GCQ FLAGSHIP OFFSHORE FUND

MONTHLY PORTFOLIO & PERFORMANCE UPDATE

November 2025

GCQ GLOBAL CONCENTRATED QUALITY

Returns	1 Month	3 Month	Since Inception (1 May 2025)
GCQ Flagship Offshore Fund (USD)[1]	**(3.6%)**	**(4.7%)**	**1.7%**
MSCI World Index (USD)[2]	0.3%	5.6%	21.2%
Outperformance	**(3.9%)**	**(10.3%)**	**(19.5%)**

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 (USD)[2]	**(3.6%)**	**(4.7%)**	**10.4%**	**17.6%**	**23.3%**	**26.0%**
MSCI World Index (USD)[3]	0.3%	5.6%	17.0%	22.3%	19.1%	19.1%
Outperformance	**(3.9%)**	**(10.3%)**	**(6.6%)**	**(4.7%)**	**4.2%**	**6.9%**

"The safest and most potentially profitable thing is to buy high-quality companies when no one else likes them."

\- Howard Marks

The portfolio's net return for the month of November 2025 was **-3.6%**, which compares with the MSCI World Index (USD) return of **+0.3%**. This brings the net return since inception (1 May 2025) to **+1.7%**, while the MSCI World Index (USD) has returned **+21.2%** over the same period.

In the year-to-date, only 158 S&P 500 stocks are outperforming the index, which represents the third lowest reading since 1960. In other words, a relatively small number of stocks – with the key ones being Artificial Intelligence (AI) beneficiaries – have been driving the index performance.

Quality stocks, which have a history of long-term outperformance, have notably underperformed in this market environment. The MSCI World Quality Index (USD) has, over the past 20 years, outperformed the broader MSCI World Index (USD) by +2.4% p.a. This is an amount which, due to long-term compounding, results in a total return of +712% over the past twenty years, far ahead of the +420% delivered by the broader MSCI World Index (USD). So far in 2025, however, the quality index has underperformed by -4.3%.

On the following pages, we discuss our recent decision to meaningfully increase the GCQ Flagship Offshore Fund's exposure to real estate advertising monopolies.

Portfolio as of 30 November 2025	Weight
MSCI	8%
FICO	8%
Industry standard businesses	**16%**
Hemnet	10%
rightmove	5%
Scout24	1%
Real estate advertising monopolies	**16%**
LVMH	8%
RICHEMONT	4%
HERMÈS	3%
Super-luxury goods	**15%**
Uber	9%
airbnb	5%
Sharing economy	**14%**
amazon.com	11%
Global cloud computing	**11%**
VISA	6%
	4%
Global consumer payments	**10%**
Money Forward	8%
freee	1%
Cloud accounting software	**9%**
smg swiss marketplace group	4%
Vend	1%
Online marketplaces	**5%**
WD-40 COMPANY	3%
Branded consumer goods	**3%**
Meta	2%
Global online advertising	**2%**
Other high-quality businesses	**1%**
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 over one year have been annualised. [2] GCQ Flagship Fund P Class is denominated in AUD, however, for comparison purpose, we have converted returns into USD. [3] MSCI Disclaimer on the last page.

You may also be interested to listen to a podcast released on 28 November in which GCQ's Chief Investment Officer, Doug Tynan, is interviewed by the Founder of Rampart, Joe Aston, on network effects and how they underpin the success of many leading businesses. The podcast episode can be found here: Spotify | Apple

" In real life things fluctuate between pretty good and not so hot, but in investors' minds they go from flawless to hopeless."

- Howard Marks

At GCQ, a core tenet of our investment approach is to use the pendulum of market sentiment to our advantage – buying high-quality industries when they are out of favour, and selling when our investments become more fully valued.

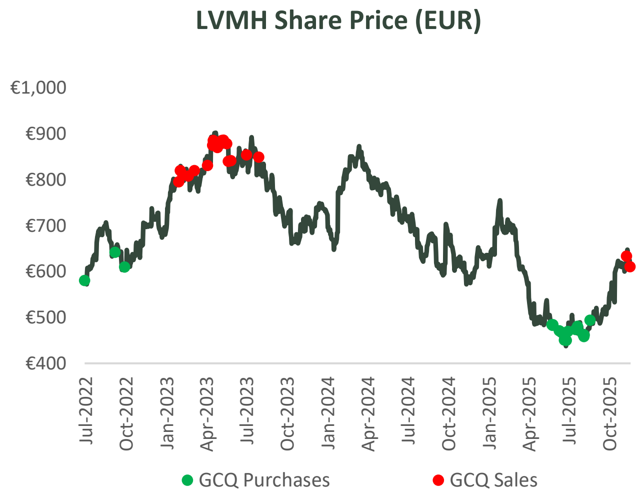
For example, in mid-2022, we held close to 40% of our portfolio in large-cap technology companies including **Amazon**, **Microsoft**, **Alphabet** and **Meta**, which operate in the global cloud computing and online advertising industries, respectively. These businesses were "market darlings" during COVID-19 but had fallen out of favour as the world re-opened, and investors were concerned that high inflation, rising interest rates, and a looming recession (that never arrived) would impact these great companies.

Similarly, in late-2024, we leant into the ride-hailing industry by building a position in **Uber**, which faced selling pressure on concerns that Autonomous Vehicles would eat its lunch.

More recently, in mid-2025, we made the super-luxury goods industry our largest position. These stocks reached very attractive valuations amid concerns about Chinese consumer spending. At the time, the share price of **LVMH** was down close to -50% from its highs, and the market was not expecting any demand rebound from China. While we did not know *when* Chinese consumer spending would return to growth, we remained confident that growth *would* rebound, as it had in prior downturns. Just a few months later, **LVMH's** share price was up +40% from its multi-year lows, on commentary pointing to signs of improvements in China.

Buying industries that are out-of-favour often requires a healthy dose of independent thought, patience and courage to accurately assess the (often short-term or temporary) issues concerning the market.

Like the super-luxury goods industry six months ago, we are seeing a widespread sell-off of online classifieds – and in particular, property portals – with many of these dominant, highly cash-generative assets trading at multi-year valuation lows for reasons we think will prove transient over time.



As our super-luxury goods investments have rallied, we have trimmed our exposure to 15% of the portfolio, while recycling capital into the world's best residential property portals.

We are confident that with a multi-year view, our decision to tilt into property portals will add meaningfully to investment returns.

Real Estate Advertising Monopolies

"This central position benefits from powerful data and profound network effects. Scale begets scale."

- Johan Svanstrom, Rightmove CEO, 4Q24 earnings call.

During the course of November 2025, we added significantly to our investments across the real estate advertising portal industry.

These companies own the property portals – websites and apps – that are the leading marketplace for home listings in countries including Sweden, the United Kingdom, Switzerland, Germany and Norway.

As we discuss below, we have increased our exposure at a time when property portals are trading at the lowest valuations we have seen in years. But before we discuss why these wonderful companies are currently on sale, it is worth taking a step back and recapping why this is an industry that we like so much.

What makes property portals such good businesses?

The GCQ investment team has followed the property portal industry for almost two decades.

Property portals are simple businesses that sit at the centre of the largest transaction a typical consumer makes in their lifetime – a home sale.

Home sellers and real estate agents want to be sure they are reaching every potential buyer, while home buyers flock to the platform with the largest inventory of homes for sale. This interdependence creates powerful, self-reinforcing **network effects**, making the dominant portal extremely difficult to displace.

In most markets, property portals converge towards “winner-takes-most” industry structures, with the leading portal attracting almost all the listings and the largest share of time and engagement from home buyers. This creates a wide moat for the region’s leading portal, to such a degree that we have never seen the dominant property portal in an established market supplanted by a competitor.

The strong network effects between buyers, sellers, and agents protect the attractive economics of property portals. Property portals tend to have high operating margins (often well above 50%), high returns on invested capital, high cash conversion and durable pricing power. These are the types of businesses that pass the **GCQ Business Quality Checklist™** with flying colours.

Like other marketplaces that connect buyers and sellers, charging sellers for a premium position with a more sophisticated listing at the top of the search is the backbone of the property portal business model. Home listings positioned higher on the page have greater visibility and reach, maximising the potential pool of buyers interested in the property. For example, in Australia REA’s (realestate.com.au) most expensive listing package (Luxe) receives twice as many views as its second most expensive package (Premiere+). This is an extremely valuable proposition for home sellers, who are eager to maximise the price received for their home and minimise the time it takes to sell.

Why are the property portals on sale right now?

Over the three months to 30 November 2025, share prices of a group of the world’s leading property portals are down over -25%.

A key reason for the property portals selling off is that investors are increasingly concerned that Artificial Intelligence (AI) will disrupt all internet businesses, from e-commerce, to online travel, to Google search itself.

Companies in the property portal industry (and online classifieds more broadly) sit within this category of internet businesses and have faced indiscriminate selling in recent months as a result.

When it comes to property portals, investors are concerned that instead of finding their next home on realestate.com.au, consumers will instead start their search on a chatbot, like OpenAI’s ChatGPT, with a request like “find me a three-bedroom terrace house in Paddington, within five minutes’ walk from Five Ways.”

If this were to happen, home sellers could be less inclined to pay for placement at the top of the search results on realestate.com.au as prominent positioning would be less valuable.

What is the GCQ perspective on this argument?

We have a different view and do not believe that AI-based search is a structural threat to the property portal industry. At a minimum, usurping the dominant property portal would require a material change to engrained user behaviour – a very difficult endeavour. Compounding this difficulty is the fact that a home is typically a person’s most valuable and emotional asset; a very different proposition to smaller-ticket consumer purchases with commoditised inventory, like flight bookings.

Importantly, home buyers are looking to find the *perfect* home, rather than minimise the time spent searching. In fact, many people enjoy browsing property portals so much they spend time window shopping even when they are not in the market to move! People enjoy looking at other homes in their favourite holiday destinations or local neighbourhood. Most homeowners love knowing how much a home down the road has sold for. So much so that the average Australian spends close to 40 minutes per month on realestate.com.au! Keeping an eye on property portals is part of our everyday lives.

Unlike chatbots, property portals are purpose-built for browsing homes, with photos, videos, and maps. For most homebuyers, the search is not laser-focused and can typically take months and even years to complete. At the start of the search, they might have a general idea of the property they want to buy, but they want to see all the options – maybe with an extra bedroom but no walk-in robe? Maybe in a nearby suburb to the one they originally imagined? People making the largest purchase of their lives – buying an asset they will spend around two-thirds of their life in – want to be sure they are making the best decision.

It is this desire to review all the available homes that sees home buyers gravitate towards the dominant portal, which has the largest real-time selection of *verified* home listings (the purchase of an expensive property listing signals a seller's genuine intention to sell). Even if some buyers were to use ChatGPT exclusively, real estate agents and home sellers will want to reach ***every*** possible buyer, and this means listing on the dominant property portal. The fact that attracting one incremental buyer can add many tens of thousands of dollars to the eventual sale price means it would be a false economy to do otherwise. Further, real estate agents encourage their clients to list on the dominant property portal, because it makes the home sale process quicker and easier, while providing visibility in the market for the real estate agent as well – the agent's photo is often prominently displayed alongside the home listing.

We have seen broad-based, thematic narratives capture the market's imagination in relation to property portals before.

Specifically, Google *tried* to integrate property listings into Google Maps in the U.S., Australia, New Zealand, the U.K. and Japan. In July 2009, Google said:

"Today we're adding a feature to Google Maps in Australia that we think will make Maps an even more invaluable resource to Aussies as they go about their busy lives…We've worked with partners across the real estate industry to provide up-to-date listings, which you can search for directly from the Google Maps search box."

However, Google ultimately failed – and in less than two years, it shut down its effort. In 2011, Google said:

"In part due to low usage, and the ***proliferation of excellent property-search tools on real estate websites****…We've decided to discontinue the real estate feature within Google Maps on February 10, 2011."*

While we think the narrative that AI will disrupt property portals is overblown, we believe AI-based search tools will be valuable for users. For example, AI-based search will help potential property buyers filter for criteria that do not exist within drop-down search menus today – e.g.: *single story homes* or *homes with an island bench in the kitchen*. We expect this feature will soon reside within each portal's website and app.

We have met with several portals in recent weeks, including **Hemnet**, **Rightmove** and **Swiss Marketplace Group**, who have all signalled their intention to integrate this search functionality into their apps and websites in coming months. While the cost of this functionality will vary between portals, our discussions with management teams suggest the cost will be minimal for portals with a modern cloud-based technology platform.

At its core, the property portal industry includes an excellent collection of high-quality businesses that continue to grow revenues, earnings, and free cash flow at a healthy clip, with untapped pricing power. On the back of this, we have increased our weight in real estate advertising monopolies to 16% of the portfolio and initiated a position in **Scout24**, which operates the dominant property portal in Germany. We have also broken out a new industry – online marketplaces – for the first time, which includes **Swiss Marketplace Group**, the dominant property and automotive portal in Switzerland and **Vend**, which operates the dominant real estate, automotive and jobs portals in Norway.

Occasionally, concerns about new technology or changes in consumer behaviour call into question the durability of an industry. If these concerns are misplaced – as we think they are in this case – it can present a wonderful opportunity to buy excellent businesses at very attractive prices. While broad-based industry corrections are never pleasant in the moment, we believe our recent purchases will add meaningful value with a multi-year view.

The GCQ team is currently in Europe meeting with companies, including those in the property portal industry. Please reach out if you are interested in receiving a copy of our detailed meeting notes.

"Have you ever noticed that everyone driving slower than you is an idiot, and anyone going faster than you is a maniac?"

- George Carlin, Comedian

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