

Iron Pot Equities Global Technology Fund

Quarterly Investor Newsletter September 2023



Background

Welcome to the introductory Quarterly for Iron Pot Equities' Global Technology Fund. The following paragraphs provide an overview of the history of the Fund, its objective and the supporting investment strategy.

The Fund emerged from a similar strategy implemented privately in 2014, which invested globally in listed technology-based securities. The success of the strategy supported opening it to external investors who may wish to invest along-side the Founders.

The Fund's investment objective is an annualised net 10% return to investors over rolling 5-year periods.

The supporting Investment Strategy centres around conviction investing with a maximum of 25 positions held at any one time. Turnover is low with an expected 2 to 4 positions removed and corresponding positions added in any one year. Under normal market conditions, the low turnover leads to an intentionally long average holding period of greater than 5 years. This places a materially greater emphasis on successfully capitalising on the growth of companies in achieving the Fund's return objective, as opposed to seeking pricing anomalies through short term trading activity.

Investment Approach

There are three broad areas that underpin our stock decisions: the Business/sector of a candidate stock, the Financials, and Valuation. The Quarterlies will discuss an element or two from each in context with the portfolio or positions held by the portfolio.

As a lead-in to our approach, almost by definition technology stocks are assumed to have above average revenue growth, an assumption not always justified. It is, however, one of several key elements for the Fund's stock selection process. Without revenue growth how can long term growth in value be achieved? Revenue forecasts, as with many line items, invariably face revisions, sometimes substantial. And so, while we do use forecasts, we place significant emphasis on a company's track record and the consistency of its achievements.

The portfolio stocks' weighted average annual revenue growth for each of the next 2 years is +12% (+8% MSCI World IT Index). The most recent 5 years growth was higher from a low base and, importantly, with sufficient

consistency. While there will be justifiable exceptions for individual positions, this rate of growth sets the benchmark for any potential candidate stock and for existing holdings retaining their position.

Performance

Period	Net return %
September Quarter 2023	-3.2%
Since Inception - Total	-3.2%

Unquestionably it was a difficult quarter to launch a technology-based fund with the MSCI World IT Index losing 9.8% USD (-4.7% AUD) from early in the quarter to quarter-end. Even so, funds were invested progressively throughout the quarter as initial positions were built while retaining a 19.2% cash holding.

Portfolio Breakdown

Quarter End 30 September 2023

Asset Class	% Allocation
Listed Equities	80.8%
Cash	19.2%
Total	100.0%

Region	% Allocation
US	58.2%
Canada	1.7%
China	8.4%
Sweden	2.9%
Taiwan	3.7%
Australia	5.9%
Cash	19.2%
Total	100.0%

Industry Sub-Group	% Allocation
Applications Software	7.0%
Auto-Cars/Light Trucks	5.0%
Commercial Serv-Finance	3.5%
Communications Software	5.0%
Computers	3.8%
Data & Systems Security	7.6%
E-Commerce/Products	13.6%
Enterprise S'ware/Services	12.3%
Internet Application Software	1.7%
Internet Content Services	5.9%
Medical/Biomedical	4.8%
Semiconductor Industry	7.5%
Web Portals & Internet Service Provider	3.1%
Cash	19.2%
Total	100.0%

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The **Global Technology Fund** is an unregistered managed investment scheme in the form of an Australian unit trust. The Fund is only available to investors that are wholesale clients as defined in s761G of the Corporations Act 2001 (Cth).

Iron Pot Equities Pty Ltd is the investment manager of the Fund (**Investment Manager**). The Investment Manager is a corporate authorised representative 001293377 of **D H Flinders Pty Ltd** (353001). The Investment Manager's authority under its Corporate Authorised Representative Agreement with **D H Flinders Pty Ltd** is limited to general advice regarding the Fund only. **VT No. 2 Pty Ltd** is the trustee of the Fund and the issuer of its Information Memorandum (**Trustee**).

Withdrawal rights are subject available liquidity and may be delayed or suspended.

The contents of this document are not intended as financial product advice and have been prepared without taking into account your personal circumstances, investment objectives or particular needs. You should read the Information Memorandum for the Fund in full to consider whether an investment is appropriate for you.

Neither the Investment Manager, **D H Flinders Pty Ltd** nor Trustee guarantee the repayment of capital, the performance of any investment or the rate of return for the Fund. Past performance is not a reliable indicator of future performance. An investment in the Fund is not a bank deposit.

We strongly suggest that you seek your own professional financial or legal advice prior to any investment decisions.