GCQ FLAGSHIP FUND | NZ PIE Units

MONTHLY PORTFOLIO & PERFORMANCE UPDATE

October 2026

GCQ
GLOBAL CONCENTRATED QUALITY

Returns	1 Month	3 Months	1 Year	Since Inception (p.a.) (Dec 2024)
GCQ NZ PIE (NZD)[1]	**8.6%**	**6.6%**	**(8.6%)**	**0.9%**
MSCI World Index (NZD)[2]	(0.6%)	4.9%	13.9%	18.9%
Excess Performance	**9.2%**	**1.7%**	**(22.5%)**	**(18.0%)**

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]	**7.3%**	**2.1%**	**(16.3%)**	**0.3%**	**10.2%**	**15.4%**
MSCI World Index (AUD)[2]	(1.9%)	0.4%	4.3%	12.9%	18.1%	17.1%
Excess Performance	**9.2%**	**1.7%**	**(20.6%)**	**(12.6%)**	**(7.9%)**	**(1.7%)**

The net return for investors in NZ PIE Fund for the month of October was **+8.6%.** This compares favourably to the MSCI World Index (NZD), which was down **-0.6%**.

Meanwhile, growing investor scepticism over the financing required to sustain the AI capex boom was reflected in sharp declines for the month in the Nasdaq 100 Index (NZD) of **-6.5%** and the Philadelphia Semiconductor Index ("SOX Index") (NZD) of **-15.2%**.

At GCQ, we will always maintain our checklist-based approach to investing. Importantly, we will not chase a "hot" sector that does not meet our extremely stringent quality standards. We will never waver in our commitment to only owning the world's highest quality businesses, with faster revenue growth, higher margins, higher returns on capital, and lower debt levels than the broader market.

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.

For Australia financial year-to-date, the P Class return of **+9.3%** compares with the MSCI World Index (AUD) return of **-0.4%**.

Returns	FY23	FY24	FY25	FY26	FY27 YTD
GCQ P Class (AUD)[1]	**39.0%**	**25.2%**	**26.4%**	**(22.6%)**	**9.3%**
MSCI World Index (AUD)[2]	22.4%	19.8%	18.5%	14.8%	(0.4%)
Excess performance	**16.6%**	**5.4%**	**7.9%**	**(37.4%)**	**9.7%**

Portfolio as of 31 October 2026	Weight
Real estate advertising monopolies	**15%**
rightmove	7%
Hemnet	5%
Scout24	3%
Global consumer payments	**12%**
VISA	8%
	4%
Credit rating agencies & index providers	**12%**
MSCI	6%
S&P Global	4%
MOODY'S	2%
Super-luxury goods	**11%**
HERMÈS	6%
LVMH	5%
Cloud accounting software	**11%**
Money Forward	6%
INTUIT	5%
Enterprise software	**7%**
Microsoft	5%
SAP	2%
Industry standard businesses	**7%**
Verisk	4%
Mobility Global	3%
Online marketplaces	**5%**
smg swiss marketplace group	5%
Sharing economy	**4%**
Uber	4%
Global cloud computing	**4%**
amazon.com	4%
Other high-quality businesses	**9%**
Total long	**97%**
Shorts	**(3%)**
Net exposure	**94%**
Cash	**6%**
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.

Another Quarter of Strong Results

The third-quarter reporting season began in October, and strong results from our portfolio companies were a key driver of the Fund's performance for the month.

For the third time this year, our portfolio of monopolies, duopolies and irreplaceable brands delivered results ahead of market expectations, with predictable, secular growth in revenue and earnings.

3Q26 Results To-Date	Growth	Beat / (Miss)
Revenue	+12%	+1%
EBIT	+15%	+4%
Earnings Per Share (EPS)	+18%	+3%
Share Price Reaction to 6 November	+6%	

Source: GCQ Funds analysis of results released to 6 November 2026

Between reporting seasons, intra-quarter share price movements this year have generally been driven by market narratives on whether a company is on the "right" or "wrong" side of potential AI disruption. Several record-breaking capital raisings into AI-related businesses have further fuelled this narrative. Reporting season is once again giving our companies the chance to demonstrate the resilience of their business models with hard numbers rather than stories. In October, this coincided with a shift in sentiment towards some of the companies, such as chip makers and data centres, at the centre of the AI capex boom.

"Winners" and "Losers" Narratives

Earlier this year, the equities desks at several leading investment banks created thematic baskets that gave investors a straightforward way to take either side of the AI data centre trade. For many of these products, the "AI Data Centre Winners" baskets were heavily weighted towards semiconductor companies. As a result of our checklist-based process, we own none of these companies, largely because we struggle to underwrite the durability of technology-based competitive advantages when making long-term investments.

The "AI Data Centre Losers" baskets, by contrast, included many companies that have for decades been regarded as amongst the highest quality in the world. Around one-third of our portfolio is in this basket, including Visa, S&P Global, and MSCI – although it should come as no surprise that we do not regard these wonderful businesses as AI losers!

The market's AI hype peaked on 22 June 2026, just ten days after Elon Musk's well-timed IPO of SpaceX, where, as you may recall, we made a small profit shorting after its initial rally. An investor who bought a basket of "Winners" on that day and held it to 6 November would have lost -41%. The so-called "Losers" returned +37% over the same period. We believe this is a timely reminder of just how sentiment-driven the market has been this year. 2026 has been a rollercoaster, but the key has been sticking to our process.

Reflecting on Active Decisions

In February, we rotated ~15% of the portfolio out of companies that had held up well in the first phase of the AI selloff (super-luxury goods, WD-40, and Mastercard) and into several new and previously owned positions – Microsoft, SAP, Intuit, Verisk, and S&P Global. From the February-lows to 6 November, the stocks we bought returned an average of +22%, while those we sold averaged -6%, a spread of +28%. More recently, we have been rebuilding the positions we sold at lower prices. High-quality companies in the super-luxury goods industry have been particularly impacted by the weak Chinese consumer and the situation in Iran, giving us the opportunity to add back at more attractive valuations.

3Q26 Earnings Season Takeaways

At the time of writing, approximately two-thirds of our portfolio has reported. Below, we have highlighted takeaways from several portfolio companies.

Visa and Mastercard said consumers remain resilient

Visa and Mastercard both said consumers continue to be in good health. Visa's U.S. payments volume grew ~10% year-on-year, from ~6-8% over the past 18 months. Management saw "no signs of the lower spend consumer weakening", while the highest-spending consumers are still growing fastest. Mastercard made the same comments, with its spending data for the first three weeks of October in-line with the third quarter. During its 2026 financial year, Visa grew revenue by +15% year-on-year in constant currency, its fastest rate in ~15 years excluding the post-pandemic recovery and acquisitions, driven by strength in Value-Added Services (its portfolio of software, security, data, and advisory solutions). Mastercard also grew revenue at a healthy clip, up +14% year-on-year in the quarter, with earnings per share up +21% year-on-year.

Money Forward's revenue grew +66% year-on-year, and Money Forward announced another price increase

Money Forward is one of two leading cloud accounting software providers in Japan. During the quarter, revenue grew +66% year-on-year excluding divestitures, ~8% above market expectations. The Business Domain segment (Money Forward's core cloud-based back-office software segment, which accounts for ~80% of revenue) reaccelerated to +52% year-on-year growth, driven by the addition of over 10,000 new corporate customers, many introduced via accounting firms; steady growth in Average Revenue Per Account (ARPA); and strong growth in business card payment volumes. Profitability is also improving quickly. Money Forward's Adj. EBITDA margin (excluding its venture capital fund) rose by ~7.5 percentage points to 19%, driven by continued operating leverage and AI-driven efficiencies. Management also announced a further round of price increases on its core cloud accounting software packages, which will drive high-margin recurring revenue.

MSCI continues to benefit from the rising tide of passive investing

MSCI grew revenue +12% year-on-year, with ~95% of its subscription clients renewing each year, driving strong pricing power. Assets in ETFs linked to MSCI equity indices rose +31% year-on-year to $2.9 trillion, driven by inflows into developed markets outside the U.S. and emerging markets. During the quarter, earnings per share grew +14% year-on-year, above market expectations, with MSCI flagging greater efficiencies from utilising AI.

Hermès is the highest-quality listed super-luxury goods brand, but has been impacted by a soft market in China and the Middle East

Hermès' third-quarter result was mixed. Revenue grew +4.3% year-on-year in constant currency, slightly below expectations. Asia-Pacific excluding Japan, which includes China and accounts for ~40% of revenue, was flat year-on-year. However, its most important segment, Leather Goods and Saddlery (~44% of revenue), saw growth reaccelerate to +10.8% year-on-year, ahead of expectations. Demand for its iconic bags remains strong, despite a weak Chinese consumer and conflict in the Middle East. We believe these are short-term headwinds impacting a high-quality business, which has allowed us to rebuild our position at a more attractive price, noting Hermès is currently trading at its lowest premium to the market in ~30 years.

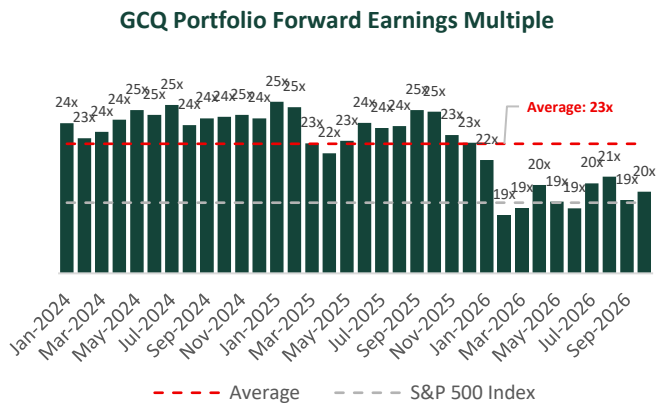
Microsoft Azure and Amazon Web Services (AWS) saw continued strong growth in cloud computing services

Microsoft and Amazon's cloud businesses are where we benefit from increased expenditure on AI most directly. Microsoft Azure grew +48% year-on-year in constant currency, ~4% above market expectations, and management guided to ~49-50% year-on-year growth next quarter. Meanwhile, AWS accelerated for the sixth quarter in a row to +39% year-on-year, its fastest growth in nearly five years, on a US$184bn revenue base. CEO Andy Jassy believes AWS can grow by more than 40% in both 2027 and 2028.

Outlook

We are pleased to have seen another quarter of double-digit revenue and earnings growth. As we look to the December quarter, we are encouraged by growing evidence that our portfolio companies are *not* being disrupted by AI, but are generally using it to enhance their product and service offerings, and become more efficient.

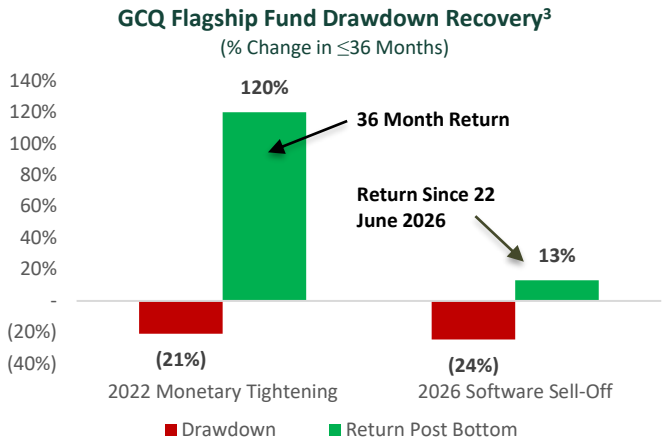
The GCQ Flagship Fund remains attractively priced, with the portfolio trading at a forward earnings multiple of just 20x, below its historical average of ~23x.



Source: Bloomberg & GCQ Funds analysis

In an environment where share prices move rapidly, so do opportunities to actively manage the portfolio. We continue to look for high-quality companies that improve the overall valuation upside of the portfolio, and we expect that as many of the 'AI losers' come back into favour, there will be opportunities to redeploy capital.

We continue to expect the earnings per share of our portfolio companies to compound in the mid-teens for the next five years. With many of our portfolio companies trading close to record-low multiples of earnings, we are optimistic that strict adherence to our process will deliver a strong period of outperformance – like recoveries we have seen following prior drawdowns.



[3] Past recovery in performance is not a reliable indicator of future results.

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