GCQ FLAGSHIP FUND | NZ PIE Units

MONTHLY PORTFOLIO & PERFORMANCE UPDATE

August 2026

GCQ GLOBAL CONCENTRATED QUALITY

Returns	1 Month	3 Months	1 Year		Since Inception (Dec 2024)
GCQ NZ PIE (NZD)[1]	**7.2%**	**10.7%**	**(6.5%)**		**1.4%**
MSCI World Index (NZD)[2]	1.9%	3.6%	20.1%		18.9%
Excess Performance	**5.3%**	**7.1%**	**(26.6%)**		**(17.5%)**

Returns	1 Month	3 Months	1 Year	2 Year (p.a.)	3 Year (p.a.)	Since Inception (p.a.) (1 July 2022)
GCQ P Class (AUD)[1]	**5.9%**	**9.9%**	**(14.4%)**	**2.7%**	**9.7%**	**17.1%**
MSCI World Index (AUD)[2]	0.5%	2.8%	9.9%	14.8%	16.1%	17.9%
Excess Performance	**5.4%**	**7.1%**	**(24.3%)**	**(12.1%)**	**(6.4%)**	**(0.8%)**

"Big moves start with big moves."

- Market aphorism

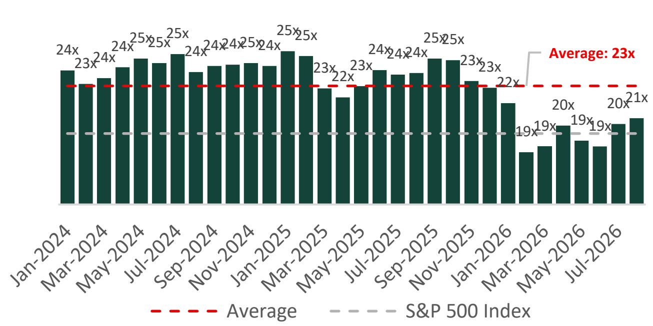
The net return for investors in NZ PIE Fund for the month of August was **+7.2%.** This compares to the MSCI World Index (NZD), which was up **+1.9%**. After two strong months, the fund is now up **+12.7%** since 30 June which compares favourably to the MSCI World Index (NZD) at **-0.9%**, and the technology-heavy Nasdaq Composite Index (NZD) at **-3.5%.**

The NZ PIE Fund is a feeder fund for Class P of the GCQ Flagship Fund. In light of the short investment period of NZ PIE Fund, we will refer to the recent performance of Class P's longer track record.

Returns	FY23	FY24	FY25	FY26	FY27 YTD
GCQ P Class (AUD)[1]	**39.0%**	**25.2%**	**26.4%**	**(22.6%)**	**13.4%**
MSCI World Index (AUD)[2]	22.4%	19.8%	18.5%	14.8%	(0.3%)
Excess performance	**16.6%**	**5.4%**	**7.9%**	**(37.4%)**	**13.7%**

The GCQ Flagship NZ PIE Fund remains attractively priced, with the portfolio trading at a forward earnings multiple of just ~21x, below its historical average of ~23x.

GCQ Portfolio Forward Earnings Multiple



Source: Bloomberg & GCQ Funds analysis

(continued overleaf)

Portfolio as of 31 August 2026	Weight
Real estate advertising monopolies	**15%**
rightmove	6%
Hemnet	6%
Scout24	3%
Cloud accounting software	**12%**
Money Forward	6%
INTUIT	6%
Global consumer payments	**10%**
VISA	6%
	4%
Super-luxury goods	**9%**
HERMÈS	5%
LVMH	4%
Credit rating agencies & index providers	**9%**
MSCI	5%
S&P Global	4%
Industry standard businesses	**9%**
FICO	5%
Verisk	4%
Sharing economy	**8%**
airbnb	3%
Uber	5%
Global cloud computing	**7%**
amazon.com	7%
Enterprise software	**7%**
Microsoft	5%
SAP	2%
Online marketplaces	**5%**
smg swiss marketplace group	5%
Other high-quality businesses	**9%**
Total long	**100%**
Shorts	**(2%)**
Net exposure	**98%**
Cash	**2%**
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.

We recently discussed the portfolio in a video update featuring CIO Doug Tynan and Investment Director Douglas Isles. During the discussion, we reflected on another positive earnings season, and how the market has started to think more rationally about the impact of AI.

Market sentiment is quickly changing

In the last two months, we have witnessed a meaningful change in market sentiment. As recently as late June, the Philadelphia Semiconductor Index ("SOX") (NZD), was lurching to new highs almost daily, doubling in less than a quarter. The Index, which consists of companies involved in manufacturing semiconductor chips, had become a bellwether for the "AI trade" as market participants grew increasingly optimistic about AI-driven demand for semiconductors.

The semiconductor industry has been notoriously cyclical ever since its emergence in the late-1940s. At GCQ, our process has not permitted us to own this industry. The SOX has fallen **-22.4%** since 30 June 2026.

Enthusiasm for buying semiconductor companies in the first half of the calendar-year simultaneously led the market to sell companies that benefit from arguably the strongest competitive advantage, *network effects*. Businesses that benefit from strong networks – like Uber's ride-hailing business, which becomes more valuable to riders as more drivers offer services and vice versa – were suddenly seen as 'disruptable', as fears about AI-driven change brewed in the market.

As is often the case when a new technology emerges, many market participants view the world as a zero-sum game. AI *must* be bad for the incumbent search engine, a new way of conducting payments *must* be bad for the incumbent payment rails, and so on. This ignores the fact the incumbents can also use this new technology! More than that, incumbents deploy the technology from the position of strength created by the existing competitive advantages that make their businesses great, like *network effects*, distribution advantages, and economies of scale and scope.

While much of the market has been spooked by the threat posed by AI, we take comfort that our portfolio companies are not sitting idly by, but are actively using AI to drive revenue growth via new products and more valuable, higher-priced offerings, while also driving margin expansion by better leveraging their existing headcount.

In speaking with the management teams of our portfolio companies, we note that most executives – particularly those safeguarding the economics of dominant monopolies and duopolies – have read Clayton Christensen's landmark study of disruptive innovation, *The Innovator's Dilemma*, and are at pains to avoid going the way of Kodak.

Our portfolio companies continued to deliver strong earnings

Our portfolio companies continued to deliver very strong fundamental results in the second-quarter earnings season, which we first detailed in our Portfolio Update for July 2026. By late-August, all portfolio companies had reported, and the final scorecard was very positive.

Across the portfolio, revenues grew by an average of +12% year-on-year (+2% ahead of market expectations), while Earnings Per Share (EPS) grew by +17% year-on-year (+5% ahead of market expectations). To 31st August, the average portfolio holding was up +6% from the close before its earnings release, with nine stocks up double-digits or more. The standouts were **SAP**, **Microsoft**, **Money Forward**, **Hemnet**, and **Airbnb**.

We expect continued delivery of strong results will lead many of our stocks to re-rate higher over time, so that share price returns should exceed earnings growth.

Portfolio Activity

We were highly active in the first-quarter of the calendar year, taking advantage of what we thought was a rich opportunity set of high-quality companies that had sold off on misplaced fears rather than deteriorating fundamentals. Since then, portfolio activity has stabilised, albeit with some moderate activity to take advantage of share price moves.

As required by our process, we recently reduced our positions in **Amazon** and **Airbnb** into share price strength, and have redeployed that capital into the super-luxury goods industry, **WD-40**, and **Mastercard**.

We initiated a small position in **Grab**, the 'Uber of Southeast Asia'. Grab is less exposed to any risk of disruption by Autonomous Vehicles (AVs) due to Southeast Asia's low labour costs but has underperformed Uber in the year-to-date.

We also added a small position in **CME Group**, the monopoly derivatives exchange for interest rate products and equity index derivatives in the U.S., which had sold off on what we believe are misplaced fears of competition from perpetual futures products.

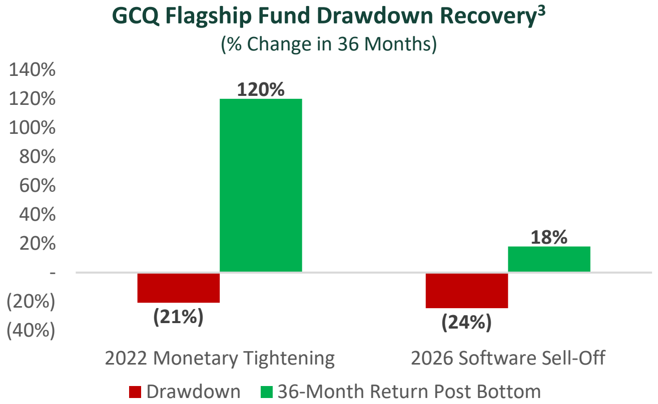
Finally, we received shares in **Mobility Global** following its spin-off from S&P Global. Mobility Global's crown jewel is CARFAX, which has ~80% share of vehicle history reports in the U.S., and is an essential provider of 'trust' in a used car transaction. CARFAX is an *industry standard* with extreme pricing power. We took advantage of technical selling pressure – which invariably takes place in the weeks following a spin-off – to add to our position at a valuation we consider highly attractive.

Lessons from 2026

2026 has been an interesting year. AI has dominated the market narrative, amplified by the ongoing capital raising efforts of SpaceX, Anthropic, and OpenAI. The lessons for us have been twofold.
First, and most importantly, process discipline is of utmost importance during these periods. During periods of market exuberance, it can be very easy to convince yourself that a company is a high-quality business if you don't have a rigorous framework for defining what quality means. Our **GCQ Industry Quality Checklist™** exists to prevent this and informs our definition of 'quality'.

During this period, constantly re-examining the risks of 'technological disruption' – a key item on our checklist – while also holding our nerve, has been critical. It meant we were well positioned in June to capture the rotation away from semiconductors that followed in July and August.

As highlighted in the chart below, this has contributed to our returns over the past two months. Like in prior drawdown recoveries, we believe there is some way to go.



Note: '2026 Software Sell-Off' return since bottoming on 22 June 2026. [3] Past recovery in performance is not a reliable indicator of future results.

The second lesson is in diversification. Though we continue to favour companies that benefit from strong *network effects*, we note that many of the companies that exhibit this competitive advantage have traded in a highly correlated fashion over the past six months.

We reiterate that *network effects* are the single-strongest competitive advantage and are trading at historically low multiples relative to the market, but there is room for greater diversification in our portfolio beyond companies with *network effects* in the future.

Outlook

As companies that benefit from *network effects* inevitably come back into favour, the GCQ Investment Team is actively looking at a broader list of high-quality companies that may provide greater diversification benefits. We have several trips planned for coming weeks to explore these opportunities in more depth and look forward to updating you in due course.

At GCQ, we are fortunate to have attracted the support of a substantial number of investors and advisers whose investing mindset is aligned with our clearly-defined investment process. Our shared conviction that superior risk-adjusted investment returns will be generated by owning the best companies in the world for the long-term is central to everything we do.

History has shown that downturns for quality stocks provide the best buying opportunity for investors with a longer time horizon. It has been highly encouraging to see so many investors add to the fund during a period of non-fundamental weakness this year, with the result that the GCQ Flagship Fund has had strong net inflows. We share our investors' optimism in relation to the outlook for GCQ's portfolio of attractively priced, high-quality companies.

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