

DISCOVERY FOUNDERS' FUND



Monthly Report for September 2025

For wholesale investors only – not for retail distribution

PORTFOLIO MANAGERS



CHRIS BAINBRIDGE

Founder and Portfolio Manager



MARK DEVCICH

Founder and Portfolio Manager

NET PERFORMANCE	1 MONTH	6 MONTHS	1 YEAR	2 YEAR (P.A)	SINCE INCEPTION (P.A)	SINCE INCEPTION (TOTAL)
Discovery Founders' Fund*	4.0%	45.5%	42.1%	58.2%	53.3%	262.3%
Index (NZD)**	6.5%	30.0%	27.2%	23.8%	15.6%	54.7%
Outperformance	-2.5%	15.5%	14.9%	34.4%	37.7%	207.6%

*Performance is reported **after** all fees and expenses. **Past performance is not a reliable indicator of future returns.** Inception date 28th September 2022.

** Index is the S&P/ASX Small Ordinaries Accumulation Index in New Zealand Dollars.

Three Years

The Founders' Fund reached the three year mark on 28th September. An investor who invested \$1m three years ago would have +\$3.6m today.

Three years proves nothing. Our mission remains outstanding performance and we need to prove that over the medium term. We're focused, energised and ambitious about what we can achieve for investors in Year Four. Thank you for investing alongside us.

Fund Review

Markets continued to rally in September driven by lower interest rate expectations.

September was a quiet month of news for the Founders' Fund. The Founders' Fund finished September up 4% vs the Index which finished up 6.5%. In the three years since inception, the Founders' Fund's annualised performance is 53.3% vs the Index of 15.6%.

Featured Company

One company which detracted from performance in September was Tuas Limited (**ASX:TUA**). We discussed TUA in our March newsletter. As a reminder, TUA was spun out after a merger between TPG Telecom and Vodafone Australia. TUA is a fast growing telecommunications company in Singapore that ticks our four Ps (Potential, Predictability, People and Profitability).

Executive Chairman David Teoh's track record in Australia with TPG has proved to be a blueprint for success in

Singapore. TUA has been mirroring TPG's success, growing its mobile market share from 0% to 12% in five years and launching a broadband offering.

TUA re-rated in August following the transformational acquisition of Singapore competitor M2. We believe industry consolidation from four players to three will lead to favourable competitive industry dynamics, with significant revenue and cost synergies ahead.

Unfortunately, TUA's FY25 result in September missed expectations. Despite growing revenue 29% on year and EBITDA 38% year on year, gross margins in 2HFY25 disappointed. The half on half decline in gross margins reflected additional network investment required to drive future growth. Stepping back, we're confident TUA can continue to aggressively take share. We believe TUA's scale and reach with M1 under its belt will result in TUA disrupting the market more aggressively across both the value-end and premium-end as well as the enterprise market. This should expedite TUA's journey from a challenger to becoming a clear market leader.

Outlook

October is a busy month of company news with conferences and AGMs. We expect updates from a number of our positions. We look forward to reporting on our performance.

Select Holdings

1. Generation Development Group
2. Life360
3. Superloop

This information refers to investments in the Discovery Founders' Fund (the **Fund**). Any person wishing to invest in the Fund should review the Information Memorandum and seek legal, financial and taxation advice. The Fund is a Wholesale Offer as defined in the Financial Markets Conduct Act 2013. **An investment may achieve a lower than expected return and investors risk losing some or all of their principal investment. Past performance is no indication of future performance.**

DISCOVERY FOUNDERS' FUND

Fact Sheet

For wholesale investors only – not for retail distribution

The Investment Opportunity

Discovery was established with one mission: outstanding performance. Mark and Chris believe there's three foundations for success:

Focus: one fund, one focus. Targeting 20 of the best companies in Australasia, delivered in one nimble, limited capacity fund.

Expertise: Mark and Chris are experts in Australasian equities. Discovery leverages over 20 years combined experience and the competitive drive of two founders to outperform.

Alignment: Mark and Chris have virtually their entire liquid networth invested in the Founders' Fund.

The Manager

Discovery Funds Management is a performance driven boutique investment management firm specialising in investing in high calibre companies for sophisticated investors. Discovery was launched in September 2022 and is wholly owned by Mark and Chris.

Our Approach

High Conviction: targeting 20 of the best companies in Australasia.

Active Manager: benchmark unaware.

Deep Fundamental Research: mosaic approach incorporating independent company sources, industry experts, feedback from customers and base rates derived from local and international competitors to generate unique insights.

Rigorous Risk Management: disciplined framework designed to minimise drawdowns and protect capital.

Limited Capacity: \$300m close to new investors.

MANAGER	Discovery Funds Management Limited
FUND TYPE	Wholesale (unregistered) PIE unit trust
STRATEGY	Long only concentrated portfolio of companies listed on the ASX/NZX
STOCK HOLDINGS	Target 20 holdings
STOCK LIMIT	10% at cost
CASH HOLDING	Generally, no more than 20%
APPLICATIONS	Minimum \$250,000 (unless otherwise agreed)
BENCHMARK	S&P/ASX Small Ordinaries Accumulation Index (NZD)
MANAGEMENT FEE	1.2% per annum (excluding GST) on the net asset value of the fund
PERFORMANCE FEE	20% (excluding GST) of the total return of the fund in excess of the Benchmark during a six month performance period and provided any underperformance has been recovered (high water mark)
UNIT PRICING	Daily in NZD
WITHDRAWALS	10 Business Days
AUDITOR FOR THE FUND	PricewaterhouseCoopers
LAWYER	Chapman Tripp
TRUSTEE	Public Trust
CUSTODY, REGISTRY AND FUND ADMIN	Adminis

**Enquire about investing
today**

[Email our Team](#)



Investment enquiries can be made online via our website at www.discoveryfunds.co.nz or by contacting the team at info@discoveryfunds.co.nz or phone +64 22 192 2332