

EQT EIGHT BAYS GLOBAL FUND – CLASS B

FUND OBJECTIVE

The EQT Eight Bays Global Fund - Class B (The Fund) investment objective is to deliver gross performance (less fees) above the benchmark over rolling 3-year periods.

The Fund is designed to give investors exposure to global growth industries and world leading companies, primarily through a portfolio of US Exchange Traded Funds (ETFs).

FUND PERFORMANCE

Over the December quarter the Fund produced a total net return of 13.32% outperforming the benchmark by 2.04%. Over the last 12 months the Fund has delivered a very strong total net return of 33.23% outperforming the benchmark by 3.06%. Since inception (1/7/21) the Fund has delivered a very robust total net return of 10.58% per annum.

PERFORMANCE ¹	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS (P.A.)	SINCE INCEPTION (P.A.) ²
Income return ¹	0.00%	0.00%	0.00%	0.00%	0.00%
Capital return	13.32%	15.37%	33.23%	9.45%	10.58%
Total net return	13.32%	15.37%	33.23%	9.45%	10.58%
Benchmark return ³	11.29%	14.03%	30.17%	11.34%	12.12%
Active return	2.04%	1.35%	3.06%	-1.89%	-1.54%

Table 1

¹ Performance: Income and total net returns are fund returns after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions. Results greater than one year are annualised.

² Inception date is 1 July 2021.

³ Benchmark return is the MSCI ACWI ex Australia net return Index (AUD).

Past performance is not an indicator of future performance.

ETF PERFORMANCE SUMMARY

The best performing Exchange Traded Fund (ETF) positions in the December 2024 quarter were Communication Services (up 7%), Financials (up 6.6%) and Information Technology (up 6%).

Underperforming ETFs were Broad Healthcare (down 10%), Global Pharmaceuticals (down 9.2%) and Smart Grid/Electrification (down 6.2%). Amazon, an individual stock holding performed strongly, increasing 17%.

The underperformance of healthcare investments and to a lesser extent Smart Grid can be attributed to reaction to Donald Trump's November US presidential election victory. Healthcare was caught in a storm between proposed Health Secretary Robert Kennedy's negative view of many pharmaceutical industry aspects (and US processed food companies) and the negative publicity directed to US managed care especially Health insurers and Pharmaceutical Benefit Managers (PBMs).

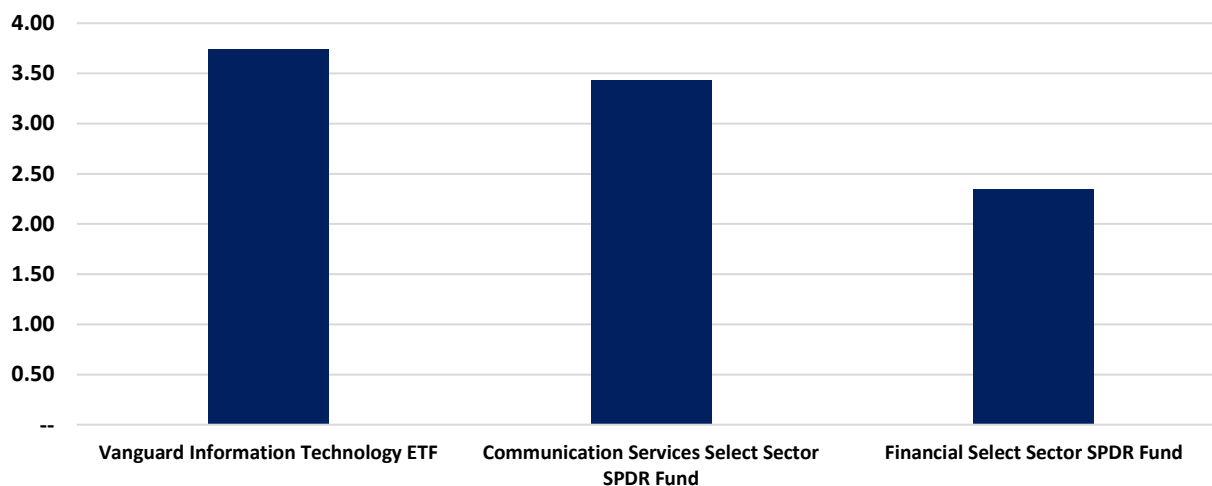
For the 2024 year the Fund was well exposed to three of the four best performing sectors Communication Services (+39%), Information Technology (+35%) and Financials (+28%), while exposure to the other top performing sector Consumer Discretionary (+29%) was introduced with the June addition of Amazon as a single stock position.



The Fund had minimal exposure to three of the four worst performing sectors in 2024, Materials (-2%), Real Estate (+1.7%) and Energy (+2.3%), with Healthcare (+0.9%) remaining an overweight position.

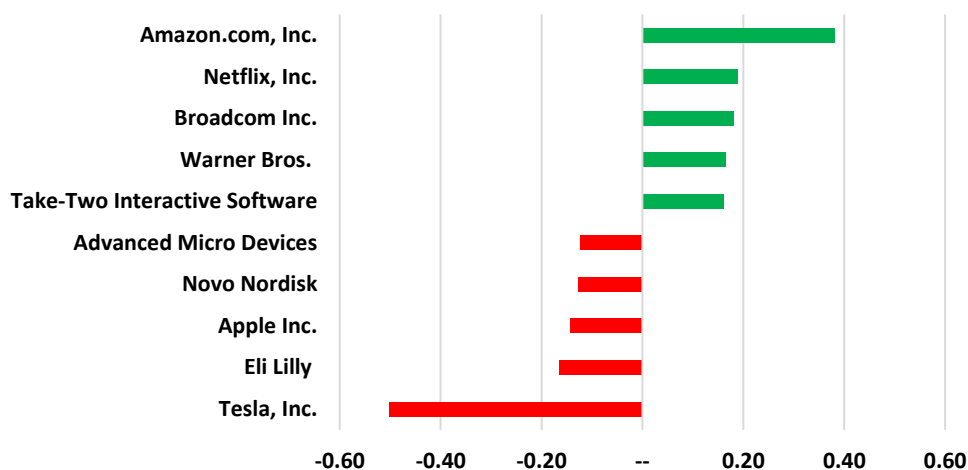
CONTRIBUTION AND ATTRIBUTION

Contribution to Quarterly return (% points)



Source: Equity Trustees / Factset

December quarter – Stock attribution (bps)



Source: Equity Trustees / Factset

FUND ACTIVITY

In the December 2024 quarter, the strongly performing ETFs in Information Technology and Financials were trimmed, and the Broad Healthcare position was reduced to facilitate a new position in the US midstream gas ETF MLPX, the Global X MLP & Energy Infrastructure ETF, with a 6.5% portfolio allocation.

INDIVIDUAL STOCKS: Amazon.com, Inc.

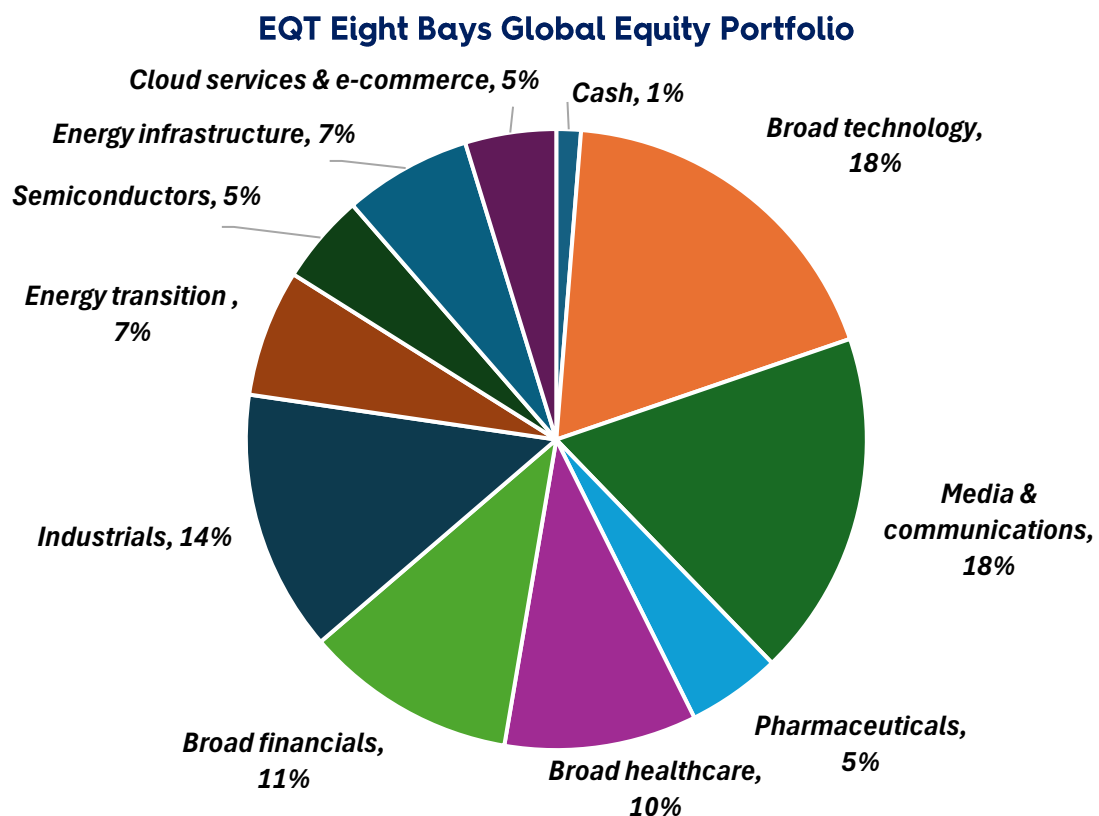


ETF CONSTITUENT COMPANIES

We highlight significant companies in each Exchange Traded Fund (ETF) as follows:

INDUSTRY ETF EXPOSURE	MAJOR COMPANY EXPOSURE
MIDSTREAM ENERGY INFRASTRUCTURE	ONEOK, Kinder Morgan, Cheniere, Energy Transfer
SMART GRID / ENERGY TRANSITION	ABB, Schneider Electric, Johnson Controls, Eaton PLC
SEMICONDUCTORS	Advanced Micro Devices, Broadcom, NVIDIA
INFORMATION TECHNOLOGY	Apple, Microsoft, NVIDIA, Adobe
BROAD HEALTHCARE	United Health, Eli Lilly, Johnson & Johnson, Merck
GLOBAL PHARMACEUTICALS	Eli Lilly, Novo Nordisk, Novartis, Zoetis, Takeda
COMMUNICATIONS	Alphabet, Meta Platforms, Netflix, Electronic Arts
FINANCIALS	Berkshire Hathaway, JP Morgan, Visa, Mastercard
INDUSTRIALS	Caterpillar, GE Aerospace, Honeywell, UBER Technologies

SECTOR EXPOSURE



Source: Eight Bays 31 December 2024

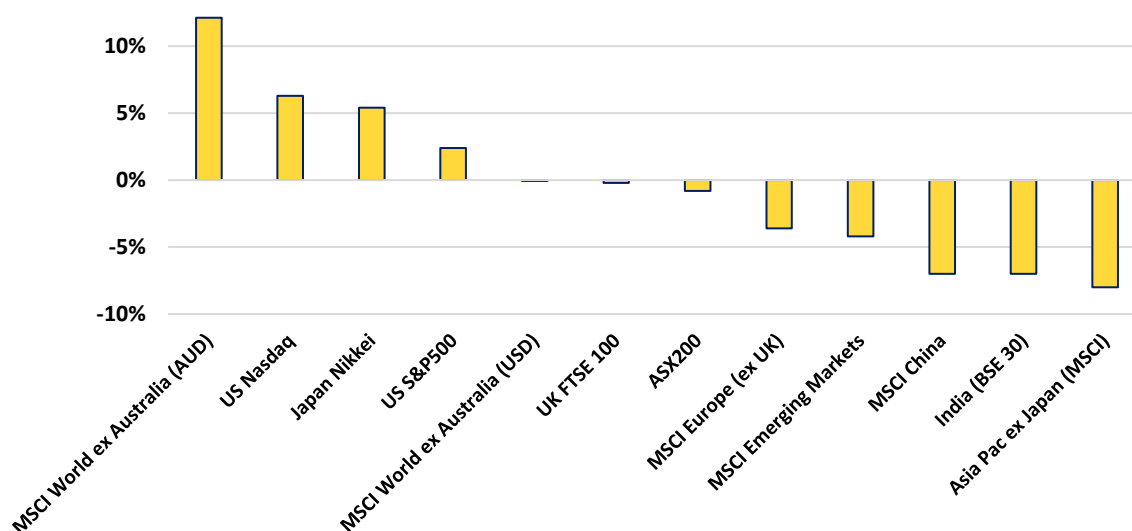
**EQT EIGHT BAYS INDIVIDUAL LOOK THROUGH STOCK EXPOSURE**

Holding	Portfolio Weight
1 Amazon.com, Inc.	4.8%
2 Meta Platforms Inc Class A	3.6%
3 NVIDIA Corporation	3.3%
4 Apple Inc.	2.9%
5 Microsoft Corporation	2.5%
6 Alphabet Inc. Class A	2.0%
7 Eli Lilly and Company	1.7%
8 Alphabet Inc. Class C	1.6%
9 Broadcom Inc.	1.4%
10 Berkshire Hathaway Inc. Class B	1.4%
11 Netflix, Inc.	1.3%
12 JPMorgan Chase & Co.	1.1%
13 Eaton Corp. Plc	1.1%
14 Walt Disney Company	0.9%
15 UnitedHealth Group Incorporated	0.8%
16 Take-Two Interactive Software, Inc	0.8%
17 AbbVie, Inc.	0.8%
18 Visa Inc. Class A	0.8%
19 T-Mobile US, Inc.	0.8%
20 Johnson & Johnson	0.8%
21 Electronic Arts Inc.	0.8%

Source: Eight Bays 31 December 2024

MARKET COMMENTARY

The MSCI World ex Australia was flat in USD terms but rose 12% in Australian dollar terms. In local currency terms the Japanese Nikkei 225 (+5.2%) and US S&P500 (+2.1%) outperformed during the quarter. Conversely, the MSCI Europe (-3.6%), Emerging Markets (-4.2%) and Asia-Pacific ex Japan (-8%) lagged.

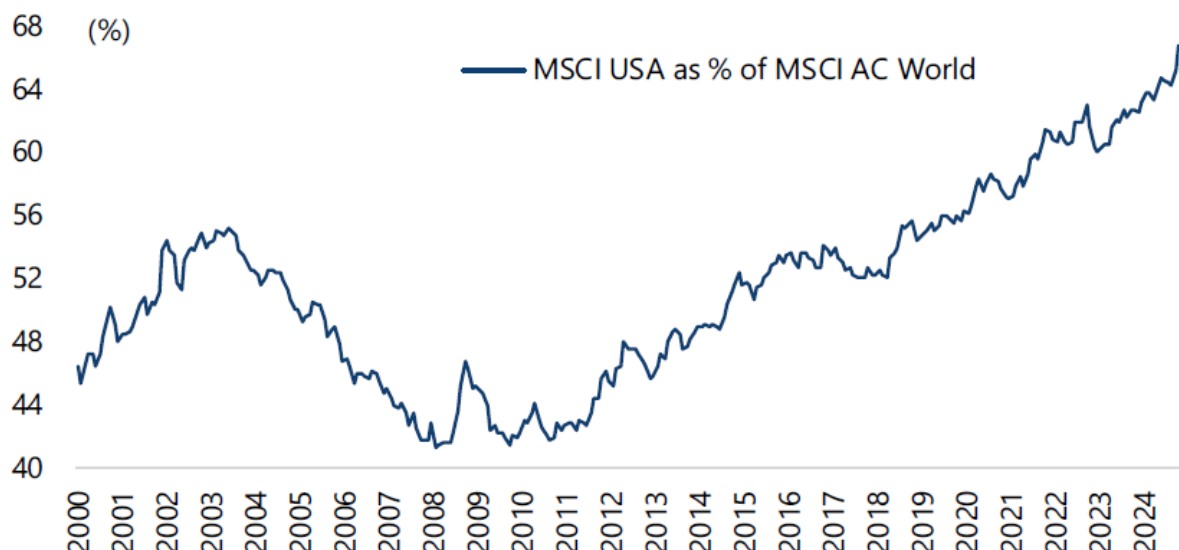
December Quarter Equity Market moves - Local Currency %

Source: Equity Trustees



US equity market dominance continued in the December quarter. Within the US market, Consumer discretionary, Communication Services and Financials performed best, while Materials and Healthcare underperformed. In late December, the US market reached an all-time high as a percentage of the MSCI All Country World Index.

MSCI USA as % of MSCI AC World Index



Note: Month-end weightings up to 31 December 2024. Source: MSCI, FactSet, Jefferies

Exposure to high quality technology companies, robust corporate results (especially from major tech companies), rate cuts, productivity gains and ongoing solid economic activity supported the US equity market. The Trump election victory has further spurred gains. Trump's policies are seen as equity market friendly in the near term. Tax cuts, deregulation and tariffs are seen helpful to US corporates. However, they are also likely to lead to higher inflation. US bond yields increased as did the US dollar. Higher bond yields, signs of sticky inflation and increasing concerns about funding the US position put the brakes on equity gains in December. The S&P500 ended the quarter trading on 22x price-earnings.

Japanese stocks finished the year strongly supported by speculation the Japanese Government Pension Investment Fund could raise its allocation to Japanese equities along with reports that major US allies such as Japan will be exempt from US semiconductor restrictions on China. The Bank of Japan also offered a more dovish outlook relative to the US Federal Reserve leading to Yen depreciation. Yen depreciation along with robust global economic activity supported Japanese exporters. Economic normalisation has been continuing in Japan. Further, corporate reforms and market reforms have given investors greater confidence in the outlook for the Nikkei. Market valuations, earnings growth forecasts and fund flows have been supportive also.

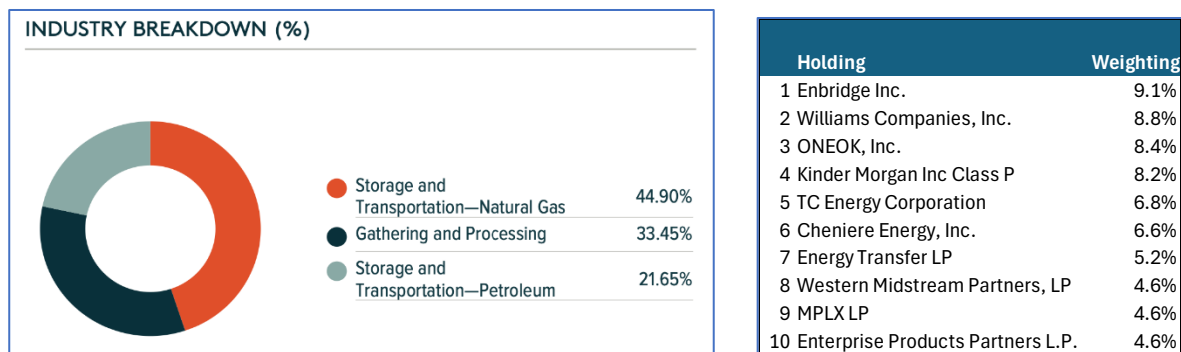
Emerging Markets have struggled in the face of a strong US dollar and Chinese headwinds. Asia-Pacific (ex-Japan) markets struggled in the December quarter as concerns about a Trump 2.0 world grew. Slowing global trade, higher tariffs, a strong USD and heightened geo-political uncertainty all weighed particularly on the more export focused countries.

China has continued to progressively ease policy restrictions. In December, the Central Economic Work Conference (CEWC) called for "more proactive" fiscal policy and "moderately loose" monetary policy. There appears to be an increased focus on improving domestic demand and consumption as well as investment efficiency. Further, details of the Chinese governments stimulus package in November focused on the central government local government debt swap to alleviate local government funding pressures. Encouraging the ailing property sector saw an improvement in residential property transactions in the December quarter with more property easing expected.



ETF IN FOCUS – GLOBAL X MLP & ENERGY INFRASTRUCTURE ETF (MLPX)

The MLPX Midstream Energy Infrastructure ETF invests in North American (USA 78%, Canada 22%) midstream energy companies such as pipelines and storage facilities that have less sensitivity to energy prices. The ETF offers a dividend yield of 4.2% with an expense ratio of 0.45% and has assets under management of \$US 2.5 billion.



Source: Global X, VettaFi

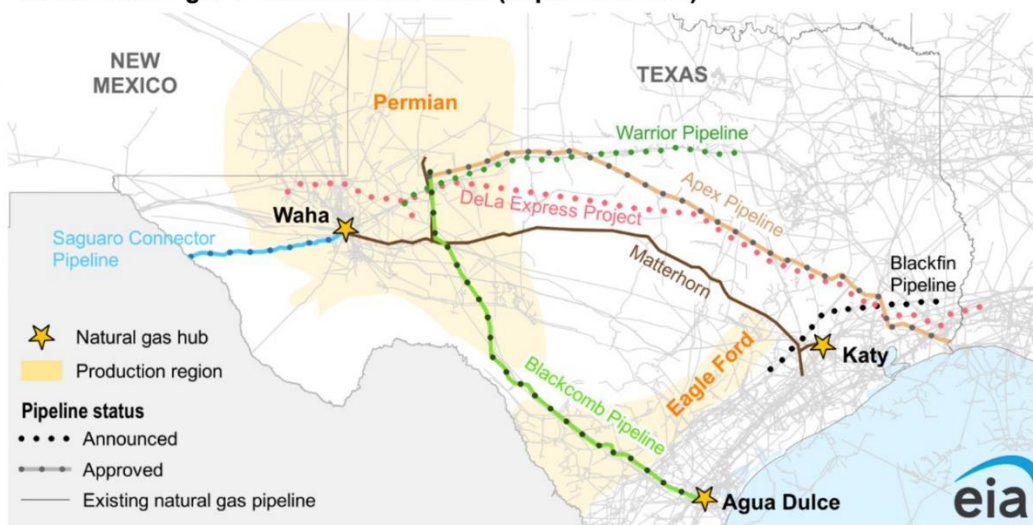
We note several recent inflection points that indicate an improved outlook and some growth options for the midstream energy industry. Firstly, incoming President Trump has made it clear that established (oil and gas) energy has his full support, but equally significant is his determination to reduce regulation and bureaucracy. Instead of blocking pipelines – (President Biden stopped Keystone project on first day of office in 2021 and introduced other regulations) the incoming administration recognises the significance of US energy self-sufficiency and the need to facilitate projects to supply significant additional power demand from data centres and onshoring industry projects.

In December 2024 **Meta** (Facebook) announced plans to build its largest data centre in Louisiana with the centre powered by three natural gas plants with 2.2-gigawatt combined capacity – or enough to power more than 1 million homes! Further growth in feeder pipelines will be facilitated and some consolidation in the industry can be expected to benefit the constituent companies of the MLPX ETF.

SEPTEMBER 10, 2024

Natural gas pipeline capacity from the Permian Basin is set to increase

Select natural gas infrastructure in Texas (September 2024)



Data source: U.S. Energy Information Administration, Natural Gas Pipeline Project Tracker



In addition to domestic gas projects, the US is becoming a significant energy exporter. A top holding in the MLPX ETF is US Liquefied Natural Gas (LNG) leader **Cheniere Energy**. A December 2024 report from global consultancy Wood Mackenzie concluded that coal use and emissions from power generation in Asia will surge in the coming decades unless there are significant new supplies of LNG imported from the USA.¹

It also seems likely that gas has a significant ongoing role in “firming up” the grid and therefore supporting renewables, while at the same time replacing coal where 100% reliability is required. Further acceptance of gas as a cleaner alternative is bolstered by advancements in carbon capture technology. In December 2024 **Exxon Mobil** announced plans to construct a natural gas power plant to supply electricity to data centres:

“Exxon intends to equip the power plant with advanced carbon capture technology, aiming to capture and store over 90% of its carbon dioxide emissions.”²

In a further boost to the global LNG industry, Europe has been urgently building LNG receiving (regasification) terminals since Russia’s 2022 invasion of Ukraine exposed the flawed policy of dependence on Russian gas. On 8th November 2024 European Commission President Ursula Von Der Leyen emphasised that Europe could import more LNG from the USA, further replacing Russian gas.

In July 2024 Meg O’Neill CEO of Australia’s **Woodside Energy** announced the acquisition of US company Tellurian and its Louisiana LNG project and stated:

“LNG demand has grown by more than 60% in the last decade and Wood Mackenzie is forecasting demand to grow by another 50% by 2033”.³

Japan’s gas giants Inpex and Tokyo Gas have stated that Australia’s LNG will be required until at least 2050 and cited global demand forecasts that the world would require 700 million tonnes of LNG by 2050 compared to 400 million tonnes now.⁴

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Past performance should not be taken as an indicator of future performance.

You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product. The Fund’s Target Market Determination is available here <https://www.eqt.com.au>.

A Target Market Determination is a document which describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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¹ Natural Gas World 2nd December 2024

² Carbon Herald 12th December 2024

³ Woodside Energy 22nd July 2024

⁴ The Australian 20th March 2023