

Quarterly Update - Q2 2025

TM Veritas Equity Strategy - GBP

30 June 2025



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Performance

	Q2 2025	YTD	Last 12 months	Since 30 Nov 2022 ¹
TM Veritas Equity Strategy GBP (Acc)²	-2.6%	-7.1%	-1.6%	18.3%
OECD G7 CPI +5% ³	1.8%	3.7%	7.5%	22.7%
MSCI World Equity Index (£) ⁴	5.0%	0.1%	7.2%	33.8%
IA Global Fund Universe (£)	3.5%	-1.3%	2.3%	22.5%

Equity sectors⁵

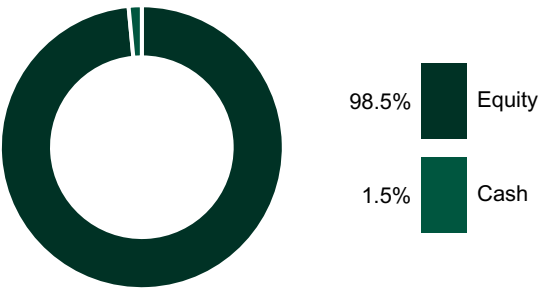
% Weight	Names
Information Technology	25.1% Accenture, Amphenol, Cadence Design Systems, Intuit, Keyence Corp, Microsoft, Synopsys
Health Care	19.7% Align Technology, Intuitive Surgical, Labcorp Holdings, Roche, Sonova, Thermo Fisher Scientific, UnitedHealth Group
Financials	17.6% Fiserv, London Stock Exchange Group, Marsh & McLennan, Mastercard
Industrials	17.6% AMETEK, Automatic Data Processing, Broadridge Financial Solutions, Bunzl, Experian, RELX
Consumer Discretionary	9.1% Amazon, Next, Tractor Supply
Materials	4.3% Avery Dennison, DSM-Firmenich
Communication Services	2.7% Kerry
Consumer Staples	2.4% Alphabet

¹ Performance since inception. ² TM Veritas Equity Strategy returns are net of all fees and costs. ³ OECD G7 CPI are the most recent figures at the time of publication and obtained from external sources. OECD G7 CPI +5% figures are calculated internally using methodology that may differ from external counterparties. ⁴ All Indices are gross of fees. Figures are in Sterling, total returns with net dividends reinvested. ⁵ Global 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: Northern Trust, Bloomberg, Factset. All figures are unaudited and subject to change. Totals may not add precisely due to rounding.

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 up to 100% in equities

Asset Allocation (% of Portfolio)



Morningstar ESG Risk Rating™



Out of 8,623 Global Equity Large Cap funds as at 30 June 2025. Based on 100% of eligible corporate AUM and long positions only. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical ESG Risk Score.

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Investment commentary

Operationally, most of the companies in the fund are performing well. 83% beat earnings expectations in the quarter against 58% for the wider market. This is in line with their track record of strong delivery against expectations over the past decade. Indeed, over the past three months, more stocks in the fund have gone up than down in local currency terms. This is typically a recipe for good performance but, if we think of the fund as a weighing scale, negative performance from some larger positions outweighed the positives. This was compounded by a weaker US dollar reducing the sterling value of US-listed companies. Over the quarter the fund fell by 2.6%.

When running a focused fund, periods when performance diverges significantly from that of peers and market indices are to be expected. The fund holds around 30 of the 1,300 stocks in the MSCI World Index which we have selected to provide our clients with inflation-plus returns. At times we have delivered outperformance by being different to the market but, by the same token, we have also experienced some periods of underperformance. There are always lessons to be learned along the way. Short-term share price reactions can be painful and strong business fundamentals are not always appreciated by the market, but they should be reflected in share prices over the long run.

The latest earnings season was challenging for three of our larger fund holdings in particular, with some outsized reactions to company results and outlooks. We saw notable moves in the share prices of **Bunzl**, **UnitedHealth Group** and **Fiserv**, companies that have served us well historically. The issues they face are fixable but we are keeping a close eye on their managements' progress in addressing them.

Elsewhere, we continued to see good results and operational performance. **Next** reported strong sales growth, despite a tough consumer backdrop. **Intuit** decisively exceeded expectations across all segments and **Amphenol** and **Cadence Design Systems** continue to benefit from capex spending on AI and

datacentres. **Experian** passed the significant milestone of having 200 million consumers using its platforms to access services and products such as identity protection, loans and car insurance.

We have strong evidence that the highest-quality companies, with structural growth, barriers to entry and excellent management teams will deliver growth ahead of inflation for our clients. As the chart below shows, we have a long track record of finding companies that can provide compounding growth to meet our clients' investment objectives. The graph demonstrates how our portfolio companies have demonstrated consistently higher revenue growth than that of the broader market.



Our approach is global but the kinds of businesses we seek exist predominantly in the US. With this comes exposure to the US dollar – although many of our companies also receive a substantial portion of their revenues from outside the US. For the fund, a weaker US dollar has an immediate negative effect on the value of US-listed investments, which has been painful this quarter. What takes

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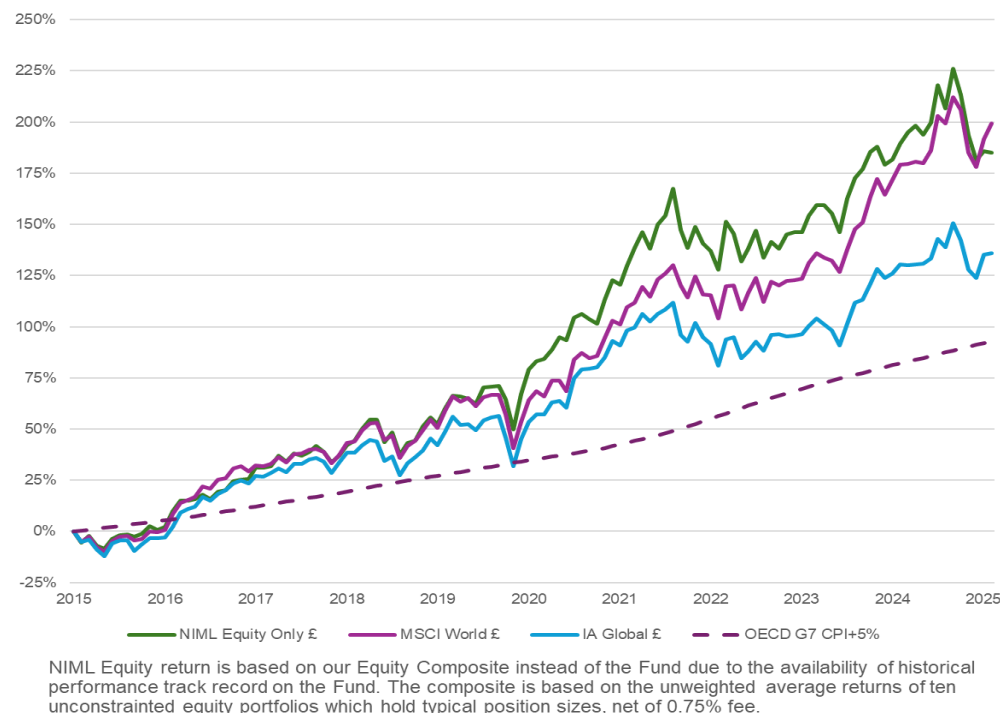
longer to materialise is the positive impact of our US companies' non-US earnings. **Accenture's** recent results noted that it will receive a tailwind from its overseas earnings, in contrast to its consistent currency headwind of the last five years. Given that 50% of our US companies receive more than 50% of their revenues from overseas, we can expect more such announcements.

We are no strangers to navigating periods of disruption and abrupt change. This is why we invest as we do, seeking companies that provide solutions to long-term problems – and consequently benefit from inevitable demand. The rise of populist leaders, geopolitical jockeying and market gyrations are, at root, symptoms of a crisis of economic growth. The world's workforce is shrinking and a technological shift is needed just to maintain (let alone increase) economic growth. The resulting pace of innovation is blistering: up to 30% of **Microsoft's** code is now written by AI. In the UK, the NHS is also automating, with plans to increase robotic surgeries from 70,000 to 500,000 per year by 2035. They will be buying more da Vinci surgical systems made by **Intuitive Surgical**.

The world has changed, and sources of growth may be scarcer. Yet reliable growth is exactly what investors need if they are to keep ahead of inflation. Our solution is to find companies that benefit from inevitable demand because they are addressing some of the world's most pressing problems.

Since the fund inception, we have not yet met our inflation-plus performance expectations. The period of investment has coincided with an exceptional inflationary shock in the wake of the pandemic that has greatly increased the objective we are aiming to achieve. Looking forward, we are confident that we will deliver our inflation-plus objective by sticking to our approach of finding high-quality companies that are solving some of the world's largest problems and investing in them at attractive valuations. We have been through periods like this before, and our team is working hard to provide long-term returns above inflation.

Long Term Composite Performance



Performance

With performance where it is, our focus is understandably on what hasn't worked this quarter. Profit warnings from **UnitedHealth Group** and **Bunzl**, and uncertainty over the outlook for **Fiserv** saw sharp share price corrections. These companies were among our larger positions, and this weighed on overall performance. Across the broader fund, however, we continued to see excellent results and operational performance, with significant rises in the share prices of **Microsoft**, **Amphenol** and **Intuit**.

+ **Microsoft's** quarterly results showed high growth and margins in its Cloud, AI

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and business productivity segments. Microsoft is well-positioned to capitalise on technological disruption. It aims to be *the* one-stop shop for multiple AI tools such as Microsoft Discovery, which accelerates scientific and engineering research and development.

+ **Intuit's** investment in technology is making it easier for more people to adopt do-it-yourself accounting, tax returns and sales & marketing campaigns. The company beat expectations across all areas in its latest results, with outstanding growth of 47% in its TurboTax Live and 31% in its Credit Karma businesses. The company has increasing confidence that its QuickBooks accounting software can penetrate the lucrative market in medium-sized companies.

- **UnitedHealth Group's** difficulties stem from a rare operational error in pricing new business, compounded by management changes and negative press coverage. We have carried out an in-depth review of our investment case and believe that the company's issues can be remedied – but this will take time.

- **Fiserv's** Q1 results missed revenue expectations by 1% but the share price reaction was much more severe. The principal concern was volume growth at Clover, Fiserv's point-of-sale solution for small and medium-size businesses. Our research points to this being a short-term issue that has been compounded by miscommunication. Clover continues to be a substantial growth opportunity.

Transactions

We topped up **Keyence Corp** and **Experian**. Keyence Corp is a world leader in machine vision and industrial sensors. The number of robots per employee is set to grow at 10% per annum this decade, but growth in demand for vision systems will be double that. Experian has highly diversified revenue sources, including fraud, health and personal identity management, and debt collection. These have enabled it to deliver consistent growth through both the credit crisis and the pandemic.

We sold **Adobe**. The rapid development of generative AI makes it difficult to assess whether Adobe will ultimately be the disruptor or disrupted. The journey from here looks much less predictable than it did.

We initiated a position in information services company **RELX**, a global provider of data and analytical tools with a front-footed approach to integrating AI tools. RELX benefits from structural demand for more data and analytics across a range of industries such as insurance, legal, scientific research and healthcare.

Portfolio activity – engagement

Our 2024 [Climate Report](#) is now available, with examples of our work with companies to help reduce emissions and improve resilience to extreme weather events.

Top 10 Equity Holdings

Holding	% Weight
Experian	5.3
Microsoft	4.9
London Stock Exchange Group	4.7
Mastercard	4.6
Intuit	4.3
Marsh & McLennan	4.2
Fiserv	4.0
Synopsys	3.9
Intuitive Surgical	3.8
Tractor Supply	3.7
Top 10 Equity Total	43.5

Important Information

Fund manager	Navera Investment Management Limited
Ongoing charges	0.75%
Inception date	30 November 2022
Fund base currency	GBP
Fund size	GBP 152.0m
Pricing	Daily
Fund type	UK UCITS
Structure	ICVC
Domicile	UK
Custodian bank	Northern Trust
Dividend paid	January / May
Previous dividend rate (Jan 2025 / May 2025)	GBP 0.0069 / GBP 0.0052
GBP Share Classes (Dis / Acc)	ISIN GB00BNV0FG02 / GB00BNV0F828

Navera Investment Management Limited

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

Switchboard: + 44 20 3740 8350

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Disclosure

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

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

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The TM Veritas Equity Strategy fund does not have a sustainability investment objective.

Sources

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