GLOBAL EQUITY AND INTERNATIONAL STRATEGIES

First Quarter 2026 Review

Q1 2026 Review

Global equity markets got off to a good start in 2026. However, the tone in the market changed significantly on February 28th when the United States and Israel launched airstrikes across Iran. From that point onwards, global equity markets turned decidedly negative. As a result, several global indices finished the first quarter with negative returns as seen in the chart below. The markets in Canada and Japan were able to buck this trend for different reasons. In Canada, returns were positive due to the large energy sector weighting in the S&P/TSX Composite Index. In Japan, returns were also positive reflecting the enthusiasm of ongoing changes to corporate governance as well as the election of Prime Minister Sanae Takaichi and her pro-growth mandate.

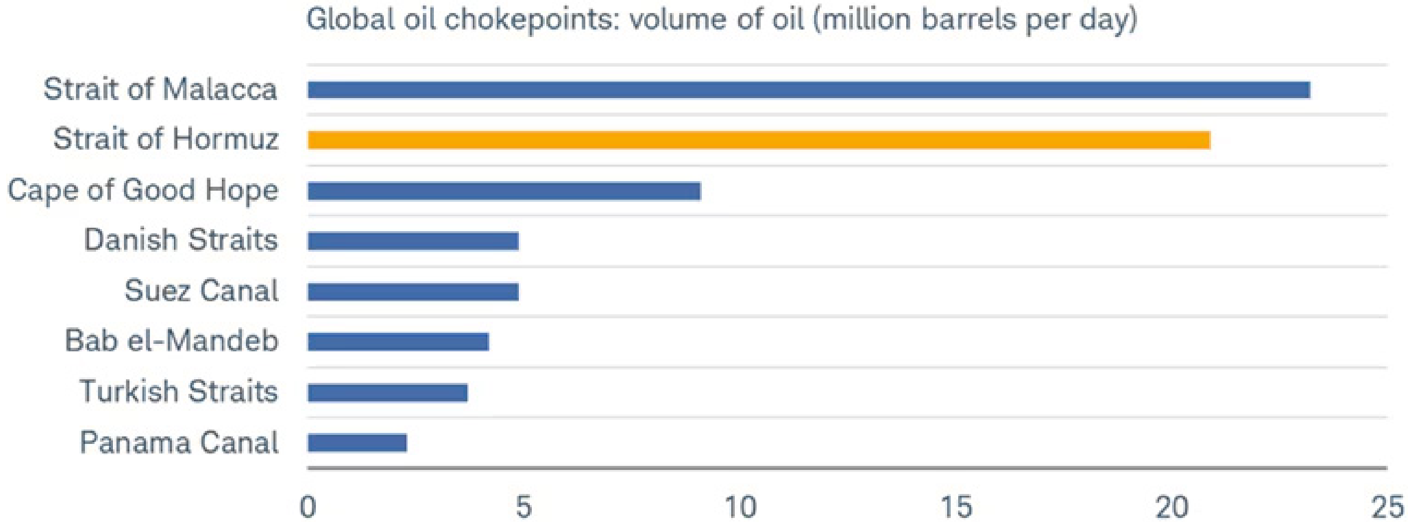
Q1 2026 Global Stock Market Returns

Index	Geographic Region	Currency	Q1 2026 Price change	Q1 2026 Total return including dividends
MSCI World Index	Global	US$	-3.9%	-3.5%
S&P 500	United States	US$	-4.6%	-4.4%
Euro Stoxx 600	Europe	Euro	-1.5%	-0.8%
Tokyo Stock Exchange	Japan	Yen	+2.6%	+3.6%
S&P/TSX Composite Index	Canada	CAD$	+3.3%	+4.0%

Source: Bloomberg

The Strait of Hormuz:

The weakness in global equity markets during the first quarter can be largely attributed to recent events in the Middle East, particularly in the Strait of Hormuz. The Strait of Hormuz is a narrow channel that is critical to global energy markets given that it is responsible for transporting approximately 21 million barrels of oil per day, or the equivalent of about 20% of global petroleum liquids consumption. The significance of the Strait of Hormuz for global energy markets is illustrated in the chart below.



Source: Charles Schwab, Mauldin Economics, U.S. Energy Information Administration (EIA) Short-Term Energy Outlook (February 2026), as of June 30, 2025.

In normal times, there are approximately 130-140 oil tankers that pass through the Strait of Hormuz on a daily basis. However, commercial traffic through the Strait has plummeted since early March. In recent weeks, it has been estimated that 5-10 tankers were passing through on a daily basis. As a result of this, the price of oil has surged and recently traded over US$100 per barrel (West Texas Intermediate blend).

The latest development occurred on April 7th, when the U.S. and Iran announced a 2-week cease-fire. As part of this announcement, the U.S. agreed to halt planned military strikes while Iran agreed to allow safe passage and a reopening of the Strait of Hormuz. Furthermore, discussions are being planned between the two countries to try and reach a longer-term agreement. On the surface this sounds like a positive development, but the situation remains very fluid. While leaders around the world welcomed the cease-fire announcement, analysts have characterized the agreement as fragile and have also warned that a substantial lack of trust on both sides will likely complicate the path to lasting peace. Given that we are in the early stages of this cease-fire, uncertainty remains high in terms of how long this conflict will persist.

Despite ongoing concerns, the impact that geopolitical events have had on the stock market have historically been short-lived. As shown in the chart below, the average time for stock markets to bottom after a geopolitical sell-off is approximately 16 trading days. The average time to recover the losses after a geopolitical sell-off is about 112 trading days while the median time to recover is just 16 days.

Equity market selloffs and recoveries around geopolitical events

Event*	Event date	Time to bottom**	Time to recover**	Size of selloff (%
WW-II Germany annexes Czechoslovakia	15-Mar-39	22	108	-20.5
WW-II Germany attacks France	9-May-40	22	745	-25.8
WW-II Pearl Harbor	7-Dec-41	17	201	-10.8
N. Korea invades S. Korea	24-Jun-50	17	43	-12.9
Suez Crisis	29-Oct-56	17	131	-6.8
Berlin Wall built	13-Aug-61	25	18	-3.9
Cuban missile crisis	14-Oct-62	7	9	-6.6
Assassination of President Kennedy	22-Nov-63	2	1	-2.8
Authorization of military operations in Vietnam	7-Aug-64	15	36	-3.2
Six Day Israel Arab war	5-Jun-67	20	40	-6.5
Assassination of Martin Luther King Jr	4-Apr-68	2	2	-0.6
Israel Arab war/Oil embargo	16-Oct-73	27	1475	-17.1
President Nixon impeachement proceedings	6-Feb-74	9	16	-6.6
Shah of Iran exiled	16-Jan-79	9	34	-4.6
Iranian hostage crisis	4-Nov-79	24	51	-10.2
Soviet invasion of Afghanistan	24-Dec-79	12	6	-3.8
Invasion of Grenada	25-Oct-83	22	304	-6.3
Bombing of Libya	15-Apr-86	20	7	-4.9
First Gulf War	2-Aug-90	50	87	-15.9
President Clinton impeachement proceedings	19-Dec-98	6	5	-3.9
Kosovo bombing	24-Mar-99	4	9	-4.1
9/11 attacks	11-Sep-01	6	15	-11.6
Iraq war	20-Mar-03	7	16	-5.3
Arab spring (Egypt)	25-Jan-11	2	3	-1.8
Intervention in Libya	19-Mar-11	18	29	-6.4
Russian invasion of Crimea	1-Mar-14	6	13	-2.0
Intervention in Syria	22-Sep-14	21	12	-7.4
Brexit vote	23-Jun-16	14	9	-5.6
Airstrike on Syrian airbase	7-Apr-17	32	16	-2.8
Russian invasion of Ukraine	25-Feb-22	20	16	-9.1
Israel-Hamas War	7-Oct-23	13	8	-5.9
Israel-Iran Airstrike	1-Apr-24	15	131	-5.3
Median		**16**	**16**	**-6.1**
Average		**16**	**112**	**-7.5**

*shaded events occurred around recessions; **duration in trading days

Source: Deutsche Bank

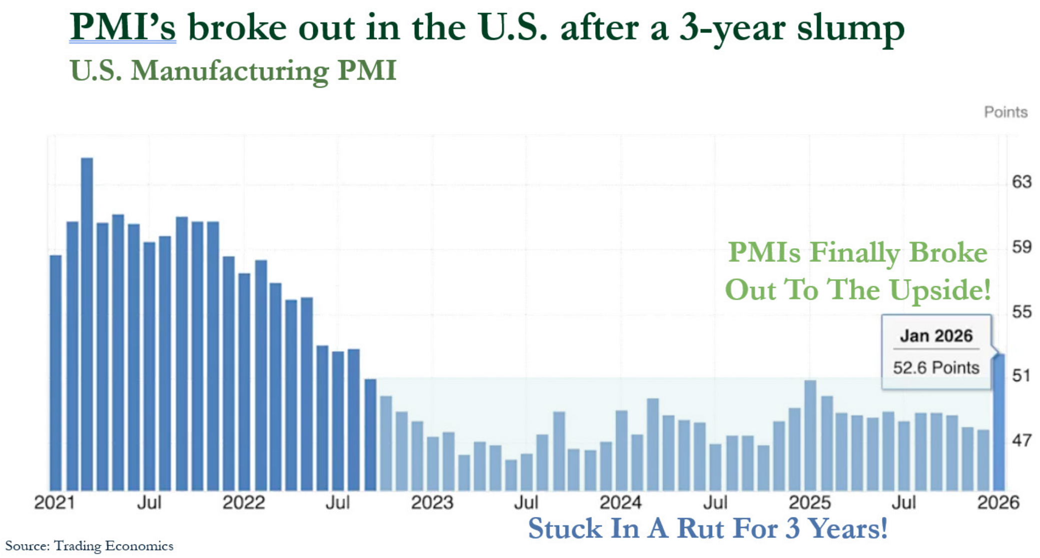
Not only has the impact on equity markets been short-lived, but average returns following geopolitical events have been attractive over the next 1, 3, 5, and 10 years. As seen in the chart below, annualized returns following geopolitical events have ranged between 9.0% and 10.5% over 1, 3, 5, and 10 years.

Geopolitical/Military Events	S&P 500 Index Price Return (%)				
Event (Start Date)	3 Months Later	Annualized			
		1 Year Later	3 Years Later	5 Years Later	10 Years Later
Germany Invades France (May 1940)	-15.3	-22.0	-0.9	4.1	4.2
Pearl Harbor (December 1941)	-12.4	0.4	11.7	9.5	9.6
Korean War (June 1950)	1.5	11.2	8.1	16.4	11.7
Cuban Missile Crisis (October 1962)	17.4	32.0	18.3	11.4	7.0
U.S. Bombs Cambodia (April 1970)	-4.6	27.1	9.4	0.9	2.6
Arab Oil Embargo (October 1973)	-13.2	-36.2	-2.9	-1.4	4.4
Iranian Hostage Crisis (November 1979)	11.6	25.9	11.4	10.3	12.7
U.S.S.R. Invades Afghanistan (December 1979)	-8.8	26.2	9.1	9.0	12.4
Beirut Bombing (October 1983)	-0.7	0.7	13.0	11.3	10.8
U.S. Invades Grenada (October 1983)	-1.1	0.7	12.8	11.2	10.8
U.S. Bombs Libya (April 1986)	-0.5	19.9	8.3	9.9	10.5
Invasion of Panama (December 1989)	-2.9	-6.9	7.5	5.6	15.0
Iraq Invades Kuwait (August 1990)	-10.5	10.2	8.6	9.7	15.1
Operation Desert Storm (January 1991)	21.5	32.3	14.5	14.0	15.4
Gorbachev Coup (August 1991)	-1.8	9.3	6.3	11.5	11.9
World Trade Center Bombing (February 1993)	1.5	5.4	13.7	18.7	6.5
WTC and Pentagon Terrorist Attacks (September 2001)	2.5	-16.7	0.9	3.5	0.6
Iraq War (March 2003)	15.6	27.0	14.3	8.2	5.9
Russia Invades Georgia (August 2008)	-34.3	-22.3	-4.7	5.5	8.1
Russia Invades Crimea (March 2014)	3.9	10.7	8.0	7.9	10.6
Russia Invades Ukraine (February 2022)	-13.0	-11.0	9.5		
Hamas Attacks Israel (October 2023)	9.7	33.6			
Israel Attacks Iran's Nuclear Facilities (June 2025)	8.9				
US and Israel Attack Iran (February 2026)	???				
Median	-0.7	9.7	9.1	9.6	10.5
% Positive	43%	73%	86%	95%	100%

Sources: Morningstar, Ned Davis Research, and Hartford Funds, March 2026

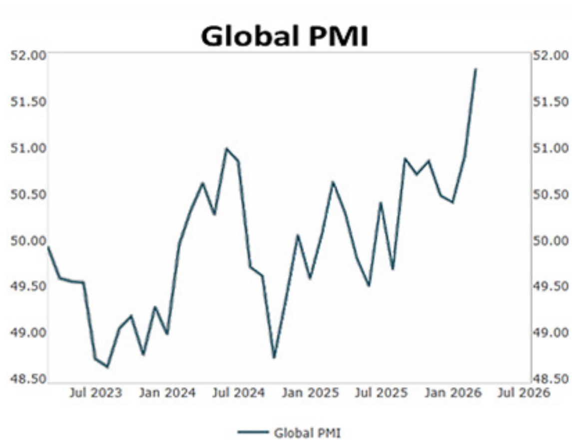
The war in Iran is disappointing from a humanitarian perspective. It is also frustrating for investors given that there were a lot of good things happening around the world just prior to the outbreak of this conflict. Economic indicators have improved, corporate earnings revisions have inflected positively in many parts of the world, and stock market performance has broadened out to more sectors.

In the U.S., the ISM Manufacturing PMI index increased to 52.6 in January, up from 47.9 in December 2025. The ISM Manufacturing PMI is a closely watched leading economic indicator that offers insights into the health of the US manufacturing sector. A reading above 50 signals expansion while a figure below 50 indicates contraction. The reading in January was the strongest number since August 2022. Importantly, this index has remained above 50 for the last 3 months and increased further to 52.7 during the month of March.



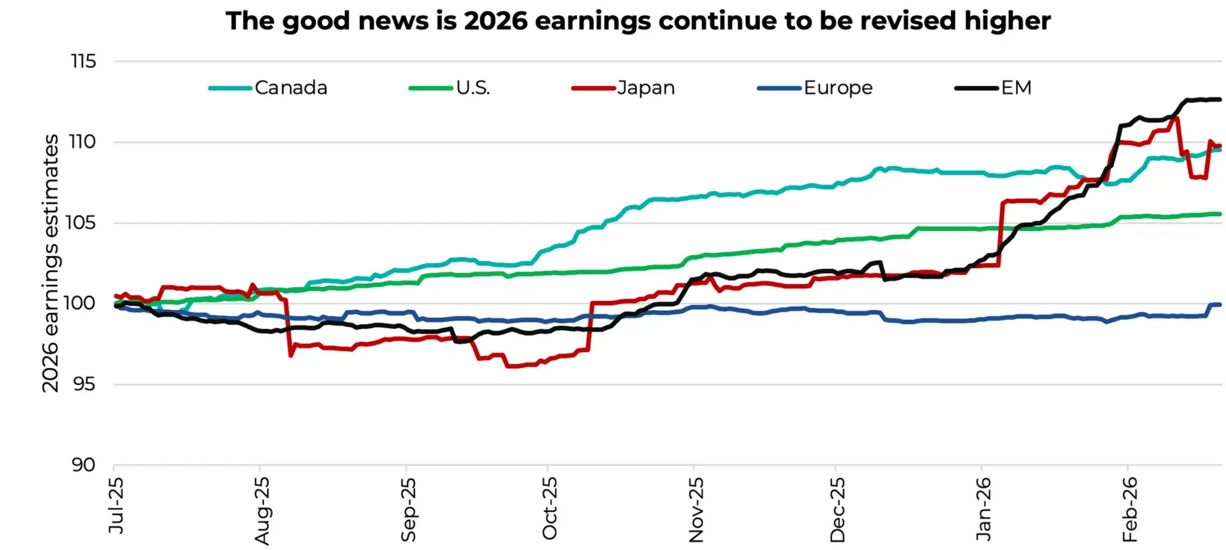
Source: Trading Economics

In Europe, Eurozone business activity accelerated faster than forecast in February as manufacturing swung back to growth for the first time since October. The Eurozone Composite Purchasing Managers Index compiled by S&P Global rose to 51.9 in February. This was an increase from 51.3 in January, and it also marked the 14th consecutive month of expansion. In Japan, Bank of Japan's quarterly Tankan survey reached its highest level since Q4 2021. This survey measures business optimism among large Japanese manufacturers. The survey increased to 17 for the first quarter of 2026, up from 15 in the previous quarter and was ahead of consensus at 16. The constructive economic data points seen across in the U.S., Europe, and Japan are consistent with the positive inflection that emerged in the Global Purchasing Managers Index in the early part of 2026 as seen in the chart below.



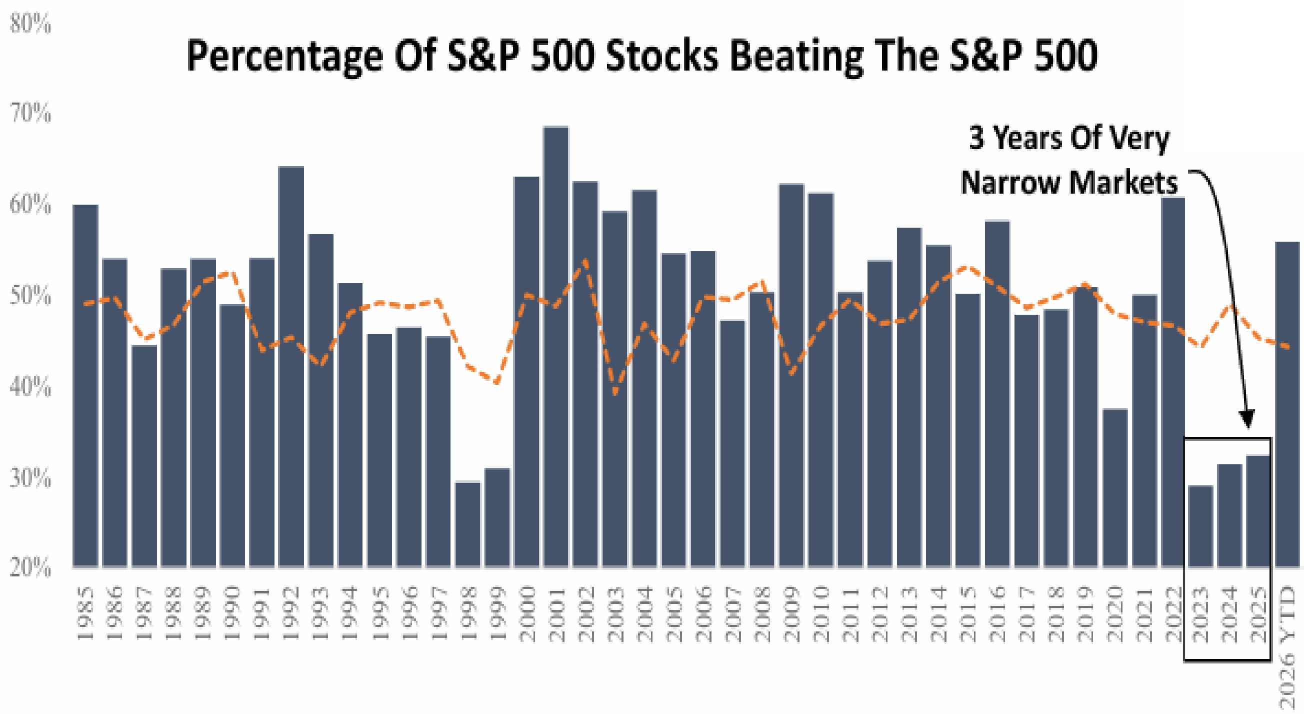
Source: Piper Sandler

In addition to positive economic indicators, corporate earnings were revised higher across most geographic regions in the early part of 2026, with Europe being the notable exception as seen in the chart below.



Source: Bloomberg, Purpose Investments, Canada=SPTSX, U.S.=S&P500, Japan=Nikkei, Europe=Bloomberg Europe 600, EM=Bloomberg Emerging Markets

Furthermore, we had also begun to see a significant broadening in the stock market in 2026 as seen in the chart below.

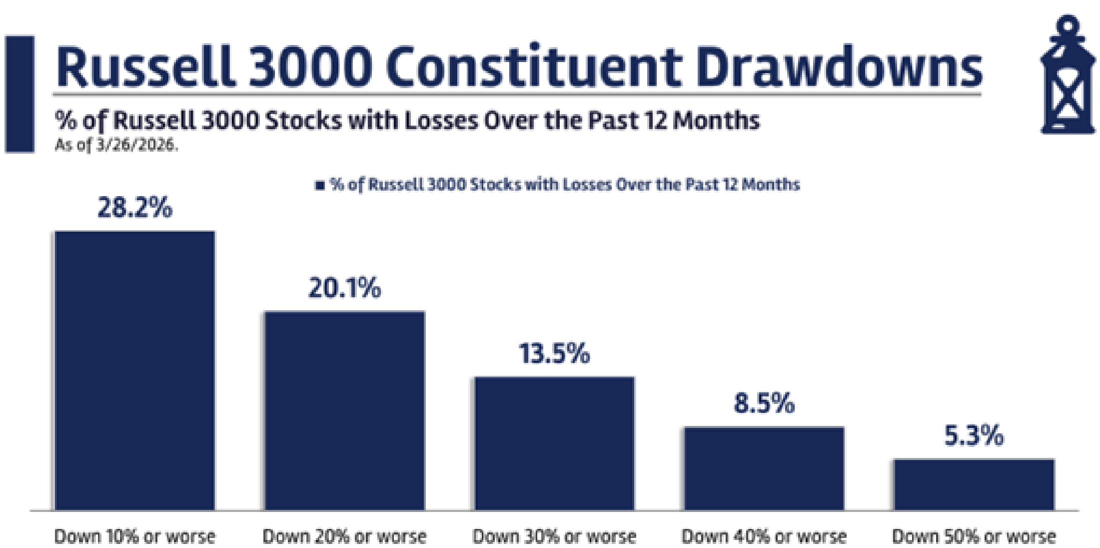


Source: Piper Sandler

Prior to 2026, the S&P 500 had 3 consecutive years with below average figures in terms of the percentage of stocks beating the market. From 2023 to 2025, approximately 30-35% of stocks in the S&P 500 beat the index itself. These are the lowest figures seen in decades as illustrated in the chart above. However, beginning in 2026, the S&P 500 broadened out significantly as the economic indicators began to improve. This has allowed more stocks and more sectors to participate in the upside of the stock market. As of March 31, 2026, more than 50% of stocks in the S&P 500 had outperformed the index. This is consistent with the average of the last 40 years as shown above.

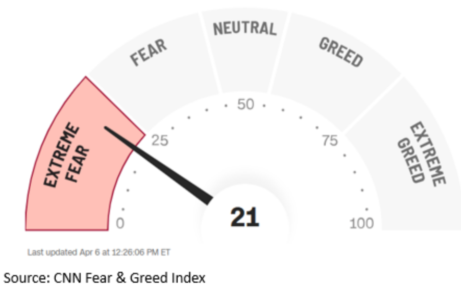
Despite the positive developments happening around the world, one of the key risks that remains is the situation in the Strait of Hormuz. It has been estimated that if the Strait remains closed for an extended period of time, the price of oil will keep rising and potentially reach $130-$150. While energy intensity across most economic regions has improved significantly since the 1970's, an oil price at $130-150 for an extended period of time would likely lead to a global economic recession. We believe this is well understood by politicians and economists around the world. This plays into our belief that there is a lot of motivation to resolve the situation in the Middle East.

In terms of downside risk for equities, it's easy to construct an argument for further downside given that key benchmarks across the U.S., Europe, and Japan are only down less than 10% from their respective all-time highs. However, there has been a lot more damage underneath the surface. We can look at the Russell 3,000 index in the U.S. to give an example. The Russell 3000 Index is a market-capitalization-weighted benchmark that measures the performance of the 3,000 largest publicly traded U.S. companies, representing roughly 98% of the investable American equity market. At its recent low, the Russell 3,000 was down less than 10% from its all-time high. However, underneath the surface there are plenty of individual stocks that were down significantly over the past 12 months (as of March 26, 2026). To be more specific, 20.1% of stocks were down 20% or more; 13.5% of stocks were down 30% or more; 8.5% of stocks were down 40% or more; and 5.3% of stocks were down 50% or more in the last 12 months ending March 26, 2026. When we add up these figures, we can say that approximately 47% of stocks in the Russell 3,000 have fallen 20% or more in the last 12 months. Given that a 20% decline in a stock is often considered the threshold for a bear market, we can say that nearly 50% of stocks in the Russell 3,000 were currently in a bear market as of March 26, 2026. These figures can be seen in the chart below.



Source: Ritholtz Wealth Management

In terms of investor sentiment, CNN's Fear & Greed Index is currently signalling a very high degree of pessimism. The Fear & Greed Index is a compilation of seven different indicators that measure various aspects of stock market behaviour. The index tracks how much these individual indicators deviate from their averages compared to how much they normally diverge. The index gives each indicator equal weighting in calculating a score from 0 to 100, with 100 representing maximum greediness and 0 signalling maximum fear. This indicator is sometimes used by investors as a contrarian indicator. As seen in the chart below, the reading as of April 6th was is in the most pessimistic zone (Extreme Fear).



Source: CNN Fear & Greed Index

The key takeaway from the last 2 charts is that there is a decent amount of bad news and negative investor sentiment baked into the stock market. What this means is that any resolution or news of a potential resolution is likely to lead to a strong rebound in stocks. And this is exactly what happened on April 8th on the back of the 2-week cease-fire announcement. Stocks surged on this announcement with the Tokyo Stock exchange rising 3.3%, the Euro Stoxx 600 index increasing 3.9%, and the S&P 500 rising 2.5%.

Portfolio Review:

In terms of our investment portfolios, both the Global and International mandates raised some cash during the first quarter in light of the uncertainty related to the situation in the Middle East. Given the decline in global equity markets, we are finding opportunities and it is our intention to redeploy the cash into the stock market as we get more clarity. As we re-invest the cash our focus will remain the same, which is owning high quality stocks. When we speak about quality investing, we are referring to companies with high barriers to entry that can grow their earnings and generate durable cash flows over the long term.

During the first quarter, we established several new positions in our Global and International portfolios. A brief description of each new holding can be found in the Appendix.

Outlook for the remainder of 2026:

In our 2025 year end commentary, we outlined our cautiously optimistic view for 2026. While the key drivers of our viewpoint remain intact, our thesis could be derailed given what's happened to one of the world's most critical energy chokepoints. The duration of the disruption in the Strait of Hormuz is of utmost importance and will be a key determinant of what happens to global equity markets. If a resolution materializes in the near term, we believe that our cautiously optimistic viewpoint can still play out. However, if the Strait remains effectively closed for several more months then we believe stagflationary forces will emerge, which could lead to further downside in stocks. Having said that, our base case is that the war will be short-lived. Our rationale for saying this is that President Trump has shown a tendency to respond to market stress. We saw this last year when he reversed course on his initial tariff proposals after global stock markets plummeted. President Trump has demonstrated that he cares about the stock market. We also believe that the U.S. mid-term elections in the fall are an added incentive for him to de-escalate the conflict in the Middle East and come to a resolution. We are monitoring the situation carefully and will make adjustments to our portfolios as needed.

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April 9, 2026

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*Cumberland refers to Cumberland Private Wealth Management Inc. (CPWM) and Cumberland Investment Counsel Inc. (CIC). CIC acts as sub-advisor to certain CPWM investment mandates including the CPWM Global and International mandates with Phil D'Iorio and John Hwang as its lead Portfolio Managers. Phil D'Iorio and John Hwang are Portfolio Managers at CIC. Cumberland Private Wealth is the registered trade name of CPWM and CIC.

Appendix A – Company descriptions for new positions added to the Global Strategy

Investor AB: Founded in 1916 by the Wallenberg family and headquartered in Stockholm, Sweden, Investor AB is a leading industrial holding company in the Nordic region. The firm operates through three primary divisions: Listed Companies (where it buys-and-hold stakes in global firms like Atlas Copco, ABB, and AstraZeneca), Patricia Industries (wholly-owned subsidiaries like Mölnlycke), and an investment in EQT. Its business model centres on active ownership, using board representation to drive long-term operational excellence.

Hoya Corporation: Established in 1941 as a specialized glass manufacturer and headquartered in Tokyo, Japan, Hoya has evolved into a global med-tech and high-tech powerhouse. The company is organized into two main segments: Life Care (producing eyeglass lenses, contact lenses, and medical endoscopes) and Information Technology (manufacturing mask blanks for semiconductors and glass substrates for HDDs). Hoya operates under a decentralized management system that prioritizes high margins and market leadership in niche segments. We are attracted to Hoya given its dominant market positions and its consistent ability to generate high returns on equity through disciplined capital allocation

ASML Holding NV: Founded in 1984 as a joint venture between Philips and ASM International, ASML is headquartered in Veldhoven, Netherlands. As the world's sole provider of Extreme Ultraviolet (EUV) lithography machines, it is the fundamental gatekeeper of the global semiconductor industry. The company's operations are focused on Lithography Systems (EUV and DUV) and Metrology & Software services that help chipmakers optimize production yields. Given its monopoly in the high-end lithography market, ASML is an indispensable partner for semiconductor giants like Taiwan Semiconductor, Intel, and Samsung. We also view ASML as key beneficiary of the investments being made in artificial intelligence.

Ferguson plc: Originally founded in 1953 in Virginia and formerly known as Wolseley, Ferguson is the leading North American distributor of plumbing, heating, and PVF (pipe, valves, and fittings) products. The business is divided into customer-centric groups serving the Residential, Commercial, and Civil & Infrastructure markets. Following its recent migration to a primary NYSE listing, the company has shed its non-US assets to focus purely on the lucrative North American trade market. We are attracted to Ferguson's scale advantages in a highly fragmented industry, which have consistently allowed it to capture market share from smaller local distributors.

Union Pacific Corporation: The original Union Pacific Railroad was incorporated in 1862 via the Pacific Railway Act signed by Abraham Lincoln, and today the corporation is headquartered in Omaha, Nebraska. It operates one of the largest rail networks in North America, connecting 23 states in the western two-thirds of the United States. The company categorizes its freight revenue into three groups: Bulk (grain, coal, fertilizer), Industrial (chemicals, metals, lumber), and Premium (intermodal and automotive). Union Pacific has very high barriers to entry given the nearly impossible task of replicating its massive physical infrastructure.

Itochu Corporation: Tracing its roots back to a linen trading business founded in 1858, Itochu was formally incorporated in 1949 and maintains dual headquarters in Tokyo and Osaka, Japan. As a premier sogo shosha (general trading company), Itochu operates through eight specialized divisions, including Textile, Machinery, Metals & Minerals, Energy & Chemicals, Food, and consumer-facing businesses. Unlike some peers who focus heavily on upstream commodities, Itochu has a strong "non-resource" bias, emphasizing stable consumer and retail segments. We are attracted to the company's resilient cash flow generation, its diversified global footprint, and its shareholder-friendly policy that includes progressive dividends and frequent share buybacks.

Erste Group Bank AG: Founded in 1819 as the first Austrian savings bank, Erste Group is headquartered in Vienna, Austria. It has evolved into the leading financial services provider in the eastern part of the European Union, serving over 16 million customers. The bank's divisions include Retail Banking, Corporate Banking, and Capital Markets & Treasury. We are attracted to Erste Bank given its exposure to faster growing economies in Central & Eastern Europe, a robust capital position, and its conservative risk profile.

Appendix B – Company descriptions for new positions added to the International Strategy

BAWAG Group AG: Founded in 1922 and headquartered in Vienna, Austria, BAWAG Group has transformed into one of the most efficient retail-focused banks in Europe. BAWAG is a consumer-focused retail bank that serves retail, small business, and corporate customers in Austria, Germany, Switzerland, and the Netherlands with a strong cost culture with one of the lowest cost/income ratios in European banking. They complement organic growth with acquisitions and they continue to generate excess capital for share repurchases and future acquisitions as they expand their footprint in Western Europe.

DBS Group: Established in 1968 and headquartered in Singapore, DBS Group is the largest Southeast Asian Bank by assets with a 50% share in its native Singapore market and an increasing presence across Asia, particularly India and Indonesia. The company has strong exposure to trade flows across Asia along with a growing wealth management business with AUM of S$474bn, an increase of 18% in Q4 vs. the prior year. Their Wealth management platform will continue to drive double-digit fee income as the country has become a destination for Asian capital given low taxes, with an attractive capital return policy (S$8 billion return plan for 2025-27) and a dividend yield of greater than 5% we are positive on the long-term outlook for the bank.

Rakuten Bank: Founded in 2000 as eBANK and rebranded after its acquisition by the Rakuten Group, this digital-only bank is headquartered in Tokyo. Rakuten is the fastest growing digital bank in Japan and well positioned to capitalize on the growing trend to cashless in Japan. The company will benefit from rising yields in Japan as the Bank of Japan is expected to increase interest rates twice this year. As part of the wider Rakuten (Japan's Amazon) ecosystem, the company will continue to leverage the group's ecosystem to drive lower costs while continuing to attract strong deposit growth. The company's capital position remains strong with potentials for capital efficiency improvement.

Konami Group: Founded in 1969 as a jukebox rental business and headquartered in Tokyo, Konami is a diversified entertainment giant. The company is the leading game developer and publisher in its home country. It provides content across a range of platforms including mobile, console, and card games. The video gaming industry is expected to grow at an annual high single-digit rate over the next few years to approximately $400 billion and the company is well positioned with two very strong sports franchises, eFootball and Professional Baseball Spirits along a focus on utilizing historical IP franchises (Metal Gear, Silent Hill, Castlevania, Frogger) in the release of new game titles. We expect the company to deliver mid-teens earnings growth over the mid-term.

InterContinental Hotels Group: With origins dating back to 1777 (Bass Brewery) and formally established as IHG in 2003, the company is headquartered in the United Kingdom. IHG operates an asset-light business model, focusing on franchising and managing hotels across a brand portfolio that includes Holiday Inn, Regent, and Crowne Plaza. InterContinental Hotels is one of the world's largest hotel groups and operates 19 brands globally across over 100 countries. The company is well-positioned to benefit from their strong exposure to the US, with the upcoming World Cup driving travel in 2026. China is their second-largest market, and there are nascent signs of a recovery in this market. A strong hotel pipeline of over 342,000 rooms and a franchise model that drives high returns, we are positive on the long-term growth of the company.

Roche Holding: Founded in 1896 and headquartered in Basel, Switzerland, Roche is a global leader in personalized healthcare. The company is uniquely structured with two highly synergistic divisions: Pharmaceuticals (oncology, immunology, and neuroscience) and Diagnostics (in-vitro and molecular testing). This "One Roche" approach allows the company to develop targeted medicines alongside the tests needed to identify eligible patients. We expect continued strong sales growth within pharma as they possess a strong late-stage pipeline with 10 Phase 3 read-outs in 2026. Management has also indicated cost discipline on R&D relative to pipeline growth which should result in operating leverage and margin expansion. As new products in the diagnostics division should accelerate growth to mid-high single-digits.

Nomura Research Institute Ltd (NRI): Founded in 1965 as Japan's first private think tank and headquartered in Tokyo, NRI is a premier provider of IT solutions and consulting with a strong presence in Japan's financial sector. As Japanese companies transition to digital services this creates a tailwind for IT services providers in Japan as they are engrained into many company processes providing not only system integration but customized software, leading to higher recurring revenues and high renewal rates. As corporations shift to cloud and SaaS and modernize their technology through AI we believe will drive mid-to-high single-digit revenue growth over the mid-term leading to strong and reliable earnings growth.

Tokyo Electron: Established in 1963 and headquartered in Tokyo, Tokyo Electron is a global leader in Semiconductor Production Equipment (SPE). Tokyo Electron is a leading wafer fab equipment vendor with an estimated market share of 12% globally, with a slightly higher share in memory (20%). Semiconductor growth is expected to remain strong with AI a key driver as the market expands to $1 trillion by 2030. The company faces limited restrictions from U.S. export controls and as they expand their installed base, demand for their aftermarket Field solutions will continue to grow at a mid-to-high single digits. Long-term low double-digit earnings growth driven by a strong backdrop for semiconductors we remain positive on the outlook for Tokyo Electron.

Addtech AB: Founded in 2001 as a spin-off from Bergman & Beving and headquartered in Stockholm, Sweden, Addtech is a technical trading company. It comprises approximately 150 independent companies organized into five business areas: Automation, Electrification, Energy, Industrial Solutions, and Process Technology. Addtech sells components & systems for a wide variety of industries in Europe. The company has seen strong historical low double-digit revenue growth through a combination of organic and M&A. It operates a very decentralized model with local management holding strong responsibility for customer relationships.

The company continues to expand its footprint through accretive bolt-on acquisitions which adds capabilities, proprietary products, and talent in niche markets. We believe the growth prospects for Addtech are attractive.

ALS Ltd: Founded in 1863 and headquartered in Brisbane, Australia, ALS is a global leader in Testing, Inspection, and Certification (TIC) services. The company has a primary focus on the Metals & Minerals, Environmental, and Life Sciences verticals. Their earnings are leveraged to the commodities market, which will account for 60% of FY25 EBIT and the company is positioned to benefit from higher mining exploration as gold and metals prices increase. The TIC industry is fragmented and the company boasts a strong M&A pipeline which they estimate at $1.3 billion (Australian dollars) across their strategic markets. The prospects for growth at ALS are appealing in the current environment.

Daifuku Co: Founded in 1937 and headquartered in Osaka, Japan, Daifuku is a leader in materials handling and the automated logistics industry. The company is a beneficiary of the re-shoring of manufacturing (semiconductors), automation of logistics due to labour shortages, and growth in artificial intelligence data centre demand globally. The company is a leader in semiconductor conveyance with an approximate market share of 45% with larger semiconductor fabs and miniaturization leading to increasing demand for more precise material handling and transport. As their installed based grows the company has increased their services revenue by greater than 25%, driving margins higher. With a solid balance sheet (net cash) we expect continued share buybacks and dividend growth.

Rheinmetall AG: Founded in 1889 and headquartered in Düsseldorf, Germany, Rheinmetall is an integrated technology group serving the defense and automotive markets. As a European and global leader in the defense industry, Rheinmetall holds the top position within ammunition and is a leading defense partner to Ukraine. The European government's plans to increase defense spending and German defense stimulus of €500 billion and infrastructure spending of €500 billion provides a strong tailwind for growth. The company is significantly increasing capacity to meet demand and the divestment of its auto business will allow it to focus on its opportunities for growth.

Boliden AB: Founded in 1924 following a gold discovery and headquartered in Stockholm, Sweden, Boliden is a high-tech metals and mining company with smelting operations. The company's key reserves lie in politically stable geographies of Sweden, Finland, Ireland, and Portugal. The primary metals are Zinc, Copper with Gold and Silver byproducts. The smelting unit offers stability and approximately 40-50% of materials processed are sourced from owned mines. As demand for metals increases Boliden's steady operations and expansion of existing mines will provide an earnings uplift going forward.

Italgas: Founded in 1837 in Turin and headquartered in Milan, Italy, Italgas is a best-in-class gas distributor with leading market share in Italy & Greece particularly after their recent acquisition of 2i Rete Gas, the second-largest gas distribution company in Italy. The company is a leader in rolling out smart meters across their customer base providing better efficiency and ability to use AI to provide better service. The company's core business is Gas Distribution but it has recently expanded into Water Services and Energy Efficiency. This will create additional growth opportunities for the company going forward.