QUARTERLY COMMENTARY

SEPTEMBER 2026

SecureWealth
Lead. Don't Follow.

We have broken this quarterly commentary into two sections: (1) Concerns and (2) Opportunities

CONCERNS

1. Nvidia is extremely expensive: price-to-sales ratio of approximately 18x, meaning investors pay around $18 for every $1 of annual revenue.
2. A good example of when this ended badly: Sun Microsystems traded at 10x sales near the peak of the dot-com bubble before losing 96% of its value and eventually being sold to Oracle.
3. Concentration risk: The combined value of OpenAI, Anthropic and SpaceX exceeds the initial combined value of thousands of US technology companies listed between 1980 and 2025.
4. Investors are ignoring risk: the market is buying every dip and warnings are being outright dismissed.



VS

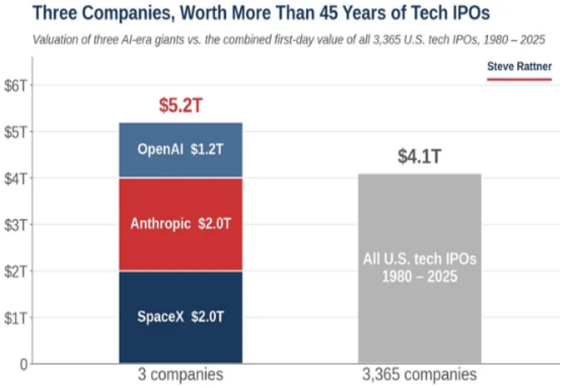
NVIDIA

The Example:

All 416 companies listed in Germany together are worth only around 52% of Nvidia, despite Germany having a diversified economy and the companies trading at a much lower average price-to-sales ratio.

The Conclusion:

AI may be genuinely transformative, but that doesn't mean every AI-related stock is attractively priced. We favour diversification, a margin of safety and sensible valuations, especially when valuations are this stretched.



OPPORTUNITIES

mercado libre

Combines online shopping, logistics, payments, lending and advertising. Benefits from relatively low e-commerce penetration in Latin America, leaving room for long-term expansion. Its Mercado Pago financial services business is a major earnings contributor. The commentary cites a price-to-sales ratio of 1.84x and share-price growth of only 25% over five years, which the authors view as an attractive entry point given its growth prospects.

OPPORTUNITIES

nu

Serves approximately 140 million customers, primarily in Brazil, Mexico and Colombia. Has a reported return on equity of around 30.7%, compared with 11.9% for the traditional banking industry. Growth opportunities include personal loans, credit cards, insurance and investment products. Its digital infrastructure and use of AI could help it serve more customers while controlling costs.



OPPORTUNITIES

1. Cheap valuations and high dividends: low P/E and attractive dividend yield (7%+).
2. Commodity exposure: Brazil is a major exporter of iron ore, oil, soybeans and meat.
3. Diversification away from US technology: capital moving towards emerging markets.
4. Financial technology growth: digital banking businesses and their disruption.
5. Renewable energy: 88% of Brazil's electricity comes from renewable sources.
6. Technical breakthrough: Brazilian equities have broken a long-term downtrend vs the US.

Thank you for your ongoing support.

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