

Your capital is at risk. Past performance is not a guide to future returns. The following update is based on a representative portfolio. As such, stock examples may not be held in every client portfolio, and performance may differ.

Katie Muir: Change is everywhere. But here's the thing – most people underestimate it.

At International Growth, we don't just invest in companies adapting to change. We look for the companies creating it. The innovators. The disrupters. The businesses shaping the future.

Think semiconductors powering artificial intelligence. Platforms reshaping global commerce. And biotechs developing the next wave of therapies. That's where we invest.

So, how did the portfolio do this quarter?

Absolute returns were modest and lagged the broader international market. Over the year, returns have been strong... but still behind an exceptionally powerful international rally.

Now, we know underperformance can feel uncomfortable. But growth investing is not a straight line. The greatest wealth creators often stumble before they soar.

That's why we stay focused on the bigger picture – patiently owning the rare, exceptional businesses aligned with structural change.

So let's start with semiconductors. As author Chris Miller wrote in his book *Chip War* "Semiconductors are the new oil – the foundation of the global economy".

He's right... Without them, there is no AI. No progress in automation. No digital future.

And right now, chip sovereignty is a national priority. From Washington to Beijing, governments are pouring resources into security and supply. In this world, bottlenecks are priceless.

Take Advantest – the world leader in chip testing equipment. As chips get more complex, they need more testing. And Advantest makes sure they're reliable. And demand has been surging. Its shares have more than doubled in the past year.

Alongside Advantest, our core holdings ASML, and these companies continue to anchor the global compute stack. They've been key contributors to performance – both in the short term and over the long haul.

Not everything moved in our favour in recent months. Spotify and MercadoLibre both saw weaker share prices following a long period of strength.

But let's step back. The fundamentals here are powerful.

Spotify now has 700 million monthly users. Almost 300 million of them are paid subscribers. Free cash flow is rising. Monetisation is expanding with podcasts, audiobooks, and more.

Here's the perspective: Spotify has about the same number of subscribers as Netflix. Yet Netflix's market cap is more than three times bigger. That gap? That's the opportunity.

Then there's MercadoLibre. It's building a unique commerce-fintech ecosystem in Latin America. Yes, margins were questioned again by the market as it invested in free shipping in Brazil. But this is a familiar story. Short-term sacrifices to cement long-term dominance.

We believe MercadoLibre is still only partway through its growth journey.

This quarter, we also added some exciting new which highlight our continued focus on transformational change.

These include, CATL – the world's leading EV battery company. It has unmatched scale, deep vertical integration, and constant innovation in next-generation chemistries.

And the opportunity goes far beyond cars. Think grid-scale storage. Industrial power. CATL isn't just a Chinese champion anymore – it's becoming a global powerhouse driving the energy transition.

Another example is Akeso – a fast-growing Chinese biotech. Its lung cancer drug delivered strong late-stage trial results and was recently licensed to a US partner.

This is part of a wider shift. Western pharma companies are increasingly licensing Chinese assets. This isn't copycat science anymore. It's genuine global innovation.

Of course, not every company we own is a disruptor. Some thrive precisely because they resist change.

Take Ferrari and Hermès. Their value lies in heritage and scarcity.

Ferrari has doubled sales since its 2016 spin-out. Not by chasing growth at any cost – but by carefully protecting exclusivity. And as it prepares to unveil its first fully electric model, that same discipline carries forward.

So, what stands out in the portfolio today? Three themes:

Semiconductors and digital infrastructure – the engines of AI and industry transformation.

Digital platforms – reshaping how billions of people connect, shop, and spend.

Heritage and innovation – from timeless luxury to cutting-edge biopharma.

Yes, this quarter had its ups and downs. But that's the nature of outlier investing and long-term compounding.

Since 2003, International Growth has been built on one clear philosophy: back exceptional companies on the right side of change, and stay patient through the noise.

That conviction remains as strong today as ever.

International Growth

Annual past performance to 30 September each year (%)

	2021	2022	2023	2024	2025
International Growth Composite (gross)	16.9	-45.7	14.7	29.6	12.8
International Growth Composite (net)	16.2	-46.1	14.1	28.8	12.1
MSCI ACWI ex US Index*	24.4	-24.8	21.0	26.0	17.1

Annualised returns to 30 September 2025 (%)

	1 year	5 years	10 years
International Growth Composite (gross)	12.8	1.2	10.3
International Growth Composite (net)	12.1	0.6	9.7
MSCI ACWI ex US Index	17.1	10.8	8.5

*MSCI EAFE Index prior to 30 September 2018

Source: Revolution, MSCI. US dollars. Returns have been calculated by reducing the gross return by the highest annual management fee for the composite. 1 year figures are not annualised.

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