

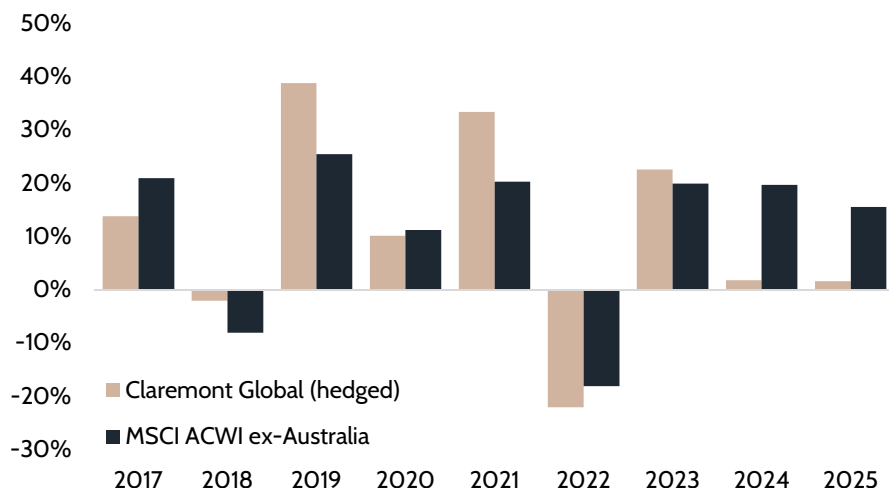


### Investment results to 30 September 2025

|                                                | Since Inception Total Return | Since Inception p.a. | 10 years p.a. | 7 years p.a. | 5 Years p.a. | 3 years p.a. | 1 year | 6 months | 3 months | 1 month |
|------------------------------------------------|------------------------------|----------------------|---------------|--------------|--------------|--------------|--------|----------|----------|---------|
| Claremont Global Fund (hedged)                 | 205.2%                       | 10.1%                | 11.2%         | 9.1%         | 8.3%         | 11.6%        | 0.8%   | 3.3%     | -1.2%    | -1.2%   |
| MSCI ACWI ex-Australia (Net, A\$) <sup>1</sup> | 221.4%                       | 10.6%                | 11.5%         | 10.3%        | 12.9%        | 21.1%        | 17.0%  | 18.1%    | 8.0%     | 3.7%    |
| <b>Excess Return</b>                           | -16.2%                       | -0.5%                | -0.3%         | -1.3%        | -4.7%        | -9.5%        | -16.3% | -14.7%   | -9.3%    | -4.9%   |

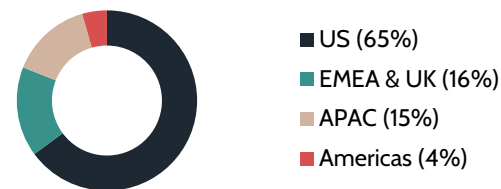
<sup>1</sup> Benchmark is MSCI All Countries World Index Ex-Australia (Net, hedged to A\$). Performance is net of management fees. Inception: 18th Feb 2014. Figures may not sum due to rounding. Returns assume reinvestment of distributions and are annualised for periods greater than 1 year. Past performance is not indicative of future results.

### CY return vs benchmark



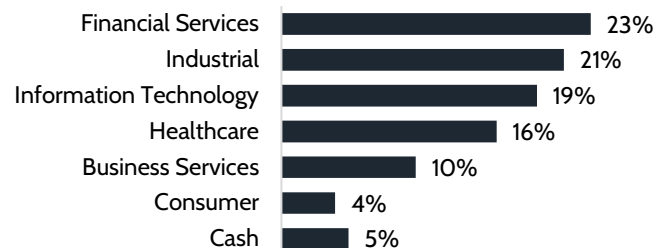
Data as of 30 September 2025. Benchmark is MSCI ACWI ex-Australia (Net, hedged to A\$). Performance is net of management fees and inclusive of distributions. Past performance is not indicative of future results.

### Portfolio exposure by source of revenue



Source: Company Filings, Claremont Global.

### Sector weighting



Source: Claremont Global Analysis.

### About Claremont Global

- Claremont Global is a single strategy international equity boutique that has been deliberately structured to invest differently from peers.
- We own a concentrated portfolio of no more than fifteen resilient businesses that grow organically, have high margins and low levels of debt.
- Our investment approach is conservative but not conventional. We exclude large parts of the market that are commoditised, leveraged, complex and cyclical. Valuation matters.

### Portfolio quality

| Metric                         | S&P 500 (Ex-Financials) | Claremont Global |
|--------------------------------|-------------------------|------------------|
| Gross margin <sup>1</sup>      | 35%                     | 54%              |
| EBIT margin <sup>2</sup>       | 13%                     | 29%              |
| Net debt / EBITDA <sup>3</sup> | 1.7x                    | 0.8x             |
| ROIC <sup>4</sup>              | 11%                     | 17%              |

### Top five holdings<sup>5</sup>

| Company    | Sector                 |
|------------|------------------------|
| Agilent    | Healthcare             |
| ALLEGION   | Industrial             |
| amazon     | Information Technology |
| jack henry | Financial Services     |
| Microsoft  | Information Technology |

For fund investor use only. Data as of 30 September 2025 unless noted. Views reflect broader portfolio strategy and are not standalone advice. Figures in AUD. Performance data sourced from the Investment Manager. Past performance is not indicative of future results. 1. Weighted average gross margin over trailing five years for current portfolio holdings. 2. Weighted average EBIT margin over the past five financial years for current portfolio. 3. Weighted average Net debt / EBITDA over trailing 12 months for current portfolio holdings. 4. Weighted average ROIC over trailing five years for current portfolio holdings. 5. Top five holdings A-Z.



# Claremont Global Fund

(Hedged)  
Own the world's best businesses

Q3 2025 Report  
CGHE:ASX

## Portfolio commentary

The Claremont Global Fund (hedged) depreciated -1.2% during the quarter, underperforming the broader market (hedged into \$A) by 9.3%, which saw a 8.0.% increase (numbers may not add due to rounding).

Key contributors to performance for the quarter were **Allegion** and **Idexx**:

- **Allegion (ALLE-US)** – the share price rose 23% in the quarter after the company upgraded their organic growth forecast by approximately 150 basis points to 4% for the full year. The upgrade was driven by the Americas segment, however, it is important to note that two-thirds of this is attributed to the tariff surcharge the company is passing through. Operating margins also showed signs of strength, helped by revenue mix, with the faster growing US institutional business performing well, while US residential remains weak.

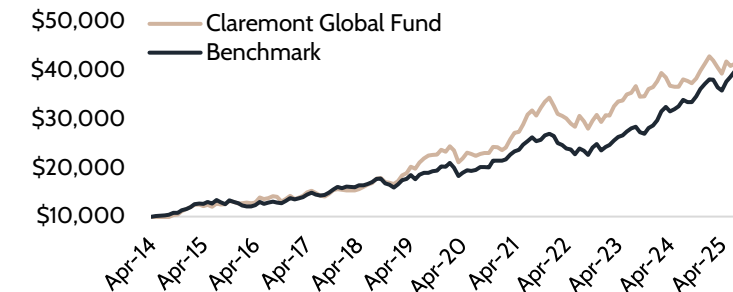
**Idexx (IDXX-US)** – the share price rose 27% after delivering a strong second quarter result in August. The result was ahead of expectations, with the topline accelerating sequentially (+9.3% compared to +4.7% in the first quarter). Despite vet visits remaining subdued (down 2.5%), there was more focus placed on the implied organic growth acceleration into the second half, as well as traction in new product sales. While we continue to believe this is a high quality business, we exited our position on valuation grounds.

Key detractors to performance for the quarter **Jack Henry** and **Zoetis**:

- **Zoetis (ZTS-US)** – while the company posted a better-than-expected Q2 result, with a modest full year guidance upgrade, Librela, a monthly injectable prescription medication for dogs that treats pain associated with osteoarthritis, saw sales decline 16% in the US. Adoption trends for this product remain a key focus for investors, and there are concerns that headwinds seen in the US may spread to international markets. Despite this, management are confident in delivering 6-8% organic growth this year, calling out portfolio diversity and their product pipeline as key drivers. This is another business with a very defensive earnings profile that is attractively priced on 21x consensus next twelve month earnings.
- **Jack Henry (JKHY-US)** – the company closed out a reasonable year with organic revenue growth of 6.5%. However, revenues continue to be affected by lower discretionary spending (hardware, consulting etc.) and management did call out pricing pressure on some renewals, industry consolidation, and slowing of account growth. Management guided to a similar organic revenue growth rate in the coming year, and with a defensive earnings profile, we see the shares as very attractively priced based on near term earnings expectations.

## Investment results since inception

Growth of AUD \$10,000



Benchmark: MSCI ACWI ex-Australia (Net, A\$). Performance is net of investment management fees and inclusive of distributions. Past performance is not indicative of future results.

## Securities movements for the quarter

Bought in



MarshMcLennan



Sold out



IDEXX

STERIS  
Alphabet

Increased holding



jack henry  
DASSAULT SYSTEMES

Decreased holding



## Portfolio additions

**Sika (SIKA-CH)** – we initiated a position in the business in July. Sika is a global leader in specialty construction chemicals, renowned for its high-quality products and systems used in bonding, sealing, damping, reinforcement, and protection across both construction and automotive industries. It is a business we have previously owned, with strong pricing power supporting gross margins of approximately 55%. Over the last decade EPS has compounded at ~10% p.a.

While recent softness in residential construction and broader weakness across the European market have weighed on Sika's organic growth, the company remains well-diversified across geographies and end markets. Its ability to consistently outperform the wider construction industry, an achievement sustained over the past 30 years, underscores the resilience of its business model and strategic positioning.

**Marsh McLennan (MMC-US)** – we initiated a position in MMC in August. The company is a global leader in insurance brokerage and consulting, resulting in over \$190bn annually in premiums and manages and provides investment advice on over \$17 trillion of assets. Current operating margin for the business is 27%. Each of their businesses has strong secular growth tailwinds with non-life insurance premiums having grown 6% p.a., health premiums by 8% p.a. and retirement assets by 6% p.a. since 2001.

MMC has an exceptional track record, with revenues and EPS having grown 6% p.a. and 13% p.a. respectively, since 2010 and has increased operating margins for 17 successive years. MMC has a capital light business model, with minimal working capital needs and capex of less than 2% of sales, generating very strong cash flow conversion.

**Chipotle Mexican Grill (CMG-US)** – we initiated a position in Chipotle in August. Chipotle operates a proven concept, fast-casual restaurant chain, with demographic tailwinds, best in class economics and a long growth runway. It has over 3,700 stores globally, the majority of which are in the U.S.

While the chain is over 30 years old, and has gained meaningful share in North America, it remains under-penetrated and new store economics are very attractive. Supported by a ten-year North American store rollout, we believe double-digit revenue growth is a likely outcome over our five-year investment horizon. Further, with less than 100 international restaurants today, there is also significant international opportunity.

Chipotle has an owner-operator model. In the U.S. there are no franchise arrangements. This is a key differentiator from most large companies in the industry. Direct distribution provides Chipotle greater control and closer alignment between stores and shareholders than the typical large chain.

Another differentiator within the fast casual/quick serve restaurant (QSR) space is Chipotle's net cash balance sheet (with the low operating leverage in franchise models typically offset by significant financial leverage). Even once allowing for leases, Chipotle has relatively low financial leverage. Historically, this has been a resilient industry and Chipotle's strong balance sheet offers further downside protection.

Given the recent, uncharacteristic, weakness in same store sales (against very strong prior period comparisons), Chipotle's multiple has materially de-rated. We believe Chipotle offers the prospect of strong earnings growth (consensus expects mid-teens EPS growth), solid FCF generation, and an attractive ROIC (in 2024 it was just below 20%).

## Portfolio removals

**Alphabet (GOOGL-US)** – we made the decision to exit our position in the company early in July. While the company has generated significant returns for fund investors since its portfolio inclusion in late 2017, the company's longer-term competitive positioning has become less clear (particularly around the core search business, which generates the majority of Alphabet's profits). There are an increasing number of alternatives to traditional Google Search – including on social media platforms and through numerous AI alternatives – with some evidence consumer habits are beginning to shift (one example is ChatGPT's user growth profile). Further, the tailwinds from digital advertising taking share from non-digital advertising will slow over time (given the majority of advertising is now digital), with potential implications for the company's growth profile.

The decision on the proposed remedies for Google's US antitrust lawsuit was passed down late in the quarter, and we will continue to monitor the regulatory actions targeting the company across the world.

Given these uncertainties, we took the decision to exit the position and reallocate capital into other names trading at a greater discount to our estimated value.

**Idexx (IDXX-US)** – whilst we still believe this is an excellent business, we sold our position on valuation grounds after the share price increased 57% year-to-date (prior to the sale), trading well above our estimated valuation.

**Adobe (ADBE-US)** – we decided to exit our position in the company. Despite a very strong financial track record, and upgraded earnings guidance, Adobe's forward earnings multiple has contracted since the beginning of the year.

We were comfortable holding a mid-sized position in Adobe for reasons including: 1) Incumbency advantages, for example professional digital-creatives' dependence on products such as Photoshop, and Adobe's Creative Cloud suite being deeply integrated into users' daily workflow; 2)



## Portfolio removals – cont'd

Revenue consistently growing at or above 10%; 3) Management's commentary regarding ongoing Creative Cloud seat growth; 4) Pricing power, highlighted by gross margins consistently at c.90%, and adjusted operating margins in the mid-40s; and 5) AI products' limited editing capabilities (i.e. new products lack of creative control).

However, our view has changed given recent developments:

Over the last several months we have seen platform companies with key roles in digital advertising, including Alphabet (Google's parent) and Meta, either release products with impressive content creation capabilities, and/or signal their intent to allow advertisers to create campaigns from scratch, using prompts, within platform.

Further, we have seen a new AI image model released (Alphabet) which has impressive editing capabilities. We expect AI editing capabilities across the industry will continue to improve from here. In contrast, the rate of innovation at Adobe has been disappointing, given both AI developments and the evolving industry ecosystem.

While it is still early days, meetings with industry participants have highlighted that where content creation (or content editing) is at least partially done on the platforms, return on advertising spend metrics are higher – an attractive incentive. We don't believe the platform companies are currently looking to completely disintermediate Adobe, but the vertical integration of content creation/editing on platforms introduces new risks. This is particularly true when the platform companies have deep competitive advantages including more resources (capital and technical capabilities), content, users, and data, resulting in better AI models, distribution, targeting and measurement capabilities.

It appears unlikely enterprise customers will switch off Adobe in the near-term – where high specification content and precision editing are still required, along with consistency across different platforms. However, we believe customers who are small and mid-sized businesses – who face greater constraints, and where key considerations include speed, cost and return on advertising spend – are increasingly at risk. This in turn has potentially adverse implications for Adobe's longer-term seat retention, growth and pricing.

These recent developments have decreased our confidence in the strength of Adobe's competitive position, and so we have exited the position to reallocate funds to businesses where our conviction in long term competitive advantage is higher

**Steris (STE-US)** – we decided to exit our position in the company purely on valuation grounds. The funds were reallocated to positions which were trading at a larger discount to our assessment of their intrinsic value. At the time of exit, the company was trading at 23x next twelve-month consensus earnings, in line with the s 10-year average.



# Claremont Global Fund

(Hedged)  
Own the world's best businesses

Q3 2025 Report  
CGHE:ASX

## How to invest

Available via ASX



Available via platform

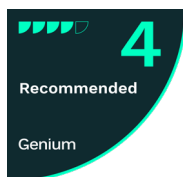


Available via application form



ClaremontGlobal.com.au

## Research ratings



Invest now

## Fund details

|                           |                                |
|---------------------------|--------------------------------|
| Strategy AUM              | \$1.2B                         |
| Structure                 | Retail unit trust & Active ETF |
| ASX Ticker                | CGHE                           |
| Max. single stock weight  | 10%                            |
| Max. cash weight          | 10%                            |
| Management fee            | 1.25%                          |
| Performance fee           | Nil                            |
| APIR                      | ETLO391AU                      |
| ARSN                      | 166 708 407                    |
| ISIN                      | AU60ETLO3919                   |
| Responsible entity        | Equity Trustees                |
| Administrator & Custodian | Apex                           |
| Market maker              | Nine Mile                      |
| Currency exposure         | Hedged                         |
| Fund inception            | 18th February 2014             |
| Buy/sell spread           | 0.10% / 0.10%                  |

## Contact us

E: [contact@claremontglobal.com.au](mailto:contact@claremontglobal.com.au)  
T: 1300 684 537  
W: [claremontglobal.com.au](http://claremontglobal.com.au)

Charlie Wapshott, CIMA® Head of Distribution  
Andrew Fitzpatrick, CIMA® Investment Specialist  
Clinton Boltman Investment Associate



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