

# Greencape Leaders Strategy – September 2023 Report

| Performance  | 1 month %    | 3 months %   | CYTD %      | 1 year %    | 3 years % p.a. | 5 years % p.a. | Inception % p.a. |
|--|--------------|--------------|-------------|-------------|----------------|----------------|------------------|
| Greencape Leaders Strategy Return <sup>1</sup>         | -3.86        | -0.99        | 8.71        | 17.38       | 12.81          | 8.62           | 8.45             |
| Greencape Leaders Composite <sup>2</sup>               | -3.82        | -0.86        | 8.59        | 17.19       | 12.58          | 8.44           | 9.07             |
| S&P/ASX 50 Accumulation Index                          | -2.46        | -0.56        | 4.15        | 14.21       | 12.03          | 7.14           | 6.80             |
| Greencape Leaders Strategy Active Return <sup>^</sup>  | <b>-1.40</b> | <b>-0.43</b> | <b>4.56</b> | <b>3.17</b> | <b>0.78</b>    | <b>1.49</b>    | <b>1.65</b>      |
| Greencape Leaders Composite Active Return <sup>^</sup> | <b>-1.36</b> | <b>-0.30</b> | <b>4.44</b> | <b>2.98</b> | <b>0.56</b>    | <b>1.30</b>    | <b>1.13</b>      |

<sup>1</sup> Greencape Leaders (IMA) Inception: 25 June 2015 (includes 10% allocation to global stocks).

<sup>2</sup> Greencape Composite Inception: 25 June 2011.

<sup>^</sup> Numbers may not add due to rounding.

\* Benchmark return since inception is not applicable as the Strategy and Composite have different inception dates. The active returns for the Strategy and Composite are based on the benchmark returns using the respective inception dates.

Past performance is not a reliable indicator of future performance.

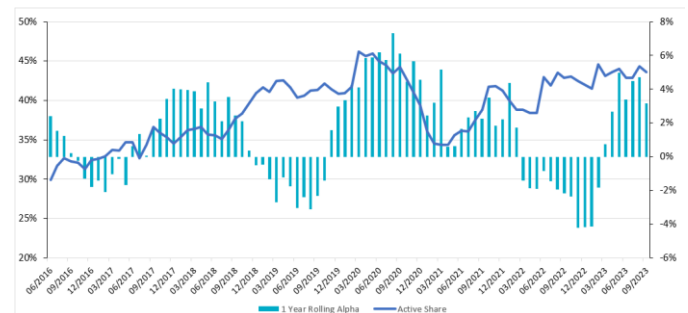
## Strategy Facts

|                              |  |
|------------------------------|--|
| Portfolio Manager            | David Pace   |
| PM Biography                 | Prior to Co-Founding Greencape in 2006 with Matthew Ryland, David Pace gained experience at Potter Warburg Asset Management and Merrill Lynch Investment Management. Pace has managed Greencape's High Conviction Fund continuously since its launch in September 2006. He also manages the Leaders portfolio, which was launched in 2011. |
| Strategy FUM                 | \$3.22 billion   |
| Benchmark                    | S&P/ASX 50 Accumulation Index  |
| Number of securities         | 25-45  |
| Market capitalisation limits | ASX top 50 (0-100% of Portfolio) and ASX 50-100 (0-35% of Portfolio)   |
| Return objective             | Outperform the S&P/ASX 50 Accumulation Index over rolling 3-year periods.  |
| International Holdings       | Up to 10%  |

## Top 5 Positions

|                                  |
|----------------------------------|
| BHP Group Limited                |
| CSL Limited                      |
| Commonwealth Bank Of Australia   |
| Goodman Group                    |
| James Hardie Industries PLC. CDI |

## 1 Year rolling excess return and Active Share



## Portfolio Characteristics\*

|                       | Leaders | ASX50 |
|-----------------------|---------|-------|
| P/E Historical        | 16.34   | 13.89 |
| ROA                   | 9.40    | 7.18  |
| ROE                   | 20.47   | 18.45 |
| Dividend Yield        | 3.19%   | 4.34% |
| Turnover              | 44.22%  | -     |
| 1 Year Tracking Error | 4.5%    | -     |
| 1 Year Beta           | 0.93    | -     |

## Investment Philosophy

|                   |  |
|-------------------|--|
| <b>Philosophy</b> | Greencape believes equity markets are inefficient. Sentiment and short-termism can mask observable dynamics leading to mispricing of stocks. Capital allocation decisions, and the ability to earn appropriate returns from such decisions, are fundamental to shareholder value creation. The influences of shareholder stewardship and business franchise strength on shareholder value are often underestimated.  |
| <b>Style</b>      | Greencape is a fundamental, bottom-up, research driven stock picker. Its portfolios, including the Leaders portfolio, are constructed to reflect the conviction that is the product of its intensive company visitation program. It does not seek to invest with adherence to specific style characteristics but it seeks to identify better than average management teams operating better than average businesses. Historically this had resulted in portfolios with persistent tilts to growth and quality factors but these will vary over time based on market conditions.  |
| <b>Approach</b>   | Greencape's research is grounded in fundamental analysis. Our efforts are focused heavily on an intensive and targeted company visitation program encompassing all participants in a given supply chain (suppliers, customers, competitors, regulators, company officials, offshore competitors). Piecing together information from various sources allows us to develop proprietary insights and ultimately arrive at better informed and high conviction investment decisions. The investment process involves assessing and rating four criteria, namely: Shareholder Stewardship, Business Evaluation, Valuation and Market Milestones encompassing both qualitative and quantitative characteristics. The analysis is ultimately condensed down to a single stock recommendation rating, facilitating both transparency and accountability. |

| Top 3 Contributors (Over 3 Months) | Value added % |
|------------------------------------|---------------|
| Computershare                      | 0.37          |
| Transurban Group                   | 0.27          |
| Nvidia                             | 0.23          |

| Top 3 Detractors (Over 3 Months) | Value added % |
|----------------------------------|---------------|
| Flutter Entertainment            | -0.46         |
| Iress                            | -0.41         |
| CSL                              | -0.38         |

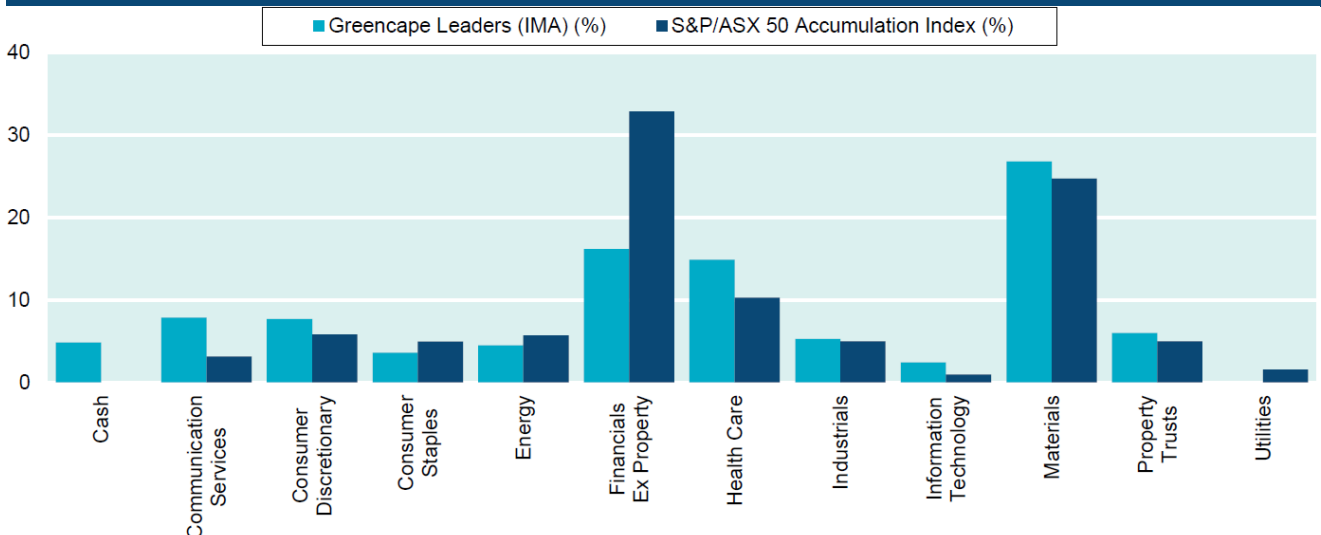
| Top 3 Contributors (Over 1 Year) | Value added % |
|----------------------------------|---------------|
| Nvidia                           | 2.78          |
| Flutter                          | 1.01          |
| James Hardie Industries          | 0.81          |

| Top 3 Detractors (Over 1 Year) | Value added % |
|--------------------------------|---------------|
| CSL                            | -1.15         |
| IDP Education                  | -0.67         |
| Iress                          | -0.46         |

| Top 3 Contributors (Over 3 Years) | Value added % |
|-----------------------------------|---------------|
| Nvidia                            | 0.83          |
| Computershare                     | 0.62          |
| Block                             | 0.55          |

| Top 3 Detractors (Over 3 Years) | Value added % |
|---------------------------------|---------------|
| Evolution Mining                | -0.39         |
| Woodside Energy                 | -0.39         |
| CSL                             | -0.33         |

### Sector Exposure



### Our Partner

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\*StyleAnalytics as at 30.09.2023

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