Drumoak Capital
September Report 2025

Part 1 – Executive Summary

Letter to Investors

September was defined by shifting macroeconomic conditions and disciplined portfolio management. Drumoak Capital delivered a +12% return for the month, bringing year-to-date performance to +75%, significantly ahead of the S&P 500 (+3.5% in September) and the FTSE 100 (+1.5%). This result reflects our ability to capitalize on conviction-driven trades while maintaining flexibility through tactical rotations. In the United States, the Federal Reserve announced a dovish stance, favouring lower interest rates, signalling that future rate cuts may arrive sooner than markets had expected. Questions rose about whether these cuts have already been priced in (the markets have already reacted to future macroeconomic changes). Across the Atlantic, the Bank of England followed with its first rate reduction in years, easing pressure on the UK population, while gilt yields declined as investors rebalanced into bonds. We believe that these developments turned the market sentiment from caution to cautionary optimism, creating an environment for growth stories and attraction to renewed capital.

Within the portfolio, the most significant realised contribution came from numerous positions in Tesla, built during a period of skepticism over the summer of 2025, around $300 level. Exiting this trade in stages generated record-breaking gains, highlighting the strength of the growth research-driven approach. Additional contributions came from short-duration trades in a volatile consumer market and high-prices defense sector, with additional hedges and smaller positions adding incremental value. Collectively, these results emphasize the effectiveness of combining longer-term growth themes with agile short-term positioning.

Beyond discretionary trades, September also saw an increased focus on algorithmic strategy development. Our research has been testing and refining systematic models, such as lead-lag relationships between crypto and equities, with the goal of integrating this into the longer-term portfolio in a disciplined way. These projects are designed to expand our edge and provide a diversified source of returns.

We also continue to grow Drumoak Capital as a platform. September featured the launch of a new media section on the website, covering both strategy insights and curated financial content. These updates are not only designed to highlight our own thinking but also to share valuable perspectives with our community.

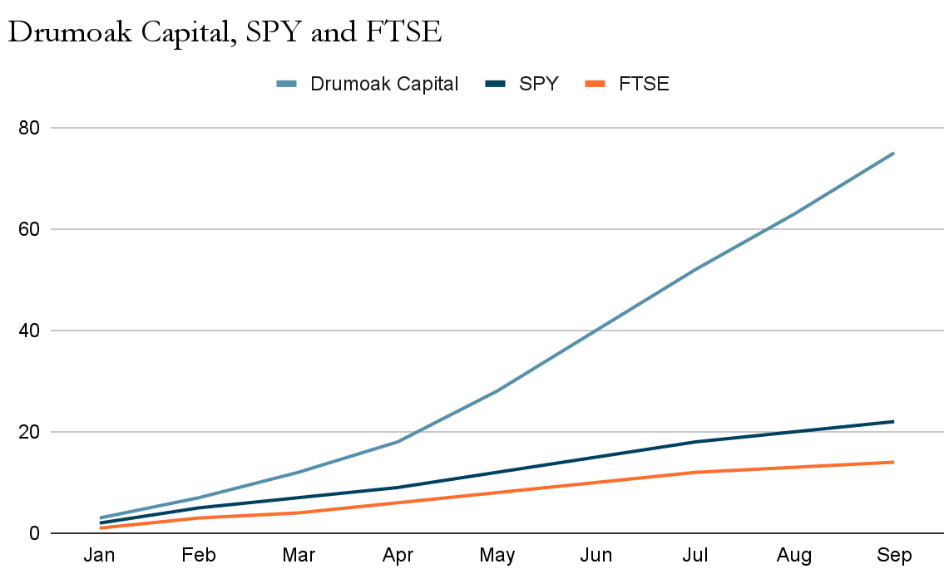
Finally, we want to thank our investors and researchers for their ongoing support. Drumoak Capital finished September with another strong month, bringing year-to-date performance to **+75%**. As we enter the final quarter of 2025, our focus remains the same: growth research, appropriate risk-taking, and building Drumoak Capital further.

Part 2 – Performance Overview

Headline Performance (September & YTD)

Drumoak Capital delivered a **+12% return in September** on the actively managed portfolio, marking one of our strongest months of the year. This figure reflects the performance of current holdings and does not include realized gains from closed positions earlier in the month, which contributed significantly to overall fund progress. Performance was driven by high-conviction positions in Tesla, which generated outsized gains, alongside tactical trades in retail and energy. These results highlight our ability to capture opportunities across both longer-term growth themes and shorter-term dislocations. On a year-to-date basis, the portfolio has returned **+75%,** significantly ahead of both the S&P 500 (+22%) and the FTSE 100 (+14%), underscoring the strength of our strategy and disciplined execution.

Period	Drumoak Capital	S&P 500	FTSE 100
September Return	+12%	+3.5%	+1.5%
YTD Return	+75%	+22%	+14%



Attribution Commentary

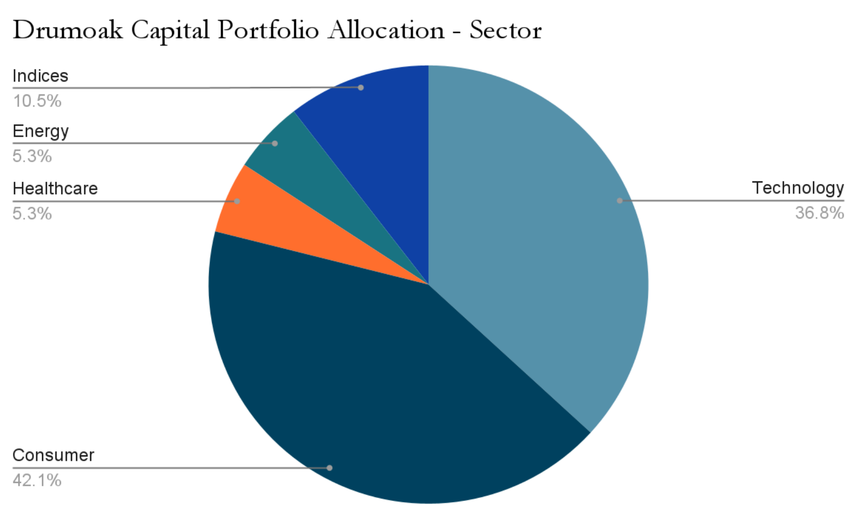
Performance in September was driven by the exit of our multi-month Tesla Position, contributing to the majority of returns. Consumer discretionary (Lululemon, Victoria's Secret) and defense (Lockheed Martin) also added meaningfully. Smaller tactical exposures in volatility (VXX), FX

(USD/JPY), and speculative growth (EVGO, RKLB) provided diversification and incremental gains. Importantly, no material detractors weighed on performance, underscoring disciplined risk management.

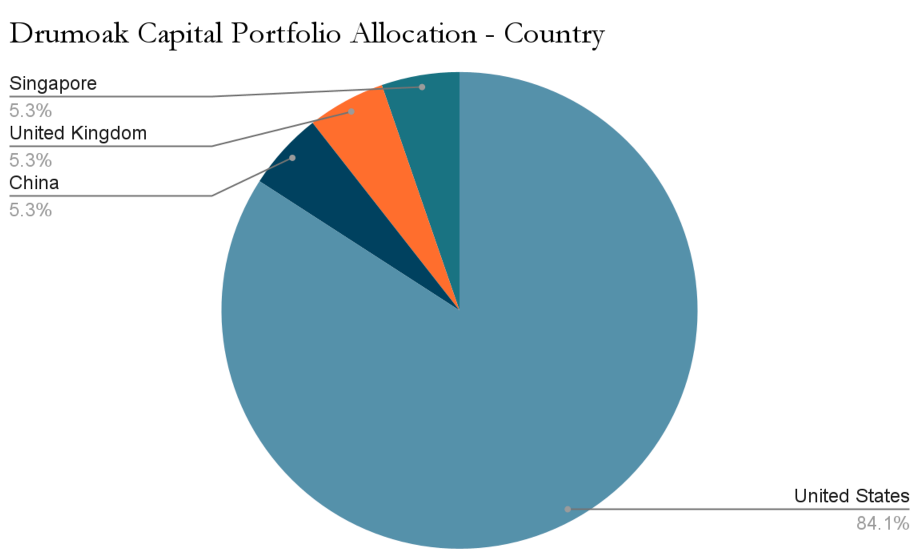
Risk Snapshot

This portfolio remains well diversified across sectors and regions, with a deliberate tilt towards U.S. technology and consumer names that we believe are best positioned to benefit from structural growth themes such as AI, digital commerce, and brand strength. At the same time, exposure to healthcare, energy, and foreign companies provides balance, while index allocations (UK100, SGX) help reduce concentration risk.

Portfolio Allocation by Sector



Portfolio Allocation by Country



Part 3 – Portfolio Review (Closed Trades)

Closed Trade Table

Name	Ticker	Length Held	Industry	Result
Tesla	TSLA	6-7 Weeks	Automotive	+178-195%
Lululemon	LULU	2 Days	Consumer	+65%
Victoria’s Secret	VSCO	3 Days	Consumer	+56%
Lockheed Martin	LMT	2 Months	Defense	+35%
Volatility Index	VXX	7 Days	Derivative	+29%
Rocket Labs	RKLB	3 Days	Aerospace	+17%
EVgo	EVGO	2 Days	Clean Energy	+10%
US Dollar / Japanese Yen	USDJPY	1 Day	Forex	+5%

Commentary by Theme

Tesla (TSLA)

We initiated a conviction position in Tesla around the $300 level, supported by long-term growth prospects in AI-driven mobility and autonomous fleets. As the stock appreciated toward $420, we viewed valuations as stretched relative to near-term fundamentals and increasing macroeconomic headwinds. We exited to secure substantial gains and redeploy capital into more attractive opportunities.

Lululemon (LULU)

This was a short-term tactical position positioned ahead of earnings, reflecting our view of weaker consumer sentiment and contractionary signals in discretionary spending. The position was delivered as expected, and we closed promptly to ensure gains.

Victoria’s Secret (VSCO)

Our entry was based on a near-term earnings and profitability play, capitalising on recent progress toward restructuring and margin improvements. While we maintain a long-term interest in the company’s turnaround, we exited after realizing quick gains in line with our tactical objective.

Lockheed Martin (LMT)

We held Lockheed Martin as a defensive allocation within the portfolio, benefiting from geopolitical tailwinds and steady cash flow. The position was exited after two months as valuations approached the higher end of historical ranges, and capital was rotated into higher-growth opportunities better aligned with our forward strategy.

Volatility Index (VXX)

This was a tactical short trade entered in response to a volatility spike following political developments. We viewed the market reaction as an overextension and closed the position profitably once volatility normalized.

Rocket Labs (RKLB)

We re-engaged with Rocket Labs after identifying a short-term dip following a company announcement. The trade reflected our constructive long-term view on the space sector but was closed upon capturing near-term upside, consistent with a tactical allocation.

EVgo (EVGO)

This position was taken to capture momentum in the EV infrastructure theme. With strong short-term price action, we exited after realizing quick gains, preferring to remain tactical until greater visibility emerges on industry profitability.

USD/JPY

We initiated this trade on the back of central bank policy developments, anticipating near-term currency moves. Given limited conviction beyond the immediate catalyst, the position was exited quickly, and we will reassess once further clarity emerges on policy divergence.

Summary of Closed Positions

September's closed trades highlight Drumoak Capital's current sentiment: disciplined optimism balanced with caution. We continue to see opportunity in high-growth equities, but remain attentive to stretched valuations and short-term dislocations that can be tactically traded. The key lesson reinforced this month is the importance of taking profits decisively and redeploying capital into higher-conviction opportunities, while keeping risk management at the core of our strategy.

Part 4 – Current Portfolio Snapshot

Top Holdings Review

Name (Ticker)	**Industry**	**Portfolio Performance** (as of September 26)	**Rationale**
Apple (AAPL)	**Technology**	**+111.02%**	*Strong rebound supported by robust iPhone 17 demand and growing AI integration across services. Held as a core position given Apple's stability, cash flow strength, and innovation pipeline.*
Nvidia (NVDA)	**Technology**	**+38.81%**	*Continued leadership in AI GPUs with hyperscaler demand driving momentum. Position reflects Drumoak's focus on secular AI infrastructure growth.*
Amazon (AMZN)	**Consumer / Tech**	**+2.64%**	*Solid cloud performance alongside resilient retail demand. Maintained as a diversified play on both e-commerce and AWS expansion.*
Alphabet (GOOG)	**Technology**	**+42.25%**	*Outperformance from advertising recovery and cost discipline. Key long-term bet on cloud growth and AI initiatives.*
Meta (META)	**Technology**	**+11.62%**	*Strong results on user engagement and ad revenue growth. Held for ongoing profitability improvements and AI-driven expansion in ads and infrastructure.*
ConocoPhillips (COP)	**Energy**	**+17.45%**	*Stable energy exposure balancing tech-heavy portfolio. Benefited modestly from oil price stability.*
Philip Morris (PM)	**Consumer Staples**	**+1.91%**	*Defensive holding with steady cash flows; underperformed but continues to provide diversification.*
Alibaba (BABA)	**Consumer /**	**+16.10%**	*Recovery momentum in China is supported by easing regulations. Held*

	Technology		*tactically for China consumer/internet rebound exposure.*
Salesforce (CRM)	**Technology**	**-1.76%**	*Incremental upside from enterprise software spending; held for long-term SaaS growth.*
Bath & Body Works (BBWI)	**Consumer**	**+26.77%**	*Strong retail rebound play, benefiting from consumer rotation. Quick tactical winner.*
Target (TGT)	**Consumer**	**-6.39%**	*Tactical exposure to U.S. retail. Short-term headwinds led to underperformance but position provided diversification.*
Carnival (CCL)	**Consumer Travel**	**-7.77%**	*Volatile travel reopening play. Tactical holding, trimmed on weakness.*
UK100 (Index)	**Index Exposure**	**+18.42%**	*Tactical diversification hedge against U.S.-centric equity risk.*
SGX (Index)	**Index Exposure**	**-11.69%**	*Weakness tied to regional market softness. Small allocation for Asian exposure.*
Celsius Holdings (CELH)	**Consumer Staples**	**-16.95%**	*Underperformed sharply on margin pressure; position kept small and tactical.*
Nike (NKE)	**Consumer**	**-28.89%**	*Weaker global demand and inventory pressure. Small exposure kept me tactical.*
Estee Lauder (EL)	**Consumer Staples**	**-23.18%**	*Underperformed on the China demand. Exposure minimized.*
Eli Lilly (LLY)	**Healthcare**	**-15.84%**	*Healthcare innovation leader, dragged slightly but remains a long-term growth play.*
Adobe (ADBE)	**Technology**	**-7.11%**	*Pulled back on valuation concerns despite long-term SaaS/AI opportunities.*

Part 5 – September Portfolio Additions

September was a month of consolidation and repositioning for Drumoak Capital. Following a strong run of performance that brought the portfolio to all-time highs, we took the opportunity to realise gains across several high-conversion positions. This not only materialised profits but also allowed us to redistribute capital into new opportunities while maintaining a measured cash reserve for future high-growth entries. The adjustments reflect a disciplined approach: harvesting outperformance, redeploying selectively into sectors and geographies with attractive risk-reward dynamics, and ensuring the portfolio remains resilient and opportunistic heading into year-end.

Portfolio Additions

Singapore Exchange (SGX)

Initiated as a lower-risk allocation, SGX provides both stability and diversification outside of U.S. equities. The position reflects a more defensive approach to capital management, balancing higher-growth bets with safe exposure in a stable financial hub.

Celsius Holdings (CELH)

Reintroduced after a tactical dip near $50, CELH continues to show strong financial growth and market share expansion. The brand's momentum, combined with upcoming catalysts such as Alani and Rockstar sales updates, makes this a compelling medium-term consumer growth play.

Carnival Corp (CCL)

CCL was added following a detailed financial review indicating reduced debt and improved profitability. Cruise demand has rebounded strongly, positioning Carnival for sustained recovery post-pandemic. This position builds on the earlier thesis shared publicly, with an expectation of continued momentum.

Nike (NKE)

NKE represents a long-term conviction in a global consumer leader currently undergoing a financial reset. While near-term results remain mixed, management's focus on operational improvements and brand dominance underpins confidence in a gradual recovery trajectory.

Target (TGT)

Entered at multi-year lows, TGT is seen as a defensive allocation within the consumer discretionary space. With a resilient balance sheet and strong brand equity, the company offers stability while retaining upside potential as sentiment normalizes.

Eli Lilly (LLY)

LLY was initiated as a healthcare growth leader trading significantly below prior all-time highs. Despite recent cost headwinds, the company remains well-positioned with its pipeline in obesity and diabetes care, supporting a long-term growth outlook.

Salesforce (CRM)
CRM was added to strengthen enterprise technology exposure, particularly as the company continues to deliver strong financial performance. Its role in AI-driven enterprise adoption provides a complementary growth driver alongside existing technology holdings.

FTSE 100 (UK100)
The FTSE 100 was introduced as a broad-market hedge and diversifier, with entry coinciding with short-term politically driven weakness under the new Starmer government. Longer-term, expectations of easing interest rates and global economic recovery provide a constructive backdrop.

Bath & Body Works (BBWI)
BBWI was selected as a specialty retail recovery story, supported by improving financials and a disciplined turnaround strategy. The company's brand strength and earnings trajectory offer potential for continued revaluation.

Alibaba (BABA)
BABA was initiated to diversify geographic exposure and capture valuation upside within Chinese equities. Recent developments, including AI investments, improving U.S.-China trade relations, and institutional interest through ARK ETF purchases, make this a strategically attractive entry point.

Portfolio Summary

Overall, these portfolio adjustments strengthen Drumoak's balance between high-growth conviction names and tactical diversifiers, positioning the fund to navigate both upside opportunities and potential macroeconomic headwinds into year-end**.** This month's activity reflected a deliberate reallocation of capital following strong realized gains, with select redeployments into new opportunities while maintaining cash reserves for high-conviction growth prospects ahead.

Part 6 – Strategic Outlook: Q4 & Year-End

As we enter Q4 of 2025, markets face a critical test of both momentum and resilience. The Federal Reserve's September rate cut has already shifted expectations meaningfully, with additional reductions anticipated at the October 28–29 and December 9–10 FOMC meetings. A dovish tilt provides support to equities, but the risk remains that sticky inflation or stronger labor data could temper the Fed's ability to continue easing. U.S. political risk is also heightened, with potential policy announcements or market-moving statements from President Trump serving as a persistent source of volatility. In the UK, attention turns to the Autumn Budget expected on November 26, where speculation of tax increases may affect sentiment.

Earnings will serve as the dominant driver of sentiment in the weeks ahead, particularly within technology. Nvidia's results, scheduled for November 19, will be a defining moment for the AI growth narrative. With the stock carrying outsized influence on both the S&P 500 and broader tech sentiment, its ability to demonstrate continued exponential growth will dictate whether multiples can be sustained. Strong guidance could reinforce the momentum trade, but any disappointment could spark broader re-rating across AI-linked names such as Meta, Google, and Salesforce. Given the portfolio's exposure to this theme, these announcements will be watched with heightened discipline.

For Drumoak Capital, portfolio positioning into year-end reflects a blend of conviction and prudence. We remain committed to core growth themes in technology and healthcare while simultaneously redistributing capital into diversifiers such as SGX and UK100, along with selective consumer names like Nike, Target, and Bath & Body Works. The intent is to reduce reliance on mega-cap outperformance while capturing asymmetry in consumer recovery and geographic diversification. The portfolio also maintains a measured cash reserve, preserving optionality for opportunistic entries should earnings, political shocks, or macro surprises create short-term dislocations.

Seasonality also informs our stance: while October and early November tend to bring significant catalysts, history suggests that post-Thanksgiving trading often sees reduced liquidity and compressed volatility. For this reason, year-end performance is likely to be determined by near-term policy shifts and corporate results rather than structural inflows. As such, Q4 is unlikely to be an environment for passive gains; instead, we expect dispersion, where winners and losers will be increasingly defined by execution and narrative durability.

Against this backdrop, Drumoak Capital enters Q4 with a forward-leaning but disciplined mindset: conviction in our themes, awareness of political and macro risk, and readiness to pivot. Our objective remains consistent—protect principal, capture asymmetric opportunities, and position the portfolio to exit 2025 with strength.

Part 7 – Letter From the Manager

September marked a pivotal month for Drumoak Capital, as disciplined execution and selective redeployment of capital reinforced both performance momentum and portfolio resilience. Our philosophy remains unchanged: conviction-driven, adaptive, and rooted in balancing high-growth potential with prudent risk management.

For the month, the portfolio returned **+12%**, bringing year-to-date performance to **+75%**, well ahead of the S&P 500 (+22%) and FTSE 100 (+14%). Results were supported by gains in technology and consumer names, alongside timely exits that realized strong profits and freed capital for future opportunities.

We are grateful to our readers and investors for following Drumoak's journey and for the continued engagement that helps sharpen our approach. As we move into year-end, we look forward to sharing further updates on strategy execution, market insights, and opportunities shaping the next stage of growth. For those interested in ongoing insights, we invite you to visit our website or follow us on LinkedIn. Feedback is always welcome as we refine both our reporting and investment processes.

– Angus Logan