MONTHLY PERFORMANCE & PORTFOLIO UPDATE

March 2026

Returns	1 Month	3 Months	1 Year	2 Year (p.a.)	3 Year (p.a.)	Since Inception (p.a.) (1 May 2022)
GCQ H Class (AUD)[1]	**(5.9%)**	**(16.4%)**	**(11.3%)**	**0.2%**	**11.7%**	**11.0%**
MSCI World Hedged (AUD)[2]	(5.8%)	(3.3%)	17.7%	12.0%	16.1%	12.1%
Excess performance	**(0.1%)**	**(13.1%)**	**(29.0%)**	**(11.8%)**	**(4.4%)**	**(1.1%)**

"A down market lets you buy more shares in great companies at favourable prices. If you know what you're doing, you'll make most of your money from these periods. You just won't realise it until much later."

\- Shelby Davis

The net return for investors in H Class Units for the month of March was **-5.9%**. This was roughly in-line with the MSCI World Hedged (AUD), which was down **-5.8%**.

March was a volatile month, driven by geopolitical uncertainty. The month started strongly for the Hedged GCQ Flagship Fund, with the portfolio up c.+3.8% early in the month, before the conflict in Iran drove concerns around the impacts of oil supply chain disruption. Markets gyrated to war-related news flow, but trended downwards.

The Fund's underperformance for the current financial year follows strong outperformance in the prior three years, as shown in the table below. We believe that recent share price declines present an excellent buying opportunity for the high-quality businesses in our portfolio.

Returns	FY23	FY24	FY25	FY26 YTD
GCQ H Class (AUD)[1]	**30.9%**	**25.6%**	**19.7%**	**(17.6%)**
MSCI World Hedged (AUD)[2]	16.5%	20.1%	13.4%	7.5%
Excess performance	**14.4%**	**5.5%**	**6.3%**	**(25.1%)**

Portfolio as of 31 March 2026	Weight
INTUIT	8%
Money Forward	7%
freee	1%
Cloud accounting software	**16%**
Hemnet	8%
rightmove	5%
Scout24	2%
Real estate advertising monopolies	**15%**
Uber	9%
airbnb	5%
Sharing economy	**14%**
amazon.com	11%
Global cloud computing	**11%**
S&P Global	5%
MSCI	5%
Credit rating agencies & index providers	**10%**
VISA	8%
Global consumer payments	**8%**
HERMÈS	6%
RICHEMONT	1%
LVMH	1%
Super-luxury goods	**8%**
FICO	3%
Verisk	3%
Industry standard businesses	**6%**
Microsoft	4%
SAP	1%
Enterprise software	**5%**
smg swiss marketplace group	4%
Online marketplaces	**4%**
Other high-quality businesses	**1%**
Total long	**98%**
Shorts	**(3%)**
Net exposure	**95%**
Cash	**5%**
TOTAL	**100%**

[1] Net performance figures are shown after all fees and expenses and assumes reinvestment of distributions. Past performance is not a reliable indicator of future results. Figures longer than one year have been annualised. [2] See MSCI Disclaimer on the last page.

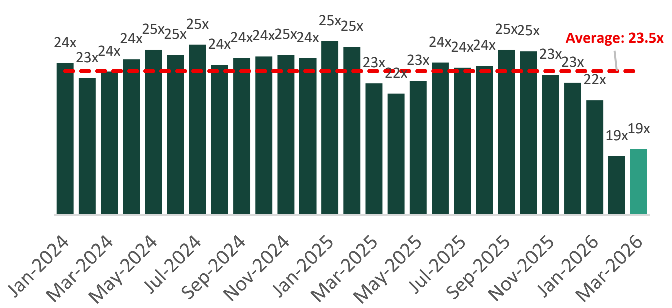
Current Portfolio Positioning

We enter April similarly positioned to a month ago, noting that we took advantage of the sell-off this year to add **Intuit**, **Microsoft**, **S&P Global**, **Verisk Analytics** and **SAP** to the portfolio at highly attractive prices. These additions have already made a positive contribution to returns.

We believe we have a portfolio of **"coiled springs"** primed to rebound as market sentiment improves. There is a large disconnect between the fundamental performance of our portfolio companies and their current equity valuations. We expect this divergence to correct over time. The GCQ Flagship Fund is currently trading at a forward earnings multiple of only 18.9x, meaningfully below its historical average of 23.5x.

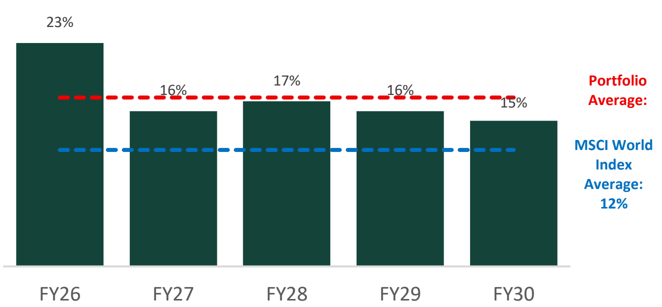
The GCQ portfolio includes some of the world's greatest monopolies, duopolies, and irreplaceable brands with pricing power. These are companies with little to no net debt and that have durable competitive advantages. However, the portfolio is trading below the S&P 500 Index's forward earnings multiple of 20.3x. This is despite the broader index including many lower-quality businesses, with lower growth, lower margins, weaker free cash flow conversion, and higher debt levels than the GCQ portfolio.

GCQ Portfolio Forward Earnings Multiple



Source: GCQ Funds' analysis

GCQ Portfolio Forward Earnings Growth



Source: GCQ Funds' analysis

Network Effects Are "On Sale"

"A telephone—without a connection at the other end of the line—is one of the most useless things in the world. Its value depends upon the connection with the other telephone, and increases with the number of connections."

- Theodore Vail describing network effects in the 1908 AT&T Annual Report

Network effects are perhaps the most durable competitive advantage there is. Put simply, network effects enable products and services to become more valuable as more people use them. This virtuous cycle is rare, but when it exists, you typically have a business with a durable competitive position, high margins, and the ability to compound returns over long periods of time without the need to reinvest meaningful incremental capital. In December 2025, GCQ's Chief Investment Officer discussed the power of network effects in a podcast with Joe Aston, the Founder of Rampart News.

Such businesses dominate the GCQ portfolio:

- **Visa** operates a card payments network connecting cardholders, merchants, and banks;
- **Hemnet** (Sweden), **Rightmove** (U.K.) and **Scout24** (Germany) operate online real estate classifieds portals (similar to realestate.com.au in Australia), connecting home buyers, home sellers, and real estate agents;
- **Uber's** ride-hailing network connects riders with drivers;
- **Airbnb's** alternative accommodation network connects homeowners with travellers;
- **Verisk** operates monopoly businesses which aggregate and share data across the US insurance industry; and
- **Amazon's** online retail business connects consumers with third-party merchants.

At GCQ, one of the ways we now conduct an initial screen for potential investment ideas is by using Artificial Intelligence (AI) to run thousands of companies through the **GCQ Business Quality Checklist™**.

A valuable byproduct of this process is that we can use AI to measure a stock's exposure to a given 'quality' characteristic. For example, across thousands of stocks in our screening universe, only c.10% have network effects. In the top half of this group, c.40% have earned a place on the GCQ High-Quality Watchlist of companies that pass our checklists.

Companies with network effects should trade at a premium to the market, and in normal circumstances, they do. However, over recent months, the rapid growth of news flow related to Artificial Intelligence (AI) has caused many investors to sour on asset-light companies, including many of those benefiting from highly valuable network effects. From a forward earnings multiple premium of around +60% to the market in May 2022 at the Fund's inception, the 110 highest rated network-effect businesses now trade at a -15% discount to the index. We believe this represents a tremendous opportunity for fundamental investors willing to take a long-term view.

Why the GCQ Portfolio is Insulated from AI Disruption

A key question on the **GCQ Industry Quality Checklist™** asks whether an industry is likely to suffer from technological disruption. While this is an area of current market debate for asset-light companies, it is a question we have always tried to address before making an investment in any industry or company.

We believe the GCQ portfolio is insulated from AI-related disruption risk, protected by enduring competitive advantages like network effects, proprietary data, and irreplaceable brand names.

Below, we have outlined our current framework for thinking about AI-related disruption, with reference to the key holdings in our portfolio.

1. Network Effects Protect Sharing Economy, Consumer Payments and Real Estate Advertising Monopoly Businesses

Uber benefits from having a denser network than its competitors. More drivers on the network result in a shorter wait time for riders, while more riders means less idle time for drivers. This dynamic is self-reinforcing, and over time, has resulted in a dominant position for Uber.

Over the past year, the market has worried whether the rollout of Autonomous Vehicle ("AV") technology might erode Uber's driver network and undercut its business model.

In our view, Uber's network effects leave it well positioned. Uber is the largest aggregator of rider demand, and we expect that its hybrid network approach (human drivers complemented by AVs) will position it as the primary platform for AV deployment.

Airbnb has aggregated a unique and differentiated supply of homes that Google or ChatGPT cannot directly access. For the typical home on Airbnb, the only way to book it is through Airbnb's website or app.

Airbnb has powerful network effects between its suppliers of unique places to stay, and users that view Airbnb's brand as synonymous with "alternative accommodation". Airbnb, like Uber, is both a noun and a verb, which is a testament to its category dominance.

In consumer payments, AI innovations from new entrants are likely to build on top of **Visa's** near-universally accepted card network. This reinforces rather than replaces Visa. For example, agentic commerce (where an AI agent makes purchases on behalf of users) has been a popular discussion topic recently. Companies enabling this, such as Ramp, have partnered with Visa to offer this. Partnering with Visa and Mastercard is the pattern we have seen with every prior innovation in the consumer payments industry, from Buy Now, Pay Later to crypto.

The common bear case against property portals, like **Hemnet** (Sweden), **Rightmove** (UK), **Scout24** (Germany) and classifieds like **Swiss Marketplace Group** (Switzerland)**,** is that AI attacks their network effects. Critics argue that home buyers will use AI chatbots to find suitable homes for sale more efficiently.

In our view, this misunderstands the true power of a dominant portal. Generating a list of available homes has never been the primary hurdle to displacing the dominant portal's network effect. In Sweden, the #2 player, Booli, often has more listings than Hemnet, yet Hemnet attracts far more home buyer eyeballs. This is because the dominant portal is deeply ingrained in user behaviour, capturing the lion's share of engagement and intent.

Buying a home is a low frequency but high stakes and very personal transaction, often involving months or even years of browsing. Property portals are purpose-built for discovery, and consumers prefer to browse and compare rather than ask a chatbot for a list of "top hits".

While it is still early days, we have also seen evidence that OpenAI's ChatGPT is partnering with dominant portals, positioning these platforms as essential digital infrastructure.

2. Industry Standards Have Proprietary Data

Companies selling proprietary data and information services – such as **S&P Global**, **MSCI**, **Verisk Analytics** and **FICO** – are also insulated from AI disruption, protected by their industry-standard status.

This is also a network effect of sorts, supported by decades of institutional buy-in and use within their respective industries.

While it would be possible for AI to estimate the probability of default for a corporate bond, that assessment would lack the market-clearing credibility and trust of a credit rating from S&P in global bond markets.

MSCI has a similar competitive moat. While AI can automate the calculation of a stock market index, it cannot replicate the institutional trust anchored in the MSCI World Index. Its integration into trillions of dollars in investment mandates, ETFs, and benchmarks means it is embedded into the system in a way that code cannot displace.

FICO is equally entrenched in the U.S. lending ecosystem. As the de facto monopoly for consumer credit scoring, its status is protected by a complex web of dependencies between lenders, regulators, and investors. This widespread adoption has turned the FICO Score into a "language" for assessing consumer credit risk, making it nearly impossible for competitors to displace.

Meanwhile, Verisk Analytics has spent decades at the centre of the U.S. insurance industry aggregating data from each of the insurers, and redistributing it to provide an industry view of risk which cannot be replicated from public sources.

AI requires data to function. Rather than threatening our portfolio companies, we believe AI is more likely to increase the value of unique datasets, in turn becoming a long-term tailwind.

3. Enterprise Software and Cloud Accounting Software are AI Beneficiaries

An element of the bear case for enterprise software companies like **SAP** is that AI will drive huge efficiency in the process of writing software, making it viable for enterprises to write their own code ("vibe coding").

In reality, replacing enterprise software with AI is fraught with business risk. Fully implementing SAP's software typically takes years and, due to the complexity of marrying it to variable business workflows, costs many multiples of SAP's annual subscription fees.

Switching off SAP requires replicating or replacing years of embedded business logic and processes from scratch, while introducing maintenance expenses and business continuity and security risks.

The beauty of the software industry is that software vendors build products once, but sell them to thousands of customers at near-zero incremental cost. Every enterprise writing and maintaining its own custom code flies in the face of this fundamental business logic.

Cloud accounting software companies such as **Intuit** (US), **Money Forward** (Japan) and **Freee** (Japan), have sold-off on similar concerns that small to medium-sized businesses (SMBs) might replace accounting software with AI.

So far, there is no evidence of this happening. Cloud accounting is intentionally structured. It is designed to accurately and consistently capture debits and credits, and to create an auditable trail of every transaction. This lends itself to a traditional software solution, rather than Generative AI, which is designed to identify patterns and make estimations (i.e., it is probabilistic). In a field where the stakes for financial accuracy are high, there is little need for more "creative" accounting.

4. Cloud Computing Benefits from AI Adoption

Several of our holdings – including **Amazon** and **Microsoft** – are direct beneficiaries of AI adoption, with Amazon Web Services (AWS) and Microsoft Azure providing the infrastructure layer for AI workloads.

Within Amazon's online retail business, we expect AI will deepen, rather than threaten, its competitive advantages, by optimising logistics, personalising product recommendations, and enhancing the performance of its advertising business for third-party merchants.

5. Physical Goods and Irreplaceable Brands

Finally, our investments in companies producing physical goods with irreplaceable brands – such as **Hermès**, **LVMH**, **Richemont** and **WD-40** – are insulated by the physical nature of their products, as well as the decades of heritage, craftmanship, and desire associated with their brands.

In our view, the current market anxiety surrounding AI disruption is significantly overblown for the exceptionally high-quality, entrenched businesses within the GCQ portfolio. While we continue to scrutinise all developments, we are optimistic that our businesses are set to be AI winners. We believe the portfolio is exceptionally well-positioned for the period ahead.

"There will never be a system invented which will do away with the necessity of work."

- Henry Ford, 1922

CONTACT

KATHY WU
Chief Operating Officer
contact@gcqfunds.com
+61 (2) 7252 9124

GCQ Funds Management Pty Ltd
Level 14, 167 Macquarie Street
Sydney, NSW 2000 Australia
gcqfunds.com

DISCLAIMER

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the GCQ Flagship Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

This Investor Report has been prepared by GCQ Funds Management Pty Ltd ACN 654 864 767 (Investment Manager) (AFS licence number 538513) to provide you with general information only. In preparing this Investor Report, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither the Investment Manager, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement and Target Market Determination before making a decision about whether to invest in this product.

GCQ Flagship Fund's Target Market Determination is available here (https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/institutional-funds/institutional). A Target Market Determination is a document which is required to be made available from 5 October 2021. It 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.

MSCI DISCLAIMER

Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.