

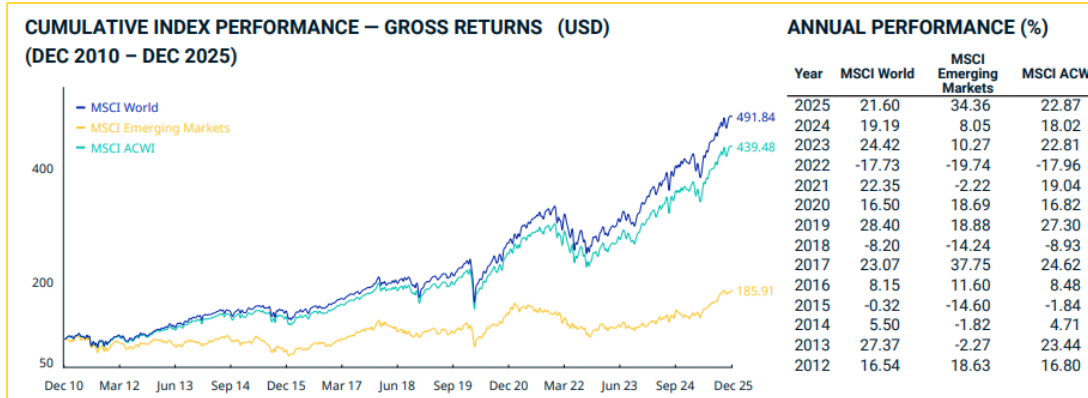
GLOBAL INDUSTRY ETF REVIEW

Eight Bays Investment Management

INVESTMENT LANDSCAPE FOR EQUITIES IN 2026

Equity returns over the past three years have been exceptionally strong, with the benchmark MSCI ACWI ETF delivering a 21.7% compound annual growth rate in USD terms during this period. Several factors have underpinned this performance: steady earnings growth, particularly among large-cap technology companies; widespread interest rate cuts by central banks in major economies; moderate global economic growth; fiscal stimulus measures; and a positive investment cycle driven by the deployment of AI infrastructure. Offsetting these positive drivers, however, have been ongoing geopolitical uncertainties and the adoption of trade protectionist policies by the U.S. administration under President Trump.

Three years of solid returns for global equities



Earnings growth

Sectoral earnings continue to benefit from positive structural industry trends, such as increased digitization and AI adoption, especially in technology, healthcare, industrials, utilities, and consumer markets. Technology sector capex is high, driving growth in related industries, with AI-related investments projected to grow over 40% CAGR to \$2.7 trillion by 2030. A rebound in commodity prices, particularly base and precious metals, which are currently trading at record levels is also helping to support earnings in the commodity and basic materials sectors. While market consensus expects strong earnings growth in the next two years, actual year-end earnings and revisions always influence stock prices. In 2025, stocks were boosted by a plethora of positive earnings revisions – particularly amongst the large cap tech names. The S&P 500 stocks earnings growth for 2025/2025 was revised up from 7.9% in September to 13.6% today with most sector experience upward revisions.

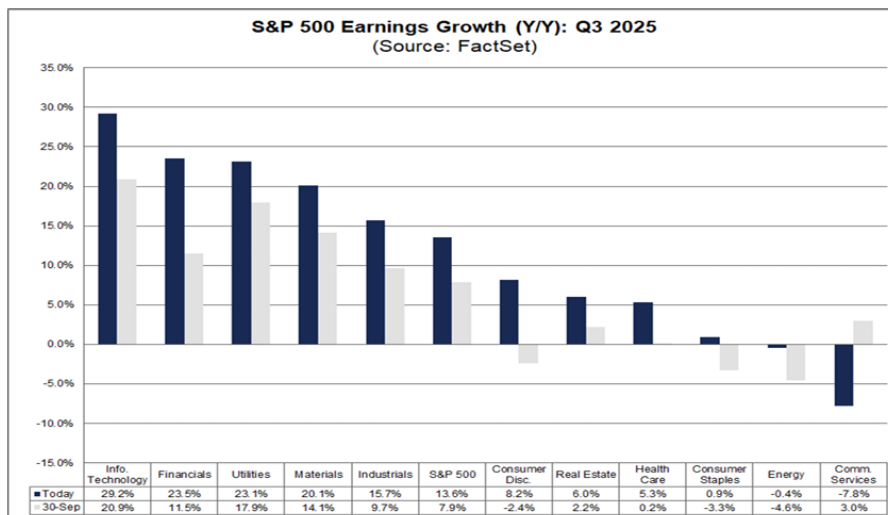


EPS & Sales growth estimates S&P500

Index	Style	EPS Growth		Sales Growth	
		2026E	2027E	2026E	2027E
S&P Indices					
500	Growth	22.7%	18.2%	13.8%	11.9%
	Value	9.3%	12.3%	4.9%	5.4%
400	Growth	28.0%	13.7%	8.4%	5.4%
	Value	14.6%	14.6%	4.4%	4.6%
600	Growth	8.0%	13.4%	7.9%	-1.9%
	Value	20.9%	15.5%	3.3%	-4.5%

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Source: Citi Research, FactSet

Earnings revisions Q3 2025 S&P500

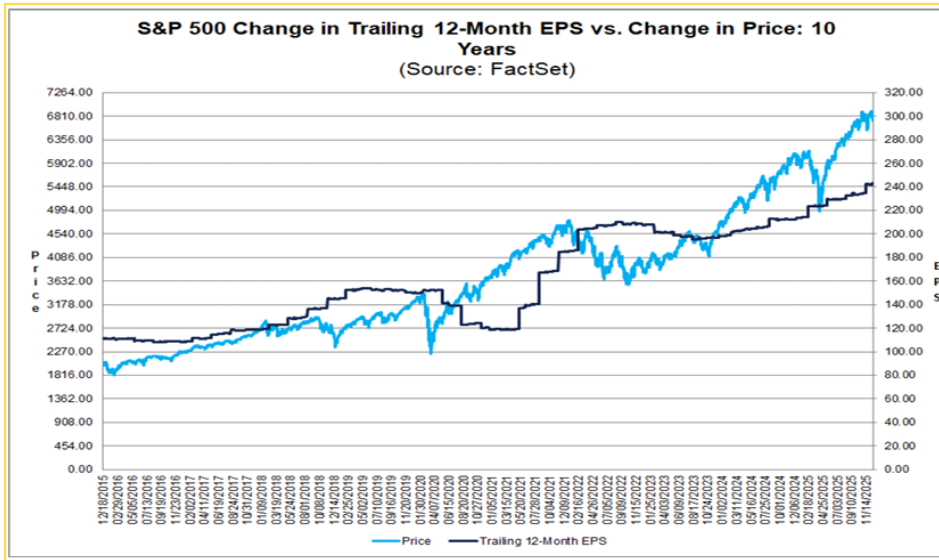


Source: FactSet

Typically, equity prices and equity returns — as measured by earnings per share (EPS) — are directionally correlated, however stock price moves often lead earnings growth. This relationship is illustrated in the chart below, which compares the S&P 500's EPS with its index level. Following the recent Covid downturn, earnings recovered robustly - tracking a recovery equity prices. Currently, we are observing another phase of solid EPS growth; however, it appears that stock market multiples have advanced beyond present earnings levels – causing PEs to expand. Consequently, we anticipate that stocks may consolidate or even correct whilst earnings growth catches up.



S&P 500 Index vs S&P 500 EPS over 10 years



Source: FactSet

Interest rates

The level and change in 10-year bonds have a significant impact on equity returns. Even more so for growth equities which make up the largest proportion of global equity capitalization. In most major economies 10-year bond rates fell through 2025 although there were exceptions such as Japan. Inflation rates tend to influence longer term rates as well as central bank monetary policy. The outlook for inflation rates and bond rates appears benign thus such conditions are supportive of equity prices.

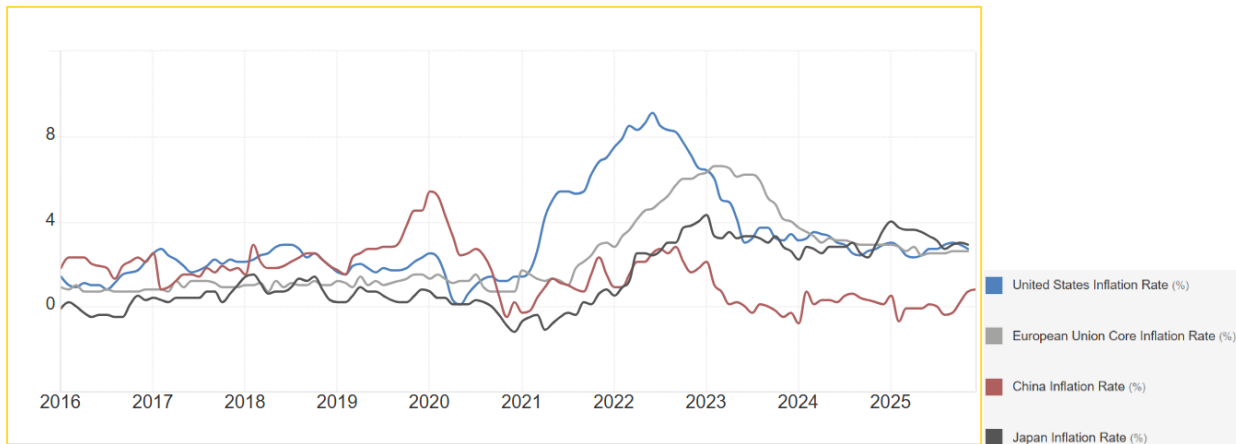
10-year bond forecasts – major economies

Country	Today	Q4 26 fcst	move
US	4.18%	3.92%	-0.25%
China	1.87%	1.76%	-0.10%
Germany	2.80%	2.61%	-0.19%
France	3.50%	3.31%	-0.20%
Japan	2.15%	1.86%	-0.29%
UK	4.37%	4.14%	-0.23%
Spain	3.24%	3.06%	-0.18%
India	6.60%	6.49%	-0.11%
Canada	3.40%	3.13%	-0.27%
Australia	4.68%	4.41%	-0.26%

Source: Trading economics



Inflation rates – major economies last 10 years

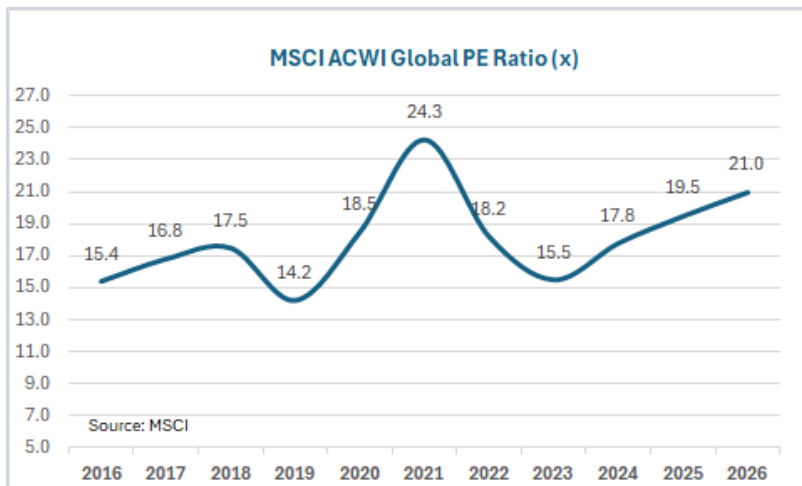


Source: Trading Economics

Equity valuations

Over the past decade, the average price-to-earnings (P/E) ratio for global equities has been approximately 17x, with a typical one-standard-deviation range of 15–19x. Currently, the MSCI forecast PE ratio stands at around 20x, which is more than two standard deviations above the historical mean. From a historical multiple perspective, equity valuations appear elevated compared to long-term norms. However, earnings growth has accelerated during the last two years and in the post-pandemic period. Consequently, when considering price-to-growth metrics, equity valuations are not excessively high.

Global equity PEs are elevated but not excessive



Source: MSCI

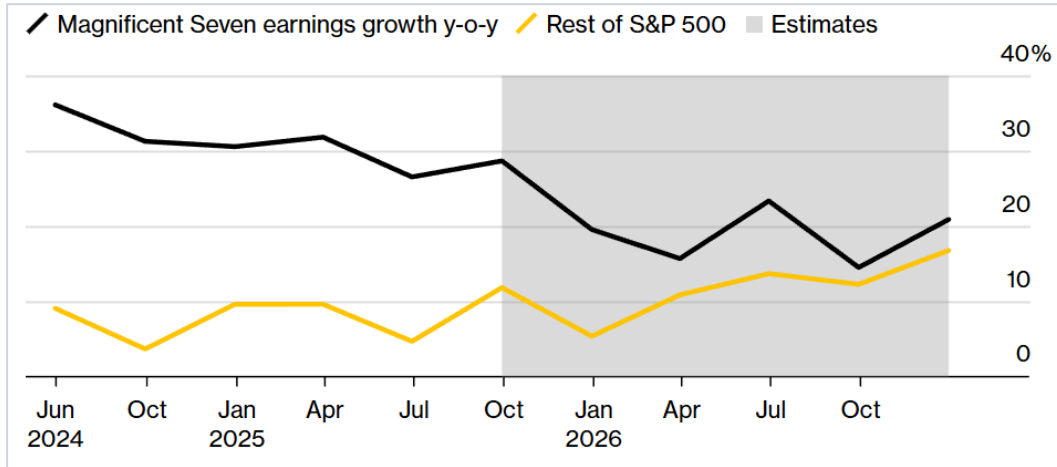
Equity market returns are expected to remain positive in 2026 due to sustainable earnings growth from factors like AI investment and strong US economic activity, especially with increased onshoring. Outside the US, regions such as Europe should also see improved earnings from fiscal stimulus and higher defence spending in NATO countries. Although multiples are high, they are supported by these solid growth trends.

We anticipate that equities can achieve a fourth consecutive year of positive returns. However, an appreciation exceeding 20% appears unlikely, as this would necessitate persistently elevated equity multiples and earnings projections being met or surpassed. From stock selection angle we anticipate more focus of companies and industries outside the mega cap tech space. Mega cap tech names have



by and large delivered robust earnings growth and this in turn has driven up their stock prices. However other stocks are also beneficiaries of the growth of these trillion dollar plus companies.

Earnings Growth Magnificent Seven vs The Rest



Source: Bloomberg Intelligence



EIGHT BAYS GLOBAL ETF STRATEGY - PORTFOLIO REVIEW

EIGHT BAYS INVESTMENT APPROACH

Unlike global equity strategies that focus mainly on individual stocks, our investment method centres on investing in specific industries or sectors. We aim to build wealth by adopting a comprehensive “whole of industry” approach when investing in growing or emerging industries. Selecting a mix of industry Exchange Traded Funds (ETFs) and supplementing them with individual stocks from those industries, we believe provides the most efficient way to meet our investment goals.

NEW POSITIONS (LAST 6 MONTHS)

Microsoft (4.0%) MSFT dominates enterprise and consumer software, as well as cloud computing, driven by digital and AI trends. Major hyperscalers like AWS, GOOG, and MSFT are best positioned to handle capital demands. AI adoption is accelerating, with Copilot exceeding 150M monthly active users and enterprise deployments scaling rapidly, validating MSFT's durable AI delivery strategy.

Alphabet (4.5%): GOOG dominates the Search market and Ai enhancements are anticipated to contribute significantly to Alphabet's (GOOG) growth. The company's Gemini models are integrated across various platforms, including Search, YouTube, Workspace, and Google Cloud. Notably, Google Cloud serves as a key profit contributor for Alphabet, while the rising demand for AI applications continues to enhance both revenue potential and operating margins.

Novo Nordisk (1.3%) NVO is a global leader in diabetes care with about 50% of the global insulin market and was a first mover in the obesity treatment market with Wegovy. The global obesity market alone is projected to reach over \$100 billion by 2030, with current GLP-1 market penetration at only around 2%, indicating significant growth potential.

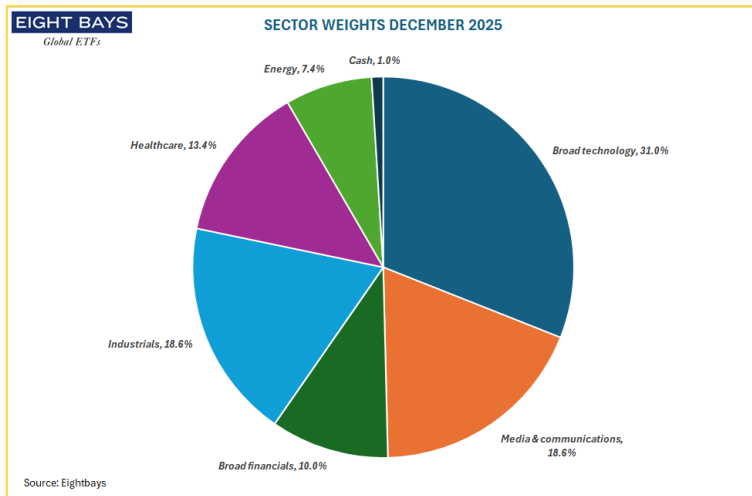
These three individual stocks have supplemented our industry ETF holdings.

EQT Eight Bays Industry Positioning (January 2026)

INDUSTRY POSITIONING				
High growth industries	Sector	Leading companies		
Obesity drugs	Pharmaceuticals	Eli Lilly	Novo Nordisk	
Gas processing & infrastructure	Energy	Williams	Kinder Morgan	Enbridge
Graphic processing units	Semiconductors	Nvidia	AMD	Marvell
Social media & online advertising	Media & communications	Google (Alphabet)	Facebook (META)	
	Media & communications	Netflix	YouTube (Alphabet)	
Subscriber video-on-demand				
Ai enabled data centres	Data storage	AWS (Amazon)	Microsoft	Alphabet Schneider Electric SE
Energy transition & equipment	Industrials	ABB	Eaton Corp	Electric SE



Sector weights (January 2026)



Top 20 holdings

Stocks	Portfolio weight
NVIDIA Corporation	4.9%
Amazon.com, Inc.	4.6%
Microsoft Corporation	4.0%
Meta Platforms Inc Class A	3.5%
Apple Inc.	2.8%
Alphabet Inc. Class C	2.7%
Eli Lilly and Company	2.6%
Alphabet Inc. Class A	1.9%
Broadcom Inc.	1.4%
Novo Nordisk A/S Sponsored ADR Class B	1.3%
Novartis AG Sponsored ADR	1.3%
Uber Technologies, Inc.	1.2%
Berkshire Hathaway Inc. Class B	1.2%
JPMorgan Chase & Co.	1.1%
Merck & Co., Inc.	1.1%
Netflix, Inc.	1.0%
GE Aerospace	0.9%
Comcast Corporation Class A	0.8%
Walt Disney Company	0.8%
Take-Two Interactive Software, Inc.	0.8%

Source: Eight Bays

EQT EIGHT BAYS GLOBAL PORTFOLIO

Symbol	Description	Sector	Last	Port. Wtg	PE	Yield	Beta	Holdings	% In Top 10	ER	
VGT	Vanguard InfoTch Idx;ETF	Broad technology	\$ 758.68	18.3%	39.0	0.40%	1.25	325	59%	0.09%	
XLC	Sel Sctr:ComS SS SPDR	Media & communications	\$ 115.16	17.0%	20.0	1.13%	1.02	25	72%	0.08%	
XLF	Sel Sector:Fin SS SPDR I	Broad financials	\$ 54.44	10.2%	17.8	1.31%	0.99	78	56%	0.08%	
XLI	Sel Sector:Ind SS SPDR	Industrials	\$ 166.90	13.1%	25.5	1.29%	1.07	82	39%	0.08%	
GRID	FT II: NSDQ Cln Edge SGI	Energy transition	\$ 159.24	5.0%	26.1	1.01%	1.25	116	57%	0.56%	
SOXQ	Invesco PHLX Semicon	Semiconductors	\$ 62.41	5.7%	28.9	0.50%	1.57	31	58%	0.19%	
PPH	VanEck:Pharmaceutical	Pharmaceuticals	\$ 105.32	12.8%	21.9	1.78%	0.54	26	73%	0.36%	
MLPX	GblX MLP & Engylnfra	Energy infrastructure	\$ 62.29	7.2%	17.7	4.88%	0.79	28	66%	0.45%	
AMZN	AMAZON.COM, INC.	Cloud & e-commerce	\$ 239.12	4.7%	33.6	0.00%	1.38	1	0%	0.00%	
NVDA	NVIDIA CORPORATION	GPU Semiconductors	\$ 186.23	1.2%	46.3	0.52%	2.31	1	0%	0.00%	
UBER	UBER TECHNOLOGIES, INC.	Transport	\$ 84.85	0.8%	10.8	0.00%	1.21	1	0%	0.00%	
NVO	Novo Nordisk A/S	Pharmaceuticals	\$ 62.33	0.5%	15.6	2.87%	0.67	1	0%	0.00%	
GOOG	ALPHABET INC.	Media & communications	\$ 330.34	1.2%	32.9	0.27%	1.10	1	0%	0.00%	
MSFT	MICROSOFT CORPORATION	Software	\$ 459.86	1.9%	32.5	0.78%	1.08	1	0%	0.00%	
CASH		Cash		0.5%						0.00%	
Portfolio wtd avg					100.0%	26.0	2.75%	1.06	717	27%	0.17%

Source: Eight Bays



GLOBAL INDUSTRY ETF REVIEW

MAJOR US SECTOR ETFS RANKED BY 6 MONTH RETURNS (USD)

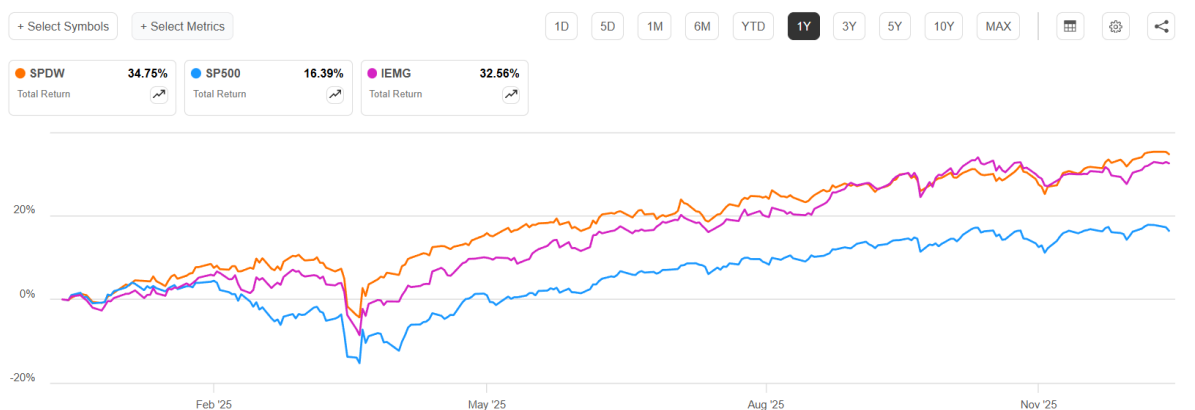
Symbol	Name	6M Perf	1Y Perf	3Y Total Return	5Y Total Return
GDX	VanEck Gold Miners ETF	64.8%	152.9%	210.0%	155.2%
VGT	Vanguard Information Technology Index Fund ETF Shares	13.6%	21.2%	140.4%	120.5%
ACWI	iShares MSCI ACWI ETF	10.0%	20.4%	75.8%	70.3%
XLY	State Street® Consumer Discretionary Select Sector SPDR® ETF	9.9%	6.4%	89.7%	54.6%
XLC	State Street® Communication Services Select Sector SPDR® ETF	8.5%	21.6%	153.4%	83.2%
XLE	State Street® Energy Select Sector SPDR® ETF	5.4%	4.4%	13.2%	185.0%
XLI	State Street® Industrial Select Sector SPDR® ETF	5.2%	17.7%	65.4%	89.1%
XLF	State Street® Financial Select Sector SPDR® ETF	4.6%	13.3%	68.1%	102.6%
XLU	State Street® Utilities Select Sector SPDR® ETF	4.6%	12.8%	32.8%	58.6%
XLB	State Street® Materials Select Sector SPDR® ETF	3.3%	7.8%	23.8%	38.4%
VNQ	Vanguard Real Estate Index Fund ETF Shares	-0.6%	-0.7%	21.0%	25.4%
XLP	State Street® Consumer Staples Select Sector SPDR® ETF	-4.1%	-1.2%	13.0%	31.3%

Source: Seekingalpha.com

During the 12 months ending December 2025, most sectors underperformed the MSCI ACWI ETF, which achieved a return of 20.4%. The Van Eck Gold Miners ETF (GDX) experienced a substantial increase of 152.9%, while the Vanguard Information Technology Index Fund (VGT) gained 21.2% and Communication Services rose 21.6% in 2025. In contrast, Consumer Staples (-1.2%), Real Estate (-0.7%), and Energy (+4.4%) exhibited significant underperformance.

Notably, GDX exceeded the 64% rise in gold prices over the 2025 period. Over a five-year horizon, GDX's performance has converged with that of gold, appreciating by 153% compared to gold's 123% increase. In the longer term, technology stocks have outperformed the broader market by 50% over a five-year span.

Emerging Market (IEMG), World exUS ETF (SPDW), S&P 500 (SPY) Total Returns (YTD)



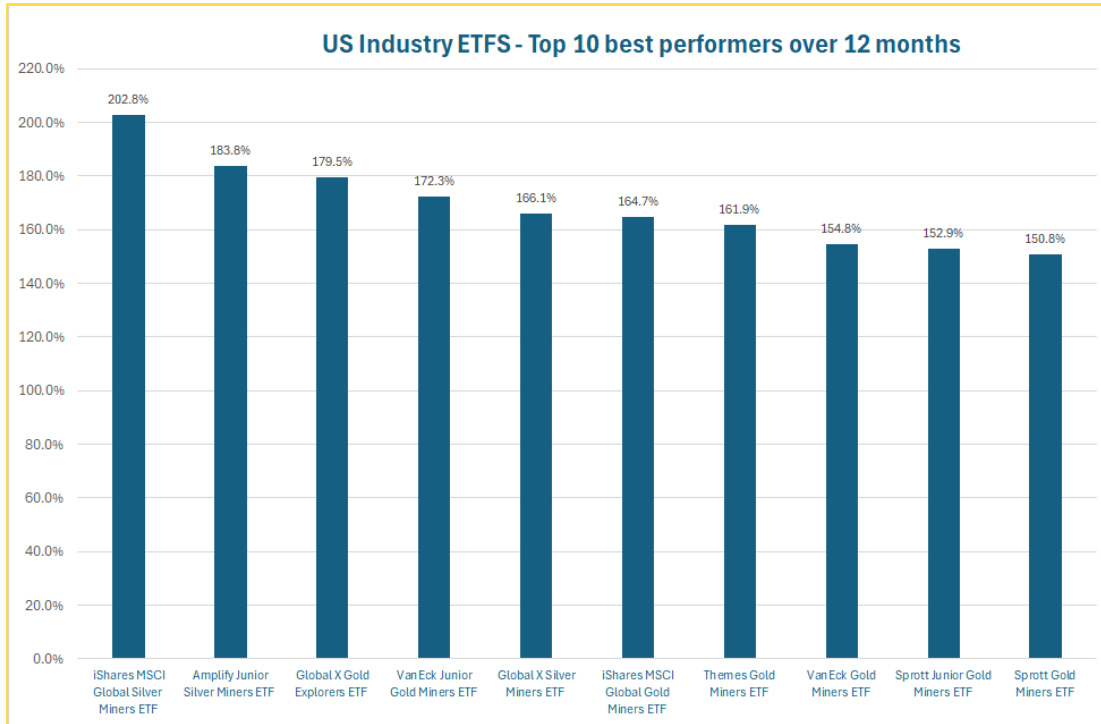
Source: Seeking Alpha

In 2025, emerging markets and non-U.S. equities outperformed the S&P 500 for the first time in several years. The IEMG ETF achieved a total return of 33%, while the World ex US ETF (SPDW) returned 35%, comfortably outperforming the S&P 500 ETF's (SPY) 16% return. However, when evaluating longer-term performance, the S&P 500 ETF has delivered substantially higher returns compared to emerging markets and non-U.S. stocks. Over the past five years, emerging market equities have been the weakest performers, providing an annual return of approximately 5%. In contrast, non-U.S. developed equities returned slightly over 10% per annum, whereas the S&P 500 delivered a robust 16.4% annual return.

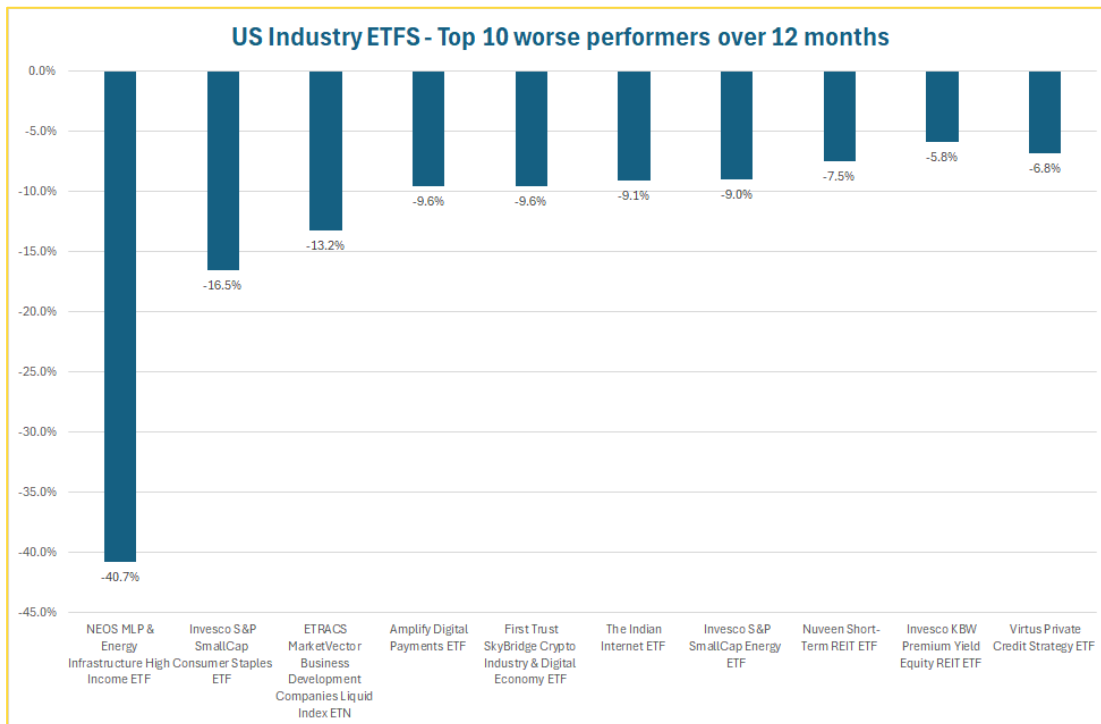


SUB SECTOR PERFORMANCE

In 2025, gold and silver stocks led with returns nearing 200%, while energy infrastructure, private debt, small cap energy, and small cap consumer staples underperformed.



Source: etfdb.com



Source: etfdb.com



US ETF INDUSTRY DEVELOPMENTS

According to State Street's latest fund flows report, U.S. exchange traded funds ended 2025 on a high note, with investors investing record amounts across different asset classes. In December alone, ETFs saw net inflows of \$235 billion, bringing the fourth quarter total to \$564 billion and boosting full-year inflows to an unprecedented \$1.515 trillion.

Equity ETFs led this surge, pulling in \$390 billion during the last three months of the year as confidence in stock markets rose. Notably, non-U.S. equity strategies attracted a record \$244 billion throughout 2025, as investors sought greater international diversification.

In 2025, more than 40 industry or thematic ETFs were listed, with many focused on AI infrastructure. Most are actively managed and carry higher expense ratios. The largest is the Dan Ives Wedbush AI Revolution ETF, with nearly US\$1 billion in assets and an expense ratio of 0.75%.

Top 12 Industry ETF listings in 2025

Symbol	ETF Name	Style	Total Assets	Inception	ER
IVES	Dan Ives Wedbush AI Revolution ETF	active	\$ 977,911,000	4/06/2025	0.75%
CSRE	Cohen & Steers Real Estate Active ETF	active	\$ 175,843,000	4/02/2025	0.70%
IQSZ	Invesco Global Equity Net Zero ETF	active	\$ 150,720,000	16/07/2025	0.19%
AIPO	Defiance AI & Power Infrastructure ETF	active	\$ 116,462,000	24/07/2025	0.69%
LPRE	Long Pond Real Estate Select ETF	active	\$ 109,776,000	4/04/2025	1.00%
KOID	KraneShares Global Humanoid and Embodied Intelligence Index ETF	active	\$ 93,277,400	4/06/2025	0.69%
LVDS	JPMorgan Fundamental Data Science Large Value ETF	active	\$ 91,357,700	11/07/2025	0.30%
GXPC	Global X PureCap MSCI Communication Services ETF	active	\$ 61,449,800	23/07/2025	0.15%
YNOT	Horizon Digital Frontier ETF	active	\$ 59,161,200	9/07/2025	0.75%
TCAI	Tortoise AI Infrastructure ETF	active	\$ 52,093,900	5/08/2025	0.65%
GXPT	Global X PureCap MSCI Information Technology ETF	active	\$ 51,373,200	22/07/2025	0.15%
CSNR	Cohen & Steers Natural Resources Active ETF	active	\$ 50,246,800	4/02/2025	0.50%

Source: [etfdb.com](https://www.etfdb.com)

By the end of 2025, US industry ETF assets surpassed \$1.5 trillion across more than 430 listings. Net flows topped \$64 billion, mainly into information technology ETFs, followed by utilities, infrastructure, and industrial ETFs. The energy sector saw the largest net outflows, losing nearly \$6 billion, or 8% of its market value.

KEY SECTOR DATA – January 2026

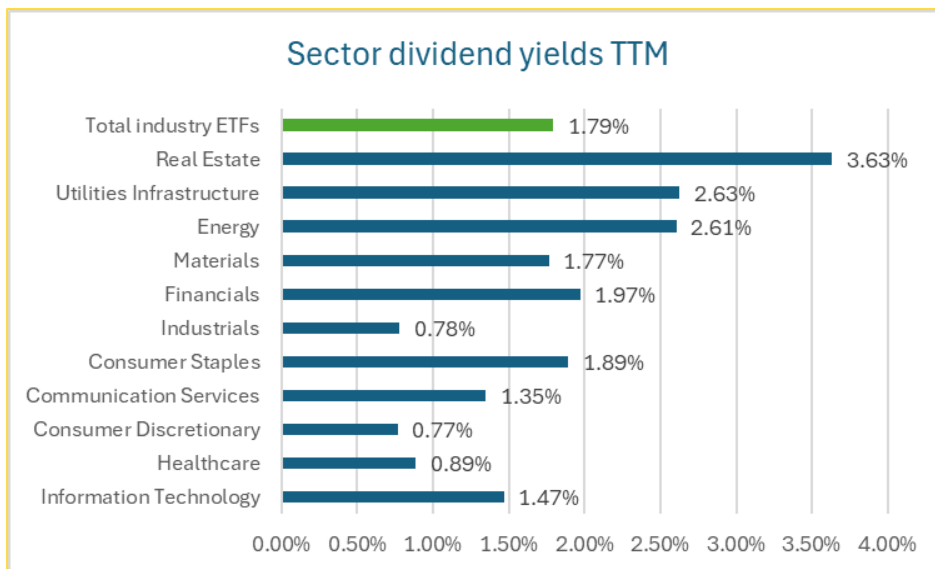
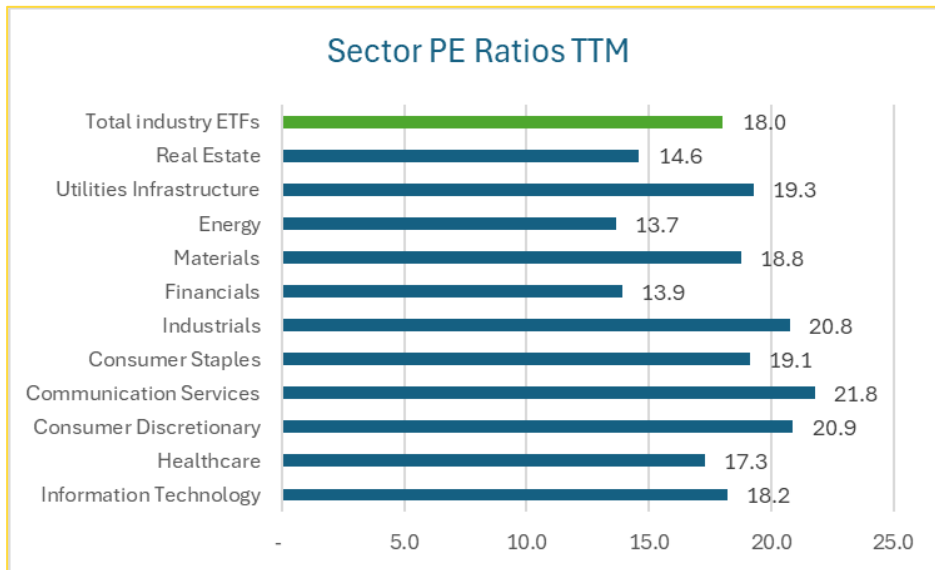
Sector	No. of ETFs	AUM (US\$mm)	Share of total	YTD Funds Flow (US\$mm)	Average change YTD	PE (x)	Yield	Average Beta	Funds Flow/MV	Expense Ratio
Information Technology	99	\$848,480	54%	\$ 42,914	23.1%	18.5	1.47%	1.48	5%	0.57%
Healthcare	46	\$98,806	6%	\$ (1,412)	22.4%	17.4	0.86%	0.79	-1%	0.50%
Consumer Discretionary	30	\$42,086	3%	\$ (1,906)	11.8%	20.9	0.77%	1.23	-5%	0.51%
Communication Services	8	\$37,682	2%	\$ 3,538	28.2%	21.8	1.35%	1.02	9%	0.37%
Consumer Staples	13	\$26,185	2%	\$ (953)	-1.7%	19.1	1.89%	0.59	-4%	0.52%
Industrials	47	\$106,064	7%	\$ 14,828	23.3%	20.8	0.78%	1.13	14%	0.53%
Financials	38	\$103,136	7%	\$ (850)	13.8%	12.9	1.97%	0.98	-1%	0.39%
Materials	53	\$98,431	6%	\$ 522	59.3%	18.8	1.76%	0.94	1%	0.49%
Energy	39	\$76,355	5%	\$ (5,908)	15.4%	13.7	2.62%	0.82	-8%	0.56%
Utilities Infrastructure	19	\$63,804	4%	\$ 10,092	18.4%	19.3	2.63%	0.67	16%	0.41%
Real Estate	45	\$80,989	5%	\$ 3,641	5.8%	14.6	3.63%	0.99	4%	0.42%
Total industry ETFs	437	\$1,582,018	100%	\$ 64,507	20.0%	18.0	1.79%	0.97	4%	0.48%

Source: [etfdb.com](https://www.etfdb.com)

Many have argued that the current equity market is experiencing a bubble, but if we examine sector valuations, the average price-to-earnings multiple over the past 12 months is not unusually high, with most sectors trading below 20 times earnings.



Sector investment fundamentals



Source: [etfdb.com](https://www.etfdb.com)

TECHNOLOGY – OVERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
WGMI	CoinShares Bitcoin Mining ETF	\$ 228,484,000	\$ 38	72.5%
USD	ProShares Ultra Semiconductors	\$ 1,715,230,000	\$ 53	62.0%
AIS	VistaShares Artificial Intelligence Supercycle ETF	\$ 102,056,000	\$ 38	58.4%

Bottom Performers 12 Months

Symbol	ETF Name	Total Assets	Closing Price	1 year
IPAY	Amplify Digital Payments ETF	\$ 220,962,000	\$ 52	-9.6%
CRPT	First Trust SkyBridge Crypto Industry & Digital Econom	\$ 114,134,000	\$ 15	-9.6%
INQQ	The Indian Internet ETF	\$ 55,393,100	\$ 15	-9.1%

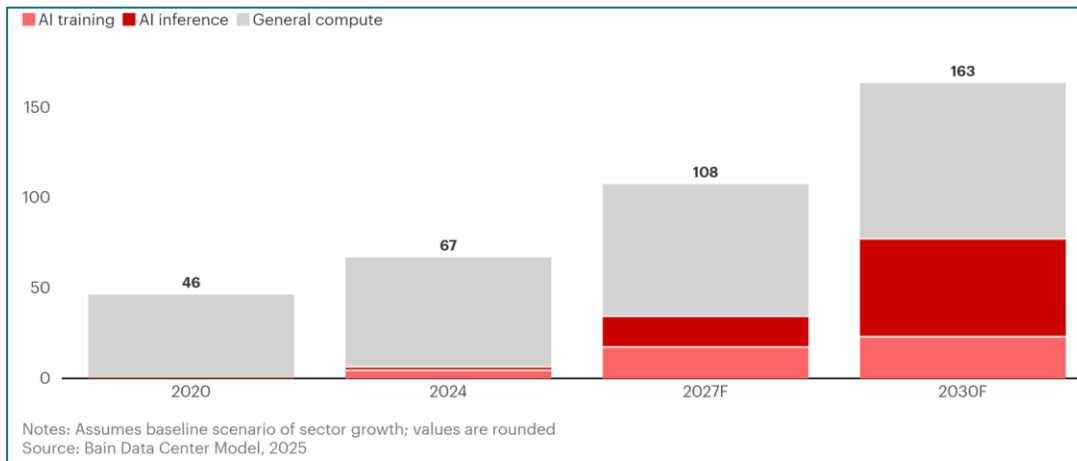


Source: *etfdb.com*

The technology sector includes semiconductors, cloud services, AI, robotics, software, and cybersecurity. In 2025, the Van Eck Semiconductor ETF rose 49%, led by strong demand for AI computing. Nvidia gained 30%, TSMC rose 53%, and Micron surged 250%. Software returns were mixed, with the IGV Software ETF up just 5% for the year. The technology sector continues to show promise due to the significant shift toward AI computing services and positive earnings momentum. December 2025 FactSet 2026 consensus earnings per share growth of the S&P Technology Sector was 28% having increased from 18% growth in September 2025.

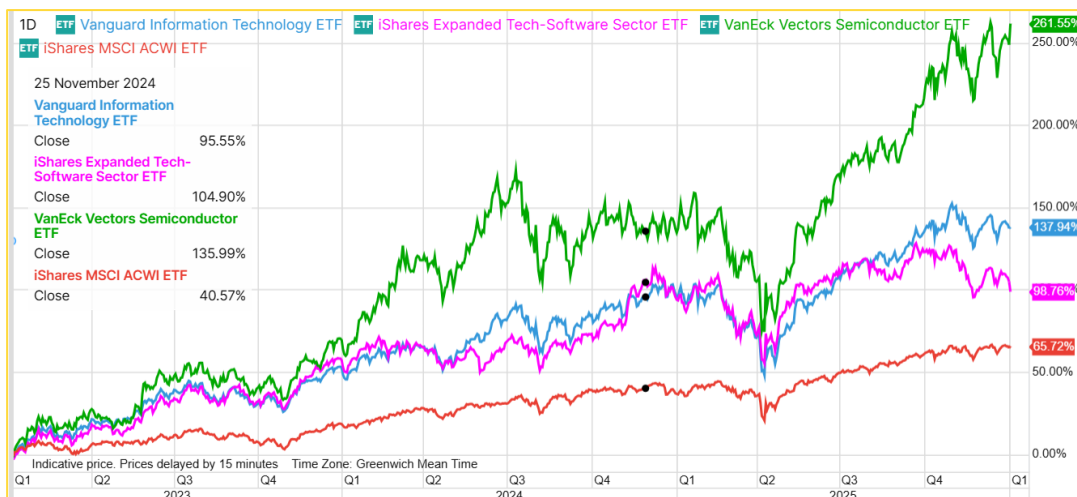
We continue to hold an overweight position in semiconductors, cloud services, and enterprise software stocks, including companies like Nvidia, AMD, Microsoft, and Micron. The AI revolution is influencing numerous industries and supporting both industrial and consumer demand for AI tools necessitates significant investment. We anticipate that investing in AI-centric data infrastructure will be a multi-year process.

Global Data Centre Capacity by Compute Type (Gigawatts)



Source: *Bain*

Selected Technology ETFs (3-year returns)



Source: *Totality*



HEALTHCARE – OVERWEIGHT PHARMACEUTICALS

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
PSIL	AdvisorShares Psychedelics ETF	\$ 18,183,200	\$ 17	74.5%
BBC	Virtus LifeSci Biotech Clinical Trials ETF	\$ 32,536,500	\$ 39	63.8%
SBIO	ALPS Medical Breakthroughs ETF	\$ 126,975,000	\$ 51	55.1%

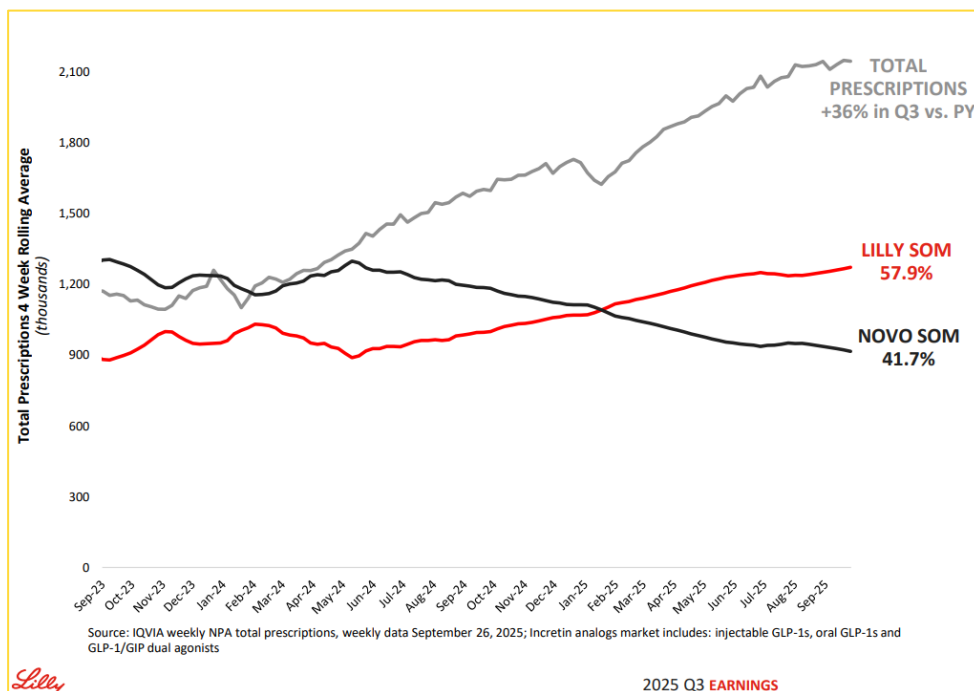
Bottom Performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
PSCH	Invesco S&P SmallCap Health Care ETF	\$ 150,945,000	\$ 44	-0.5%
XHE	State Street SPDR S&P Health Care Equipment ETF	\$ 155,936,000	\$ 88	-0.2%
IHF	iShares U.S. Healthcare Providers ETF	\$ 747,887,000	\$ 48	0.9%

Source: etfdb.com

The healthcare sector includes industries such as medical devices, pharmaceuticals, biotechnology, healthcare services, and genomics. Its recent underperformance is due to structural challenges, including US government spending reviews of Medicare and Medicaid because of budget deficits. The healthcare sector lagged the MSCI benchmark but saw pharmaceutical and biotech stocks rebound in late 2025 as regulatory concerns diminished. The US Government views healthcare as critical, urging global pharma firms to expand US manufacturing and tackling drug pricing to reduce costs. We hold an overweight allocation in global pharmaceuticals through holdings in the Van Eck pharmaceutical ETF (PPH) which includes Eli Lilly, Pfizer, Merck, Novartis, and Novo Nordisk. We anticipate strong earnings growth from new drugs for obesity, diabetes, cardiovascular disease, and Alzheimer's, while the sector remains undervalued.

The US Incretin Analogs Market (Obesity & Diabetes Drugs)



Source: Eli Lilly



Selected Healthcare ETFs (3-year returns)



Source: Totality

FINANCIALS - Underweight

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
EUFN	iShares MSCI Europe Financials ETF	\$ 4,630,650,000	\$ 37	65.7%
GSIB	Themes Global Systemically Important Banks ETF	\$ 25,832,000	\$ 53	58.6%
KBWB	Invesco KBW Bank ETF	\$ 6,003,490,000	\$ 84	32.0%

Bottom Performers 2 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
BDCZ	ETRACS MarketVector Business Development Companies Liquid Index ETN	\$ 12,597,600	\$ 17	-13.2%
VPC	Virtus Private Credit Strategy ETF	\$ 43,507,200	\$ 18	-6.8%
FINX	Global X FinTech ETF	\$ 253,356,000	\$ 29	-5.2%

Source: etfdb.com

The financial sector covers banks, asset managers, credit cards, payment services, and insurance. European financial stocks have notably outperformed, with the iShares MSCI Europe Financial ETF rising 66%. This rally has been driven by the ECB cutting interest rates to 2.15% from a peak of 4.50% in September 2023, as well as anticipated fiscal spending on defense. We have maintained an overweight allocation to U.S. financial stocks, which, while trailing the European sector, have nonetheless achieved a robust 15% return over the past twelve months. Within this segment, there is increasing evidence that rising defaults are affecting the thriving private credit market, with a noticeable impact on ETFs linked to private credit. Conversely, the insurance sector has benefited from higher premiums, while the investment and asset management segment continues to see growth driven by increases in assets under management and deal flow. We maintain an overweight position in US financials via the State Street financial ETF (XLF) which holds companies such as JP Morgan, Berkshire Hathaway, Visa, Mastercard and Goldman Sachs.



Selected Financial ETFs (3-year returns)



Source: Totality

INDUSTRIALS - Overweight

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
SHLD	Global X Defense Tech ETF	\$ 5,163,340,000	\$ 65	74.2%
EUAD	Select STOXX Europe Aerospace & Defense ETF	\$ 1,035,610,000	\$ 42	73.8%
NATO	Themes Transatlantic Defense ETF	\$ 59,872,700	\$ 38	50.2%

Bottom Performers 12 months

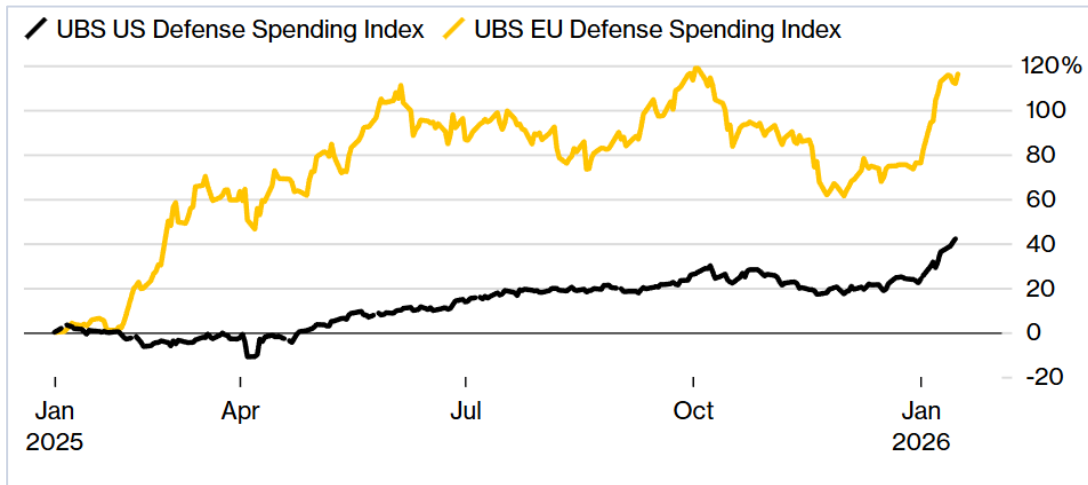
Symbol	ETF Name	Total Assets	Closing Price	1 year
XTN	State Street SPDR S&P Transportation ETF	\$ 154,488,000	\$ 91	6.3%
SNSR	Global X Internet of Things ETF	\$ 198,989,000	\$ 37	6.5%
FIW	First Trust Water ETF	\$ 1,917,690,000	\$ 109	7.2%

Source: etfdb.com

This sector encompasses industries such as aerospace, defense, transportation, infrastructure, industrial products, water and environmental services, capital equipment, and robotics. Strongest performing sector within this group was defence and aerospace ETFs. The Global X Defense Tech ETF rose 74% over the last year, driven by increased US and European defence budgets due to shifts in US foreign policy. We remain overweight in the industrial sector through the State Street Select Industrial ETF and First Trust Clean Edge Smart GRID Infrastructure ETF. Alongside rising defense spending, global investment in energy infrastructure and clean energy—such as solar, wind, and nuclear—is accelerating due to growing demand for IT services and data centers. Major holdings include ABB, GE Aerospace, Boeing, Quanta, and Johnson Controls.

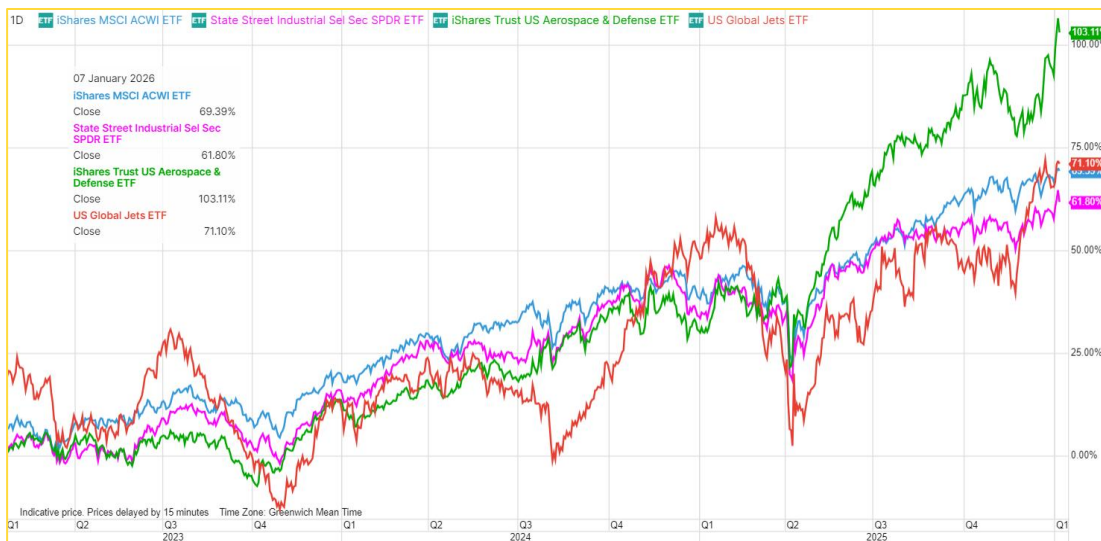


US and EU Defence Spending on the Rise



Source: Bloomberg, UBS

Selected Industrial ETFs



Source: Totality



COMMUNICATION SERVICES - OVERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
XTL	State Street SPDR S&P Telecom ETF	\$ 207,905,000	\$ 153	44.9%
IXP	iShares Global Comm Services ETF	\$ 796,555,000	\$ 121	29.3%
IYZ	iShares U.S. Telecommunications ETF	\$ 672,335,000	\$ 34	29.3%

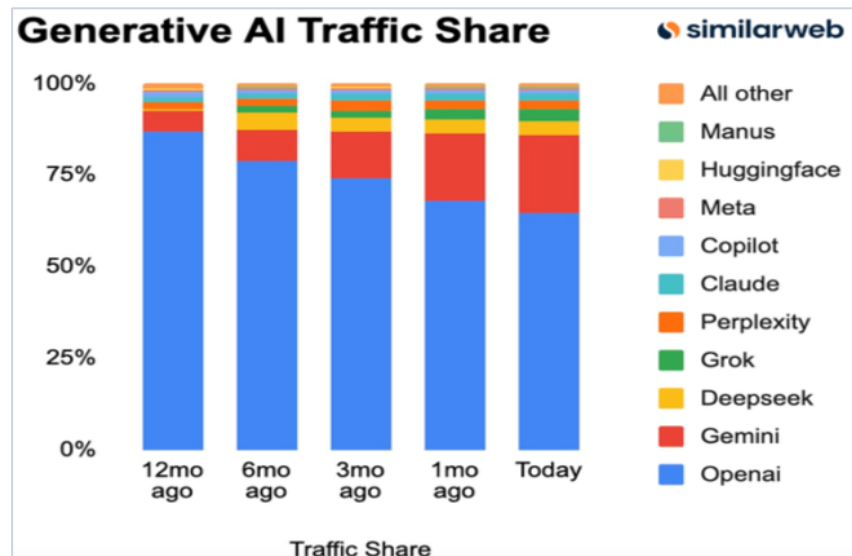
Bottom Performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
RSPC	Invesco S&P 500 Equal Weight Communication Services ETF	\$ 77,205,800	\$ 40	18.4%
XLC	State Street Communication Services Select Sector SPDR ETF	\$ 27,283,100,000	\$ 118	23.1%
FCOM	Fidelity MSCI Communication Services Index ETF	\$ 1,932,600,000	\$ 73	26.1%

Source: etfdb.com

This sector encompasses telecommunications, media, film and television, online gaming, cloud services, and video streaming. The XLC ETF, which manages \$27 billion in assets under management (AUM), appreciated by 23% and includes holdings such as Alphabet, Meta, Disney, T-Mobile, and Electronic Arts. Alphabet represents the largest position, with its share price increasing by 60%, driven by successful AI product launches. Significant consolidation is currently occurring; for example, Netflix has made an \$80 billion bid for Warner Brothers, while Paramount has submitted a competing offer. Further consolidation within the content streaming industry is anticipated in the coming years. Merger and acquisition activity is also evident in the online gaming sector, with a private equity consortium offering over \$55 billion for Electronic Arts. We maintain an overweight allocation in communication services via the State Street communication services sector ETF, which includes positions in Meta, Alphabet, Netflix, and Disney.

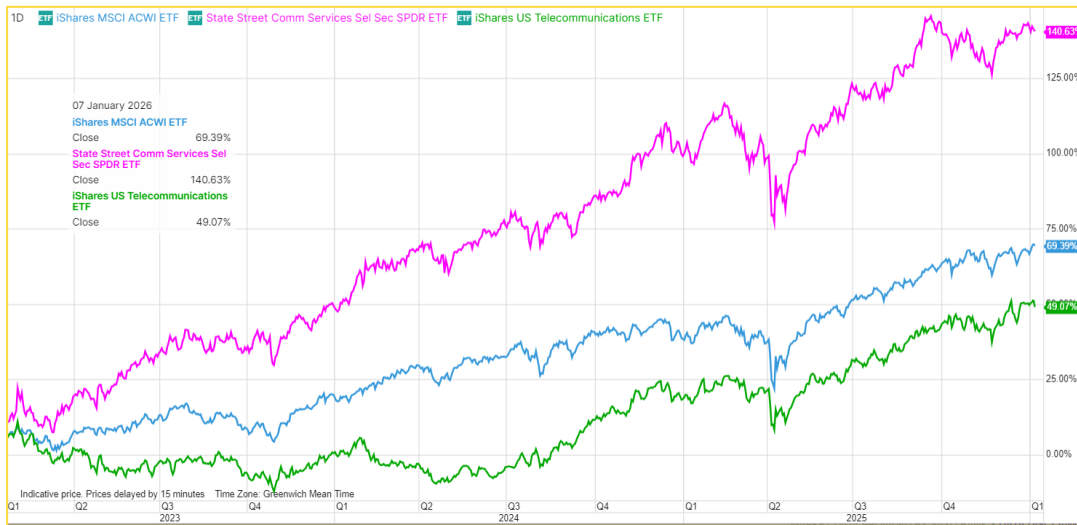
GOOGLE Gemini taking share of Ai traffic



Source: Similarweb



Selected Communications ETFs (3-year returns)



Source: Totality

CONSUMER DISCRETIONARY – UNDERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Previous Closing	1 year
GAMR	Amplify Video Game Leaders ETF	\$ 42,990,900	\$ 91	39.2%
CARZ	First Trust S-Network Future Vehicles & Technology ETF	\$ 47,125,400	\$ 78	37.2%
ONLN	ProShares Online Retail ETF	\$ 75,815,900	\$ 59	33.0%

Bottom Performers 12 months

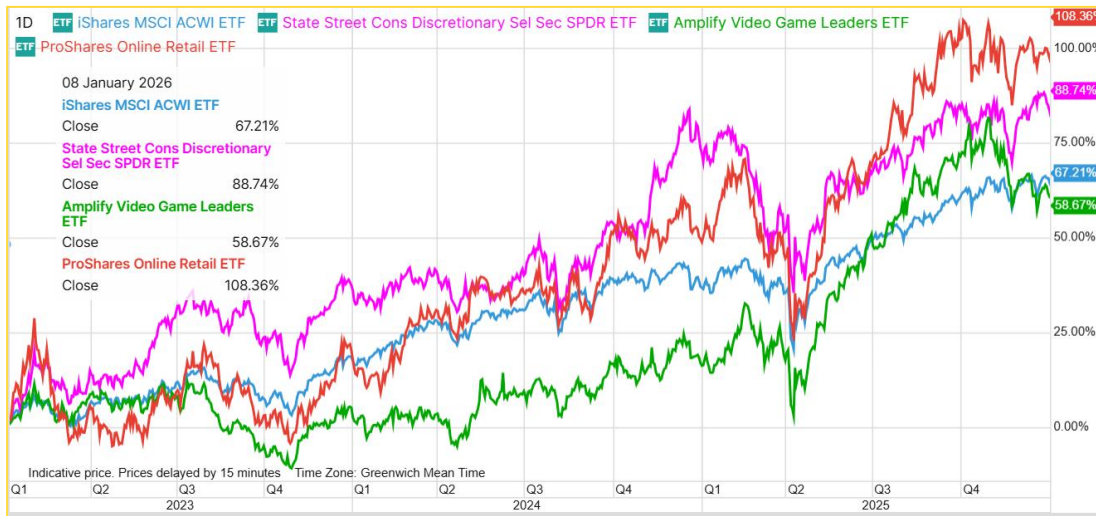
Symbol	ETF Name	Total Assets	Previous Closing	1 year
ITB	iShares U.S. Home Construction ETF	\$ 2,645,070,000	\$ 96	-5.3%
AWAY	Amplify Travel Tech ETF	\$ 34,521,100	\$ 21	-3.4%
PSCD	Invesco S&P SmallCap Consumer Discretionary ETF	\$ 19,027,100	\$ 105	-2.9%

Source: etfdb.com

This sector covers apparel companies such as Nike, retailers like Amazon, automobile manufacturers including Tesla and GM, home building and improvement stores like Home Depot, as well as casinos, travel service providers, and online gaming businesses. The largest exchange-traded fund (ETF) in consumer discretionary is the Consumer Discretionary Sector SPDR Fund (XLY), with \$25 billion in assets under management; it returned only 7% over the period. Gaming ETFs benefited significantly from takeover activity, climbing around 30%, notably boosted by a private equity consortium's \$55 billion accepted bid for Electronic Arts, the world's second-largest video game publisher. In contrast, retailers and non-gaming consumer brands faced obstacles from tariffs on countries exporting products to the United States, although these stocks bounced back in the latter half of 2025. Notably, the portfolio remains overweight in Amazon, which has a global footprint in both e-commerce and cloud computing services.



Selected Consumer Discretionary ETFs (3-year returns)



Source: Totality

CONSUMER STAPLES - UNDERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
KXI	iShares Global Consumer Staples ETF	\$ 888,303,000	\$ 65	9.7%
IYK	iShares U.S. Consumer Staples ETF	\$ 1,178,280,000	\$ 67	4.8%
VDC	Vanguard Consumer Staples ETF	\$ 7,267,430,000	\$ 211	2.2%

Bottom Performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
PSCC	Invesco S&P SmallCap Consumer Staples ETF	\$ 33,357,200	\$ 31	-16.5%
EATZ	AdvisorShares Restaurant ETF	\$ 2,869,570	\$ 26	-6.7%
FTXG	First Trust Nasdaq Food & Beverage ETF	\$ 16,855,200	\$ 21	-6.5%

Source: etfdb.com

The Consumer Staples sector encompasses food and beverage companies (such as Coca-Cola and Pepsi), consumer goods manufacturers (including P&G and Nestlé), and grocery retailers (like Walmart and Costco). The largest ETF in the sector, the Consumer Staples Select Sector SPDR Fund (XLP, with \$15bn AUM), has appreciated just 2% over the past 12 months, underperforming the benchmark. Consumer stocks have significantly lagged over recent years, largely due to limited pricing power despite inflation and structural challenges such as the introduction of GLP-1 drugs, which have influenced both consumption patterns and average shopping basket size. Notably, there has been a decline in alcoholic beverage consumption, a trend potentially intensified by the growing use of obesity medications. As a result, we maintain an underweight position in the sector.



SPDR Consumer Staples ETF (3-year returns)



Source: Totality

MATERIALS - UNDERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
SLVP	iShares MSCI Global Silver Miners ETF	\$ 859,498,000	\$ 34	202.8%
SILJ	Amplify Junior Silver Miners ETF	\$ 3,963,520,000	\$ 28	183.8%
GOEX	Global X Gold Explorers ETF	\$ 138,509,000	\$ 81	179.5%

Bottom Performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
CUT	Invesco MSCI Global Timber ETF	\$ 37,961,300	\$ 29	-5.9%
WOOD	iShares Global Timber & Forestry ETF	\$ 234,279,000	\$ 72	-3.3%
NDIV	Amplify Natural Resources Dividend Income ETF	\$ 16,241,300	\$ 27	2.8%

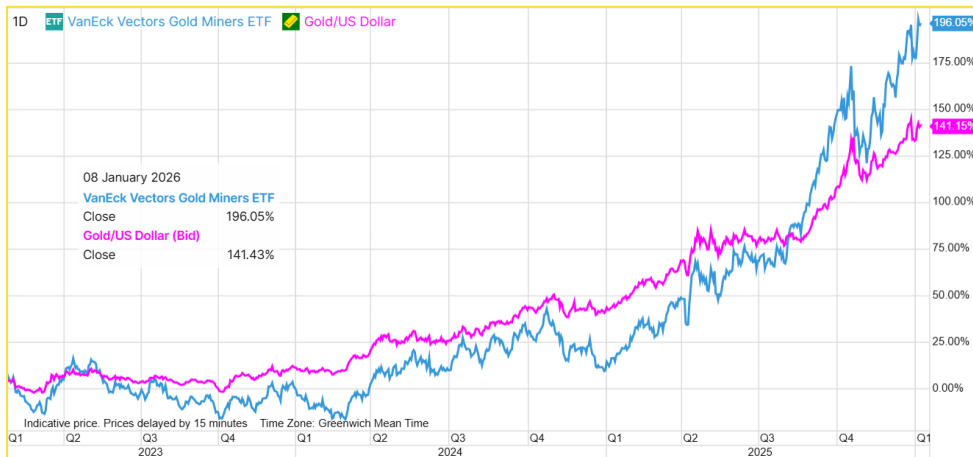
Source: etfdb.com

This sector comprises a wide range of primarily extractive industries, including precious metals, base metals, steel, timber, and agriculture. GDX (Van Eck Vectors Gold Miners), the largest ETF in this space with \$34 billion in assets, reported a substantial 154% gain, outpacing gold itself, which rose 66%. Nonetheless, as previously observed, equity performance has trailed behind physical gold for an extended period, and GDX has only recently achieved parity. The latest rally in gold appears to be influenced by uncertainties surrounding the US dollar's reserve currency role and increased central bank activity. Silver and copper also demonstrated significant growth in 2025, driven by expectations of rising demand related to AI data centre investments and power utility expansion.

The broad materials ETF XLB advanced by just 8%, while the Copper Mining ETF COPX gained 93%. Rare earth and battery material ETFs, such as VanEck Rare Earth and Strategic Metals ETF, nearly doubled in value. Our exposure to basic materials and metals ETFs remains limited, as these equities are largely affected by the price volatility and unpredictability of their underlying commodities. Additionally, most commodity-based sectors are inefficiently structured and generally lack pricing power.

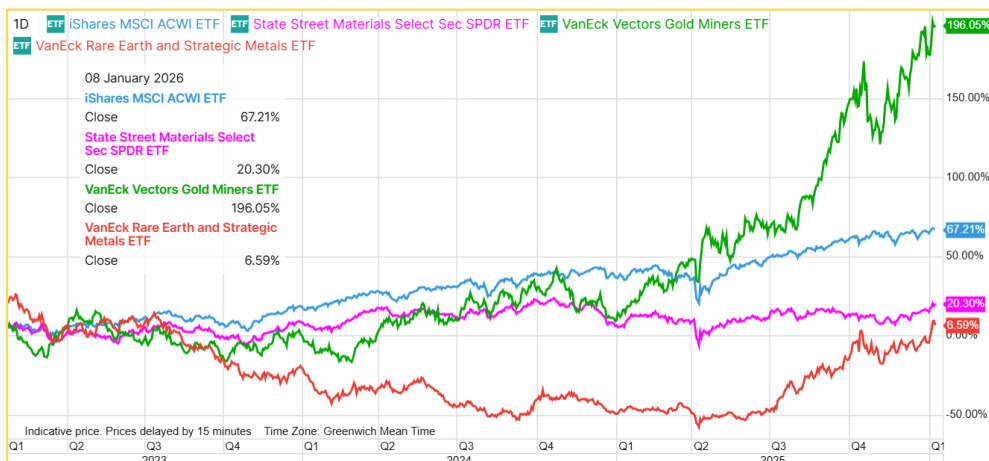


GDX vs Spot gold



Source: Totality

SELECTED MATERIALS ETFS (3-YEAR RETURNS)



Source: Totality

ENERGY - OVERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
CTEX	ProShares S&P Kensho Cleantech ETF	\$ 5,320,330	\$ 35	67.7%
CTEC	Global X CleanTech ETF	\$ 26,728,900	\$ 53	59.9%
NLR	VanEck Uranium and Nuclear ETF	\$ 3,604,860,000	\$ 124	56.5%

Bottom Performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
MLPI	NEOS MLP & Energy Infrastructure High Income ETF	\$ 27,107,800	\$ 11	-36.9%
PSCE	Invesco S&P SmallCap Energy ETF	\$ 62,392,500	\$ 43	-9.0%
OILT	Texas Capital Texas Oil Index ETF	\$ 10,061,600	\$ 23	-3.3%

Source: etfdb.com



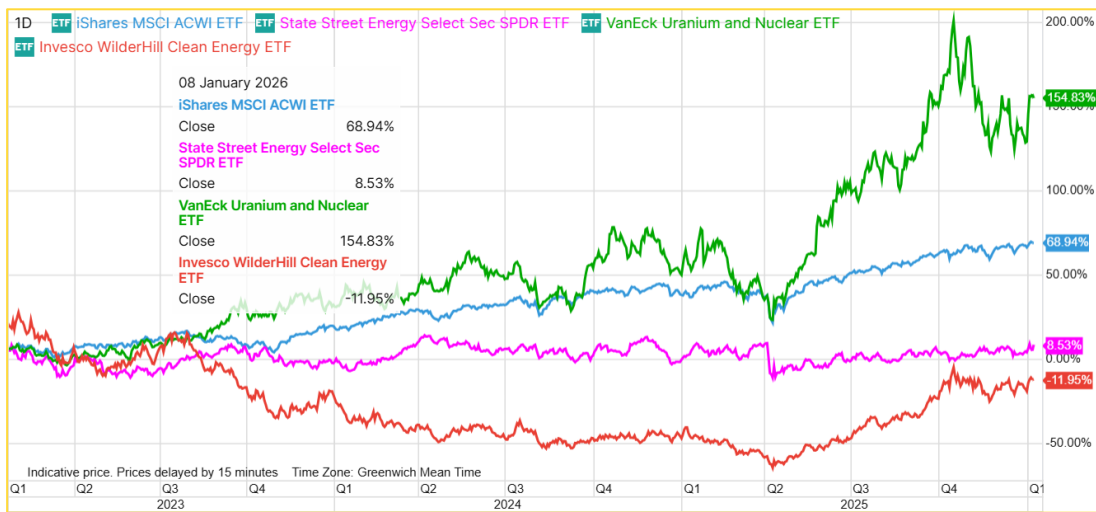
This sector covers oil & gas, coal, and clean energy. The XLE Energy Sector ETF (\$26bn) gained 7.4% this year, despite Brent dropping over 20%. Nuclear ETFs rose due to supportive policies and tech investment, while alternative energy ETFs rebounded in late 2025. Our exposure is via the Global X MLP & Energy Infrastructure ETF (MLPX), which focuses on North American oil and gas infrastructure.

Oil prices and Energy stocks (XLE) – Less Correlated



Source: Seeking Alpha

SELECTED ENERGY ETFS (3-YEAR RETURNS)



Source: Totality



UTILITIES & INFRASTRUCTURE - UNDERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
EMIF	iShares Emerging Markets Infrastructure ETF	\$ 7,926,620	\$ 26	33.9%
JXI	iShares Global Utilities ETF	\$ 256,484,000	\$ 79	25.9%
UTES	Virtus Reaves Utilities ETF	\$ 1,443,250,000	\$ 79	25.7%

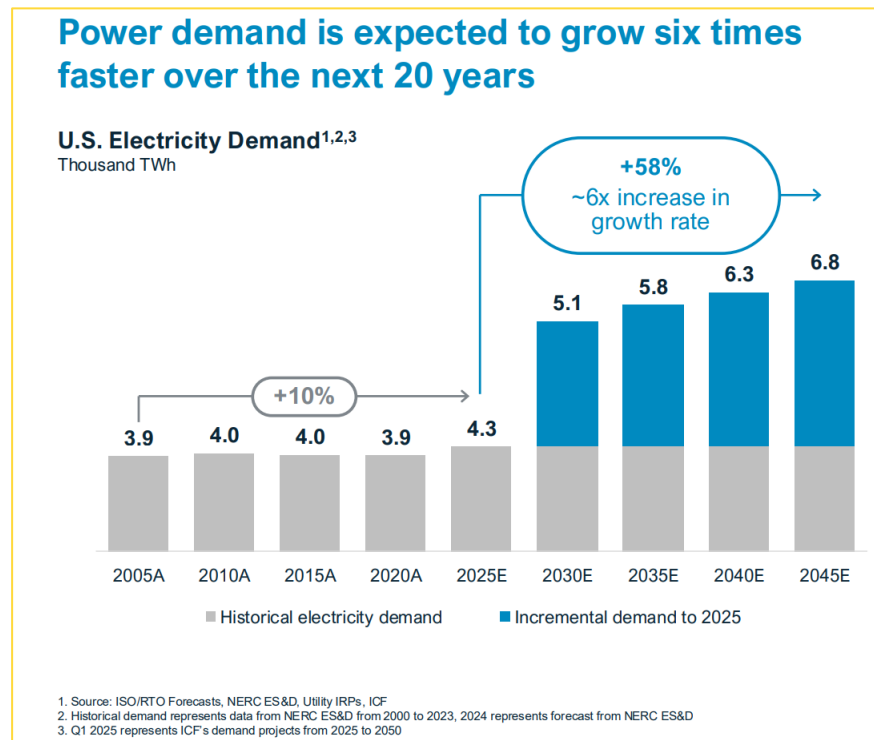
Bottom Performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
PSCU	Invesco S&P SmallCap Utilities & Communication Services ETF	\$ 13,308,500	\$ 58	-1.9%
RBLD	First Trust Alerian US NextGen Infrastructure ETF	\$ 18,836,900	\$ 75	14.0%
TOLZ	ProShares DJ Brookfield Global Infrastructure ETF	\$ 176,934,000	\$ 54	14.8%

Source: etfdb.com

This area covers regulated utilities, toll roads, pipelines, and energy infrastructure. In 2025, it attracted significant investments and recorded strong returns. The largest ETF in the sector, State Street Utilities Select Sector SPDR ETF (XLU), posted a total return of 17%. Looking ahead to the next five years, the US power utility industry is set for an extraordinary period of capital investment, driven by growing electricity demand from AI data centres, industrial electrification, population growth, and the ongoing shift to clean energy. We still hold some exposure to this sector through our investment in the energy transition ETF, GRID.

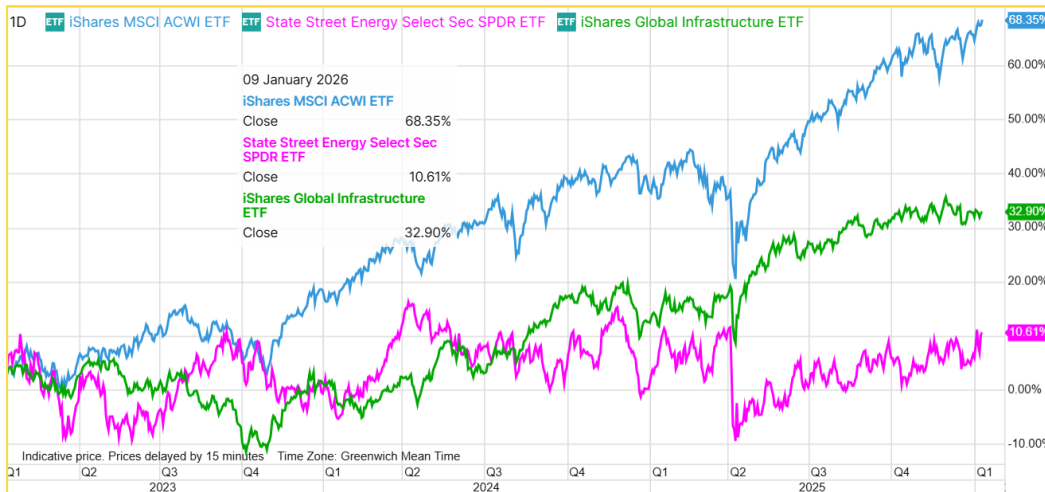
US Power Demand Surges



Source: ISO/RTO Forecast



SELECTED UTILITIES & INFRASTRUCTURE ETFS (3-YEAR RETURNS)



Source: Totality

REAL ESTATE INVESTMENT TRUSTS (REITS) - UNDERWEIGHT

Top performers 12 months

Symbol	ETF Name	Total Assets	Closing Price	1 year
RWX	SPDR Dow Jones International Real Estate ETF	\$ 293,260,000	\$ 28.12	26.4%
IFGL	iShares International Developed Real Estate ETF	\$ 85,494,800	\$ 23.07	24.2%
HAUZ	DBX ETF Trust - Xtrackers International Real Estate ETF	\$ 936,846,000	\$ 23.32	22.5%

Bottom Performers 12 months

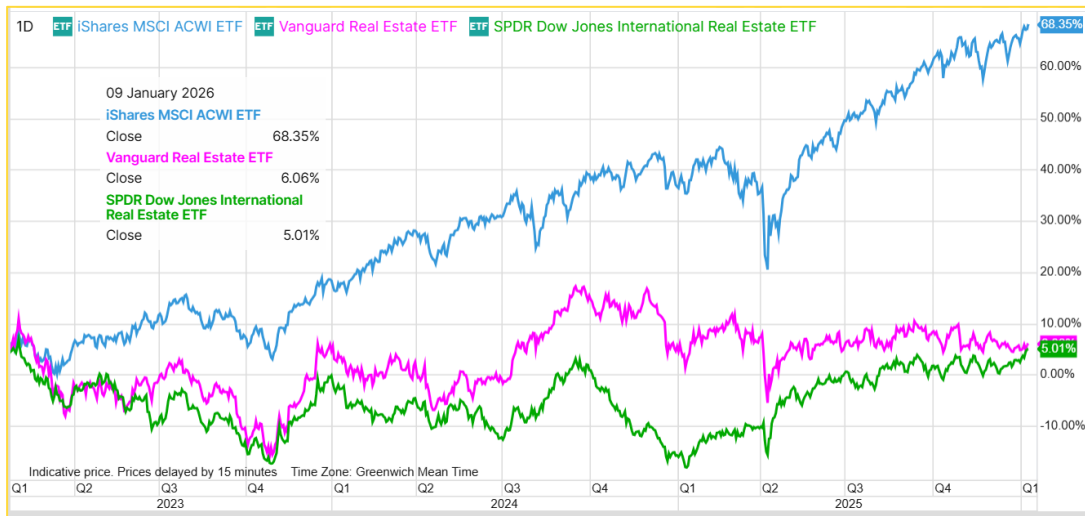
Symbol	ETF Name	Total Assets	Closing Price	1 year
NURE	Nuveen Short-Term REIT ETF	\$ 30,731,200	\$ 28.18	-8.1%
KBWY	Invesco KBW Premium Yield Equity REIT ETF	\$ 244,987,000	\$ 15.35	-6.8%
PPTY	US Diversified Real Estate ETF	\$ 28,462,000	\$ 30.20	-3.8%

Source: etfdb.com

The Vanguard Real Estate ETF (VNQ), which is the largest exchange-traded fund in this sector, increased by approximately 3%. International REITs also experienced gains, buoyed by interest rate cuts from European central banks. The sector's average yield stands at 3.6%, which is lower than the yield of the US 10-year Treasury bond at 4.2%. Over the past three years, REITs have underperformed relative to the MSCI index. We do not currently hold any REITs in our portfolio.



Selected REIT ETFs (3-year returns)



Source: Totality

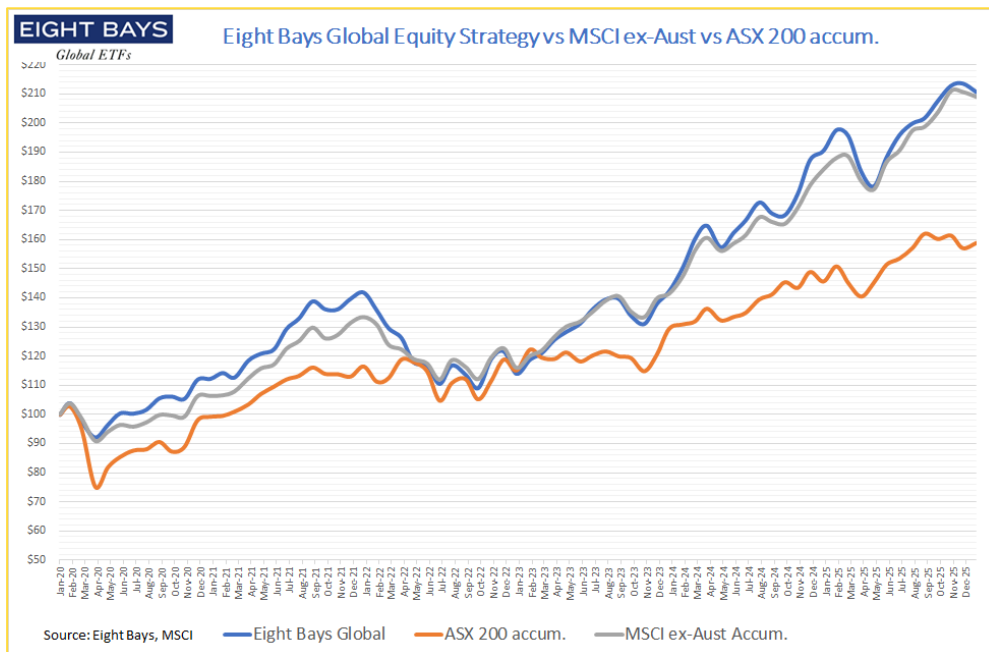


PORTFOLIO PERFORMANCE

Over the last 3 years the Fund has delivered a very strong total net return of 22.01% p.a. outperforming the benchmark by 0.28%. Since inception (1/7/21) the Fund has delivered a total net return of 10.52% per annum. Since the Strategy's inception in January 2026 the CAGR has been 12.57%.

31-Dec-25	EQT Eight Bays Fund/Strategy	Benchmark MSCI ex-Aust	Alpha (annual)
Strategy Inception (7/1/20) *	12.57%	13.11%	-0.54%
Fund inception (1/7/21)	10.52%	12.59%	-2.06%
36 months (pa)	22.01%	21.73%	0.28%
24 months (pa)	20.89%	21.56%	-0.67%
12 months rolling	9.69%	13.52%	-3.83%
3 months rolling	1.99%	2.54%	-0.54%
1 month	-0.68%	-0.82%	0.14%

Source: EQT, MSCI



Source: EQT, MSCI, Saxo

Note: Performance data includes combined returns of Eight Bays Global Strategy and the EQT Global Fund

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



THE STRATEGY

The Eight Bays Global Equity Fund is a US dollar portfolio of ETFs and stocks focused on global growth industries not well represented on the ASX. The Fund invests in securities listed on major US exchanges, typically holds 5–20 positions, and maintains over 95% equity exposure, with cash capped at 20%.

INVESTMENT PHILOSOPHY

Unlike global equity strategies that focus mainly on individual stocks, our investment method centers on investing in specific industries or sectors. We aim to build wealth by adopting a comprehensive “whole of industry” approach when investing in growing or emerging industries. Selecting a mix of industry Exchange Traded Funds (ETFs) and supplementing them with individual stocks from those industries, we believe provides the most efficient way to meet our investment goals.

PORTFOLIO GUIDELINES

Benchmark:	MSCI World Index (AWCI)
Universe:	US Equity ETF Market
Number of securities:	5 to 20
Security weights:	Min 1% Max 20%
Portfolio Turnover:	~30%
Cash holdings:	Up to 20%
Hedged:	No. US Dollar product
Investment objective:	2-3% pa > MSCI World

Learn more about the EQT Eight Bays Global Fund at [Equity Trustees](#) or [Eight Bays](#).

How to invest: <https://www.eqt.com.au/our-services/corporate/Managed-Fund>

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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.