



Enhanced Growth Strategy

SOFTWARE SURVIVORS

Resilient Software Companies
discounted by Agentic fears

FEB 2026



Software Survivors

Resilient Software Companies discounted by Agentic fears

The rapid rise of agentic AI has triggered a pronounced sell-off in enterprise software stocks. The narrative of an impending “SaaS-pocalypse” — where autonomous AI agents will commoditise and disrupt traditional platforms — has driven indiscriminate selling. While the sell-off is real, the blanket bear thesis represents lazy analysis that overlooks critical differences in business quality.

Not all SaaS companies are equally vulnerable. For many categories, agentic AI poses a genuine structural challenge. For a carefully selected subset with deep, durable moats, however, it is precisely the opposite: an opportunity to pull further ahead.

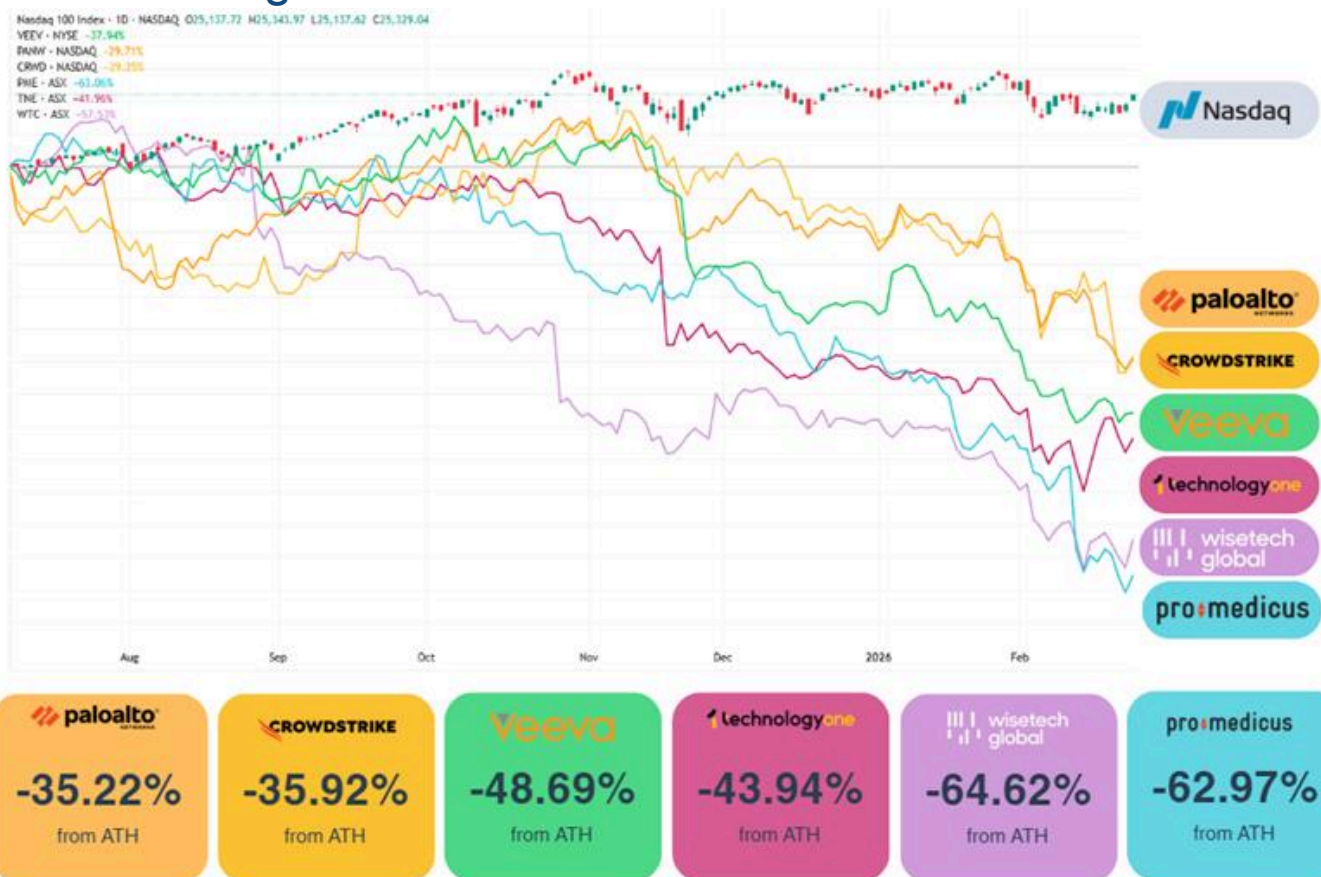
Software Survivors is our strategy dedicated to investing in this resilient subset. Amid the broad-brush panic, we have identified the true survivors through a proprietary five-pillar moat framework (detailed elsewhere) that rigorously evaluates AI disruption risk across our software universe. This framework focuses on observable, measurable structural properties that determine whether an AI agent can replicate or replace a platform — or must operate through it.

Companies that excel under this framework are not merely defended — they are self-reinforcing. New customers, data signals, and regulatory approvals compound their advantages. Agentic AI shifts from a threat to a powerful tool that these leaders wield to widen their competitive gap.

Software Survivors focuses exclusively on these businesses, where the investment case strengthens rather than weakens as AI capabilities advance. By identifying the true survivors amid market panic, we aim to capitalise on the attractive valuations created by Agentic AI fears.

Three sectors emerge from our analysis as offering the strongest convergence of these protective qualities: Healthcare IT, Enterprise Resource Planning (ERP), and Cybersecurity. Within them, we target the companies that represent the clearest expressions of durable moats — the genuine software survivors poised to thrive in the agentic era.

Peak-to-trough drawdown for Software Favourites as of Feb 2026



MPC Five-Pillar Moat Framework

Observable, measurable properties that determine AI disruption resistance



01 PROPRIETARY DATA

Longitudinal, domain-specific datasets that cannot be replicated by scraping or synthesis. The deeper and older the data, the more durable the moat.



02 WORKFLOW EMBEDDING

Platforms inseparable from daily operations. Switching requires data migration, process redesign, retraining and loss of historical context.



03 COMPLIANCE BARRIERS

FDA, GxP, government procurement – each imposes multi-year, multi-jurisdiction re-approval costs on any alternative platform.



04 DOMAIN LOGIC

Deeply codified business rules refined over years of real-world deployment. Accumulated intellectual capital that generic AI cannot shortcut.



05 FRONTIER RESEARCH POSTURE

Companies deploying AI offensively to extend their own moat – turning potential disruption into compounding product advantage.

Simple, measurable strengths that show which software companies can stand up to AI

Agentic AI — smart systems that can think, plan, and handle complicated tasks on their own — is changing the business software world fast. Many people worry it will replace a lot of SaaS companies, and that fear has caused a big sell-off in the market. But not every software company is in the same boat. Some have built-in strengths, or “moats,” that make it very hard for AI to take their place. In fact, these companies may actually get stronger because of AI.

To spot the winners, we use a simple five-part test called the MPC Five-Pillar Moat Framework. Each pillar is something real and easy to check — things like company reports, customer feedback, and government rules. When a company is strong in most or all five areas, it’s much more likely to survive and thrive. These are the true Software Survivors we focus on.

- 1. Your Own Special Data** The first strength is owning a huge, private collection of information built up over many years in one specific industry. Imagine a medical software company with 15 years of real patient results or a business system that has tracked every sale and detail in its field for decades. This data is private, constantly updated, and impossible for outsiders to copy or create from scratch. New AI systems can pull general knowledge from the internet, but they can’t match this deep, trusted, real-world information. The older and richer the data, the safer the company.
- 2. Deeply Built Into Daily Work** The second strength is how tightly the software fits into people’s everyday jobs. It’s not just an app you open once in a while — it’s the main place where the most important work gets done every single day. Employees live inside it. Switching to anything else would mean moving years of records, retraining everyone, redesigning team processes, and losing important history. An AI agent trying to do the same job from the outside would miss key details and couldn’t be trusted. The more “stuck in” the software is, the harder it is to replace.
- 3. Tough Rules and Regulations** The third strength comes from strict government and industry rules. In healthcare, finance, or government work, software must follow very specific safety, privacy, and audit laws. Getting approval for a new system can take years and cost millions across different countries. Any AI-powered newcomer would have to go through exactly the same slow, expensive process. These rules create a natural wall that protects the established companies while new players struggle to catch up.
- 4. Built-In Industry Know-How** Every industry has its own complicated rules, exceptions, and ways of working that have been fine-tuned over decades of real experience. This “industry know-how” is coded into the software as smart decision-making steps. A general AI might handle simple tasks, but it struggles with the tricky, specific situations that only come from years of solving real customer problems. It’s the difference between a basic chatbot and an expert who knows all the insider tricks of the trade.
- 5. Using AI to Get Even Stronger** The fifth strength is how companies use AI themselves. Some just worry about AI taking their business. The smartest ones build AI features right into their products to make them better and faster. They use their own special data and deep connections to create new tools that help customers even more. Instead of seeing AI as an enemy, they turn it into an advantage that helps them pull further ahead.

When a software company is strong in several of these five areas, it becomes like a fortress. Every new customer makes its data and position even better. For Software Survivors investors, this framework cuts through the hype and fear. We focus on these solid businesses where AI actually helps them grow — and which are often available at lower prices right now because of short-term market worries. These are the companies built to last and do well, no matter how smart AI agents get.



HEALTHCARE IT

Regulatory validation cycles (FDA, GxP, HIPAA) create near-permanent compliance moats. AI becomes a platform accelerant — not a disruptor.



ERP

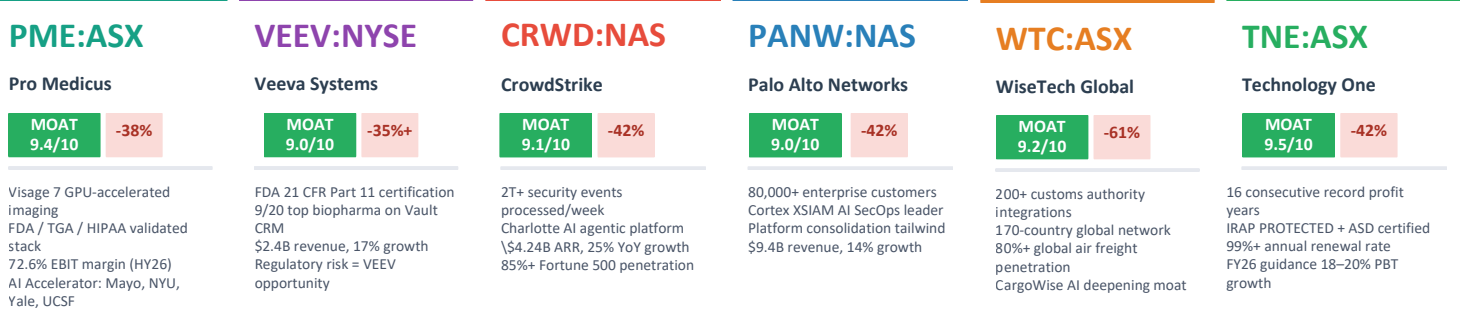
Mission-critical domain logic embedded in regulated workflows.
99%+ retention and compliance certifications that new entrants cannot shortcut.



CYBERSECURITY

Every new AI-generated attack vector expands the threat surface – and compounds the telemetry advantage of the largest installed bases.

AI BENEFICIARY	LOW THREAT	MODERATE	ELEVATED	HIGH THREAT	EXISTENTIAL
Pro Medicus PME:ASX	WiseTech Global WTC:ASX	SAP SAP:NYSE	Autodesk ADSK:NASDAQ	Xero XRO:ASX	DocuSign DOCU:NASDAQ
Veeva Systems VEEV:NYSE	Technology One TNE:ASX	Microsoft MSFT:NASDAQ	Salesforce CRM:NYSE	Workday WDAY:NASDAQ	Zoom ZM:NASDAQ
CrowdStrike CRWD:NASDAQ	ServiceNow NOW:NYSE	Intuit INTU:NASDAQ	HubSpot HUBS:NYSE	Adobe ADBE:NASDAQ	UiPath PATH:NYSE
Palo Alto Ntwks PANW:NASDAQ	Toast TOST:NYSE	Procore PCOR:NYSE	Schrödinger SDGR:NASDAQ	Snowflake SNOW:NYSE	Definitive HC DH:NASDAQ
Palantir PLTR:NYSE	Constellation CSU:TSX	Clearwater CHW:NYSE	ReadyTech RDY:ASX	Appen APP:ASX	
REA Group REA:ASX	Guidewire GWRE:NYSE	Atlassian TEAM:NASDAQ	Life360 L36:ASX		
CAR Group CAR:ASX	Privia Health PRIV:NASDAQ	DUG Tech DGT:ASX			
	Bentley Systems BSY:NASDAQ	SiteMinder SDR:ASX			
	HUB24 HUB:ASX	Praemium PRS:ASX			
	Catapult CAT:ASX	Bravura BVS:ASX			
	Nuix NXL:ASX				



Healthcare IT

Regulatory Complexity as a Compounding Moat

Healthcare IT sits at the intersection of the two most durable moat properties our framework identifies: deep compliance barriers and highly codified domain logic. Medical imaging and life sciences software are not merely workflow tools — they are validated, regulated, and legally embedded into clinical and commercial decision-making processes that carry patient safety implications and regulatory accountability. These structural properties make the sector uniquely resistant to agentic AI displacement, and in several important ways, directly accelerated by it.

Pro Medicus (PME) is the clearest expression of this thesis in global healthcare imaging. The company's Visage 7 platform delivers GPU-accelerated streaming of radiology images at sub-second load times — a technical architecture that is not merely ahead of competitors, but so different in kind that direct replication requires a multi-year engineering rebuild. The platform holds FDA, TGA, and HIPAA validation across its clinical imaging stack, and every AI agent or algorithm embedded within the Visage environment must itself pass regulatory validation before clinical deployment. This creates a compounding compliance moat: the platform is not just hard to leave, it is operationally impossible to replace without triggering multi-year re-approval cycles across every jurisdiction in which it operates. The company's AI Accelerator programme — partnerships with Mayo Clinic, NYU Langone, Yale, and UCSF — turns this regulatory barrier into an offensive flywheel. Each partner co-develops validated imaging algorithms within the Visage environment, meaning AI development itself is happening on Pro Medicus' platform, deepening lock-in at precisely the moment when agentic AI is accelerating algorithm development elsewhere. HY26 results confirmed the strength of this position: revenue grew 28% and EBIT margins reached 72.6% — a signature of a business with near-zero marginal cost to serve new volumes. MPC's assessment: 18 to 24 months ahead of any identifiable competitor, with AI acting as a moat extender, not a disruptor.

Veeva Systems (VEEV) represents the equivalent moat in life sciences commercial and clinical software, and our highest-conviction moat rating across the full 44-company universe. Veeva's Vault platform governs the document, data, and workflow infrastructure underlying FDA submissions, clinical trials, drug safety reporting, and commercial launch operations across 80%+ of the global life sciences industry. The key structural feature is GxP validation: under FDA 21 CFR Part 11, EU Annex 11, and equivalent global regulations, every Vault workflow — including every AI agent operating within it — must be individually validated before deployment in a regulated process. Validation projects for enterprise customers typically cost \$1–5 million and take 12–24 months. This is not a switching cost in the conventional sense; it is a near-permanent regulatory anchor. Veeva's AI roadmap is explicitly designed to deepen this anchor: Vault AI Agents, rolling out through 2026, are validated in situ — operating within the compliance framework, not alongside it. This means every Veeva AI deployment widens the moat rather than creating an opening for displacement. The combination of 80%+ market share, GxP validation barriers, and an offensive AI posture that is already generating measurable productivity gains for customers makes Veeva the archetype of what our framework is designed to identify: a business where the AI era makes the investment case stronger, not weaker.

PME:ASX — PRO MEDICUS

MOAT 9.4 / 10 ▲ AI BENEFICIARY

Peak: A\$336 · Trough: A\$108 · Current: ~A\$120

KEY METRICS

EBIT Margin (HY26)	72.6%
Revenue Growth	+28%
Net Revenue Retention	>100%
AI Partner Institutions	4

▲ BULL CASE

- 72.6% EBIT margin (HY26)
- +28% revenue growth YoY
- 18–24 months ahead of rivals
- AI Accelerator deepens moat

▼ BEAR CASE

- Premium valuation (80x+ P/E)
- US healthcare budget sensitivity
- Concentration in radiology vertical

VEEV:NYSE — VEEVA SYSTEMS

MOAT 9.0 / 10 ▲ FDA CERTIFICATION — UNASSAILABLE MOAT

Peak: \$343 · Trough: \$168 · Current: ~\$175

KEY METRICS

FY25 Revenue	\$2.4B
Net Margin	29%
Revenue Growth	17% YoY
Top 20 BioPharma	9/20

▲ BULL CASE

- FDA 21 CFR Part 11 moat
- 9/20 top biopharma on Vault CRM
- Vault AI Agents deepen lock-in
- Regulatory complexity = opportunity

▼ BEAR CASE

- Salesforce CRM competition
- Vault CRM migration risk
- Biopharma capex slowdown

Enterprise Resource Planning (ERP)

Mission-Critical Domain Logic and Inescapable Workflow Embedding

Enterprise Resource Planning (ERP) software is often misclassified as “horizontal SaaS vulnerable to AI agents” — a view that overlooks two core structural defenses: workflow embedding and domain logic. In reality, the most defensible ERP platforms are vertically specialised, mission-critical systems refined over decades of real-world use in heavily regulated industries. Their data architectures are deeply intertwined with customer operations, and their replacement cost is defined less by licence fees than by operational continuity risk. Two companies exemplify this model — WiseTech Global and Technology One — and both are not just insulated from agentic AI, but using it to strengthen their moats.

WiseTech Global (WTC) runs CargoWise, the world’s most widely deployed logistics and customs compliance platform, underpinning more than 80% of global trade volumes. Its competitive moat spans every pillar of our framework. WiseTech’s proprietary datasets — encompassing customs tariff codes, trade templates, carrier rates, and real-time border clearances across 170+ jurisdictions — reflect decades of accumulation and cannot be recreated by new entrants. Workflow embedding is absolute: CargoWise is not a productivity layer but the operational backbone of global freight forwarding and customs operations. Replacing it would require re-validating compliance workflows in every jurisdiction — a multi-year, high-risk process no customer would attempt voluntarily. The compliance moat is equally formidable. WiseTech encodes live regulatory updates — sanctions, tariff disputes, and rules of origin — directly into its platform. Without that data and network of authority integrations, AI models alone cannot replicate its compliance logic. Importantly, WiseTech has moved early to operationalise agentic AI. In 1H FY26, “CargoWise AI” was deployed across execution workflows, with management positioning AI as the core engine for product velocity and compliance automation in the next stage of expansion.

Technology One (TNE) demonstrates that ERP defensibility extends well beyond logistics. TNE dominates local government, higher education, health, and community services in Australia and the UK — all sectors defined by long procurement cycles, stringent public-sector compliance, and intense switching inertia. Its moat rests on two pillars. First, compliance: TNE holds IRAP PROTECTED status, ISO 42001 AI management certification, and a long track record of accredited public-sector deployments. Such credentials cannot be claimed; they must be earned through multi-year audits and operational validation. Second, workflow embedding: with 99% retention, TNE is deeply integrated into budget planning, reporting, grants, and student systems — functions too critical to disrupt. Its migration strategy from competitor SAP platforms and its frontier AI initiatives (natural language queries, automated procurement, and financial workflows) position TNE as a structural compounder in public-sector ERP, where AI advances reinforce, not erode, incumbency.

WTC:ASX — WISETECH GLOBAL	TNE:ASX — TECHNOLOGY ONE
MOAT 9.2 / 10 ▲ LOW THREAT	MOAT 9.5 / 10 ▲ HIGHEST DEFENSIBILITY SCORE
Peak: A\$141 · Trough: A\$41 · Current: A\$50	Peak: A\$42 · Trough: A\$20 · Current: ~A\$24
KEY METRICS FY25 Revenue \$1.1B+ EBITDA Margin 47% Net Revenue Retention >100% Customs Integrations 200+	KEY METRICS FY25 SaaS Revenue \$550M+ PBT Growth (FY26e) 18-20% Annual Renewal Rate 99%+ UK Revenue Growth >40% YoY
▲ BULL CASE 82% analyst consensus upside - CargoWise AI deepens moat - E2open synergies accelerating 200+ customs authority integrations ▼ BEAR CASE 3.5x EBITDA leverage (E2open) - Management transition risk - Revenue concentration: logistics	▲ BULL CASE 16 consecutive record profits - IRAP PROTECTED + ASD certified 99%+ annual renewal rate - Actively winning SAP defections ▼ BEAR CASE 56x forward P/E — premium - UK expansion execution risk - Govt budget cycle dependency

Cybersecurity

AI Expands the Threat Surface – and the Moat

Cybersecurity stands apart in our thesis because agentic AI doesn’t disrupt the incumbent leaders — it strengthens their competitive moats. Unlike most sectors where AI compresses costs and erodes barriers, cybersecurity’s value proposition lies in threat detection and response, functions that depend on data breadth, behavioural baselines, and the speed of adversarial counteraction. Every new AI-generated attack vector, autonomous threat agent, and enterprise-integrated agentic workflow expands the attack surface that security platforms must monitor. As that surface grows, the leading platforms — those with the deepest telemetry and broadest installed bases — compound their advantage. The pace of threat evolution now exceeds what any challenger can match without equivalent data history or scale.

CrowdStrike (CRWD) is the clearest expression of this data flywheel. The Falcon platform processes more than two trillion events each week, with every endpoint feeding behavioural telemetry into a continuously learning global threat graph. This proprietary dataset, built from years of adversarial behaviour, attack chains, and zero-day exploits, is virtually impossible to replicate without comparable coverage and time in market. Workflow embedding amplifies the moat: more than 85% of Fortune 500 companies use Falcon as their primary endpoint detection platform, integrating incident response, alert hierarchies, and compliance workflows directly into the system. Displacing CrowdStrike would require rebuilding those foundations while accepting reduced visibility — a risk few enterprises will tolerate. The company’s frontier AI posture crystallises its leadership. Charlotte AI, its conversational threat assistant, and Falcon’s automated response system transform that threat graph into an agentic security engine. As adversaries weaponise AI, each new attack trains CrowdStrike’s models further, widening the detection gap and reinforcing its structural advantage.

Palo Alto Networks (PANW) demonstrates the parallel consolidation dynamic. Its integrated architecture — Strata for network security, Prisma for cloud, and Cortex for AI-driven operations — serves over 80,000 enterprises, many consolidating their security stack to reduce complexity as AI-generated threats multiply. This rationalisation trend captures share from point-solution competitors whose tools now look insufficient. Palo Alto’s compliance moat is equally robust: years of certifications, data residency controls, and audit history give it an advantage in regulated sectors such as government and financial services. New entrants can’t claim equivalent assurance overnight. PANW’s AI-native posture is purpose-built for this era. Through AI Security Posture Management and Cortex XSIAM, it protects enterprise agentic deployments, monitors AI-generated attack vectors, and governs AI interfaces. As agentic AI expands the threat surface, Palo Alto’s platform breadth, compliance depth, and intelligence scale make it stronger — not more vulnerable.

CRWD:NASDAQ — CROWDSTRIKE	PANW:NASDAQ — PALO ALTO NETWORKS
MOAT 9.1 / 10 ▲ AI BENEFICIARY	MOAT 9.0 / 10 ▲ AI BENEFICIARY
Peak: \$566 · Trough: \$298 · Current: \$363	Peak: \$223 · Trough: \$140 · Current: \$144
KEY METRICS Annual Recurring Revenue \$4.24B ARR Growth 25% YoY Net Revenue Retention 119% Fortune 500 Coverage 85%+	KEY METRICS FY25 Revenue \$9.4B Revenue Growth 14% YoY Free Cash Flow Margin 38% Enterprise Customers 80,000+
▲ BULL CASE 2T+ events/week threat graph - Charlotte AI agentic platform \$4.24B ARR growing 25% YoY - AI expands moat, compounds advantage ▼ BEAR CASE - July 2024 outage reputational risk 50x+ forward P/E premium - Microsoft Defender competition	▲ BULL CASE 80,000+ enterprise customers - Platform consolidation tailwind - Cortex XSIAM AI SecOps leader 38% free cash flow margin ▼ BEAR CASE - Platformisation discounting billings - Integration execution complexity - Crowded enterprise security market

Enhanced Growth Investment

Three Sector Pairs over 12-Months

Healthcare IT: Regulatory Complexity as a Compounding Moat

Healthcare IT sits at the intersection of deep compliance barriers and highly codified domain logic. Medical imaging and life sciences software are validated, regulated, and legally embedded into clinical processes that carry patient safety implications. The sector is resistant to agentic AI displacement and accelerated by it.

Basket is leveraged 7.4x (\$13,500 cash investment for \$100k Exposure)

- Pro Medicus (PME): Visage 7 delivers GPU-accelerated sub-second radiology image streaming with FDA/TGA/HIPAA validation. AI Accelerator partnerships with Mayo Clinic, NYU Langone, Yale and UCSF co-develop validated algorithms inside the platform, turning compliance into an offensive flywheel. HY26 revenue +28%, EBIT margins 72.6%. MPC: 18-24 months ahead, AI as moat extender.
- Veeva Systems (VEEV): Vault platform governs FDA submissions, clinical trials and commercial operations for 80%+ global life sciences. GxP validation creates near-permanent regulatory anchor with \$1-5M, 12-24 month cycles. Vault AI Agents rolling out through 2026 operate within the framework and widen the moat.

Enterprise Resource Planning (ERP): Mission-Critical Domain Logic and Inescapable Workflow Embedding

Vertically specialised ERP in regulated industries features deep workflow embedding and domain logic refined over decades. Data architectures intertwine with operations; replacement costs defined by continuity risk. Leaders are insulated from and strengthened by agentic AI.

Basket is leveraged 7.4x (\$13,500 cash investment for \$100k Exposure)

- WiseTech Global (WTC): CargoWise underpins 80%+ global trade with proprietary datasets across 170+ jurisdictions. Absolute backbone with compliance encoding live regulatory updates. CargoWise AI deployed 1H FY26 for execution workflows and automation.
- Technology One (TNE): Dominates public-sector ERP in Australia/UK with IRAP PROTECTED status and ISO 42001. 99% retention, integrated into budget planning and grants. Frontier AI initiatives reinforce incumbency.

Cybersecurity: AI Expands the Threat Surface — and the Moat

Agentic AI expands the attack surface, strengthening incumbents with deepest telemetry and scale. Threat detection relies on data breadth and behavioural baselines. Leading platforms compound advantage as evolution outpaces challengers.

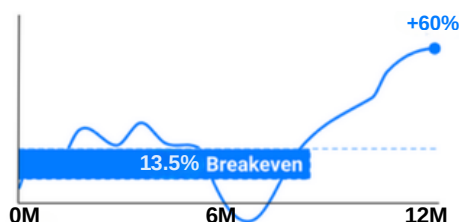
Basket is leveraged 6.6x (\$15,000 cash investment for \$100k Exposure)

- CrowdStrike (CRWD): Falcon processes 2T+ events weekly into proprietary threat graph from years of exploits. 85%+ Fortune 500 primary platform. Charlotte AI turns it into agentic engine; new attacks train models further.
- Palo Alto Networks (PANW): Integrated Strata/Prisma/Cortex serves 80k+ enterprises amid stack consolidation. Strong compliance in regulated sectors. AI-native tools protect agentic deployments and monitor AI threats.

Scenarios: Examples of a \$13,500 Investment

Scenario 1: Strong Performance

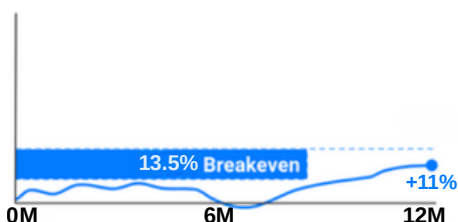
The reference asset is up 60% at maturity
+344.44% ROI



- \$13.5k cash outlay provides \$100k of notional exposure
- Worst of basket is up 60% at maturity
- Investor receives = **\$60,000.00**
(\$100k x 60%)

Scenario 2: Weak Performance

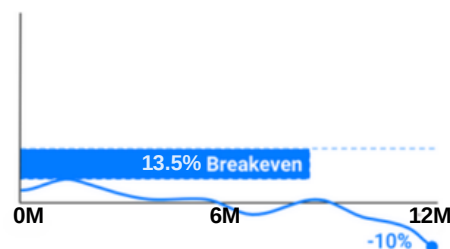
The reference asset is up 14% at maturity
-18.5% ROI



- \$13.5k cash outlay provides \$100k of notional exposure
- Worst of basket is up 11% at maturity
- Investor receives = **\$11,000.00**
(\$100k x 11.00%)

Scenario 3: Negative Performance

The reference asset is down 10% at maturity
-100.00% ROI



- \$13.5k cash outlay provides \$100k of notional exposure
- Worst of basket is down 10% at maturity
- Investor receives = **\$0**
(\$100k x 0%)

12-Month timeframe. Investors can request sell at any time if strategy is above flat

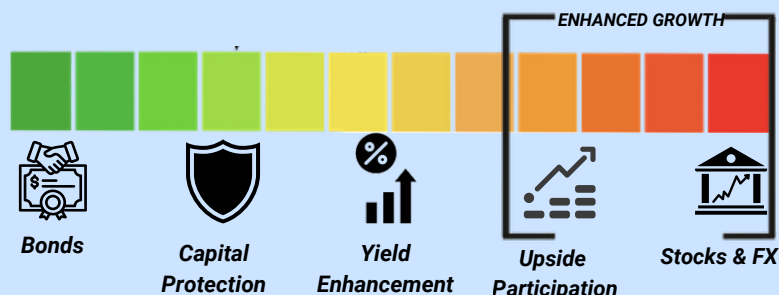
Structured Investments

What are Structured Investments and what is the risk profile



ENHANCED GROWTH

Given the high conviction we have in this thematic, we are using enhanced growth strategies to capture leverage in all 3 strategies to gain the most upside with minimal risk



Risk profile - Where do structured Investments fit in a portfolio?

Protection

Help Reduce Risk

Reposition a portion of equity exposure

- Reduce downside risk
- Maintain a level of equity upside

Growth

Help Increase Returns

Reposition a portion of a balanced portfolio

- Maintain upside potential
- Establish downside protection

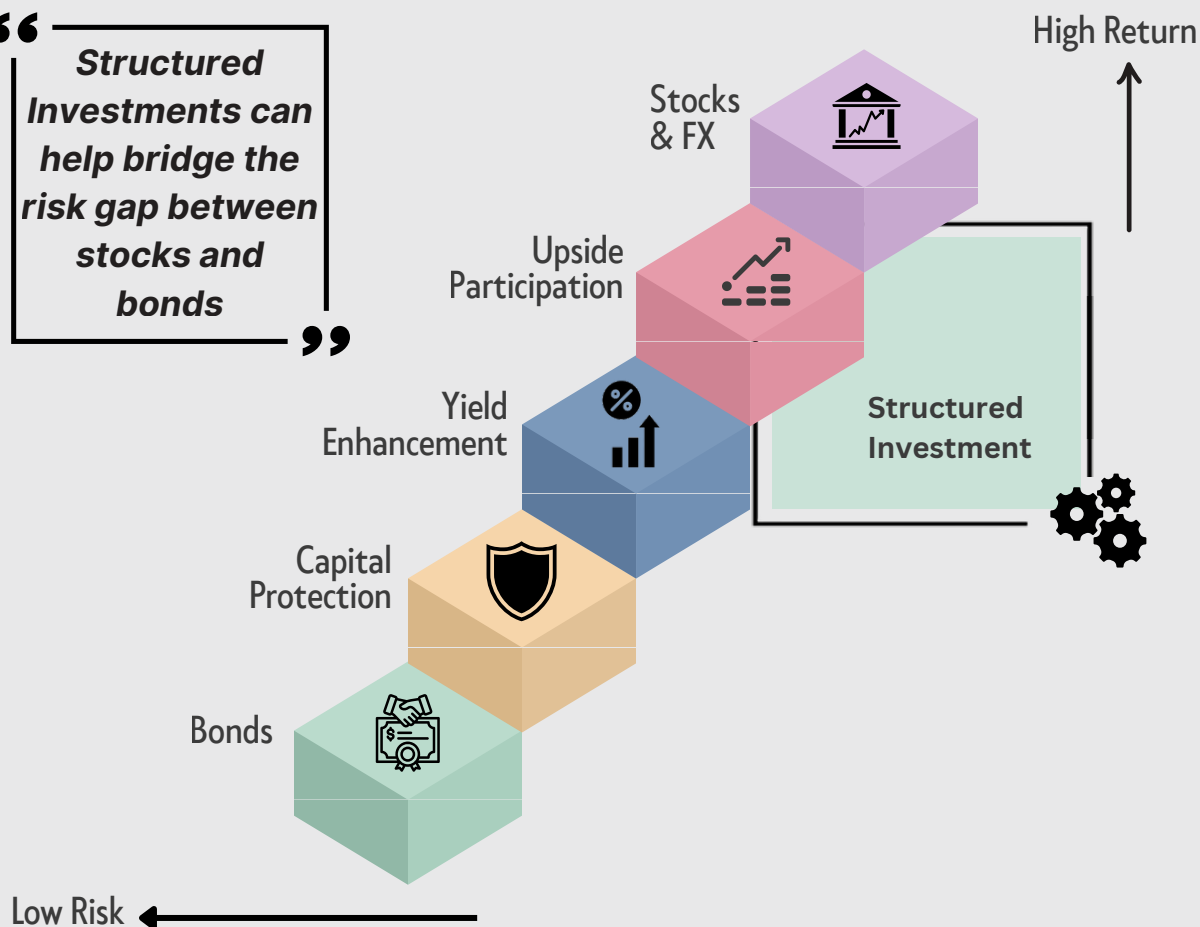
Income

Shift out of cash

Reposition a portion of cash off the sidelines

- Increase yield
- Preserve risk targets

“
Structured Investments can help bridge the risk gap between stocks and bonds
 ”



About Structured Investments

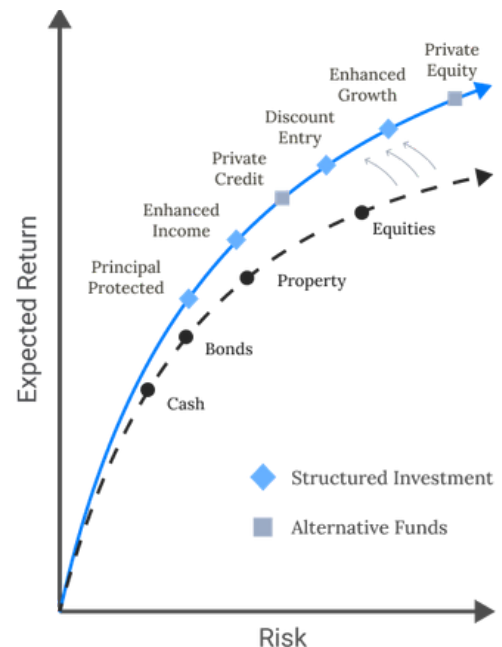
What are Structured Investments?

Structured investments represent a fusion of financial derivatives and traditional assets. These investments are issued by most major banks, including Goldman Sachs, Morgan Stanley, BNP Paribas and Citi, amongst others.

Clients utilise structured investments to meet specific investment objectives, whether it be capital protection, enhancing income or capitalise on a growth view. The strategies can be linked to the performance of various underlying assets, including equities, commodities, bonds, funds and ETFs - and can be designed in any major currency.

The ability to tailor a structured investment around an investor's objective and asset class, can achieve better risk adjusted returns.

How **Structured Investments** fit in a portfolio ¹



Key Benefits of Structured Investments: ²

01

Ability to generate greater certainty of returns and navigate volatile market cycles.



02

Ability to highly curate a product around an investor's objective, asset class, currency and time horizon.



03

Potential for better risk-adjusted returns than a direct investment into an asset class.

Insights on the global structured investment market

>\$7Tn ³

Structured notes are more than an estimated \$7 trillion dollar market globally.

+68% ⁴

Year on year growth in the U.S. in 2023, reaching an estimated \$130 billion.

>33% ⁴

CAIS-Mercer (2023) survey, reveal one-third of advisers currently allocate to Structured notes

¹ Stropo. For illustrative purposes only. This illustration does not take into consideration a client's specific investment objectives, risk tolerance, or financial situation.

² Structured Investments have complex features and may not be suitable for all investors. Investments made available on the Stropo platform are only available to wholesale, sophisticated or professional investors and their financial advisers.

³ Bloomberg, 2019 <https://www.bloomberg.com/professional/insights/markets/sure-time-to-grasp-the-potential-of-structured-products/>

⁴ Mercer & CAIS (2023). The State of Alternative Investments in Wealth Management.

INVESTMENT & FINANCIAL TERMS

Return on Investment (ROI) — How much profit you make compared to what you put in. If you invest \$10,000 and get back \$12,000, your ROI is 20%.

Notional Exposure — The total value of the investment you are 'controlling' through a structured product, even though you only put up a fraction of that as cash. Think of it like a home deposit: you pay 10% upfront but own 100% of the house's price movement.

Leverage — Using a smaller amount of money to control a much larger investment. Higher leverage means bigger potential gains and bigger potential losses. Our ASX basket is 6.4x leveraged, meaning \$15,500 cash controls \$100,000 of exposure.

Drawdown — How far a share price has fallen from its highest point. A 61% drawdown means the stock fell 61% from its peak. This is not a permanent loss — it shows the discount at which you can now buy.

Breakeven — The minimum the investment needs to return for you to get your money back. If your breakeven is 15.5%, the basket needs to rise at least 15.5% before you start making a profit.

Worst-of Basket — A structure where the payout is tied to whichever stock in the group performs worst. If one company rises 50% but the other rises 10%, you receive the 10% return.

Maturity — The end date of the structured product. For our baskets, this is 24 months from when you invest. You receive your payout at maturity.

Capital at Risk — A reminder that you could lose some or all of your investment. In an Enhanced Growth product, if the basket falls significantly, you may receive nothing back.

Market Capitalisation (Market Cap) — The total value the stock market places on a company, calculated by multiplying the share price by the number of shares on issue. When we say "\$1 trillion in market cap was lost," it means companies collectively lost that much in share price value.

Peak-to-Trough — The distance from a stock's highest price to its lowest price during a downturn. "WTC fell 61% peak-to-trough" means from its all-time high to its lowest point, the share price dropped 61%.

P/E Ratio (Price-to-Earnings) — A measure of how expensive a stock is relative to its profits. A P/E of 50x means investors are paying \$50 for every \$1 of annual profit the company makes. Higher P/E ratios reflect higher growth expectations.

PBT Growth (Profit Before Tax Growth) — How much a company's profits are growing year on year, before tax is taken out. TNE's guidance of 18–20% PBT growth means they expect profits to grow at that rate in the coming year.

Analyst Consensus Target — The average price target set by professional equity analysts who cover the stock. If analysts have an average target of \$155 for WTC but it trades at \$85, that implies 82% upside in their collective view.

Net Revenue Retention (NRR) — A measure of whether existing customers are spending more or less over time. 100% means they are spending the same. Above 100% means they are spending more — a sign the software is becoming more embedded.

Enhanced Growth — A type of structured product designed to amplify gains. If the underlying basket rises significantly, you receive a leveraged return. The tradeoff is that if it falls enough, you can lose your entire investment.

Counterparty — The bank or institution on the other side of your investment. For structured products, the counterparty is typically a major bank like Goldman Sachs or BNP Paribas. Their financial health matters — if they fail, your investment may be at risk.

FDA (Food and Drug Administration) — The US government agency that regulates pharmaceuticals, medical devices, and food safety. For Veeva, holding FDA-compliant software certification (21 CFR Part 11) means pharmaceutical companies must use platforms like Veeva's for regulated clinical and commercial operations.

IGV (iShares Expanded Tech-Software ETF) — A US-listed fund that tracks a basket of large software companies. When the "SaaS sector sold off," IGV fell 25%, providing a measure of the broad damage to the sector.

CRM (Customer Relationship Management) — Software that helps businesses manage their relationships and interactions with customers, tracking sales leads, communications, and account history. Veeva's Vault CRM is a CRM specifically built for pharmaceutical sales teams.

TECHNOLOGY & SOFTWARE TERMS

SaaS (Software as a Service) — Software you access over the internet on a subscription basis, rather than buying and installing it yourself. Examples include email platforms, accounting software, and HR systems. You pay monthly or annually and the provider handles all updates.

Enterprise Software — Software sold to large organisations (businesses, governments, hospitals) rather than individual consumers. It tends to be complex, expensive, deeply embedded in operations, and very hard to replace — which is what makes it valuable as an investment.

ERP (Enterprise Resource Planning) — A type of software that manages a company's core business processes in one place — things like finance, payroll, supply chain, and HR. TNE's product is an ERP system used by Australian government departments and universities. recognising patterns, and making decisions. In this document, AI refers mainly to large language models like ChatGPT.

LLM (Large Language Model) — The type of AI behind tools like ChatGPT, trained on enormous amounts of text to understand and generate human language. These models power AI disruption fears in software, but have significant limitations in specialised professional domains.

AI Hallucination — When an AI model confidently states something that is factually wrong. In specialised domains like legal, medical, or government compliance software, hallucination rates of 30–50% were observed — meaning the AI gets it wrong nearly half the time.

Moat — A term from investing meaning a durable competitive advantage that protects a business from competitors, like a castle's moat protects it from attack. A company with a strong moat is hard for rivals — or AI — to displace.

Workflow Embedding — When software becomes so deeply integrated into a company's daily operations that removing it would disrupt everything. ServiceNow is embedded in IT operations workflows at 85% of Fortune 500 companies — switching away would take years and cost hundreds of millions.

Switching Cost — The cost, time, and disruption involved in moving from one software provider to another. High switching costs are a sign of a strong business — customers stay because leaving is too painful, not just because the product is good.

Proprietary Data — Data that only one company has access to because they collected it themselves over time. WiseTech's real-time global trade data across 170 countries is proprietary — no competitor can replicate 30 years of customs integration data.

Domain Logic — The deep, specialised knowledge embedded in software that reflects how a specific industry actually works — its rules, regulations, exceptions, and quirks. TNE has 30 years of Australian government compliance logic built into its platform.

API / Integration (Application Programming Interface) — A connection point that allows different software systems to talk to each other and share data. WiseTech has integrations with 200+ customs authorities — meaning its software directly connects to government systems around the world.

AI Disruption — The risk that artificial intelligence replaces or significantly reduces the need for existing software or human roles. The fear that AI would make SaaS companies obsolete caused the sector sell-off this document addresses.

Agentic AI — AI that can take autonomous actions — not just answer questions, but perform multi-step tasks independently. A more advanced form of AI expected to emerge over the next few years, with greater potential to automate complex workflows.

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Our Commitment

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