

Protea Fund Navera High Equity Strategy GBP

Quarterly Update - Q1 2026
31 March 2026



Protea Fund – Navera High Equity Strategy GBP

Performance

	Q1 2026	2025	2024	2023	Last 5 years	Since 31 Jan 2019 ¹
Protea Fund - Navera HE Strategy (Acc)²	-9.3%	-6.1%	11.6%	14.8%	19.1%	62.9%
UK CPI +4% ³	1.2%	7.3%	6.6%	7.9%	50.0%	64.6%
UK CPI ³	0.2%	3.3%	2.6%	3.9%	28.4%	32.1%
Peer Group ⁴	-0.9%	10.1%	9.3%	8.3%	26.2%	54.7%
MSCI AC World Equity Index (£) ⁵	-1.3%	13.9%	19.6%	15.3%	64.6%	123.9%
FTSE All-Share Index (£) ⁵	2.4%	24.0%	9.5%	7.9%	69.3%	83.8%
Inv. Grade Corporate Bonds (1-10Y) ⁵	-1.2%	7.3%	4.4%	9.2%	5.9%	16.6%

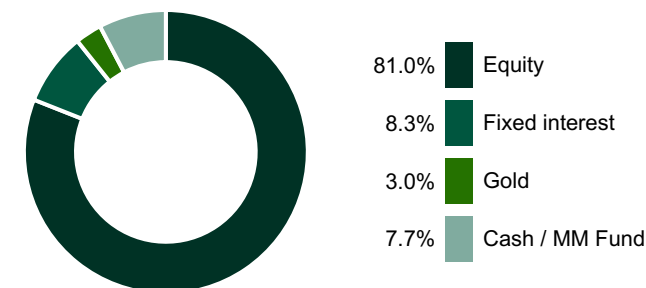
Investment Mandate

Objective	To protect our clients' assets and grow them significantly above inflation over the long-term
Risk Profile	Medium/high risk with a strategic asset allocation range of 80-100% in equities

Equity sectors⁶

% Weight	Names
Information Technology	19.2% Accenture, Amphenol, Cadence Design Systems, Intuit, Keyence Corp, Microsoft, Taiwan Semiconductor Manufacturing Co
Health Care	16.5% Boston Scientific Corp, Intuitive Surgical, Labcorp Holdings, Roche, Sonova, Thermo Fisher Scientific
Industrials	15.3% AMETEK, Automatic Data Processing, Broadridge Financial Solutions, Bunzl, Experian, RELX, Schneider Electric, Verisk Analytics, Xylem
Financials	11.1% London Stock Exchange Group, Marsh & McLennan, Mastercard
Consumer Discretionary	10.4% Amazon, Compass Group, Next, Tractor Supply
Materials	3.6% Avery Dennison, DSM-Firmenich
Communication Services	2.9% Alphabet
Consumer Staples	2.0% Kerry

Asset Allocation (% of Portfolio)



Morningstar ESG Risk Rating™



Fund Performance figures are in Sterling, total returns with net dividends reinvested. ¹Performance since month of inception. ²Protea Fund returns are net of all fees and costs. ³UK CPI are the most recent figures at the time of publication and obtained from external sources. UK CPI +4% figures are calculated internally using methodology that may differ from external counterparties. ⁴The ARC £ Equity Risk Index initial estimates are subject to revision. ⁵All Indices are gross of fees. Where shown Inv. Grade Corporate Bonds (1-10Y) refers to BofA ML index. ⁶Global Industry Classification Standard (GICS®), as determined by MSCI Inc. and S&P Global Market Intelligence, is used for sector classification of the securities and is shown only for comparability purposes. Source: Pictet, Bloomberg, Factset. All figures are unaudited and subject to change. Totals may not add precisely due to rounding.

Out of 8,769 Aggressive Allocation funds as at 31 March 2026. Based on 99% of eligible corporate AUM and long positions only. Sustainability provides company-level analysis used in the calculation of Morningstar's Historical ESG Risk Score.

Quarterly Update

Investment commentary

The first quarter of 2026 has been turbulent across all asset classes, with nothing coming out unscathed in the short term except cash. AI disruption fears have been displaced by an unexpected supply shock caused by the ongoing conflict in the Middle East. There is potential for rising energy costs to lead to significant increases in inflation. If this does happen, we are confident that our approach of investing in companies with strong balance sheets and pricing power will mean that the fund is well placed to weather this disturbance.

As throughout 2025, the companies in the fund continue to perform well operationally and are delivering earnings growth of more than 15%. We anticipate further double-digit earnings growth in 2026. Market volatility and underappreciation of many high-quality companies gave us the opportunity to buy new names during the quarter and broaden the range of growth drivers in the fund.

Despite headline performance, value creation at the company level continues to be healthy. This reinforces our confidence that the high quality of the businesses in the fund will be reflected in their share prices when the market returns to valuing company fundamentals. History has taught us that dislocations in this relationship can happen, but fundamentals (strong balance sheets, revenue growth, margins and pricing power) *always* lead markets in the long run. Today, the fund is producing c.25% more surplus cash per pound invested than the market. This is the best value we have seen in the equity portfolio in nearly a decade.

Against the volatile and uncertain backdrop, we have been happy to allow our non-equity exposure to increase. Our cash levels are currently higher than normal to act as a buffer against market shocks, profit if interest rates rise and enable us to buy equities as opportunities arise.

We are of course disappointed with recent performance. We have not done everything right, but we are pleased that the operational strength of the fund remains robust. This should continue as we enter the second half of this decade and underpin an expected strong rise in portfolio value over the next five years, even in a more challenged world.

Performance

Leaders

+ **Labcorp Holdings** is a play on the personalisation of healthcare, offering more than 6,500 unique diagnostic tests (with more than 450 in cancer alone) and working with the world's largest pharma companies on the development of next-generation therapies. Further, its development of in-home testing solutions and a collaboration with Walgreens respond to the trend of consumerisation of healthcare. Labcorp offers predictable growth and steady cashflow generation.

+ As a semiconductor maker, not a designer, **Taiwan Semiconductor Manufacturing Co (TSMC)** benefits regardless of which chip designs are in demand. As the only company able to produce high-quality, cutting-edge semiconductors at scale, TSMC is uniquely positioned to monetise the bottleneck created by surging demand for chips. With capacity booked out for years ahead, TSMC's growth should be resilient.

+ **AMETEK** is a highly diversified producer of instruments and components that are often mission-critical items for its differentiated niche markets, where it is usually the dominant player. Its products are used in multiple settings, from automation, environmental monitoring, medicine and aerospace to power generation and distribution. The company has a successful record of acquiring lower-margin businesses and making them more profitable. Its most recent results continued to show impressive progress.

Quarterly Update

Laggards

All of our laggards this quarter are software and information services companies, which the market believes to be susceptible to disruption by AI. This broadbrush approach ignores major differences between the companies in this sector in terms of their products, defensive moats, business models and quality of management.

These are times when it really pays to listen to what customers are asking for. The markets expect AI to wreck software and information services businesses. But customers with **Experian** and **London Stock Exchange Group (LSEG)** tell a different story: they are asking for *longer* contracts and *more* Experian and LSEG products. Having taken a 'shoot first, ask questions later' approach, the market is now returning to the sector. **RELX** and **LSEG** have bounced more than 20% from their trough during the quarter. **Verisk Analytics** and **Experian** are approximately 10% above their quarterly lows.

– **Intuit** is a leading provider of tax, accountancy and marketing software tools. Intuit's customers have low tolerance for error and are reluctant to abandon trusted products for unproven AI models that lack the reliability and regulatory robustness required in tax and accounting. Intuit is training its own AI models which should increase the value of its proprietary data, existing products and brand

– **Experian** owns unique datasets that cannot be replicated and will be increasingly valuable in an AI-enabled world. It also operates in a highly regulated industry that sets a high bar for new entrants. The company continues to deliver solid results, and during the quarter its management bought back 3% of Experian stock, underscoring their conviction in the company.

– **Microsoft** continues to deliver solid results, but the share price fell after the company narrowly missed the market's growth expectations for its cloud business. Investors are also concerned that AI could result in fewer knowledge

workers using Microsoft software in the future. Despite an incredibly entrenched position, there is a lot on the horizon for Microsoft to navigate – huge capital expenditure and integrating AI into its Office suite, all while relying on other providers – we are more cautious on the medium-term outlook.

Transactions

We are beginning to see more compelling valuations in the market, enabling us to broaden the growth drivers in the fund through new positions (see below). The purchases were funded by trims to **Alphabet**, **Roche**, **Tractor Supply** and **Mastercard** and reducing exposure to information services companies (**Experian**, **LSEG**, **Accenture** and **Intuit**).

Xylem provides water technology tools to identify, repair, monitor and prevent water leaks. UNESCO estimates that 30% of municipal water withdrawn globally is lost due to leaks, theft and metering errors, costing tens of billions of dollars every year and wasting a scarce resource. Xylem offers a vastly cheaper alternative to replacing urban water pipes, and its digital services and outsourced water management generate high margins and recurring revenues. We previously held Xylem and sold on valuation grounds in 2021. Since then, our patience has been rewarded as the valuation has approximately halved and the quality of the business has improved.

Schneider Electric is a specialist in energy management and automation, helping companies use electricity more efficiently. Just as the pandemic accelerated digitisation, the energy crisis will further focus minds on energy security. The company's leadership in a highly regulated industry gives it a robust competitive moat, making it well-placed to benefit from the long-term tailwinds of digitisation, decarbonisation and energy security. Schneider's shares sold off due to the Iran conflict, presenting us with a buying opportunity.

Quarterly Update

Compass Group is an international leader in food services for industry, education, healthcare and sports & leisure. Its scale and expertise are increasingly in demand as organisations tackle rising catering complexity and inflationary labour and food costs, and their service and product offering has led to customer retention rates exceeding 96%. We followed Compass for five years before finding the right buying opportunity. Overstated concerns that AI and hybrid working could reduce demand for in-house catering recently pushed its valuation to levels not seen since the Covid pandemic in 2020.

Boston Scientific is a key participant in the global market for minimally invasive medical devices used to treat cardiovascular, neurological, digestive and urological conditions. Heart disease and stroke are respectively the number one and number three causes of death in the developed world's ageing populations. A recent pull-back in the share price gave us a buying opportunity.

Non-equity holdings

Equities will always be the engine of growth in the fund over the long term, but a well-diversified mix of bonds, gold and cash provides a valuable balancing rod – particularly when markets and geopolitics are unpredictable. The fund's non-equity holdings are deliberately higher than usual, reflecting our caution on equity valuations and the relative attractiveness of non-equity assets.

As we noted last quarter, buying bonds at attractive starting yields is just as important as buying equities at attractive valuations. We typically hold bonds to maturity, so any fluctuations in their value along the way are simply bumps in the road – what decides the total return is the starting yield. The past few years have been a good time for purchasing high-quality bonds with attractive yields to maturity and low credit risk. We are now seeing even more opportunities: the Middle East conflict has raised inflation and interest rate expectations, sending bond yields higher and increasing starting yields on offer for new positions. As well as holding nominal bonds, the fund also holds index-linked bonds, which are providing some protection against the recent rises in inflation expectations.

Gold continues to provide a hedge against equity market volatility. The position has delivered attractive returns since we first added it to the fund in 2024. We have recently been trimming on strength.

We continue to hold above-average cash levels in readiness to deploy as more buying opportunities arise.

Stewardship

Our [2025 Stewardship Report](#) is now available. We have a responsibility to be good stewards of our clients' capital, alert to anything that might affect the value and durability of their investments. We firmly believe in encouraging companies to focus on material issues that directly affect their business resilience and financial performance. 2025 was another busy year for stewardship. We held 154 company meetings, voted on 485 proposals at 29 AGMs and made progress in our engagements on board independence, executive compensation, employee and talent welfare, and other issues that are material to the portfolio companies.

Despite global differences leading to challenges in some areas, we will continue to be a critical friend to our investee companies and focus on finding common ground to encourage long-term value creation, resilience and success. Our full Stewardship Code Report will be available by the end of April.

Quarterly Update

Top 10 Equity Holdings

Holding	% Weight
Marsh & McLennan	4.3
Mastercard	4.1
Labcorp Holdings	3.8
Taiwan Semiconductor Manufacturing Co	3.5
Intuitive Surgical	3.5
Microsoft	3.4
Amazon	3.4
Keyence Corp	3.2
Thermo Fisher Scientific	3.2
Cadence Design Systems	3.0
Top 10 Equity Total	35.3

Important Information

Fund manager	Navera Investment Management Limited
Ongoing charges	0.75%
Inception date	25th January 2019
Fund size	GBP 537.8m
Pricing	Daily
Base currency	GBP
Fund type	UCITS
Structure	SICAV
Domicile	Luxembourg
Tax status	UK Reporting Fund
SFDR classification	Article 8
Custodian bank	Pictet & Cie (Europe) SA
Dividend paid	January / July
Previous dividend rate (July 2025 / January 2026)	GBP 0.89 / 0.72
ISIN (Dis / Acc)	LU1901197852 / LU1901191145

Navera Investment Management Limited

Riverside House, 2a Southwark Bridge Road, London, SE1 9HA

Switchboard: + 44 20 3740 8350

Authorised and regulated by the Financial Conduct Authority

Registered in England & Wales. Reg. No: 12516583

www.naverainvestment.com

Navera Investment Management Limited is authorised and regulated by the Financial Conduct Authority in the conduct of its investment business. It is registered under number 923827. For more information click on www.fca.org.uk. Navera Investment Management Limited is a discretionary investment manager and does not offer investment advice; and no information contained within this document should be construed as such. If you are in doubt, you should seek advice from a financial adviser.

Disclosure

Investors should consult the KIID and fund prospectus before making any purchase. They can be downloaded from www.naverainvestment.com/fund-library/.

Past performance should not be seen as an indication of future performance.

The value of investments and the income from them may fluctuate and are not guaranteed. Investors may not get back the whole amount they have invested.

Changes in rates of exchange between currencies may cause the value of investments to diminish or to increase.

The views expressed are Navera's own and do not constitute investment advice. Reliance should not be placed on the views and information in this document when taking individual investment and/or strategic decisions. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met. This is a marketing communication according to ESMA guidelines. For more information please refer to our fund library on our website.

The Protea Fund - Navera High Equity Strategy GBP does not have a sustainability investment objective.

Sources

MSCI: The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2026. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

Morningstar®. All rights reserved. The information contained herein: 1) is proprietary to Morningstar and/ or its content providers; 2) may not be copied or attributed; and 3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

This fund and FundPartner Solutions (Europe) S.A are authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF).