

# LONG EQUITY

## FACTSHEET - OCTOBER 2025

### LONG EQUITY INVESTMENT STRATEGY

Long Equity runs a concentrated portfolio of companies that can (i) invest capital at significantly higher returns than their cost of capital (*value creation*), and (ii) raise prices without impacting demand (*pricing power*). Returns on capital must be high, consistent and unleveraged, with competitive advantages, ideally switching costs and network effects, preventing returns and margins from being competed away.

#### Holdings

No. Holdings: 13  
Held <1yr: 3/13

#### Geography

US: 80%  
Canada: 13%  
Australia: 7%

#### Sectors<sup>1</sup>

Semiconductors: 32%  
FMI: 30%  
Software: 29%  
Industrials: 9%

#### Market capitalisation

>\$1tn: 14%  
\$100bn-\$1tn: 32%  
<\$100bn: 54%

#### Weighted Financials<sup>2</sup>

FCF ROC: 38%  
FCF Growth (5yr): 29%  
FCF Linearity (5yr): 0.92  
FCF Margin: 36%  
FCF Margin Exp.: 5%  
FCF Yield: 2.75%

Interest expense: 6%  
5yr  $\Delta$  share count: -6%

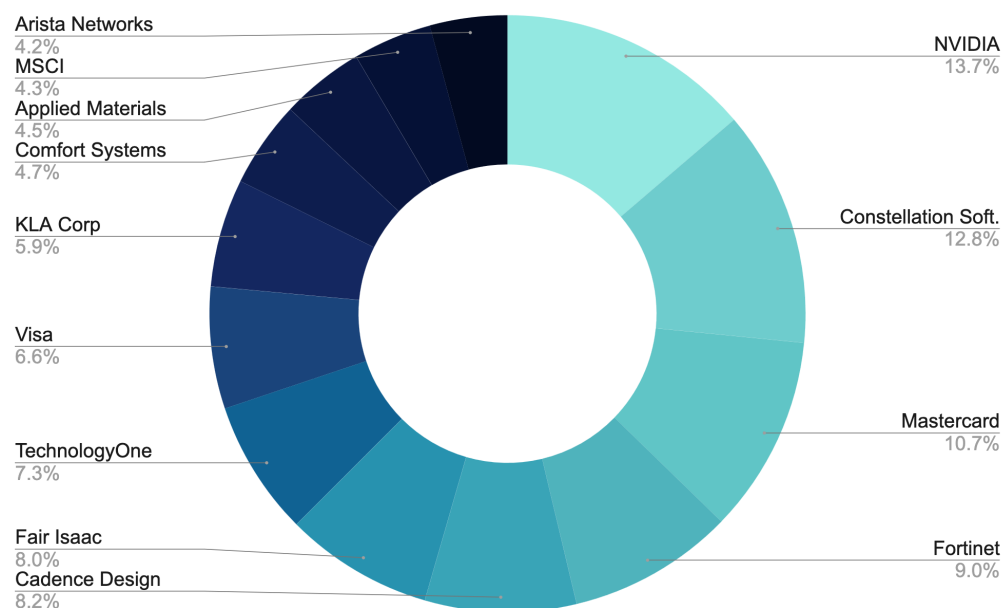
#### Portfolio comment

There were no outright sales or purchases. The top contributors to performance were Comfort Systems USA and Fair Isaac. The top detractors from performance were Mastercard and Cadence Design Systems.

#### Performance (Gross returns in GBP)

|             | Jan    | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov  | Dec   | Total         |
|-------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|---------------|
| <b>2021</b> |        |       |       |       |       |       |       |       |       | 6.2%  | 2.4% | 0.0%  | <b>8.6%</b>   |
| <b>2022</b> | -11.6% | -4.6% | 4.9%  | -7.5% | -2.3% | -3.6% | 13.6% | -2.4% | -7.4% | 2.0%  | 2.3% | -6.7% | <b>-22.9%</b> |
| <b>2023</b> | 8.4%   | -0.7% | 4.2%  | -1.4% | 3.3%  | 0.9%  | 1.0%  | 2.9%  | -2.1% | -0.4% | 8.5% | 3.4%  | <b>31.1%</b>  |
| <b>2024</b> | 7.8%   | 7.1%  | 2.1%  | -5.7% | 5.0%  | 4.7%  | -2.6% | -1.9% | -1.1% | 1.8%  | 8.8% | -5.6% | <b>20.5%</b>  |
| <b>2025</b> | 2.6%   | -2.0% | -8.1% | 3.4%  | 3.0%  | 3.1%  | 2.3%  | -5.5% | 1.2%  | 4.8%  |      |       | <b>4.0%</b>   |

#### Portfolio



<sup>1</sup> Financial market infrastructure (FMI) captures Fair Isaac, Mastercard, MSCI and Visa. Semiconductors captures Applied Materials, Cadence Design Systems, KLA Corp. and NVIDIA. Software captures Constellation Software, Fortinet and TechnologyOne. Industrials captures Arista Networks and Comfort Systems USA.

<sup>2</sup> FCF ROC is free cash flow (FCF) divided by invested capital (non-current liabilities plus equity), expressed as a percentage. FCF Growth (5yr) is the annualised growth rate of FCF per share over the last 5-years. FCF Linearity (5yr) is the R-squared value of FCF per share price growth over the last 5 years. FCF Margin is FCF divided by total revenue, expressed as a percentage. FCF Margin Expansion is the percentage point difference in the current FCF Margin and the FCF Margin 5 years ago. FCF Yield is FCF divided by the market capitalisation, expressed as a percentage. Interest expense is divided by operating profit, expressed as a percentage. 5yr  $\Delta$  share count is the percentage difference between the current share count and the share count 5 years ago. All values presented are weighted to the position size of each company within the portfolio.