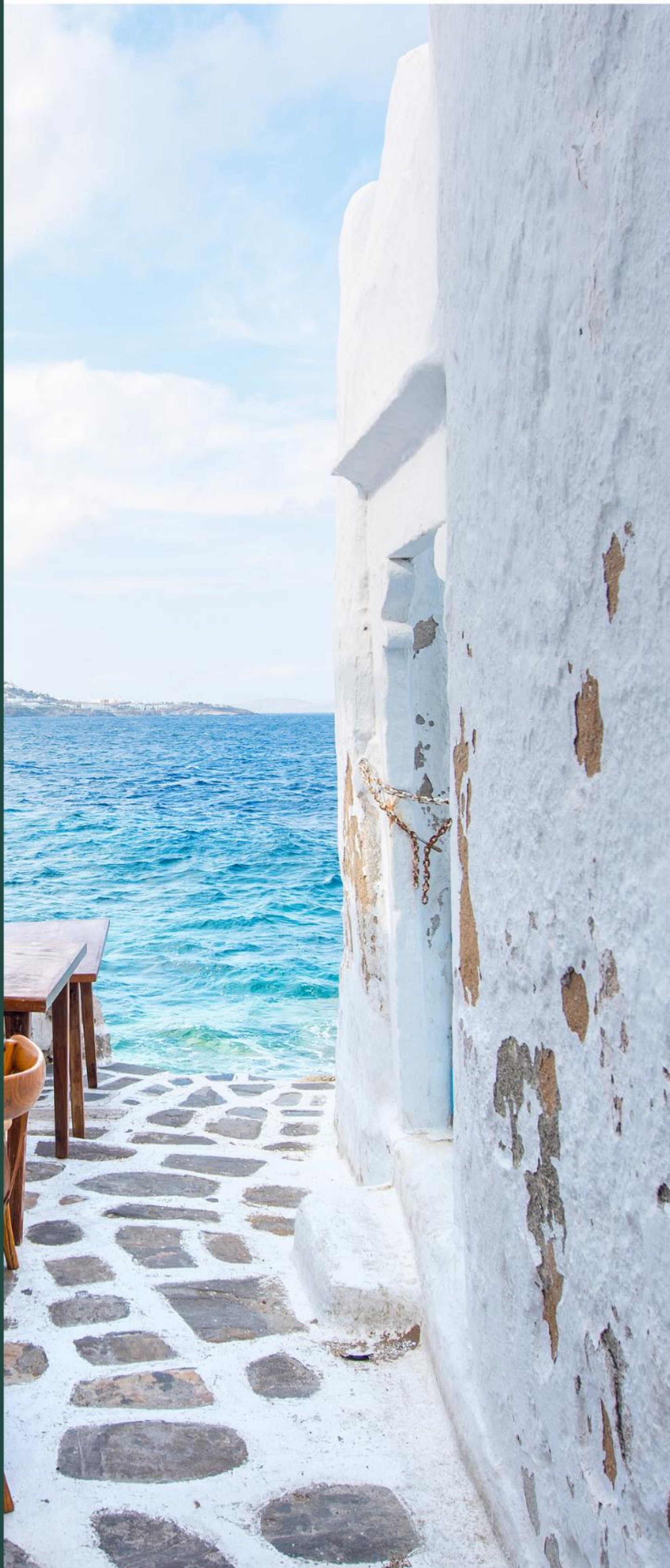
PELLA

RESPONSIBLE INVESTING



Quarterly Report

June 2026

MESSAGE FROM THE CIO

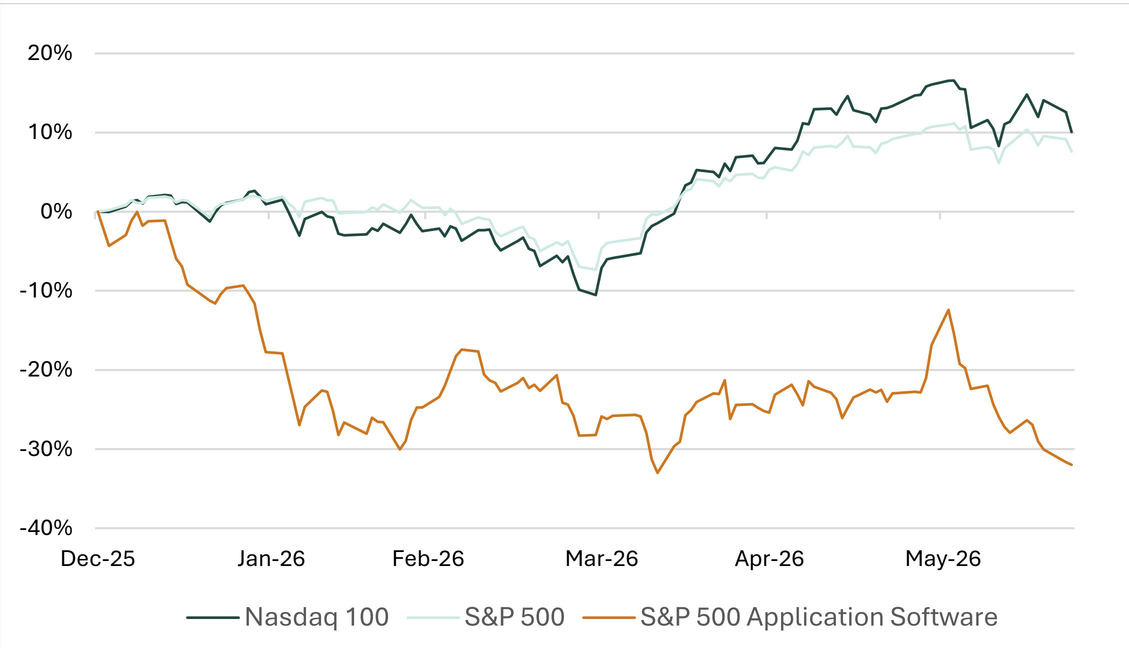
"The market has become exceptionally good at pricing AI narratives and, in our view, increasingly poor at pricing business fundamentals. We believe many software businesses are now being priced for maximum disruption, despite continuing to generate strong cash flows, hold dominant competitive positions and adapt to AI rather than be displaced by it. For long-term investors prepared to look beyond short-term sentiment, today's valuations present a rare opportunity to invest in exceptional businesses at compelling prices."

Jordan Cvetanovski
Chairman & Chief Investment Officer

A Market in Freefall

Something remarkable is happening to the software sector in 2026. Companies that were the darlings of institutional investors just twelve months ago are being sold off at a pace not seen since the dot-com crash during 2000-2002. Adobe, Salesforce, and ServiceNow, long regarded as compounding wealth machines, have each seen their share prices slide between 35% and 42% in the first six months of this year alone. The broader S&P 500 Application Software index is also down 30% year-to-date. Hundreds of billions of dollars in market capitalisation have been erased in what commentators are calling the "SaaSpocalypse."

Figure 1 – S&P 500 Application Software index performance since 31-Dec 2025



Source - Bloomberg

Why the market fears AI so much

The trigger for the Software as a Service (SaaS) sell-off, at least in the market's telling, is artificial intelligence (AI). The thesis is simple and seductive: AI will break the per-seat licensing model that has underpinned two decades of software growth. Why pay for ten Salesforce licences when AI can do the work of eight? The fear is not abstract. Staff layoff announcements by Block (40%) and Atlassian (10%) attributed directly to AI efficiency gains sent a chill through the sector, offering a concrete example of how automation is eliminating the very roles that software subscriptions depend upon.

The disruption narrative has other specific, identifiable sources. The rise of "vibe coding", the ability for non-technical users to generate functional software through natural language prompts, has led many investors to conclude that the traditional software moat is dead. If a business can prompt its way to a custom inventory management tool in an afternoon, why maintain an expensive annual subscription to an established vendor?

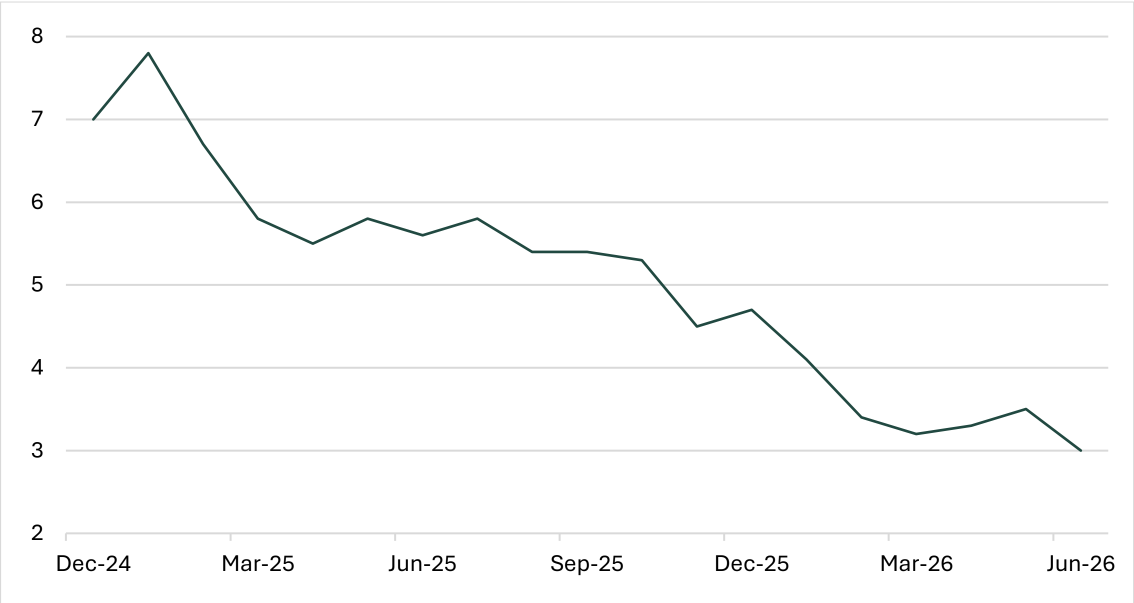
Beyond code generation, AI agents threaten the seat-based model at its foundation. With AI boosting productivity, the market expects customers to reduce software licences over time as AI-enhanced workers accomplish more with fewer seats. This is a structural shift that rattles investors who have spent years valuing SaaS businesses on the assumption of inexorable seat expansion.

The key analytical task is separating the genuinely threatened from the unjustly punished and history suggests the market is currently doing a poor job of that distinction. It is worth remembering that markets are reliably excellent at pricing narratives and only occasionally good at pricing businesses. The gap between the two is where patient capital gets rewarded.

Indiscriminate selling creates discriminate opportunity

We are living in a world where the abnormal has become normal. Multi-trillion-dollar companies with no profits to speak of have debuted on public markets. So perhaps we shouldn't be surprised to find one more extreme demanding our attention: the valuation collapse in application software. What makes this case interesting is not the existence of the extreme but its apparent mispricing.

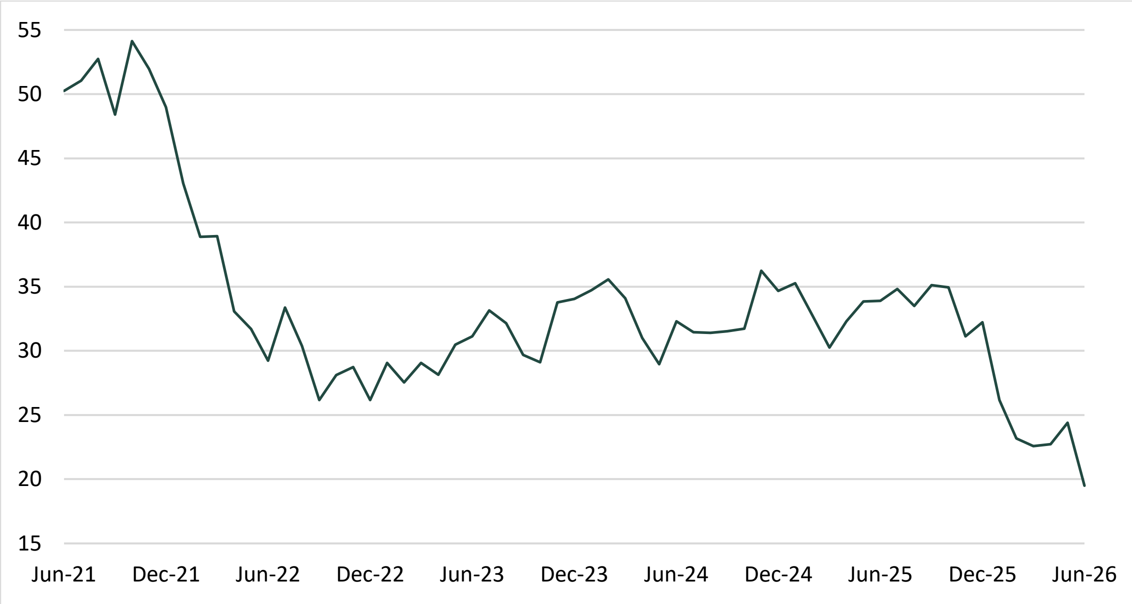
Figure 2 – EV/Revenue multiple of SEG SaaS index over the past 30 months



Source - Software Equity Group

Application software stocks now trade at roughly 20 times 2027 earnings, well below their historical average and, notably, below the broader market multiple. This is a sector that, not long ago, routinely commanded prices of 40 to 60 times forward earnings on the strength of its recurring revenue, high gross margins, and low churn. That same underlying business quality has not vanished overnight.

Figure 3 - S&P 500 Application Software index forward PE ratio over time

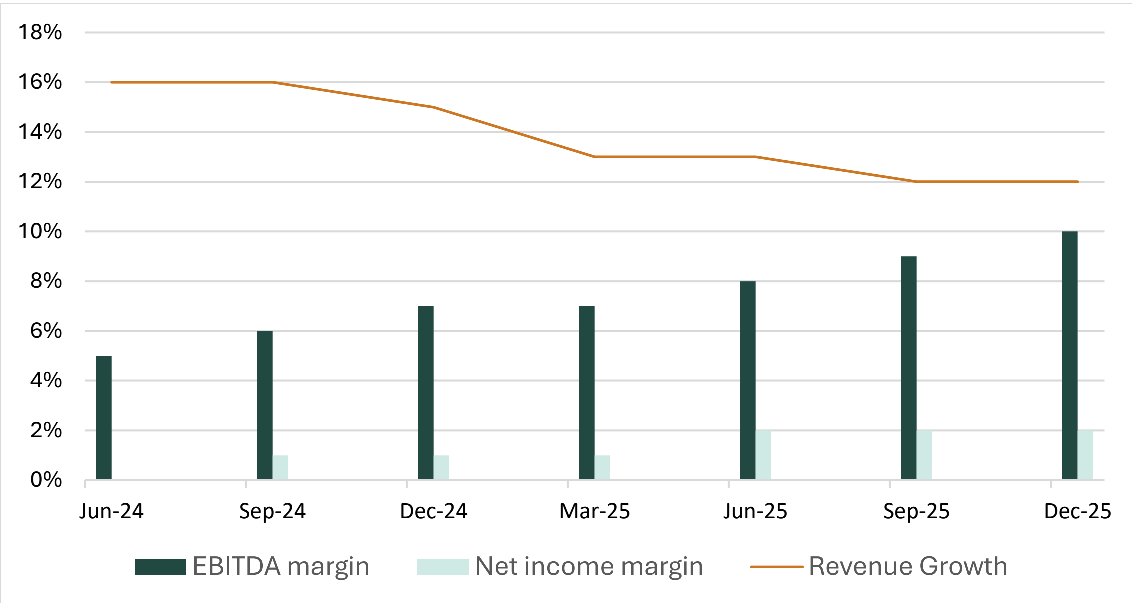


Source - FactSet

We argue here that with careful stock selection; some genuinely attractive opportunities have emerged. But the fair question to ask is whether anyone still cares about fundamentals at all, or whether the story has simply become a better predictor of price than substance.

Consider the asymmetry between the following two companies. For the first company, SpaceX, investors are comfortable paying 60 times revenue for a loss-making rocket and AI-infrastructure company, because it captures the imagination and mirrors prevailing sentiment about the future. The same investors are often unwilling to pay even 3 times revenue for the second company, Intuit, a software business that converts every $100 invested into $6 or $7 of annual free cash flow, compounding at 10%-plus a year. The difference, it seems, has less to do with the maths than with the narrative: SpaceX builds spaceships and AI data centres, whereas Intuit does your payroll and tax filings. One is exciting. The other is boring. Bored capital, it turns out, is occasionally the best kind to deploy.

Figure 4 - SaaS Index growth and margins of median constituent in recent quarters

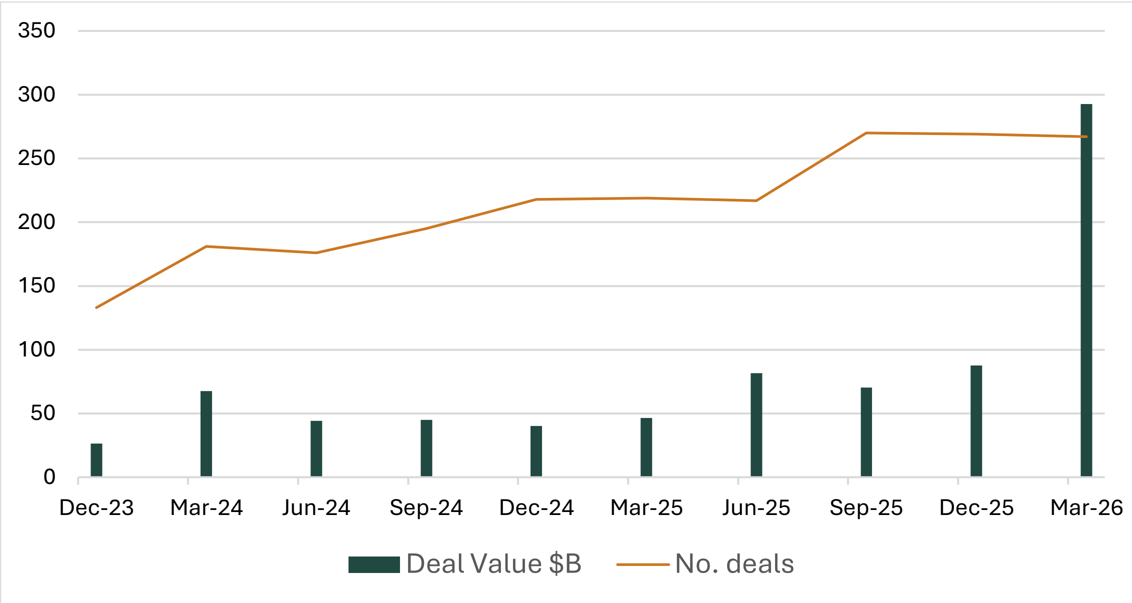


Source - Aventis Advisors

For investors willing to look past the headlines, the current environment offers a rare chance to acquire stakes in category-defining software franchises at prices that reflect maximum fear rather than considered fundamental analysis. Private equity has already noticed. Large-scale M&A activity has expanded sharply even as public market sentiment has cratered, with buyers and their investment committees asking the right questions about AI risk while still moving aggressively on assets with genuine competitive moats. The bid-ask spread has widened, but for patient buyers who do the work, that spread represents a margin of safety, not a trap.

In the March quarter of 2026 alone, enterprise SaaS mergers and acquisitions hit $292.7 billion across 267 deals. The acquirers are primarily large platform companies like Google, ServiceNow or Salesforce, as well as private equity firms that see depressed valuations as an opportunity to consolidate market share at a discount. Smaller, pure-play software vendors are being absorbed at prices that would have seemed deeply unfair eighteen months ago. One of Pella's previous software holdings, OneStream, purchased in Sept-25 was acquired by Hg in Jan-26 for a 31% premium.

Figure 5 - Deal and deal value over the past 8 quarters



Source - Pitchbook

Why Software is more resilient than the market fears

Why then are tech giants and private equity 'buyers' of SaaS businesses? Surely attractive valuations alone won't guarantee high returns in a "SaaSpocalypse". It's because the sell-off narrative has a critical flaw. It mistakes the ability to create code for the capability to operate a complex business system. These are not the same thing.

Enterprise software, at its best, is not merely a collection of features. It is decades of accumulated domain expertise, compliance logic, workflow design, security architecture, and integration capability baked into a coherent system that an organisation can depend upon. SaaS companies add value through functions that are genuinely hard to replicate with general-purpose AI, regulatory compliance, audit trails, data sovereignty, and the kind of deterministic, high-stakes process management that industries like financial services and healthcare cannot afford to leave to probabilistic language models. Vibe coding may produce a passable invoicing tool over a weekend, but it does not produce SOC 2 compliance, fifteen years of integration partnerships, or an audit trail a regulator will accept.

History offers a useful corrective here. Containers were supposed to make SaaS obsolete in 2016. No-code platforms were going to democratise software away from vendors in 2018. API-first companies would replace traditional SaaS in 2020. In each case, the new technology strengthened the ecosystem rather than dismantling it, because it addressed the technical challenges of software without resolving the deeply human ones, such as organisational change, trust, accountability, and the inertia of processes that span departments and decades. AI is the fourth instalment of a franchise the market keeps misreading as the sequel that finally kills the genre.

Furthermore, the most sophisticated software incumbents are not standing still. The SaaS industry reinvented itself once before, transitioning from on-premises perpetual licences to cloud subscriptions. The current transition to AI-native business models is another evolutionary leap. The companies with the deepest customer data, the widest integration networks, and the strongest distribution channels are uniquely positioned to become the disruptors rather than the disrupted. Best-in-class incumbents with credible AI roadmaps are arguably in a stronger competitive position today than they were two years ago, because AI raises the barrier to entry for challengers who lack the proprietary training data and enterprise relationships that incumbents have spent years accumulating.

Gartner's prediction that 35% of point-product SaaS tools will be replaced by AI agents by 2030 deserves to be read carefully. It is a forecast about commoditised, single-purpose tools, the kind of lightweight applications that were always vulnerable to substitution. It says relatively little about the sprawling, deeply embedded enterprise platforms that power payroll, financial reporting, supply chain management, and customer relationship workflows for the Fortune 500. There is a meaningful difference between a tool you open once a week and infrastructure your business cannot close the books without.

Conclusion: Sorting mechanism, not extinction event

The 2026 software sell-off is best understood not as the beginning of the end for the sector, but as a long-overdue sorting mechanism. Valuations that had run well ahead of underlying business fundamentals needed to correct. AI disruption fears provided the catalyst, even if the narrative has been applied as a blunt instrument that has punished worthy companies alongside vulnerable ones.

The companies that will emerge stronger are those with deep data moats, network effects, regulatory compliance capabilities, and the organisational agility to embed AI into their products rather than be replaced by it. Those that cling to commoditised, seat-based models for simple workflows face genuine structural risk. Nadella made the same distinction from the operator's chair, warning that keeping intellectual property safe will be paramount and that company's risk being commoditised if they fail to leverage the tacit knowledge, both human and AI, that defines their competitive character.

For investors, the current moment demands precision rather than either blind optimism or wholesale retreat. The market is pricing in maximum disruption across the board. The reality, as it tends to be, will be considerably more nuanced. The gap between market fear and business reality is, today, very wide indeed. In a market that pays handsomely for the story of the future, the businesses quietly compounding cash in its margins may be where the actual returns are made.

STOCK IN FOCUS

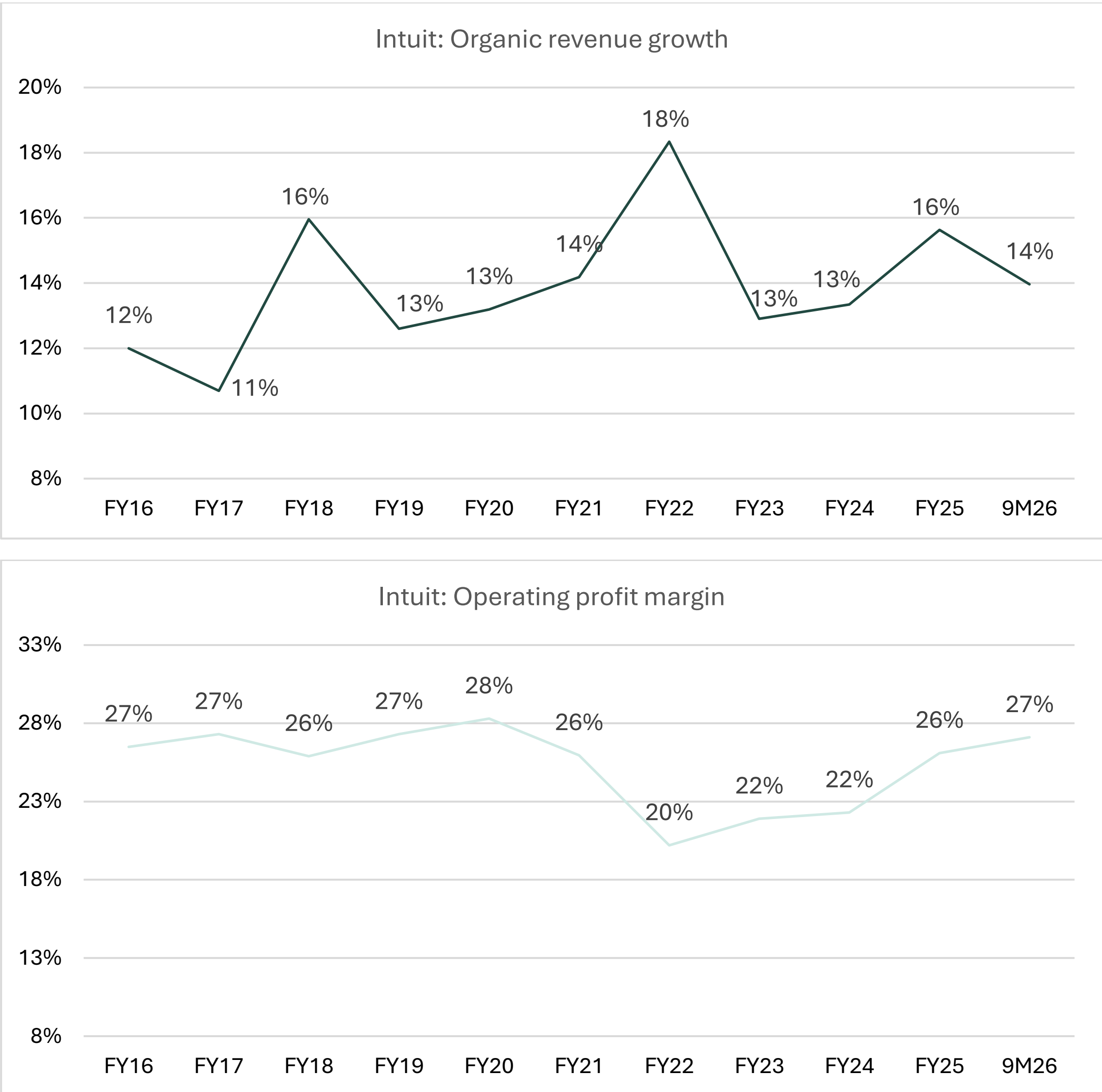
INTUIT

AI disruption risk is overstated; stock has been significantly oversold

Intuit (INTU) is a high-quality company with a dominant position in its key markets. Over the past decade, it has transformed itself from a desktop software company into a cloud-oriented, subscription-based platform. The company is best known for its QuickBooks and TurboTax offerings. QuickBooks, which makes up 60% of group revenue, is the leading accounting platform for self-employed and small business customers in the US, with a strong position in many other countries. TurboTax, which is 25% of group revenue, is the dominant tax assistance product in the US.

Over the past decade, Intuit has delivered consistent double digit revenue growth at a very healthy profit margin. This trend has continued into 2026, noting that the company has an unusual fiscal year-end of 31 July, so its most recently released results were for the 3Q of FY26.

Figure 6 - Intuit: Financial performance over the past decade



Source - Company data

Pella previously owned the stock, entering at a price of around $400 in December 2022 and exiting in May 2024 in the mid-$600s.

Reason for exiting in May 2024: The stock's FCF yield had dropped to just under 2% (after adjusting for share-based compensation). Pella's price-for-growth model told us that the valuation equation had become stretched. As it turns out, the price continued to rise from there, peaking at around $800 in mid-2025.

However, shortly after that, the stock became caught up in the AI-disruption scare that swept through the entire software sector (in what market commentators are now calling the "SaaSpocalypse").

By February 2026, the price had halved from its peak, and the stock was trading back at $400.

Following that correction, we decided to revisit the stock. To put the size of the selloff into perspective: Intuit's share price had fallen all the way back to the level at which we'd previously bought the stock all the way back in 2022 (based on what we saw at the time as a very attractive valuation equation); despite the company's revenue and earnings base having grown by a factor of 1.5X in the intervening years; and against the backdrop of a market that had risen by around 75% over the same period. So we revisited our financial model, spoke with key competitors to assess the severity of the AI-related disruption risk, and refreshed our investment thesis.

Finding #1

The disruption/replacement risk to accounting platforms has been overstated. In Intuit's dominant area of business, accounting software, it seems unlikely that AI agents, or AI-native software alternatives, will be able to "steal" anywhere near as many customers from the incumbent platforms (such as QuickBooks/Xero/Sage) as the scare stories would have you believe. This is for three main reasons:

(1) The incumbents have spent decades establishing a very high "trust factor" with the accounting firms that serve as their main referral channel to small business clients.

(2) The incumbents have also spent decades accumulating massive amounts of proprietary data that will be extremely hard for new entrants to replicate or compete with.

(3) The total cost to a business of using QuickBooks is not large enough to warrant the hassle and considerable risk of shifting to a new, unproven AI-based alternative.

What appears most likely is that the incumbent software platforms will remain in place as the client's core accounting database and operating system. Intuit and its peers will continue to offer their own AI-based "value-added services" on top of that base software. However, that is where they will encounter increased competition from third parties, with AI agents also able to operate on top of the base accounting software. This will ultimately result in the incumbents having to share some of the high-margin "cream" from those value-added services and product extensions with the third-party operators competing for the same TAM.

As a result, the growth of Intuit's Global Business Solutions business, mainly QuickBooks, will begin to fade from the mid-teens rate that the company and most analysts expect to see in the next few years. However, despite this fade, QuickBooks will remain a high-growth business for many years to come, without the "existential" risk that the market now sees hanging over many other software businesses.


Ms
Current Name
Street Name. 1
70000 City Name
Invoice
Dear Ms Current Name,
Num.
Qty.
Units
1
1
pcs
1
33
pcs.
1
1
pcs.
Total
VAT 19%
Total Amount Payable

Finding #2

The disruption/replacement risk to Intuit's smaller tax business is more significant. In the case of the company's Consumer business, mainly TurboTax, our analysis indicates that the risk from AI could be more meaningful, especially at the lower-income end of the DIY segment. This is because budget-conscious customers with relatively simple needs may be more inclined to take the risk of using cheaper AI-based tax services. However, the progressive erosion of the DIY side of the business is likely to be offset by Intuit's continued penetration of the "advised" segment, via its TurboTax Live offerings. TurboTax Live is the original DIY software augmented by assistance and advice. On a net basis, we expect that AI disruption will cause the overall growth rate of the tax business to decline from current levels.

Our conclusion back in February: Be ready to buy the stock… but wait for an even bigger valuation buffer.

We found that the market had become appropriately concerned about the AI disruption risk to the TurboTax business but was over-estimating the risk of disruption to the larger QuickBooks business. On that basis, we concluded that the stock was already looking oversold and attractively valued. However, given ongoing pressures on the software sector, we chose to wait for an even cheaper entry price and a bigger valuation buffer.

We received that buying opportunity in the wake of the company's 3Q FY26 results.

We didn't have to wait long for a buying opportunity to emerge because, following Intuit's 3Q results in late May, the stock price plunged another 20% to around $300. This was despite the fact that the 3Q numbers came in slightly ahead of consensus expectations and the company raised its financial guidance for the full year. It also announced an enlarged buyback program and a sizeable reduction in staff numbers to boost future profitability.

The sell-off was driven by the composition of the TurboTax result. While TurboTax Live beat market expectations, the DIY segment fell short of expectations and reported a loss of market share. Some investors took this as a sign that AI disruption was already damaging the business.

As it turns out, the weakness in DIY was due to rising cost-of-living pressures on lower-income customers, leading some to opt for cheaper (non-AI) alternatives. However, management acknowledged that it would need to reduce its low-end pricing to maintain share in this budget-conscious segment. This will negatively affect the growth rate of the tax business in coming periods.

Even so, the post-result share price reaction appeared to us to be both irrational and excessive. To illustrate, let's consider things from a high-level standpoint.

(1) Prior to the 3Q26 result, Intuit's share price had already fallen >50% from its peak based on fears of serious disruption to the business (and TurboTax in particular) from AI.
(2) The 3Q26 numbers from the DIY side of the tax business disappointed the market, while Intuit's other businesses came in ahead of expectations.
(3) This led to an *additional* 20% decline in the share price, despite the tax business only making up 25% of the group's total revenue and earnings.

Importantly, consensus earnings and FCF forecasts for the overall business went up modestly on the back of the 3Q results. Therefore, the 20% drop provided us with the even larger valuation buffer that we'd been hoping for.

The valuation equation in a nutshell:

- At its Investor Day in September last year, the company reiterated its mid-teens growth expectation for the medium-to-longer term. By business segment: QuickBooks 15-20% growth, TurboTax 6-10% growth, other businesses (mainly Credit Karma) 10-15% growth.
- The average growth forecast from the 20+ analysts that cover the stock is already sitting below this level (and below the 9M26 growth rate of 14%). Consensus growth is currently 12% for FY27 and 11% for FY28.
- Some of the more bearish analysts think that the future growth rate

could reduce even further to 7-8% if the DIY-side of the tax business continues to lose share (which we see as a distinct possibility) and AI agents are able to make a meaningful dent in the accounting business in a relatively short space of time (which we see as far less likely).

- Even if that bear case does eventuate, the stock will still offer good value at its current levels, because it has been savaged to such an extent that it is now trading on a P/E multiple of 12X and its FCF yield has risen to almost 7%.
- If we take a conservative approach and apply the target return hurdle that we usually reserve for high-risk businesses, the stock is still only pricing-in growth of around 5%. This is well below the 7-8% expected by the most bearish analysts.

This implies that the stock is now being priced for much more severe AI-related disruption than what we believe is likely.

Therefore, in the wake of the post-3Q selloff, the Fund has established a new position in Intuit. We will look to build the position over time, taking advantage of any further AI-disruption related selloffs.

Disclaimer: This information is general advice only and does not take into account your personal objectives, financial situation or needs. You should consider whether the information is appropriate for you before acting on it.

PORTFOLIO COMMENTARY

In Q2 2026, the Pella Global Generations Fund delivered a return of 5.3%, underperforming its benchmark, the MSCI ACWI (NZD) which increased 15.3%, by 10.0%.

The Information Technology sector, which includes companies linked to artificial intelligence (AI), continued to dominate benchmark returns. Of the benchmark's 15.3% quarterly return, nearly three-quarters of the total was contributed by AI beneficiaries. Micron, one of the world's leading memory chip manufacturers, rose 240%, continuing its meteoric rise from a market capitalisation of approximately US$100 billion this time last year to more than US$1 trillion today. Micron alone contributed more than 1% to the benchmark's quarterly return. Other standout contributors included Alphabet (+81bps), SK Hynix (+71bps), AMD (+67bps), NVIDIA (+67bps), Samsung Electronics (+55bps) and TSMC (+55bps). Together, this relatively small group of AI beneficiaries accounted for a large share of global equity market performance during the quarter and further highlighted how concentrated today's markets have become.

With this backdrop, the Fund's significant underweight position to the IT sector was the primary detractor from relative performance. At the individual stock level, UnitedHealth Group, LivaNova, ASML, TSMC and Novo Nordisk were the largest contributors to performance. In contrast, Boston Scientific, Nutrien, AIA Group, Newmont and HCA Healthcare detracted over the quarter. We were encouraged to see the strong performance of several healthcare holdings, reinforcing our view that the sector is significantly undervalued.

Portfolio Changes

The second quarter saw several meaningful changes to the Fund's portfolio, including the addition of four new positions, Intuit (discussed earlier in this report as this quarter's Stock in Focus), HealthEquity, Antofagasta and Norsk Hydro. The latter two investments are based on our attractive long-term outlook for copper and aluminium respectively, supported by growing structural demand from electrification and renewable energy.

Waters Corp, SIG Group and KONE were also sold during the quarter. Towards the end of the quarter, we reduced our remaining AI-related holdings, TSMC, ASML and Broadcom, reflecting our increasing concern that investor enthusiasm for AI is unsustainable. This capital was reallocated towards Intuit and Microsoft. Although both are technology companies, they are very attractively valued and should react positively to any weakness in AI.

The overall composition of the portfolio remains broadly unchanged. Healthcare and Industrials continue to represent the Fund's largest overweight positions, each accounting for approximately 24% of the portfolio. This is not a macro call on either sector but rather a reflection of where we continue to find the greatest concentration of high-quality businesses trading at attractive valuations.

The Fund also maintains a 23% weighting in Financials, approximately 6% above the benchmark. Information Technology remains our largest underweight position at 10% compared with approximately 26% for the benchmark. This represents an increase from the previous quarter's 7% weighting following the addition of Intuit and an increased allocation to Microsoft. We anticipate selectively adding further software businesses over coming months should valuations continue to become more attractive.

Portfolio Segments

The Fund's portfolio positioning is reflected in our segmentation strategy. The Fund is tilted towards the top end of the range for both core and cyclical exposure, while stretched valuations in have limited opportunities in innovation stocks.

Core:

The Fund's exposure to the core segment remains high with 28 positions making up 73% of the portfolio. The number of positions decreased from 29 at the end of Q1. Waters, SIG Group and KONE were sold and Intuit and HealthEquity were added. The Fund's significant weighting to core companies reflects the team's view that many high-quality companies are being overlooked and trading at historically low valuations.

Cyclical:

Exposure to the cyclical segment rose modestly to 20.4% percent of the Fund during the quarter. The additions of Antofagasta and Norsk Hydro were partially offset by exiting Newmont.

Innovation:

Broadcom remains the only position in the Fund's innovation section. However, the weight is up to 1.9% from 1% at the end of Q1. The Innovation segment having only one holding aligns the team's view that valuations in the high growth-high momentum areas of the market appear stretched.

Conclusion

For several quarters we have discussed the widening valuation gap between AI beneficiaries and many other high-quality businesses across global markets. Rather than narrowing, this gap has continued to widen. In our view, the valuation "elastic band" has now been stretched to levels that are becoming increasingly difficult to justify based on company fundamentals alone. In the first few trading days of July, AI-related companies experienced a meaningful pullback. Whether this proves to be the beginning of a broader rotation remains to be seen, but it demonstrates just how quickly market leadership can change once valuations begin to matter again.

Importantly, our investment process does not rely on predicting precisely when these rotations will occur. Instead, we focus on owning businesses that continue to grow earnings, possess durable competitive advantages and are attractively valued. In this regard, the portfolio is in excellent fundamental shape, and we are excited about the opportunity in front of us.

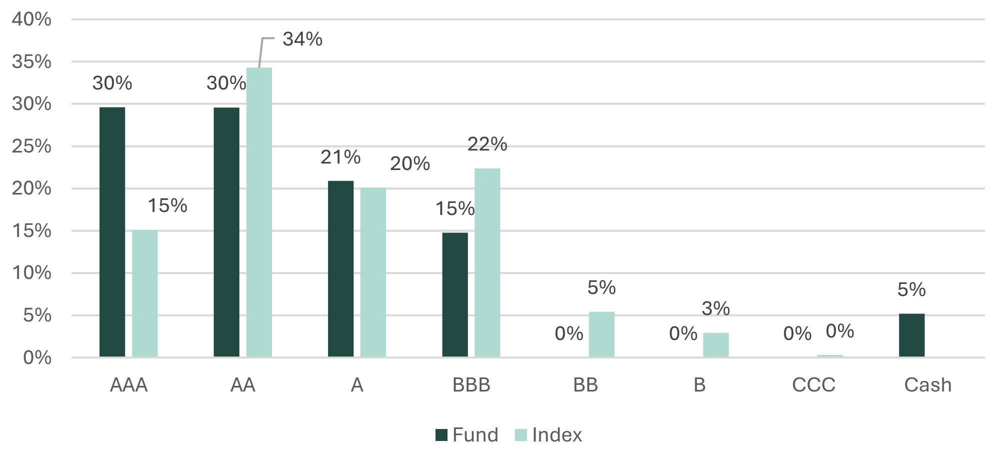
RESPONSIBLE INVESTING

During 2Q26, Pella met its Responsible Investing (RI) targets. The Fund avoided companies on its exclusion list, achieved superior ESG metrics to its Benchmark (MSCI ACWI), kept portfolio carbon intensity at least 30% lower than the Benchmark, and Pella continued to be an active steward of the capital it manages.

Figure 7 shows the Fund's average exposure to stocks rated AAA or AA by MSCI was 60%, compared to 49% for the Benchmark. Exposure to companies rated BBB or lower was 15%, versus 30% for the Benchmark. This supports the view that the Fund maintained stronger ESG characteristics than the Benchmark during the quarter.

Fund Characteristics

Figure 7 - Fund Vs. Benchmark ESG rating distribution (1)

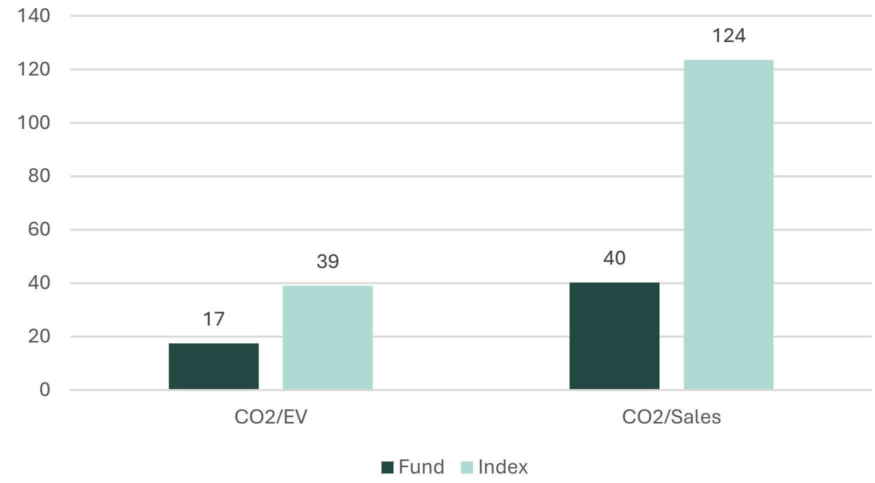


Source – Pella, MSCI ESG Manager

(1) Calculated using each stock's average weight over the quartile and their quarter end MSCI ESG rating

Figure 8 compares the Fund's carbon intensity relative to enterprise value and revenue, showing levels approximately 56% and 68% lower than the Benchmark, respectively. This comfortably exceeds the Fund's target of being at least 30% below the Benchmark.

Figure 8 - Fund Vs. Benchmark carbon intensity [(1), (2), (3)]



Source – Pella, MSCI ESG Manager

(1) Calculated using average stock weights over the quarter

(2) Carbon intensity to EV = tonnes (mils) of CO2 (scope 1 and 2) per US$m of EV

(3) Carbon intensity to sales = tonnes (mils) of CO2 (scope 1 and 2) per US$m of sales.

Voting Activities

Pella participated in all its shareholder votes during the quarter, and our voting string are summarised in Figure 9.

Figure 9 - Pella's 2Q26 voting track record

Company	Meeting Type	Vote String
AIA Group Limited	Annual	FFFFFFFFFFFF
ANTA Sports Products Limited	Annual	FFFFFFFFAFA
Antofagasta Plc	Annual	FFFFAFFFFFFFFFFFFFFF
Arthur J. Gallagher & Co.	Annual	FFFFFFFFFFF
ASML Holding NV	Annual	FFFFFFFFFFFFFFF
Bilfinger SE	Annual	FFFFFFFFFFFFFF
Boston Scientific Corporation	Annual	FFFFFFFFFFFFFFFFF
Broadcom Inc.	Annual	FFFFFFFFFF
Contemporary Amperex Technology Co., Ltd.	Annual	FFFFFFFFAFAFFAFFF
Deutsche Boerse AG	Annual	FFFFFFFFF
Edwards Lifesciences Corporation	Annual	FFFFFFFFFFFF
Epiroc AB	Annual	FFFFFFFFFFFFFFFFFFFFFAFAFFFFAFAFFFFFFFFFF
HCA Healthcare, Inc.	Annual	FFFFFFFFFFFFF
Hubbell Incorporated	Annual	FFFFFFFFFFFFF
IMCD NV	Annual	FFFFFFFFFAFFFFFF
ING Groep NV	Annual	FFFFFFFFFFFFF
Intuitive Surgical, Inc.	Annual	FFFFFFFFFFFFF
LivaNova Plc	Annual	FFFFFFFFFFFFFFFFFFFF
Marsh & McLennan Companies	Annual	FFFFFFFFFFFFFFF
Mastercard Incorporated	Annual	FFFFFFFFFFFFFFA
Metso Corp.	Annual	FFFFFFFFFFFFFF

Midea Group Co., Ltd.	Annual	FFFFFFAFFFFFFFFFAFFFFFFFFFFF
Newmont Corporation	Annual	FFFFFFFFFFFFFF
Norsk Hydro ASA	Annual	FFFFFFFFFFFFFFFFFAAA
Nutrien Ltd.	Annual	FFFFFFFFFFFFFF
Sandvik Aktiebolag	Annual	FFFFFFFFFFFFFFFFFFFFFFFFAFFFFFAFFFAF
Schneider Electric SE	Annual/Special	FFFFFFFFFFFFFFFFFFFFFF
ServiceNow, Inc.	Annual	FFFFFFFFFF1FFF
SIG Group AG	Annual	FFFFFAAFFFFFAFFFFFFFFFFA
Spirax Group Plc	Annual	FFFFFFFFFFFFFFFFFFFFFFFF
Symrise AG	Annual	FFFFFFAF
Taiwan Semiconductor Manufacturing Co.	Annual	FFF
UnitedHealth Group Incorporated	Annual	FFFFFFFFFFFF
VINCI SA	Annual/Special	FFFFFFFFFFFFFFFFFFFF
Waters Corporation	Annual	FFFFFFFFFFFFF

Source – ISS
B = Abstain; F = For; A = Against

Below is an explanation of votes where Pella either differed from management's recommendation, or the proposal related to material environmental, social, or governance issues.

Anta Sports – Pella voted AGAINST the proposal to approve the issuance of equity or equity-linked securities without pre-emptive Rights. A vote against this proposal is warranted given the absence of a specified limit on the discount at which the shares could be issued for both cash and non-cash consideration.

Pella also voted AGAINST the proposal to authorize reissuance of repurchased shares. This proposal would allow Anta to reissue repurchased shares, which would result in the total share issuance exceeding 10% of the relevant class of shares.

Antofagasta - Pella voted AGAINST the proposal to re-elect Jean-Paul Luksic as a director. Luksic has served as non-independent chairman for 22 years, controls the majority of ordinary and preference shares and less than two thirds of the board are independent. The vote reflected governance concerns regarding board leadership and oversight, with Pella seeking greater independence and accountability.

Contemporary Amperex – Pella voted AGAINST the proposal to approve the provision of guarantees. The company planned to provide the guarantees to subsidiaries that are more than its proportionate shareholding without compelling justification as to why other shareholders of the subsidiary are unable to provide similar guarantees. The proposal would have exposed the company to a disproportionate level of risk relative to its ownership interest, without sufficient justification.

Pella voted AGAINST the proposal to approve the entrusted wealth management plan. The proposed investment arrangements could have exposed the company to financial products with undue risk.

Pella voted AGAINST the proposal to grant the Board a general mandate to issue new shares. The proposal permitted a large issuance without a specified discount limit, creating the risk of shareholder dilution.

Epiroc – Pella voted AGAINST the proposals to re-elect Johan Forssell, Ronnie Leten and Fredric Stahl as directors, and Ronnie Leten as Chair of the board. This decision was based on Forssell and Leten's non-independent status while serving on the remuneration committee and Leten and Stahl's non-independent status while serving on the audit committee, which contributes to an insufficient level of overall board independence.

Mastercard – Pella voted FOR the shareholder proposal to provide shareholders with the right to act by written consent, contrary to the board recommendation of AGAINST. The proposal strengthens shareholder rights by enabling them to take action between annual meetings, improving board accountability and corporate governance.

Pella voted AGAINST the shareholder proposal to introduce cumulative voting, which was in-line with the board recommendation. Pella considers the company's governance framework, which includes majority voting for directors, proxy access, and a director resignation policy, to provide shareholders with appropriate rights and board accountability, making cumulative voting unnecessary.

Midea Group – Pella voted AGAINST the proposal to grant the board a general mandate to issue new shares. The resolution did not specify a discount limit for shares issued for cash or non-cash consideration, creating a risk of excessive shareholder dilution.

Pella also voted AGAINST the proposal to appoint PricewaterhouseCoopers Zhong Tian and PricewaterhouseCoopers as the company's auditors. The vote follows regulatory findings against the auditors' conduct, bringing into question their suitability to act as the company's external auditors.

Norsk Hydro – Pella voted AGAINST three shareholder proposals requesting the company assess the role of nuclear power in its future energy sourcing strategy. The proposals did not present sufficiently compelling company-specific rationales and Pella considers such strategic matters should be determined by the board and management.

Sandvik Aktiebolag - Pella voted AGAINST the proposal to approve the performance share matching plan LTI (long-term incentives) 2026 for key employees. The proposed performance period was shorter than three years and is not sufficiently long-term in nature.

Pella voted AGAINST the proposal to re-elect Johan Molin as director and chair. The vote reflects concerns around lack of board gender diversity. As an incumbent member of the nomination committee and chair of the board, Molin was held accountable for board composition and succession planning.

SIG Group - Pella voted AGAINST the proposal to permit virtual-only shareholder meetings. The proposed amendment would allow the company to hold virtual-only meetings on a permanent basis, potentially reducing opportunities for shareholder engagement.

Pella voted AGAINST the proposal to approve the remuneration report. A range of discretionary awards were made without either performance conditions, financial targets being met, or sufficient alignment between executive pay and company performance.

Pella voted AGAINST the proposal to re-elect Mariel Hoch as a director. The vote reflects concerns around lack of board gender diversity. As chair of the nomination committee, Hoch was held accountable for board composition and succession planning.

Pella also voted AGAINST the proposal relating to other business. As the content of any additional items that could be introduced at the meeting was unknown at the time of voting, opposing the proposal was considered the most prudent approach to protect shareholders' interests.

Symrise – Pella voted AGAINST the proposal to approve the company's remuneration policy. The policy contained several provisions that fell short of good governance practice, including guaranteed joining arrangements, change-in-control payments, insufficient emphasis on capital efficiency and broad discretion to adjust executive remuneration.

PERFORMANCE

Pella Global Generations PIE Fund, net of fees and expenses, NZD

Inception 4 April 2025	Fund	Benchmark	Relative
1 month	3.7%	4.4%	-0.7%
3 months	5.3%	15.3%	-10.0%
1 year	4.5%	32.0%	-27.4%
Inception to date	15.2%	47.3%	-32.1%

Past performance is not indicative of future performance.

FUND HOLDINGS

Name	Country	Sector (GICS)
3i Group Plc	United Kingdom	Financials
AIA Group Ltd.	Hong Kong	Financials
ANTA Sports Products Ltd.	China	Consumer Discretionary
Antofagasta Plc	United Kingdom	Materials
Arthur J. Gallagher & Co.	United States	Financials
ASML Holding NV	Netherlands	Information Technology
Bilfinger SE	Germany	Industrials
Boston Scientific Corp.	United States	Health Care
Broadcom Inc.	United States	Information Technology
Contemporary Amperex Technology Co., Ltd.	China	Industrials
Deutsche Börse AG	Germany	Financials
Edwards Lifesciences Corp.	United States	Health Care
Epiroc AB	Sweden	Industrials
HCA Healthcare, Inc.	United States	Health Care
HealthEquity Inc	United States	Health Care
Hubbell, Inc.	United States	Industrials
ICICI Bank Ltd.	India	Financials
IMCD NV	Netherlands	Industrials
ING Groep NV	Netherlands	Financials
Intuit, Inc.	United States	Information Technology
Intuitive Surgical, Inc.	United States	Health Care
LivaNova Plc	United Kingdom	Health Care
Marsh & McLennan Cos., Inc.	United States	Financials
Mastercard, Inc.	United States	Financials
Metso Corp.	Finland	Industrials
Microsoft Corp.	United States	Information Technology
Midea Group Co. Ltd.	China	Consumer Discretionary
Norsk Hydro ASA	Norway	Materials
Novo Nordisk A/S	Denmark	Health Care
Nutrien Ltd.	Canada	Materials
ResMed, Inc.	United States	Health Care
Sandvik Aktiebolag	Sweden	Industrials
Schneider Electric SE	France	Industrials
Sika AG	Switzerland	Materials
Spirax Group Plc	United Kingdom	Industrials
Symrise AG	Germany	Materials
Taiwan Semiconductor Manufacturing Co., Ltd.	Taiwan	Information Technology
UnitedHealth Group, Inc.	United States	Health Care
VINCI SA	France	Industrials

Pella NZ PIE Fund as of 30 June 2026, alphabetically ordered. For full holdings data, including segmentation please refer to the month end Fact Sheet.

KEY INFORMATION

CIO & PM	Jordan Cvetanovski
Launch Date	4 April 2025
Management Fee	0.85%
Buy / Sell Spread	+0.25%/-0.25%
Minimum Investment	NZ$25,000 initial investment/ NZ$5,000 additional investments
Pricing Frequency	Daily
Tax	Based on prescribed investor rate (PIR)
Benchmark*	MSCI ACWI (net, NZD)

** The fund's investable universe differs to the benchmark and may have a different return and risk profile to the benchmark. The fund's negative screen excludes several activities that are included in the benchmark such as fossil fuel mining; transportation; weapons; alcohol; casinos; and companies rated CCC by MSCI. The fund can invest in companies that are not in the benchmark if those companies satisfy the fund's liquidity requirements*

Platform Availability

Name	
Adminis	✓
Apex	✓
FNZ Custodians	✓
Online Direct Application	✓

Please contact Pella Funds Management to request your preferred platform.

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Pella Funds Management