



Claremont Global

2025 Semi-Annual Letter





Claremont Global

To our valued clients,

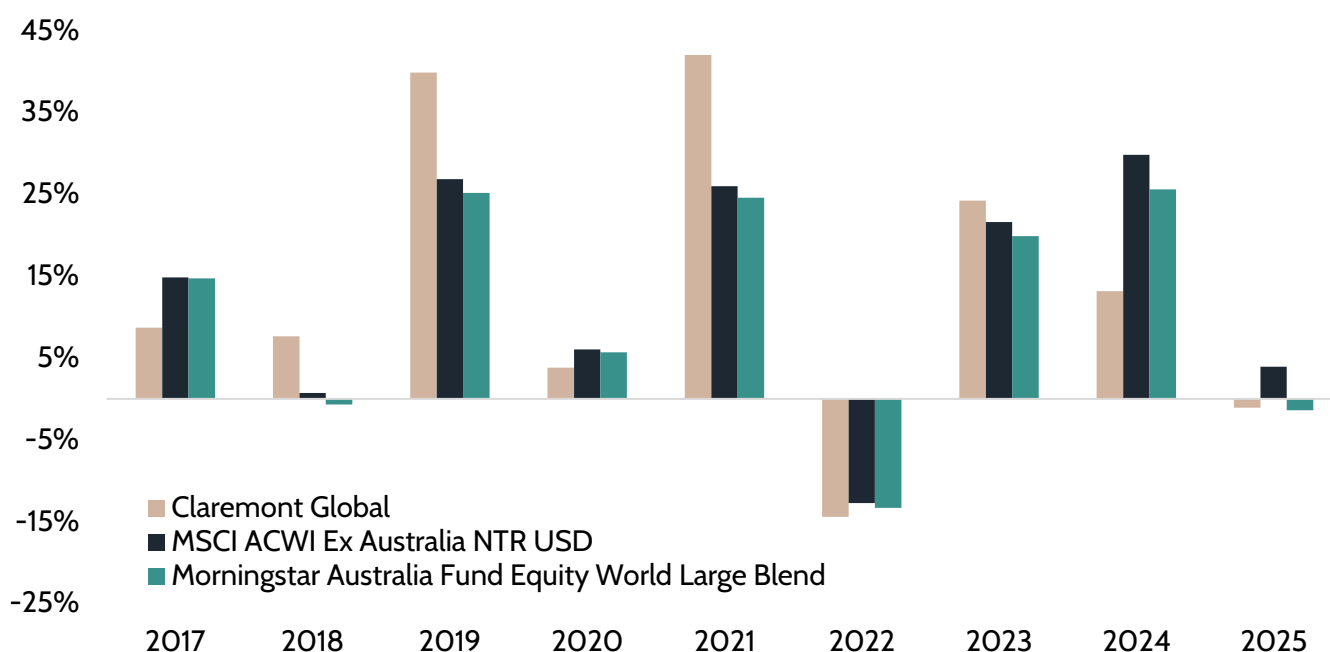
Whilst we usually only write an annual letter, given recent relative underperformance of the Fund, we felt it would be helpful to give some context to recent investment results.

Firstly, while at risk of being lost in stock price moves, the underlying performance of our companies – which could be proxied by earnings growth – has been strong.

We are long term investors and as such we judge ourselves over 5 and 10-year periods, rather than shorter time frames. This is a 15-stock portfolio that has large sector exclusions – banks and insurers, resources, semiconductors, (human) pharmaceuticals and biotech to name a few. As such we know there will be times when our Fund performance will deviate meaningfully from a benchmark as shown below.

Fund calendar year return (net) vs benchmark

1 Jan 2017 - 30 Jun 2025



Source: Claremont Funds Management & Morningstar Direct, as at 30 June 2025. Historical performance is not a reliable indicator of future performance. All data in AUD unless otherwise stated. 'Blend Fund' refers to the Morningstar Australia Fund Equity World Large Blend.

Whilst 2019 and 2021 provided outsized returns – the last 18 months have been more challenging. Whilst returns have been in our targeted 8-12% pa, we also know they are below our benchmark, and as co-investors in the fund we share your frustration!

But if we lengthen our investment horizon, the Fund performance has been solid. Over 10 years we are based in the top decile of global funds ranked by Morningstar with meaningfully lower volatility and drawdowns. Over ten years we are ranked in the top 7%¹. We know the process works over the long term and remains unchanged since its inception 14 years ago. We continue to hold a portfolio of 15 exceptional

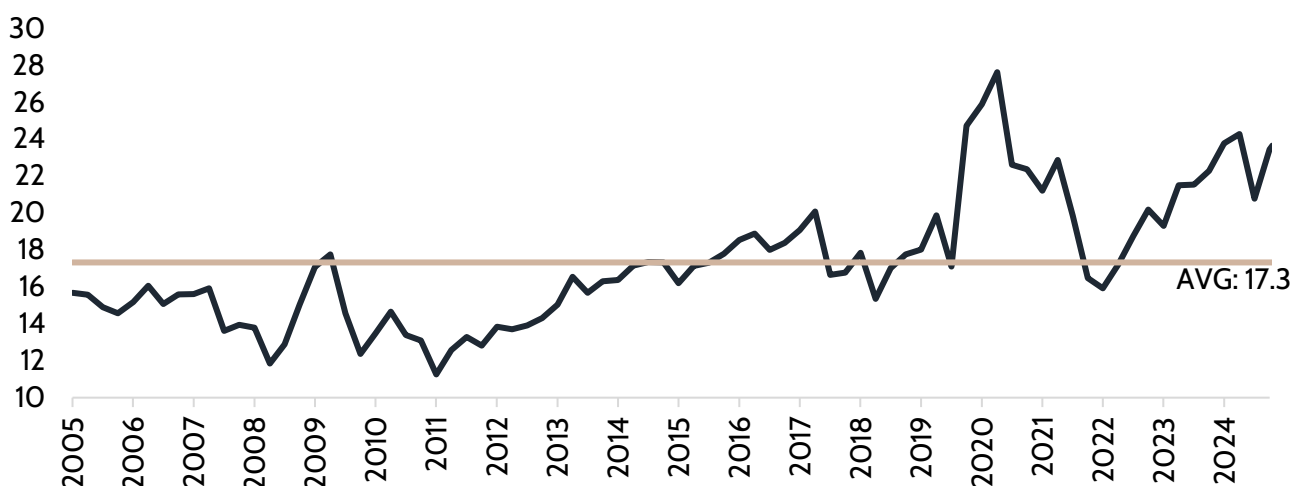
1. Morningstar Australia Fund Equity World Large Blend category ranking as at 30 June 2025.

businesses, whose earnings will compound steadily over the long-term. We also deliberately seek out simple durable businesses, with high margins, strong balance sheets and high returns on capital. We avoid the complex and fast changing. While valuation discipline has held back returns in a momentum market – for example, where we have passed on investment opportunities that we deemed expensive at the time, over the last 18 months we have regularly seen these companies become even more expensive - we continue to believe that financial conservatism will serve us well through the cycle.

We are living in very unusual times with large shifts occurring in trade policy and geopolitics – the effects of which are yet to fully play out. Despite this, equity markets are hitting all-time highs and credit spreads are very tight.

S&P500 Index Adjusted Price/Estimated Earnings

30 Sep 2005 - 30 Jun 2025



Source: Claremont Funds Management & Bloomberg, as at 30 June 2025. Data in USD. Historical performance is not a reliable indicator of future performance.

US High Yield Spread vs US Benchmark Bond – 30 Year

17 July 2015 - 30 Jun 2025



Source: Claremont Funds Management & Bloomberg, as at 30 June 2025. Historical performance is not a reliable indicator of future performance. Data shown is based on the iShares iBoxx High Yield Corporate Bond ETF and the US Generic Govt 30 Yr.



Claremont Global

At Claremont, we deal with uncertainty in four ways: 1) we continue to focus on process rather than outcomes, 2) we buy exceptionally high-quality businesses, 3) while we don't predict macroeconomic outcomes, we do closely monitor and control portfolio exposure, and 4) we make sure we keep our value discipline and don't get caught up in the short-term momentum of markets.

We believe the portfolio quality continues to be very high as shown by the table below, especially when compared to the market.

	S&P 500 Ex-Financials	Claremont Global approved list	Claremont Global portfolio
Gross margin ¹	35%	50%	61%
EBIT margin ²	13%	23%	31%
Net debt / EBITDA ³	1.7x	1.4x	0.3x
ROIC ⁴	10%	20%	20%
Forward PE ⁵	25x	31x	26x
Price to value ⁶	N/A	104%	85%

Source: Claremont Funds Management and Bloomberg, as at 30 June 2025 (unless stated otherwise). Historical performance is not a reliable indicator of future performance.

1. Historical gross margin over trailing five years. The portfolio metric represents the weighted average gross margin over the comparable period for the current portfolio constituents. The approved list constituents are equally weighted over the comparable period.

2. Historical average EBIT margin over trailing five financial years. The portfolio metric, along with the approved list metric, represents the weighted average EBIT margin over the comparable period for the current constituents, respectively.

3. Net debt divided by trailing 12-month EBITDA. The portfolio metric, along with the approved list metric, represents the weighted average Net Debt/EBITDA over the comparable period for the current constituents, respectively.

4. Historical ROIC over trailing five financial years. The portfolio metric represents the weighted average ROIC over the comparable period for the current portfolio constituents. The approved list constituents are equally weighted over the comparable period.

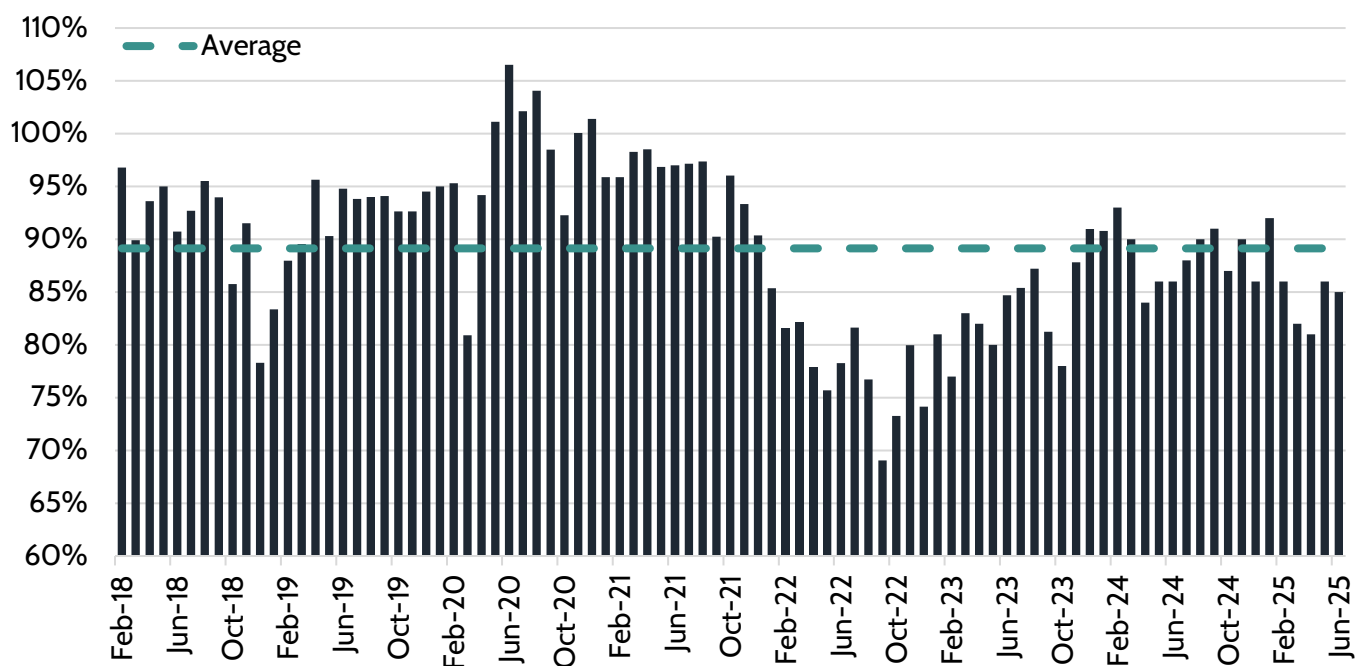
5. Share price divided by 12-month forward EPS forecast, as at 10 July 2025. The portfolio metric, along with the approved list metric, represents the weighted average, 12-month forward PE ratio, over the comparable period for the current constituents, respectively. S&P 500 Ex-Financials Index 12-month forward PE ratio, based on consensus earnings forecasts.

6. The portfolio's price to value, as at 30 June 2025, is calculated using a weighted average (based on current portfolio constituents' weights) of each portfolio company's estimated price/value. Refer footnotes on slide 34 for more detail on price to value calculations.

We also believe our portfolio valuations are well-positioned in both an absolute as well as on a relative basis.

Fund weighted price to value

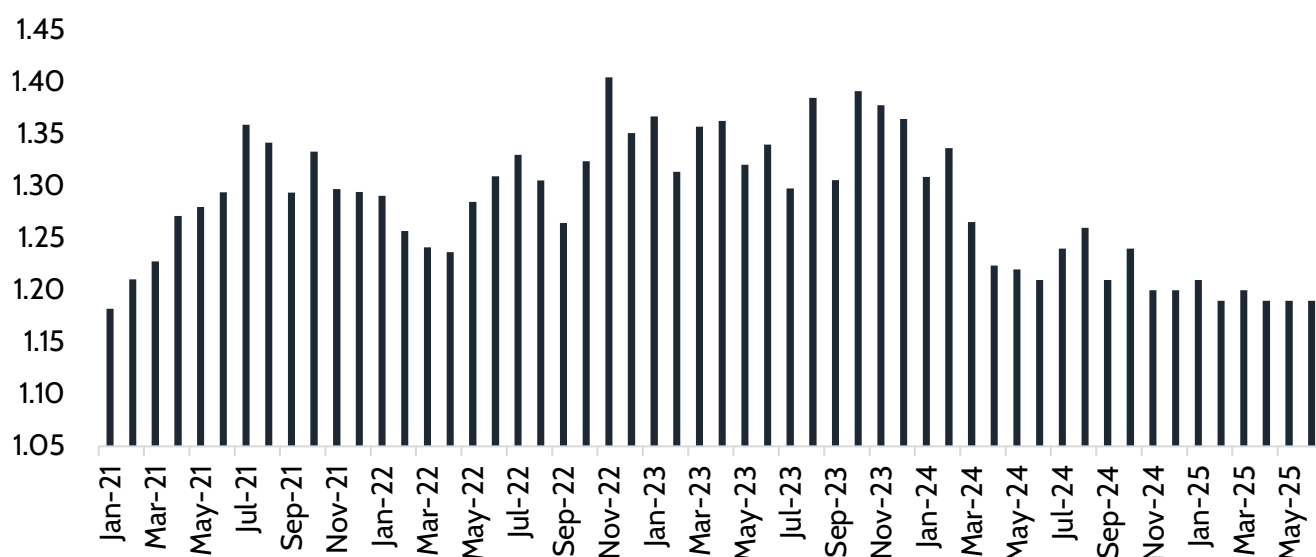
28 Feb 2018 - 30 Jun 2025



Source: Claremont Funds Management, as at 30 June 2025. Historical performance is not a reliable indicator of future performance. Claremont Global regularly estimates the value of each portfolio company using a proprietary, 5-year net present value model. Each company's share price is then compared with its estimated value, based on the formula: share price/value. The portfolio's price/value is a weighted average (based on portfolio constituents' weights) of each portfolio company's price/value, at a specific time.

Relative valuation at historically attractive levels

31 Jan 2021 - 30 June 2025



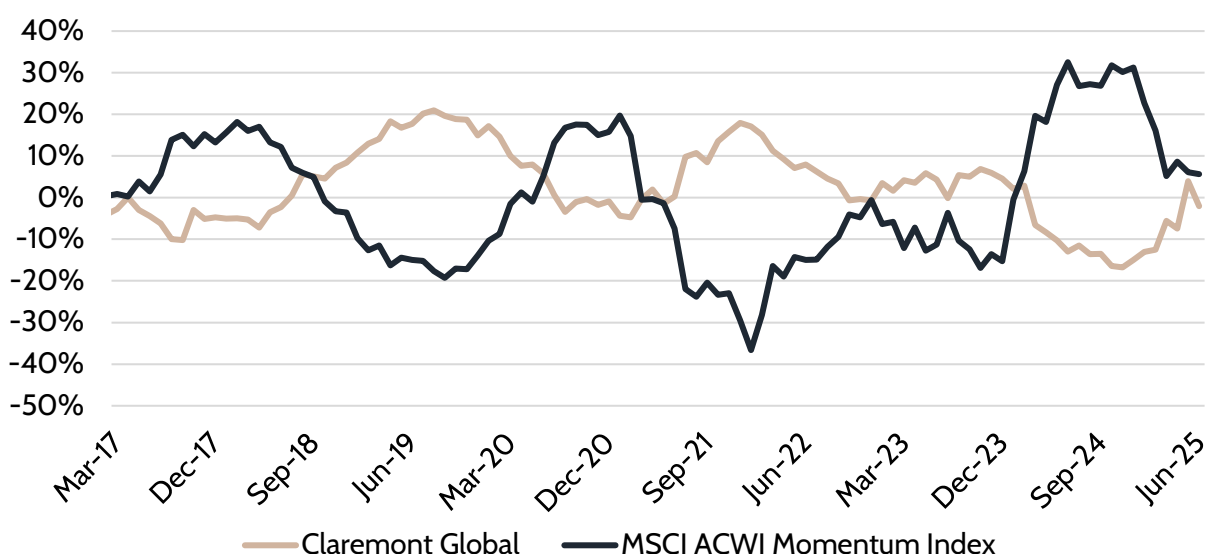
Source: Claremont Funds Management, as at 30 June 2025. Historical performance is not a reliable indicator of future performance. The Price Earnings relative (PER) is determined by dividing the funds Next Twelve Months (NTM) Price-to-Earnings (P/E) ratio by the markets corresponding NTM P/E ratio.



Whilst our investors know we do not call the short-term direction of markets, we do also try to be aware the risk/reward trade off. Given our previous comments on valuations and credit spreads, we believe the risk/reward trade off in the broader market is very much tilted towards risk. Should the current market tailwinds become headwinds, history has shown our companies will be well placed to weather any increased volatility and/or tougher economic conditions.

1Yr rolling returns relative to MSCI ACWI Momentum Index (AUD)

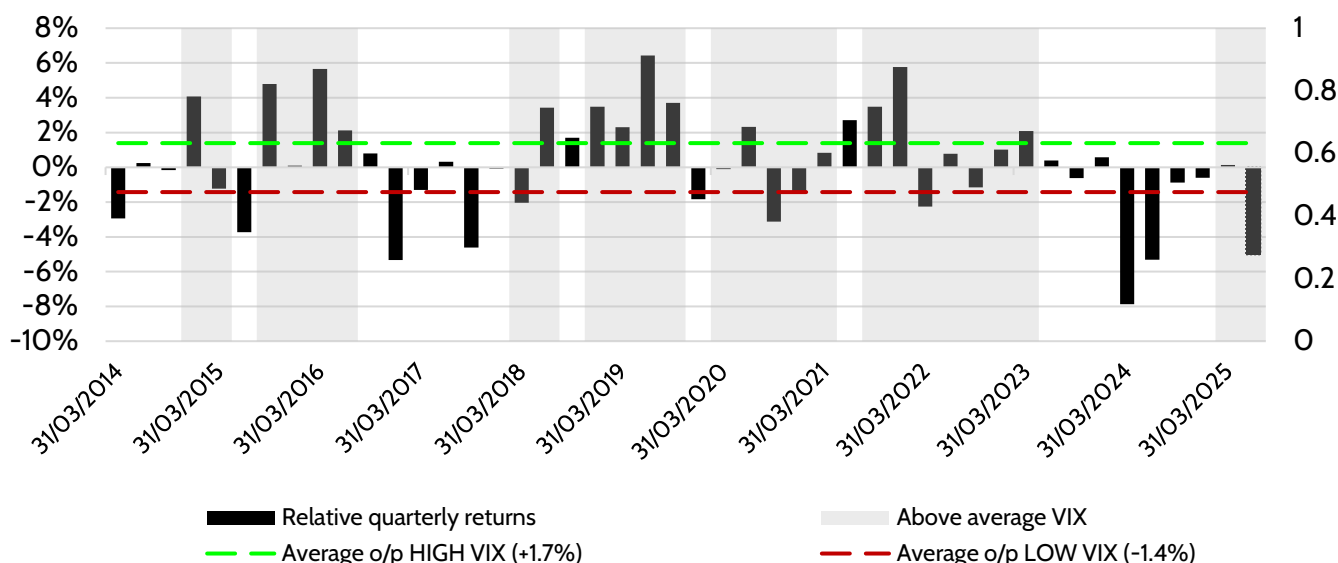
30 June 2024 - 30 June 2025



Source: Claremont Global, Bloomberg, as at 30 June 2025. MSCI ACWI MOMENTUM AUD Net Total Return Index. The MSCI Momentum Indices calculate a risk-adjusted price momentum score for each security from the Parent Index, MSCI ACWI, and select the top 15-20% of securities with the highest momentum scores. Historical performance is not a reliable indicator of future performance.

Claremont quarterly relative returns to benchmark and periods of above average VIX

31 March 2014 - 30 June 2025



Source: Claremont Funds Management and Bloomberg, as at 30 June 2025. VIX refers to the Volatility Index. Periods of 'Above Average VIX' are based on two distinct regimes: pre-COVID (average VIX = 15.0) and post-COVID (average VIX = 18.0). VIX exceeding these respective averages are classified as above average for their period. Historical performance is not a reliable indicator of future performance.



Claremont Global

To conclude, given current valuations and short-term relative underperformance notwithstanding, we believe this is an opportune time to be invested in a quality growth portfolio and we have a reasonable probability of achieving our targeted 8-12% pa return over the medium term.

As always, we thank you for your continued support.

Yours sincerely,

Bob, Adam and the team

Important information

This publication has been prepared by Claremont Funds Management Pty Ltd (Investment Manager) (ACN 649 280 142, ABN 38 649 280 142, CAR No. 001289207), as investment manager for the Claremont Global Fund (ARSN 166 708 792) and Claremont Global Fund (Hedged) (ARSN 166 708 407), which are together referred to as the 'Funds'. Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) ("Equity Trustees") is the Responsible Entity of the Funds. 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 publication has been prepared by Claremont Funds Management Pty Ltd to provide you with general information only. In preparing this publication, 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 and 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 before making a decision about whether to invest in this product.

The Fund's Target Market Determination is available [<https://www.claremontglobal.com.au/document-types/pds>]. 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.

This report may contain statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Investment Manager and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (Parties) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based.