheet offers attractive upside optionality and supports the potential for increasing shareholder returns over time.

The investment manager eliminated the following position(s) during the period: Amazon.com, Etsy, Kroger.

Outlook

The investment manager has argued that for too long of a period the weight of money invested globally was heavily skewed to a handful of US growth names. Despite this, the investment manager has remained focused on using their bottom-up, fundamental analysis to inform portfolio construction. Even after this quarter's strong outperformance of value over growth, the investment manager believes a large valuation imbalance is still present and will be the fuel for better long-term performance for value equities.