Trinity Student Managed Fund
Sector Reports

Consumer Discretionary

September 2025

TRINITY SMF
STUDENT MANAGED FUND

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Sector Overview

The Consumer Discretionary sector encompasses a wide variety of industries that provide non-essential goods and services that cater to consumers' desires, rather than basic needs. These include cars, jewelry, electronic devices, travel, hotels, restaurants, and entertainment.

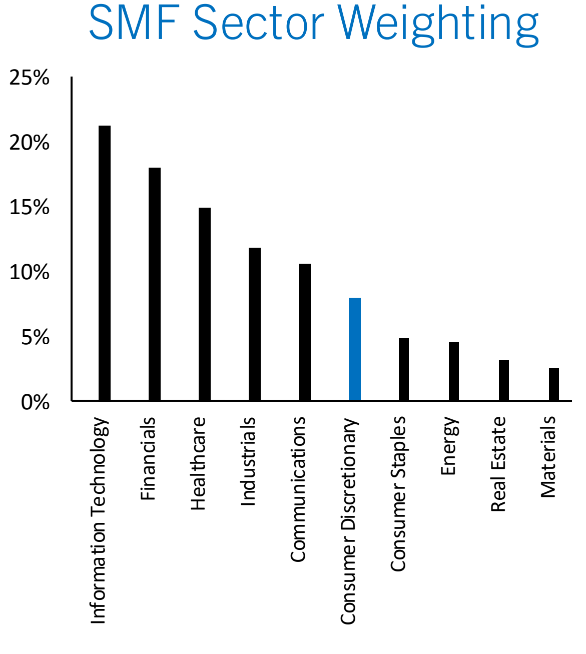
Given its discretionary nature, the sector is particularly susceptible to market conditions and consumer sentiment. Historically, the sector has displayed cyclical tendencies; outperforming during economic expansions and underperforming during downturns. The sector's performance is highly sensitive to macroeconomic conditions, interest rates, and consumer confidence.

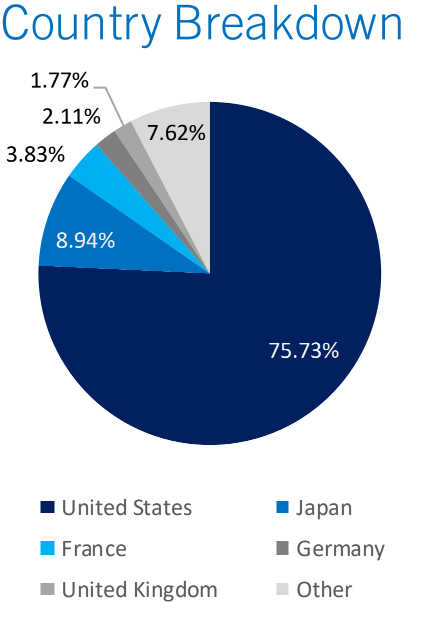
The 2010's saw exceptional growth for the Consumer Discretionary sector – an expansion fueled by the rise of e-commerce, an increase in disposable income, and an expanding middle-class. While the COVID-19 pandemic triggered a sharp pullback, a rebound in online retail shortly thereafter led to exponential growth for the sector.

Current market conditions, however, have restricted and halted this growth. Consumer spending faces fresh headwinds from the uncertainty surrounding President Trump's reciprocal tariffs, monetary policy, and general macroeconomic conditions.

The Consumer Discretionary sector currently has a total market capitalisation of $7.887 trillion, representing 10.87% of the global equity market weight. [1]

Examples of companies in this sector are Amazon, Tesla, LVMH, McDonald's, Nike and Airbnb.





1) MSCI, n.d. *MSCI World Consumer Discretionary Index (USD)*. [dataset] MSCI. Available at: https://www.msci.com/documents/10199/e8096ca8-6a16-4be0-861c-971f21c2a4c6

Subsectors and Performance Indicators

The Consumer Discretionary sector is broad and diverse with companies offering goods and services that are non-essential, but desirable. The sector comprises of several sub-industries. These include:

Automotive Industry

This industry covers car manufacturers, dealerships, and suppliers of automotive parts.

KPIs: *Client Satisfaction and Retention, Supply Chain Efficiency, ESG Targets, Units Sold*

Key Players: Toyota, Tesla, Ferrari, Ford, Hyundai, Volkswagen

Diversified Consumer Services

Includes education, home security, interior design, consumer auctions and legal services.

KPIs: *Revenue Per Service, Delivery Efficiency, Customer Satisfaction*

Key Players: H&R Block, Graham Holdings Company

Hotels, Restaurants and Leisure

Encompasses companies that operate hotels, chain restaurants, cruise lines, and recreational products.

KPIs: *Customer Satisfaction, Repeat Customer Rate, Same-Store Sales*

Key Players: Marriott International, Hilton, McDonald's, Hasbro, Mattel, Peloton Interactive

Luxury & High-End Apparel

Premium fashion brands that create and deliver clothing, accessories and footwear. Companies in this subsector rely on strong brand image, exclusivity and affluent consumer demand.

KPIs: *Pricing, Exclusivity, Product Quality, Consumer Sentiment, Sales Growth in Key Markets, Brand Equity*

Key Players: LVMH, Kering, Ralph Lauren, Dior, Hermès, Richemont

Apparel Retail

Mass-market fashion chains specialising in affordable retail clothing, footwear and accessories.

KPIs: *Inventory Turnover, Competitive Pricing Strategy, Order Fulfilment Efficiency*

Key Players: Inditex (Zara), H&M, Fast Retailing, Co (Uniqlo), Lululemon, Nike

Broadline & Home Improvement Retail

Large-scale retailers and home improvement chains that offer a wide range of products both online and in-store.

KPIs: *Pricing, Disposable Income Levels, Inventory Turnover, E-Commerce Growth*

Key Players: **Amazon, Walmart, Target, Home Depot, Lowe's, Kingfisher (B&Q)**

Casinos & Gambling

Consists of operators of both physical and online gambling companies.

KPIs: *Tourism Rates, Gross Gaming Revenue, Player Retention Rates, Digital Growth*

Key Players: **Flutter Entertainment, MGM Resorts, DraftKings Inc, Las Vegas Sands Corp**

Entertainment

Media companies that create and deliver content in the form of music, film, TV, and streaming platforms.

KPIs: *Subscriber Growth, Content Quality, Subscription Costs, Audience Engagement*

Key Players: **Netflix, Disney, Warner Bros, SONY**

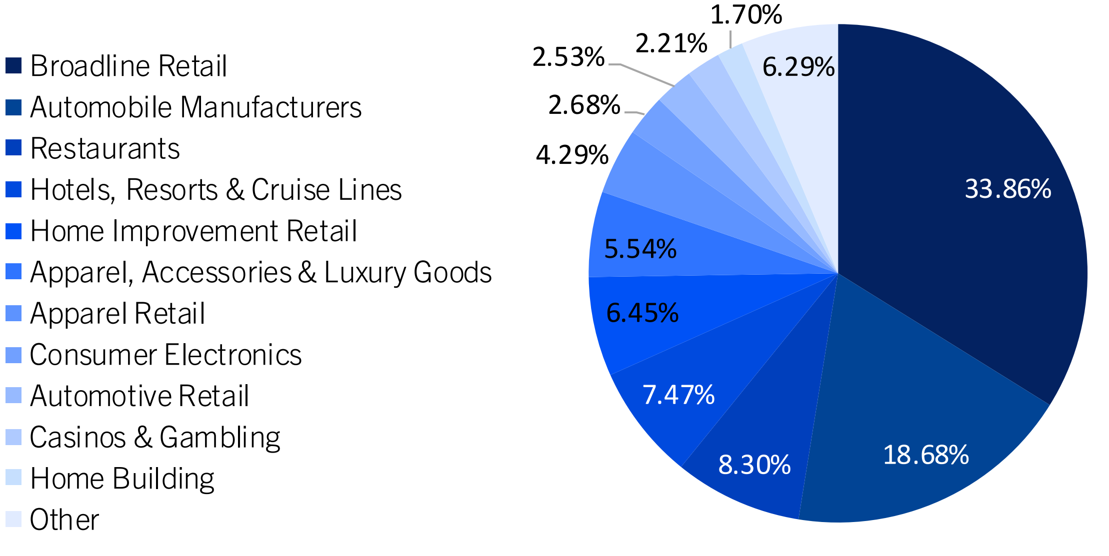
Residential Construction

Homebuilders and property developers, building and selling residential properties.

KPIs: *Mortgage Rates, Housing Demand, Gross Margins, Build Completion Efficiency*

Key Players: **D.R. Horton, Lennar Corporation, PulteGroup**

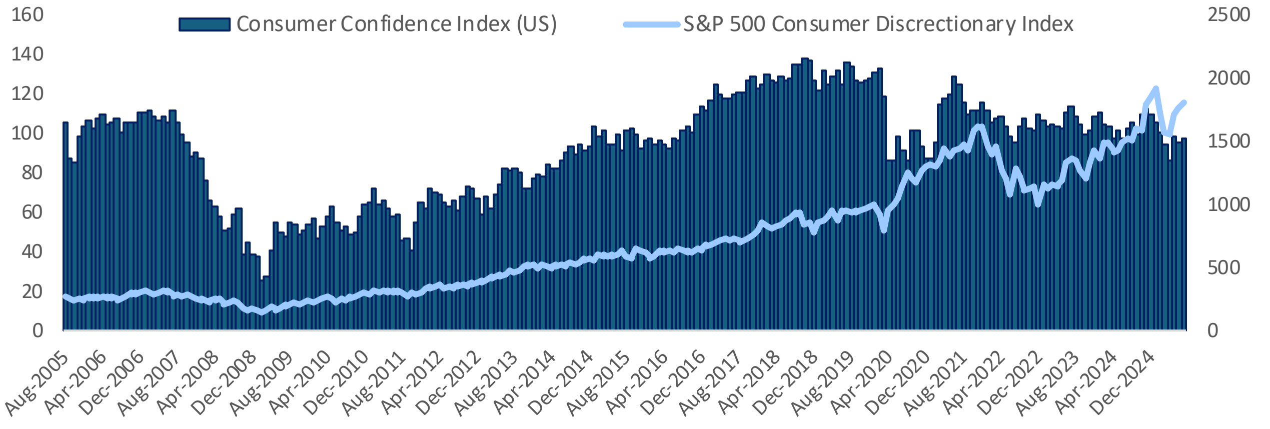
Subsector Weights



State of the Consumer

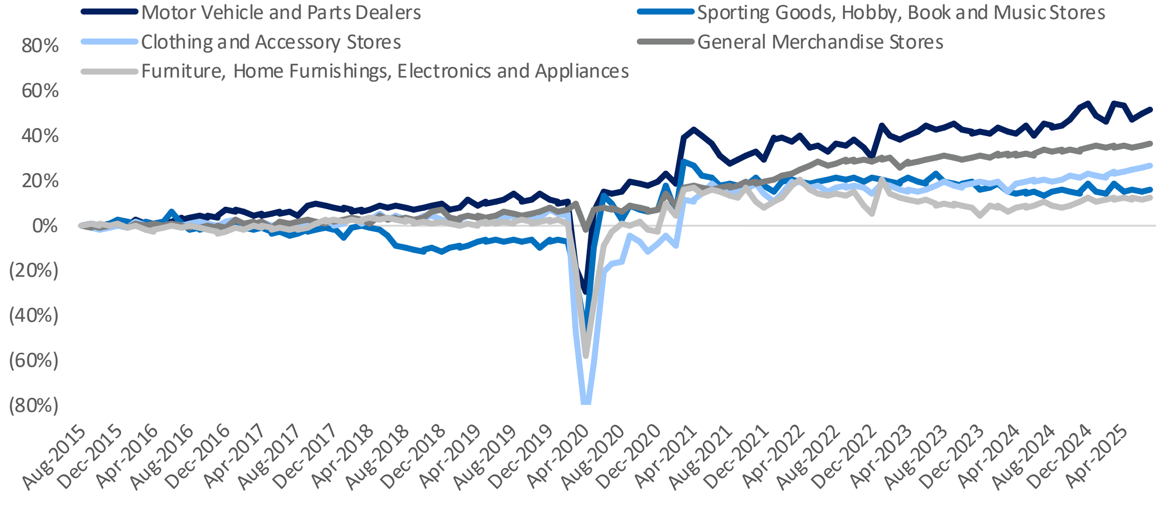
Consumer spending can summarily be described as a derivative of **1) capacity to spend** (real wage growth, unemployment, credit conditions), **2) willingness to spend** (consumer sentiment and confidence), and **3) constraints on spending** (interest rates, debt burden, inflation).

Consumer Confidence Index vs. S&P 500 Consumer Discretionary Performance[1,2]



The Conference Board's Consumer Confidence Index improved 2 points in July to 97.2 after falling sharply to 80.6 in April in the wake of Liberation Day. Still, the index remains depressed, well below its 2021 high of 127.3 and pre-pandemic high of 132.6.[1]

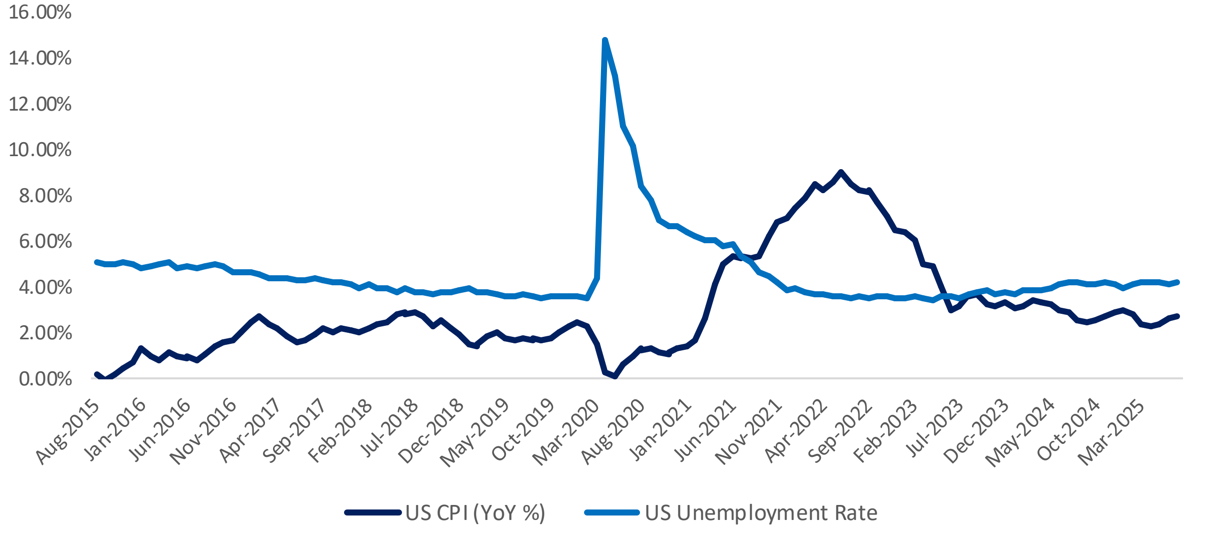
10 Year Indexed Retail Sales, U.S.[3]



Recent months have given way to an uncoupling of consumer sentiment and behavior. Even as consumer confidence falters, retail sales continue a steady ascent. The Financial Times reports that retail sales are growing at 2 percent per annum, in real terms.[4]

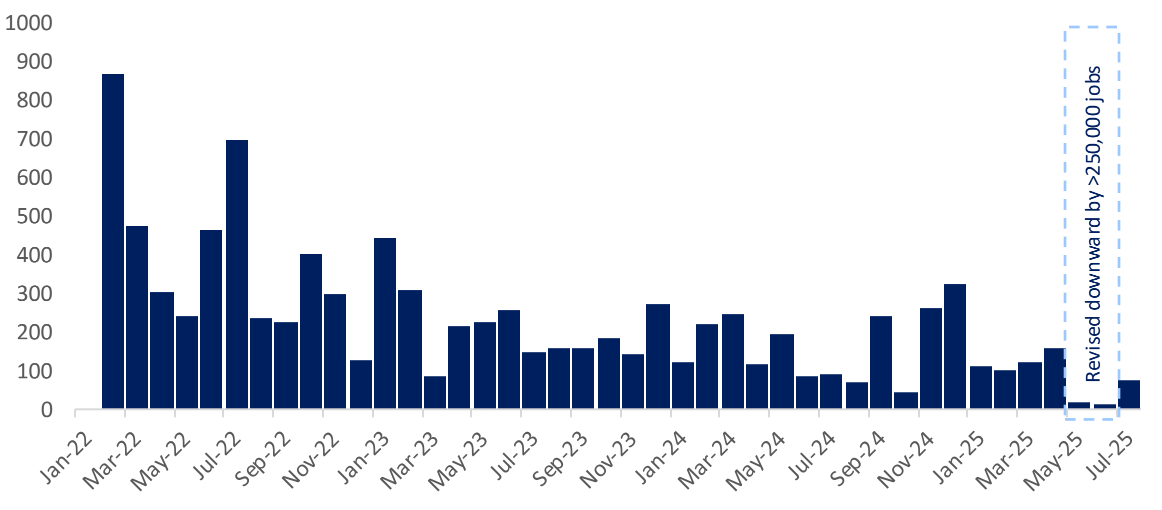
1) The Conference Board (TCB), 1985. *United States Surveys and Diffusion Indexes: Consumer Confidence Index (1985=100, SA)*. [dataset] The Conference Board. Available at: https://www.conference-board.org
2) S&P Dow Jones Indices, 2025. *S&P Consumer Discretionary Index data*. [dataset] Available via Capital IQ.
3) S&P Global Market Intelligence, 2025. *Retail Sales Index – Percent Change Year Ago Period, SA – United States*. [dataset] S&P Global Market Intelligence. Available via Capital IQ.
4) Financial Times, 2025. *Retail sales or payrolls: which is right about the US economy?* [online] Available at: https://www.ft.com/content/ea522dd4-415b-403c-8a74-1a8f8c736898

Inflation and Unemployment, US[1,2]



Inflation in July remained largely unchanged but somewhat elevated at 2.7% YoY, as declines in grocery and gas prices offset increased prices for some imported goods.[2] While the CPI remains tame, the PPI came in unexpectedly hot in July, rising 0.9% from the previous month and 3.3% YoY, its biggest jump since June 2022.[3] Higher prices for producers signal that consumers may soon feel elevated effects of inflation. Unemployment remains low at 4.2%, but the labor market is beginning to show early signs of softness.[1]

US Job Creation: Monthly Nonfarm Jobs Added, in Thousands[4]



US job growth has slowed; the July nonfarm payroll data showed that the US added just 73,000 jobs in July, well below expectations of 110,000.[4] Moreover, the Bureau of Labor Statistics revised their May and June nonfarm payroll numbers downward by more the 250,000 jobs, indicating a softer labor market than previously understood.

1) S&P Global Market Intelligence, 2025. *Unemployment Rate – Percentage, SA – United States*. [dataset] S&P Global Market Intelligence. Available via Capital IQ.
2) S&P Global Market Intelligence, 2025. *Consumer Price Index – Percent Change Year Ago Period, NSA – United States*. [dataset] S&P Global Market Intelligence. Available via Capital IQ.
3) U.S. Bureau of Labor Statistics, n.d. *Producer Price Index (PPI) program*. [online] Available at: https://www.bls.gov/ppI
4) U.S. Bureau of Labor Statistics, *All Employees, Total Nonfarm [PAYEMS]*, retrieved from FRED, Federal Reserve Bank of St. Louis. Available at: https://fred.stlouisfed.org/series/PAYEMS

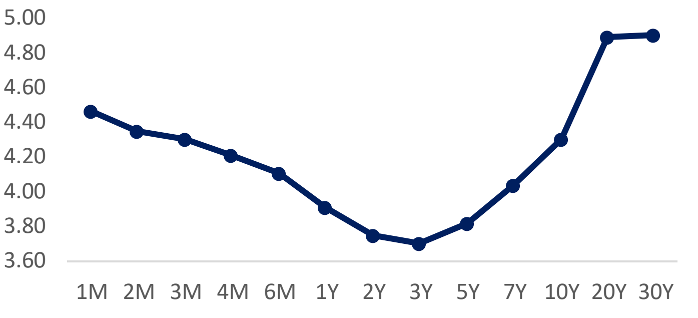
Sector Outlook

Interest Rate Outlook

With the inflationary impacts of tariffs still largely unknown, the Fed has held interest rates steady since 2024, even amid mounting political pressure to cut rates. The Bank of England and the ECB have each cut rates by 50bps in CY 2025.

Following a slowdown in job creation in July, the market is now pricing in an 85% chance of a 25bp rate cut in September on signs of labor market weakness.[1] While lower rates may reduce consumer debt burden, boost employment, and inflate consumer sentiment, stubborn inflation threatens to strain the consumer as fears of stagflation loom. Hawks may point to the UK as a cautionary tale; after cutting rates 125bps in 12 months, the union saw 3.8% YoY inflation in July.[2]

US Treasuries Yield Curve, Constant Maturity[1]



Tariff Effects

While the global tariff regime appears to be approaching its "new normal," the effects thereof have yet to play out.

Geography	Current Headline Tariff Rate
China	10%
EU	15%
UK	10%

It's worth noting that the continued strength of retail sales may include some "pull forward" effects, wherein consumers front-load purchases to get ahead of tariffs and rising prices. A subsequent reversal of this effect may consequently produce retail softness. While the CPI has held relatively steady, many companies (Ralph Lauren, e.l.f. Cosmetics) have disclosed that they have or intend to raise prices in response to tariffs. The ability of companies to pass along tariff-related price increases hinges upon their pricing power.

Companies with strong brand equity and exposure to affluent customer bases may fare better than firms with mass-market exposure and weaker brand strength, who may experience margin compression. Tariffs may thus disaggregate performance both within and among sub-sectors.

Reversal of the De Minimis Exemption

United States President Trump has signed an Executive Order terminating the de minimis loophole, effective August 29th, 2025. The de minimis loophole presently exempts those imports to the U.S. valued at under $800 from facing import duties.[3] Use of the loophole has skyrocketed in recent years with the rise of e-commerce and fast fashion. Its reversal threatens to raise prices for consumers and eat into retailer profits.

1) S&P Global Market Intelligence, 2025. *U.S. Treasury Yield Curve Data*. [dataset] Available via Capital IQ.
2) Office for National Statistics, 2025. *Consumer price inflation, UK: July 2025.* [pdf] London: Office for National Statistics. Available at: file:///C:/Users/sarah/Downloads/Consumer%20price%20inflation,%20UK%20July%202025.pdf
3) CNBC. "Trump Ends 'De Minimis' Exemption With Executive Order." CNBC, July 30, 2025. https://www.cnbc.com/2025/07/30/trump-de-minimis-shipping.html

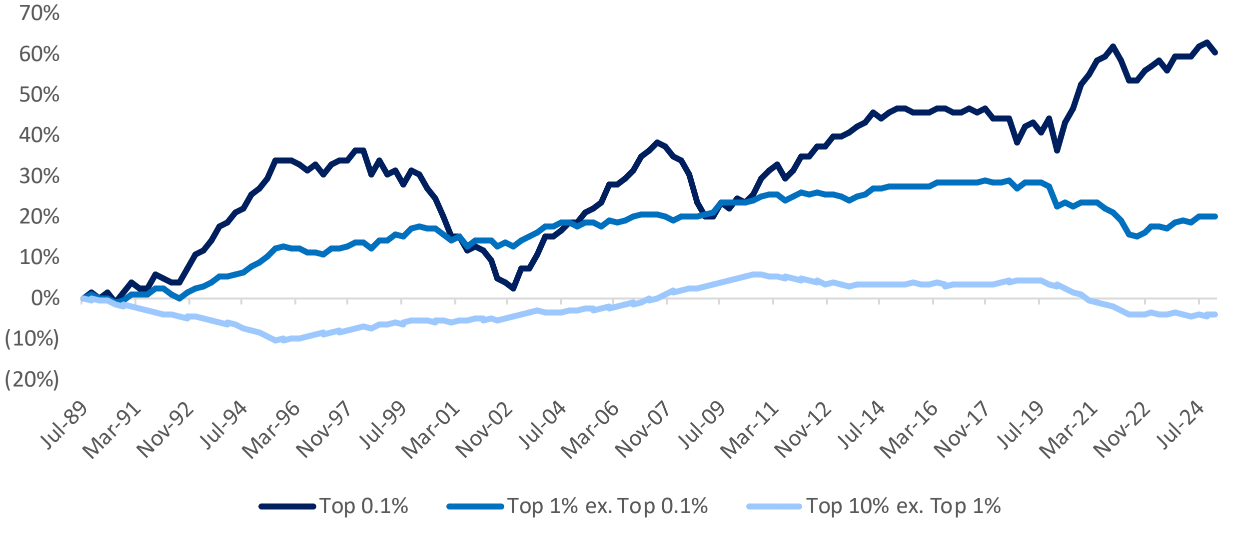
Investment Themes

Luxury Bifurcation: “The Rich” Are No Longer A Monolith

The recent divergence between slowing job growth, faltering consumer sentiment, and sustained consumer spending is an unusual and somewhat puzzling phenomenon. One possible explanation: wealth inequality. According to recent Bank of America data, spending grew 1.8% YoY for higher-income families in the three months to July, while spending was flat YoY for lower-income families during that same period.[1] High earners may continue to drive aggregate spending, even as tariff concerns, a softening labor market, and inflation expectations weigh down consumer sentiment en masse.

Still, wealth inequality is hardly a new phenomenon. From 1989 to 2022, the share of U.S. wealth held by wealthiest 10% of families grew from 56% to 60%.[2] The recent shift, however, comes as the uber-rich have begun to pull ever further away from the mass affluent. Since Q1 2020, the share of U.S. net worth held by the 90th-99th wealth percentiles fell from 39.2% to 36.4%, as that held by the 99th-99.9th wealth percentiles fell from 17.4% to 17%.[3] By contrast, the top 0.1%, saw their share rise from 11.7% to 13.8% during the same period as their fortunes soared. From 2021 to 2024, the number of billionaires increased 45%, and billionaire wealth grew three times faster in 2024 than in 2023.[4]

Share of US Net Worth Held by Wealth Percentile, Indexed 1989



This growing bifurcation among the wealthy helps explain the recent divergence in luxury stock performance. Brands catering to the ultra-high-net-worth segment have soared: Hermès and Richemont shares are up roughly 203% and 127% over the past five years, respectively.

1) Financial Times, 2025. *Retail sales or payrolls: which is right about the US economy?* [online] Available at: https://www.ft.com/content/ea522dd4-415b-403c-8a74-1a8f8c736898
2) Congressional Budget Office, 2024. *Trends in the Distribution of Family Wealth, 1989 to 2022.* [online] Washington, D.C.: Congressional Budget Office. Available at: https://www.cbo.gov/publication/60807
3) Board of Governors of the Federal Reserve System (US), n.d. *Share of Net Worth Held by the 90th to 99th Wealth Percentiles [WFRBSN09161]*. [dataset] FRED, Federal Reserve Bank of St. Louis. Available at: https://fred.stlouisfed.org/series/WFRBSN09161
4) Associated Press, 2025. *Trump, Musk headline billionaire-heavy Davos as WEF opens amid global turmoil.* [online] Available at: https://apnews.com/article/davos-2025-trump-wef-elon-musk-billionaires-ee121c56f6828021cb864de927383c7b

By contrast, companies with greater mass-affluent exposure have lagged: LVMH is up just 28%, while Kering has fallen 55% over the same period. The message is clear: the wealthy are no longer a monolith. As luxury broadly struggles, performance may increasingly hinge upon which tier of the wealth spectrum a brand serves. Looking ahead, brands exposed to the mass-affluent segment may face further pressure, given a softer macro backdrop and limited ability to pass through additional price increases.

The Experience Economy and Discretionary Services

As Gen Z and Millennials constitute an ever-greater portion of consumer spending, it is worth reflecting on where these younger cohorts are, and aren't, allocating their discretionary dollars.

Notably, Millennials and Gen Z are driving a structural shift from spending on "things" to spending on experiences. A 2023 Eventbrite report found that 78% of Millennials and 68% of Gen Z prefer to spend their money on experiences over physical items, far above their older counterparts.[1] This shift may be attributable to several factors, including the COVID-19 pandemic, cultural shifts, increasing focus on work-life-balance, and/or the advent of social media and subsequent rise of travel and lifestyle influencers.

Whatever the cause, Millennials allocate 55% of their discretionary income to experiences, compared to just 35% for Boomers and Gen X.[1] These generational preferences have materialized in broader economic trends; according to MasterCard data, spending on experiences surged 65% from 2019 to 2023.[2]

The intensity of this shift is perhaps best captured by the willingness of younger consumers to finance these purchases. In 2025, 60% of Coachella tickets were bought using "buy now, pay later" (BNPL) schemes[3], underscoring the centrality of discretionary services and cultural events to Millennial and Gen Z consumption patterns. The startling use of BNPL options to finance discretionary experiences may additionally hint at a greater resilience of discretionary services over products during an economic downturn, as younger consumers signal they are unwilling to sacrifice experiences, even when finances are tight.

These strong preferences of younger generations should provide ample runway for the long-term outperformance of those stocks and businesses that sell experiences and services, rather than goods. Beneficiaries may include airlines, hotels and alternative lodging, general tourism, concerts and music festivals, amusement and theme parks, casinos and sports betting, sports and eSporting events, restaurants and bars, streaming services, and even fashion-as-an-experience (rental and resale platforms). As an added benefit, these discretionary experiences are not directly vulnerable to tariffs in the way that physical goods are, furthering the case for their existence in a well-balanced portfolio.

As Millennials and Gen Z steadily reshape consumption patterns, discretionary services appear poised to capture a growing share of global spending. Investors who position themselves in companies aligned with this shift stand to benefit from a durable, generationally driven tailwind.

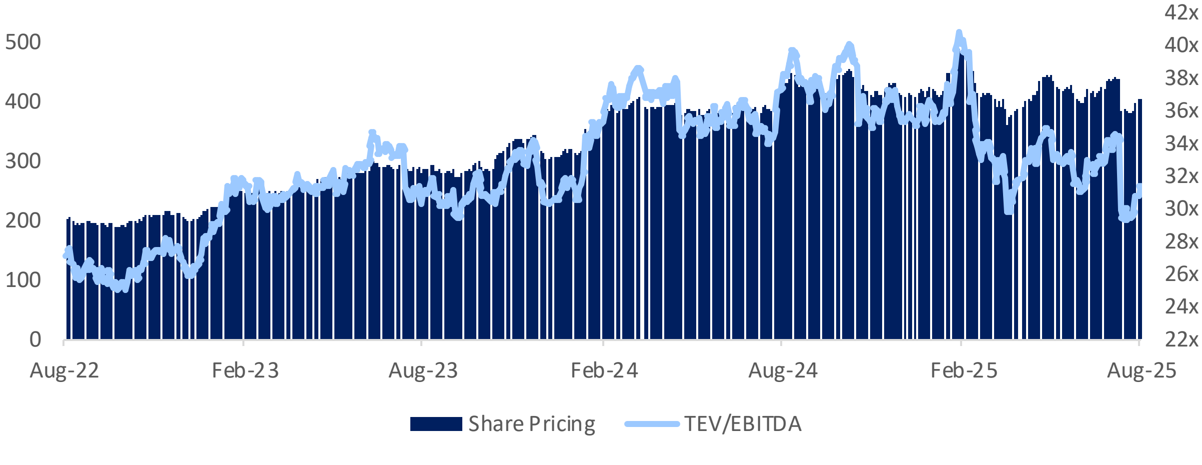
1) DIY Investing Hub, 2025. *Why Millennials and Gen Z are prioritizing experiences over ownership*. [online] Available at: https://diyinvestinghub.com/why-millennials-and-gen-z-are-prioritizing-experiences-over-ownership/
2) Mastercard Economics Institute, 2023. *Travel Industry Trends 2023: Mainland China Re-Opens, Experiences Endure, and Business Travel Bounces Back*. [online] Mastercard. Available at: https://www.mastercard.com/news/ap/en/newsroom/press-releases/en/2023/mastercard-economics-institute-releases-travel-industry-trends-2023-mainland-china-re-opens-experiences-endure-and-business-travel-bounces-back
3) Kelly, J., 2025. *The Buy Now, Pay Later Boom At Coachella, Signs Of Stretched Wallets*. [online] Forbes. Available at: https://www.forbes.com/sites/jackkelly/2025/04/16/the-buy-now-pay-later-boom-at-coachella-signs-of-stretched-wallets/

Current Holdings: Ferrari (NYSE: RACE) - Hold

Business Overview

Ferrari engages in design, engineering, production, and sale of luxury performance sports cars worldwide. The company offers sports, track, one-off, and road cars, as well as supercars. It also provides spare parts and engines, as well as after sales, repair, maintenance, and restoration services for cars; and licenses its Ferrari brand to various producers and retailers of luxury and lifestyle goods. In addition, the company operates Ferrari museums, a restaurant, and theme parks. Further, it provides direct or indirect finance and leasing services and operates franchised and owned Ferrari stores. The company was founded in 1947 and is headquartered in Maranello, Italy.

Market Cap	Share Price	P/E (TTM)	EV/EVITDA (TTM)	52-Week Price Range	PEG
$83.7bn	$467.94	44.86x	27.11x	$391.53 - $519.10	4.47x



Current Performance

Ferrari posted solid earnings in Q2 2025, with net revenues rising 4.4% YoY to €1.787bn and shipments holding steady at 3,494 units to maintain brand exclusivity. EBITDA grew 8.1% YoY, supported by enriched product mix and personalization. Still, RACE narrowly missed both revenue and earnings expectations, with EPS coming in at € 2.38, versus a €2.40 consensus estimate. The miss triggered a 12% sell-off, marking Ferrari's largest single-day price decline since its 2016 listing, though management reaffirmed its 2025 guidance. Management further guided that it would reverse tariff-related price increases to cars exported to the U.S. following the announcement of the EU-US trade deal, which lowered the European auto tariff rate from 27.5% to 15%.

Current Holdings: Ferrari (NYSE: RACE) - Hold

Tailwinds

Pricing Power: Ferrari's brand strength and exclusivity-through-scarcity generate the high demand and strong pricing power needed to offset tariff impacts.

Personalisation: As ultra-high net worth (UHNW) individuals continue to growth their wealth, Ferrari should benefit from increased demand for high-margin personalisations, which increase the price of the average Ferrari car by 30%.

Insulation and Predictability: Ferrari serves UHNW individuals, who are broadly insulated from macroeconomic cycles. Moreover, Ferrari's order book extends into 2027, providing a degree of visibility into future earnings amidst greater uncertainty. Ferrari thus exhibits predictable, stable earnings growth, allowing its stock to boast a 5-year beta of 0.7, even in a cyclical industry.

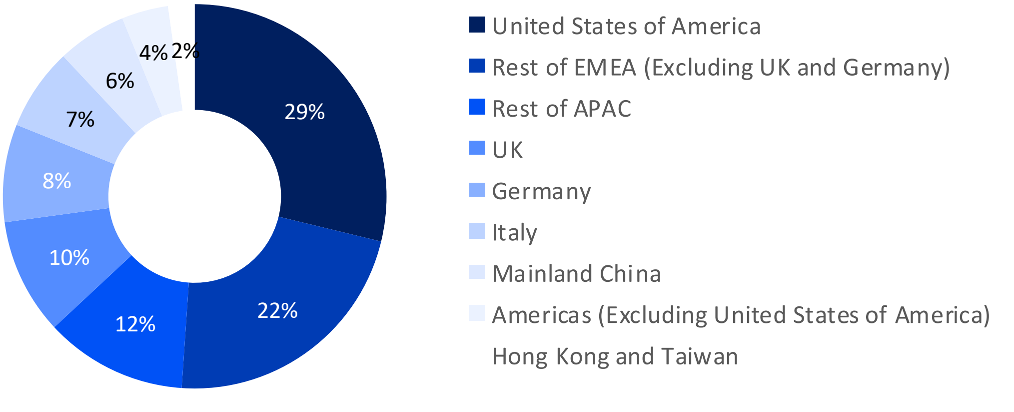
Headwinds

Valuation Risk: At nearly 45x earnings, Ferrari's valuation risk may be skewed to the downside. The stock's recent selloff underscored the valuation risk inherent to Ferrari's premium; whereby even minor deviations from consensus can trigger outsized reactions.

Thesis

Ferrari's strong brand, pricing power, and solid backlog support high margins and cash flow despite macro headwinds. While its premium valuation remain a risk, its ability to maintain exclusivity and adapt to industry shifts makes it a compelling long-term luxury growth story. Its UHNW customer base provides predictability in a world of uncertainty and should position Ferrari to capitalize on the mounting wealth of the ultra-wealthy.

Geographic Breakdown

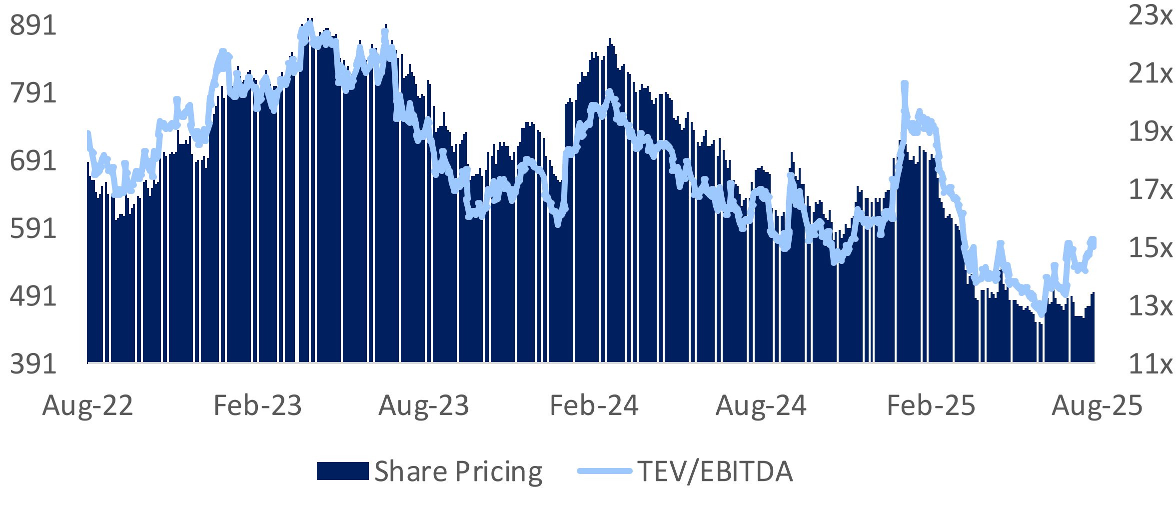


Current Holdings: LVMH (MC.PA) - Sell

Business Overview

LVMH Moet Hennessy Louis Vuitton is the world's largest luxury goods group, with a market value of approx. €242.6bn. The company operates across six major divisions - Fashion & Leather Goods, Wines & Spirits, Perfumes & Cosmetics, Watches & Jewelry, and Selective Retailing, and other activities. The diversified portfolio provides significant scale, global reach, and pricing power across the luxury sector.

Market Cap	Share Price	P/E (TTM)	EV/EVITDA (TTM)	52-Week Price Range	PEG
€242.57bn	€476.10	22.22x	11.4x	€436.55 - €762.7	6.83x



Current Performance

LVMH reported H1 2025 revenue of €39.8 billion, down 4% year-on-year, with recurring operating profit falling 15% to €9 billion and net profit declining 22% to €5.7 billion, reflecting a narrower operating margin of 22.6%. All major divisions recorded a decline, led by a steep 8% drop in LVMH's core Fashion & Leather Goods division and a 33% decline in Wines & Spirits operating profit. Perfumes & Cosmetics and Watches & Jewelry both eased 1%, while Selective Retailing was the only division to hold steady, delivering a 12% rise in operating profit. The results mark a further slowdown in the luxury sector amidst geopolitical uncertainty and trade tariffs. LVMH's share price has fallen 29% in the past year.

Current Holdings: LVMH (MC.PA) - Sell

Tailwinds

Diversification across product lines and geographies: LVMH's portfolio of 75 brands spans multiple regions and product categories, providing a hedge against downturns in any single market, segment, or brand.

Established Brand Equity: LVMH's strong brand desirability has historically supported price increases. While premium pricing power remains, recent volume declines highlight limits to further price hikes.

Headwinds

Weakened demand in Core Markets: Luxury spending in China has slowed, while economic uncertainty in the US, LVMH's second largest market after Asia (excl. Japan), continues to weigh on consumer confidence and discretionary spending.

Exposure to US Tariffs: The post-COVID luxury boom saw LVMH hike its prices dramatically, eventually dampening demand. With the impact of US tariffs yet to fully set in – LVMH may have limited room to raise prices to offset the effects thereof.

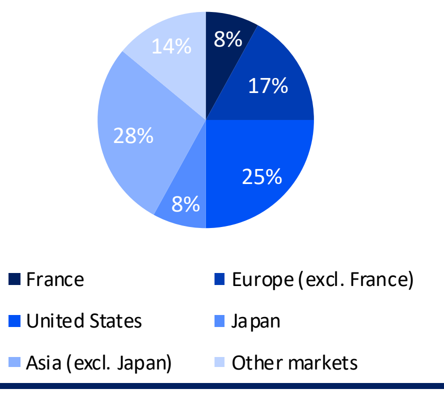
Slowdown in Alcohol Consumption: Moet Henessy went from being a reliable source of cash to losing €1.5mm last year. A secular slowdown in alcohol consumption, combined with recent dramatic price hikes, have significantly weighed on volumes.

Thesis

LVMH is facing a difficult macro environment that undermines its near-term outlook. While global rate cuts could offer some support to sentiment, stubborn inflation and tariff-driven cost pressures are likely to further weigh on discretionary spending. Despite its strong brand equity, LVMH's dependence on premium pricing leaves it exposed as consumers grow increasingly resistant to further price hikes. With Wines & Spirits already struggling, Fashion & Leather Goods experiencing volume declines, and limited room offset tariffs and inflationary pressures without eroding demand, near-term macro and regulatory headwinds point to further downside, supporting a sell recommendation.

Revenue by Division

Revenue by Geography

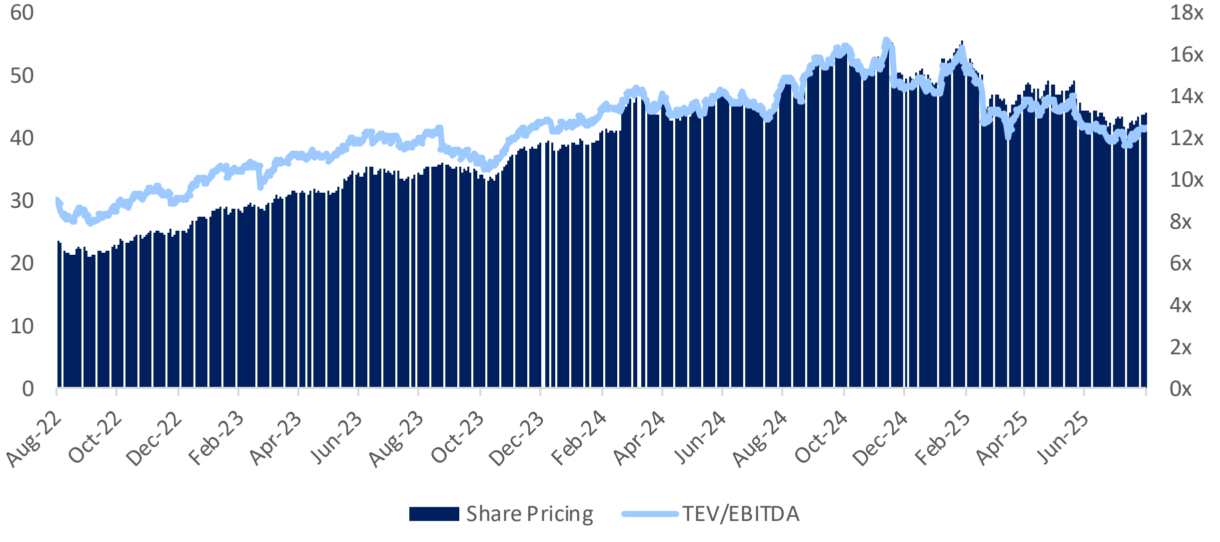


Current Holdings: Inditex (ITX.MC) - Hold

Business Overview

Inditex (Industria de Diseño Textil, S.A.) is one of the world's largest fashion retailers, operating a portfolio of globally recognised brands such as Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, and Zara Home. The company operates in 214 markets with over 5,500 stores worldwide. Inditex's strategy centres on a highly efficient supply chain model, with rapid product turnover and a focus on innovation, allowing it to quickly adapt to changing fashion trends and consumer preferences.

Market Cap	Share Price	P/E (TTM)	EV/EVITDA (TTM)	52-Week Price Range	PEG
€135.89bn	€43.80	23.16x	12.4x	€40.80 – €56.34	3.57x



Current Performance

Over the last year, Inditex has reported moderate growth in both revenue and profit. FY2024, Inditex reported revenues of €38.6billion, a 7.5% increase from the previous year. Net income reached €5.88billion, up 9% YoY. Sales in the final quarter of 2024 weakened in the Americas as well as in Asia. In Q1 2025, sales rose 4%, significantly below its quarterly growth rates of 7% or more in the past year. The company's share price is down 12.53% YTD, reflecting investor concerns over slowing growth. The stock's negative performance comes after signs of decelerating sales growth (4% growth YoY in Q1 2025, compared to double digit growth in FY2024).

Current Holdings: Inditex (ITX.MC) - Hold

Tailwinds

Brand Diversification: Inditex's brand portfolio includes multiple demographics and price points, allowing it to internalise competition.

Agile Supply Chain: Inditex's agile supply chain of closely-knit stores and designers and geographically proximate suppliers is bolstered by economies of scale and yields industry-leading margins and strong free cashflow generation.

Investment in Logistics and Continued Margin Expansion: Consolidation of smaller stores alongside €1.8bn in investment in larger, "flagship stores" has offered margin expansion and increased sales per sqm.

Headwinds

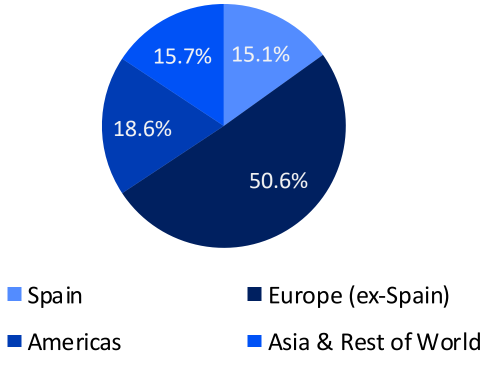
Macroeconomic Pressures: Inflationary pressures and reduced consumer demand in key markets threaten growth and margins. In particular, the U.S reversal of the de minimis exemption is expected to increase import costs for apparel, raising consumer prices and reducing profit margins.

Competition: Peers such as H&M, Uniqlo and Shein offer similar cheap apparel, requiring strong ongoing investment in technology and logistics.

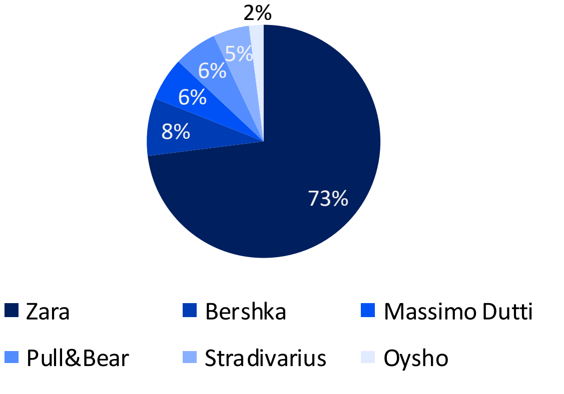
Holding Thesis

Inditex remains fundamentally strong with an industry-leading supply chain, global brand recognition and financial stability. Inditex continues to invest in its infrastructure, opening stores in 26 markets in Q1 2025 as part of a 2-year, €900 million expansion program focused on logistics and technology. Inditex outperforms peers on profitability, cash flow and global scale. While near-term growth has slowed from reduced consumer demand and inflation, Inditex's superior supply chain, integrated digital and physical retail and ongoing investment in innovation, position the company for long-term growth and expansion in the apparel market.

Breakdown of Sales



Revenue by Brand



Buy List

Booking Holdings (NASDAQ: BKNG)

Booking Holdings Inc. provides online and traditional travel and restaurant reservations and related services in the United States, the Netherlands, and internationally.

Market Cap	Share Price	P/E (TTM)	EV/EVITDA (TTM)	52-Wk Price Range	PEG
$184.92bn	$5,705.68	39.7x	21.71x	$3,700.97 - $5,839.81	1.44x

Thesis: *Booking Holdings' dominant global platform, asset-light model, and strong free cash flow generation position it to capitalize on sustained travel demand growth and expanding margins.*

Flutter Entertainment (NYSE: FLUT)

Flutter Entertainment plc operates as a sports betting and gaming company in the United States, the United Kingdom, Ireland, Australia, Italy, and internationally.

Market Cap	Share Price	P/E (TTM)	EV/EVITDA (TTM)	52-Wk Price Range	PEG
$52.85bn	$300.82	146.74x	26.4x	$196.82 - $313.68	0.22x

Thesis*: Flutter Entertainment capitalizes on booming global gaming and sports betting demand with FanDuel's dominance and international reach, while expanding into growing prediction markets via its CME partnership, driving powerful long-term growth potential.*

Disney (NYSE: DIS)

The Walt Disney Company operates as an entertainment company in the Americas, Europe, and the Asia Pacific through three segments: Entertainment, Sports, and Experiences.

Market Cap	Share Price	P/E (TTM)	EV/EVITDA (TTM)	52-Wk Price Range	PEG
$211.53bn	$117.65	18.44x	13.76x	$80.10 - $124.69	0.93x

Thesis*: Disney is benefiting from strong global demand in its parks, resorts, and cruise businesses while rapidly scaling its streaming platforms like Disney+, Hulu, and ESPN+ with new content and sports rights. This combination of thriving experiences and a growing direct-to-consumer presence positions Disney for sustained long-term growth.*

Disclaimer

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