MINOTAUR

MINOTAUR GLOBAL OPPORTUNITIES FUND

Monthly Report

February 2025

PERFORMANCE

PERIOD	MINOTAUR
1 Month	**+0.7%**
3 Months	**+2.5%**
6 Months	**+14.8%**

MANAGER COMMENTARY

February 2025

The Minotaur Global Opportunities Fund returned 0.7% in February, outpacing our benchmark by 1.0%. While this was a modest absolute gain, our active positioning helped us navigate what proved to be challenging market conditions.

Portfolio performance this month was largely driven by our increased short positions, which contributed 1.5% to our overall return. We significantly expanded our short exposure from 5.0% of our portfolio at the beginning of the month to 15.4% by month-end. Four of our top 10 contributors were short positions.

Amongst our long positions, NVIDIA rebounded from January's volatility to become a top contributor, while Tapestry (now exited) benefited from solid results. Chugai Pharmaceutical was also a top contributor. Conversely, IperionX, Prysmian, and Amazon were our biggest detractors.

A Call to Arms

The most significant change to our portfolio this month was the establishment of a substantial position in European defence stocks, which comprised ~15% of the portfolio across eight companies by the end of February. This shift reflects our conviction that we're witnessing a profound transformation in global geopolitics and security priorities. Our allocation has continued to grow into March as we've increased our conviction in this thesis.

The world has been moving from a US-led order to regional spheres of influence for some time, but recent developments have accelerated this trend dramatically. When JD Vance addressed the Munich Security Conference, his lecture on European democracy sent shockwaves through the continent. Subsequently, we've seen the incoming German Chancellor Friedrich Merz pledge to achieve "real independence" from the US, declaring that his "absolute priority will be to strengthen Europe as quickly as possible." The heated confrontation between President Trump and Ukraine's President Zelenskyy further crystallised this shift.

This isn't merely a political realignment, it represents a structural growth cycle for European defence companies. European nations are now targeting defence spending of 3-4% of GDP, up from less than 2% historically, while simultaneously shifting procurement from 60-70% US suppliers to more local European alternatives. This double tailwind creates an exceptional growth environment for the sector.

The AI Advantage

Our swift deployment into European defence was significantly accelerated by our AI capabilities. To rapidly build expertise in this sector, we employed ChatGPT's Deep Research functionality, which produced comprehensive analysis of the industry in just 12 minutes - a task that would typically require at least one to two weeks for an analyst to complete, likely with less thorough results.[1]

We then leveraged our proprietary Taurient system to help analyse individual stocks. Taurient's advantage lies in its carefully curated source data, which is often more reliable than what public LLMs will access. This AI-powered approach enabled us to move decisively while others were still processing the implications of Europe's security pivot. Since establishing our positions, European defence stocks have rallied further, validating our prompt action.

Looking Ahead

Markets remain rocky, but our portfolio is well-positioned. Our European defence exposure has continued to appreciate into March, but valuations still don't fully reflect the long-term earnings trajectory.

This reinforces a core principle of our investment approach - major changes, whether in company strategy or the geopolitical environment, often lead to mispriced stocks as markets struggle to fully appreciate the long-term implications. We believe the market is yet to fully price in how European defence companies' earnings will evolve over the next five to 10 years in response to this structural shift.

As Thucydides wrote, *"The society that separates its scholars from its warriors will have its thinking done by cowards and its fighting by fools."* At Minotaur, we aim to be both thoughtful and bold – a combination that has served us well thus far and will continue to guide our approach through these turbulent times.

---

[1] In leveraging Deep Research for our European defence analysis, we first used ChatGPT's o1 model to craft a detailed "deep research prompt" exploring the shifting US-Europe alliance dynamics, potential defence spending increases, and which specific companies might benefit from this structural shift. We've found this two-step approach consistently delivers superior results compared to using Deep Research alone, as it significantly enhances the quality and comprehensiveness of research outputs.

PORTFOLIO

Top 10 Holdings

ALPHABETICAL — AS AT 28 FEBRUARY 2025

CD Projekt Red S.A.
Poland
Mid Cap · Communication Services

Chugai Pharmaceutical Co., Ltd.
Japan
Large Cap · Health Care

COVER Corporation
Japan
Small Cap · Communication Services

CyberArk Software
United States
Large Cap · Information Technology

IperionX Limited
United States
Small Cap · Materials

Meta Platforms Inc Class A
United States
Mega Cap · Communication Services

MongoDB Inc.
United States
Large Cap · Information Technology

NVIDIA Corporation
United States
Mega Cap · Information Technology

Rheinmetall AG
Germany
Large Cap · Industrials

Super Micro Computer Inc
United States
Large Cap · Information Technology

PORTFOLIO

Composition

MARKET CAP, EXPOSURE, REGIONS & SECTORS

MARKET CAP

Mega Cap US$200bn+	18.2%
Large Cap US$10–200bn	52.4%
Mid Cap US$2–10bn	10.8%
Small Cap US$300m–2bn	11.3%
Micro Cap <US$300m	5.3%

INVESTED POSITION

Gross Long	113.4%
Gross Short	15.4%
Net Exposure	98.0%
Long Positions	61
Short Positions	10

REGIONS

North America	**39.7%**
United States	38.0%
Canada	1.8%
Europe	**30.7%**
United Kingdom	6.4%
Germany	6.3%
France	5.9%
Poland	5.1%
Italy	3.5%
Spain	2.3%
Norway	1.1%
Greece	0.2%
Asia Pacific	**27.6%**
Japan	10.7%
China	6.1%
Australia	5.6%
Singapore	2.8%
Hong Kong	1.0%
South Korea	0.7%
Kazakhstan	0.7%

SECTORS

Energy	0.8%
Materials	5.6%
Industrials	21.1%
Consumer Discretionary	3.8%
Consumer Staples	0.1%
Health Care	4.2%
Financials	11.0%
Information Technology	31.3%
Communication Services	15.9%
Utilities	1.1%
Real Estate	3.1%

READ MORE

Explore the interactive report

ONLINE VERSION

Charts, holding details, and more

The web edition of this report has expandable holding profiles, supporting charts, and any videos or embedded media referenced in the commentary.

https://www.minotaurcapital.com/reports/monthly/2025-02

For investor enquiries, contact invest@minotaurcapital.com.

IMPORTANT INFORMATION

Minotaur Capital Management Pty Ltd (ABN 17 672 819 975) is a corporate authorised representative (CAR 1308265) of Minotaur Licensing Pty Ltd (ABN 86 674 743 198) (AFSL 557080). The Minotaur Global Opportunities Fund is issued by K2 Asset Management Ltd (ABN 95 085 445 094, AFSL 244393), a wholly owned subsidiary of K2 Asset Management Holdings Ltd (ABN 59 124 636 782).

The information in this document (the Information) has been prepared by Minotaur.

This information is for general information only and is not an offer for the purchase or sale of any financial product or services. The Information has been prepared for investors who qualify as wholesale clients under section 761G of the Corporations Act 2001 (Cth) (Corporations Act) or to any other person who is not required to be given a regulated disclosure document under the Corporations Act. The Information is not intended to provide you with financial or tax advice and does not take into account your objectives, financial situation or needs. Although we believe that the Information is correct, no warranty of accuracy, reliability or completeness is given, except for liability under statute which cannot be excluded. Please note that past performance may not be indicative of future performance and that no guarantee of performance, the return of capital or a particular rate of return is given by Minotaur, K2 Asset Management or any other person. To the maximum extent possible, Minotaur, K2 Asset Management or any other person do not accept any liability for any statement in this Information.