

Iron Pot Equities Global Technology Fund

Annual Newsletter June 2025



Year in Review

The past 12 months have been undisputably captivating for equity investors. Overall, equity markets delivered another robust year, characterised by notable volatility including three peak-and-trough moves greater than 20%. The year's trajectory was defined by some key developments, most notably the US presidential election culminating in Trump's win, and the continued intense focus on AI and its ever-expanding integration into day-to-day life.

The run-up to Trump's presidential election win and the continued rally in the following weeks saw us reduce exposure by 20%. The subsequent pullback presented some irresistible re-entry prices. By year's end the Fund was near fully invested with 2% in cash.

While AI has driven much of the tech world's performance and, to an extent, contributed to some of the Fund's stock returns, the bulk of the Fund's gains came from more stock-specific factors independent from AI, as reflected in the table "Top Contributors & Detractors 2024/25".

Lesser-known tech names dominated the portfolio across the year and averaged over 70% exposure, making them the primary contributors to the Fund's performance. Large cap tech names averaged a combined 23% of the portfolio. While adding to the Fund's returns, they all ranked outside the top performers.

Geographically, there were only minor adjustments across the year with the biggest changes in the UK (+4%) and Australia (-3%). Exposure to China, Sweden and Taiwan remained relatively steady.

Performance

The portfolio's 32% net return for the year was undoubtedly pleasing. The Fund is now annualising at over 21%. This is well above our 10% net objective and to some extent has brought forward returns expected over the Fund's 5 years investment horizon. A shift to more sustainable returns would be unsurprising.

Five stocks accounted for just over half of total returns – a similar result to the previous year. With just one name, Spotify, being a major contributor across both years, it reflects the breadth of stocks in the portfolio. There are still a further 16 positions yet to kick in. Those that have performed are constantly under review as valuations are becoming stretched. Currency movements added a minor positive contribution to the year's return.

Performance FY 2024/25*

Unit Price	\$1.4819
Period	Net return %
June Quarter 2025	+11.3%
1 Year	+32.0%
Since Inception (July 2023)	
- Total	+48.2%
- Annualised (p.a.)	+21.7%

* The unit price and return figures are pre-annual tax review and may be subject to change. Investors should refer to the periodic statements for the finalised unit price and returns.

Top Contributors & Detractors 2024/25

Contributors	%	Detractors	%
Spotify Tech. S.A.	5.9	Block Inc.	-1.4
Roblox Corp.	3.6	Weebit Nano Ltd	-0.7
Netflix Inc.	2.7	Snowflake Inc.	-0.4
Fortinet Inc.	2.5	Workday Inc.	-0.1
Paxman AB	2.3	Alphabet Inc.	-0.1
Currency	2.8		

Portfolio Movements FY 2024/25

In: BYD Co. Ltd, Nvidia Corp., Tesla Inc., Wise PLC, Workday Inc.

Out: Alibaba Holdings Ltd, Blackline Inc., Block Inc., PayPal Holdings Inc., Snowflake Inc.

Consistent with the Fund's five-year investment horizon, five stocks were removed and replaced during the reporting period.

In April this year, BYD replaced Block Inc. BYD is financially solid with a net cash position and strong free cash flow. At +18% p.a., its projected revenue growth over the next two years exceeds the portfolio's objective.

Outlook

The key question we asked this time last year was: *"Has the market performance of the last 12 months taken tech stock valuations to excessive levels?"* Now, after another strong year, that question is even more relevant, and it is rightly demanding greater weight in our investment decisions.

Keeping in mind the Fund invests where there is both scale and significant growth potential with a product in its market segment. Further, we invest where we are confident in management's competence to deliver. With these factors in place, the investment decision comes down to price: is the share price today expected to deliver our required compound return? This question is always last on our list, but it's the deal breaker. And now, it's also the most testing. There may well be more to come in this wave, and we may

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see decent dips along the way, but ultimately, what we pay today must measure up against our return objective over our investment horizon.

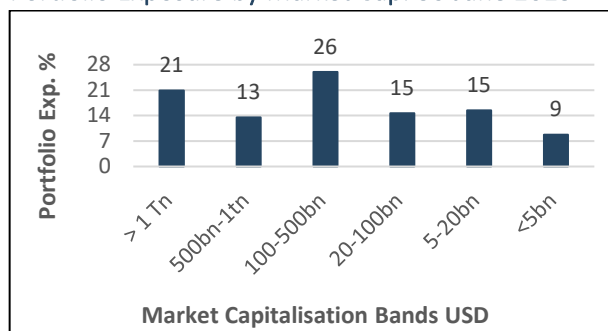
Portfolio Metrics

The Fund currently holds 25 positions – its maximum allowable. Weighted average revenue growth forecasts exceed 15% p.a. over the next two years. The financial strength of the Fund's investments is sound, with the portfolio's positions having on average net cash balance (ex fincos), after accounting for all debt. Further, free cashflow from operations is more than 5 times greater than total debt, a key measure when investing in high R&D spending entities. Weighted average forward PE is now at 33x, hence the need for some caution.

Among the breakdown of tech's vast array of sub-sectors, the portfolio's greatest concentration (17%) is in the semiconductor value chain from manufacturing (TSM) to downstream applications (AMD, Nvidia). Internet-based media and associated services (15%) represent the next largest sub-sector exposure, with companies such as Netflix and Spotify.

With regard to company size, the Fund invests across the market capitalisation spectrum (see chart below) with liquidity as the primary consideration.

Portfolio Exposure by Market Cap. 30 June 2025



Portfolio Breakdown

Quarter End 30 June 2025

Asset Class	% Allocation
Listed Equities	97.8
Cash	2.2
Total	100.0

Regional Exposure	% Allocation
North America	63.0
Sweden	10.0
Australia	8.7
China	6.5
Taiwan	5.3
UK	4.3
Cash	2.2
Total	100.0

Industry Sub-Group	% Allocation
Semiconductor industry	17.2
Internet Media & Services	15.0
Enterprise Software/Services	14.1
E-Commerce/Products	11.9
Data & Systems Security	10.4
Web Portals/Internet Service Providers	5.4
Auto-Cars/Light Trucks	4.7
Commercial Serv-Finance	4.3
Entertainment Software	4.1
Cellular Telecom	4.0
Applications Software	3.7
Medical Products	3.0
Cash	2.2
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 (ACN 637 888 398 AFSL 548 941) is the investment manager of the Fund (**Investment Manager**). The Investment Manager's authority under its Australian Financial Services Licence authorises the licensee to carry on a financial services business to: (a) provide general financial product advice only, for the following classes of financial products: (i) deposit and payment products limited to: (A) basic deposit products; (B) deposit products other than basic deposit products; (ii) interests in managed investment schemes excluding investor directed portfolio services; and (iii) securities; and (b) deal in a financial product by: (i) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products: (A) deposit and payment products limited to: (1) basic deposit products; (2) deposit products other than basic deposit products; (B) interests in managed investment schemes excluding investor directed portfolio services; and (C) securities; to wholesale clients. **VT No. 2 Pty Ltd** (ACN 644 230 071) is the trustee of the Fund and the issuer of its Information Memorandum (**Trustee**).

Withdrawal rights are subject to 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 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.