

# TM Navera Global Equity Strategy - USD

Quarterly Update - Q4 2025  
31 December 2025



# TM Navera Global Equity Strategy - USD

## Performance

	Q4 2025	2025	2024	2023	Since 30 Nov 2022 <sup>1</sup>
<b>TM Navera Global Equity Strategy USD (Acc)<sup>2</sup></b>	<b>-1.1%</b>	<b>-2.5%</b>	<b>10.7%</b>	<b>24.6%</b>	<b>26.8%</b>
OECD G7 CPI +5% <sup>3</sup>	1.9%	7.6%	7.7%	9.5%	27.0%
MSCI World Equity Index (\$) <sup>4</sup>	3.3%	22.3%	17.5%	22.2%	68.7%
IA Global Fund Universe (\$)	2.7%	18.4%	10.7%	19.2%	54.5%

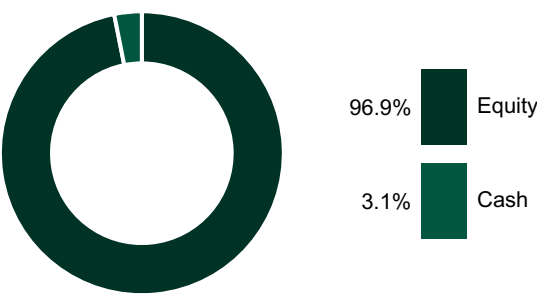
## Equity sectors<sup>5</sup>

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

## Investment Mandate

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

## Asset Allocation (% of Portfolio)



## Morningstar ESG Risk Rating™



<sup>1</sup> Performance since inception. <sup>2</sup> TM Navera Global Equity Strategy returns are net of all fees and costs. <sup>3</sup> 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. <sup>4</sup> All Indices are gross of fees. Figures are in USD, total returns with net dividends reinvested. <sup>5</sup> 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.

# Quarterly Update

## Investment commentary

The fund declined slightly by 1.1% during the quarter, bringing the return for 2025 to -2.5%. We know 2025 was not a good year for performance, against the fund's goal and what you could have expected of us based on our longer-term track record. In stark contrast to the performance of our fund companies' share prices, their underlying earnings grew approximately 15% during the 12 months to 30th September 2025.

Our investment approach centres on finding companies with strong business fundamentals, structural tailwinds and the ability to turn earnings into free cash flow. The fund reflects our view of the world looking five years out, through businesses that have the quality fundamentals to meet the fund's long-term objectives. The best-performing parts of the market this year have been banks, other cyclical and AI infrastructure names. Typically, these businesses have not demonstrated the durability or predictability we look for.

Understandably given the strong performance of AI-related names, many of you have asked us whether the markets are in an AI bubble. A number of the valuations we see, some based on highly theoretical revenues, do bear the hallmarks of bubble territory. But proclaiming and timing bubbles is extremely difficult. It is also a distraction from our primary focus, which is to evaluate whether a company can deliver the revenue and cash flow growth needed to achieve the fund's inflation-plus objectives.

In some areas we see AI being used as a tool that results in material economic gains. This will continue: the AI shift is real and this remarkable technology will, in time, transform many aspects of our lives. We are focusing on pricing risk and growth opportunities by dispassionately assessing the evidence and claims before us and asking: is that realistic? This unemotional and long-term approach is temporarily out of favour, but we believe it is still the safest route for allocating your savings to investments.

2025 was uncomfortable for investors who focus on good business fundamentals, but our research (see **Stewardship** section below) shows that AI is by no means the only game in town. For example, we see great opportunity in the deeply unloved healthcare sector – particularly in robotics, medical devices and equipment. We hold **Intuitive Surgical** and **Thermo Fisher Scientific**, two of this quarter's top performers.

Ageing populations are increasing demand for healthcare, and this is accelerating, placing pressure on healthcare organisations to innovate, digitise and automate to meet care needs. In the UK, 7 million people are on waiting lists for consultant-led elective care, over 50% more than five years ago. The NHS aims to have 500,000 robot-assisted operations annually by 2035. Many of these are likely to be carried out using Intuitive Surgical's da Vinci systems, which is already the system of choice in the UK.

Given performance, we must reflect on what we need to improve, whilst remembering that the market is not always – in the short term – the final arbiter of value. The most recent results from the companies in the fund were solidly reassuring, highlighting considerable underappreciated value. In some cases, this value is attracting attention. This quarter has seen significant rebounds in names such as **Alphabet**, **Intuitive Surgical**, **Accenture**, **Avery Dennison** and **Thermo Fisher Scientific**. With the durability of some AI business models being increasingly questioned, investors may be becoming more discerning and returning to fundamentals.

# Quarterly Update

## Performance

### Leaders

+ Having been consigned by the market to the 'AI losers' camp, **Alphabet's** ability to keep delivering high revenue growth and strong margins has forced investors to look again, resulting in a significant re-rating of the shares. Its core search and advertising business is thriving in an AI world. Looking ahead, Alphabet is positioning itself to be a one-stop shop for AI tools for scientists, creatives and businesses, and capture value throughout the AI economy. The shares have enjoyed a remarkable run but at current prices the valuation looks up with events. We took the opportunity to trim the position in November.

+ **Intuitive Surgical** is also benefiting from a major reappraisal by investors since the company's latest results exceeded expectations across the board. The share price rose by 19% following these results and we subsequently trimmed our holding. Intuitive Surgical is the world leader in robots to assist surgery, with a 20-year head start on competition. It has an installed base of nearly 11,000 robots in 71 countries and robot-assisted surgery is becoming the standard for minimally invasive procedures. In the US, 87% of prostatectomies are performed using Intuitive's da Vinci robots.

+ **Thermo Fisher Scientific's** most recent results continued to beat expectations, triggering a rapid revival in the share price as concerns over its clients' R&D budgets, AI disruption and geopolitical uncertainty abated. As the world's leading supplier of lab equipment, Thermo is positively exposed to growing R&D budgets in the fields of healthcare, materials science and technology. Its combination of innovative products and leading services is unrivalled and drives consistent revenue growth faster than its underlying markets. In 2024, 83% of Thermo's revenues came from recurring services and consumables.

### Laggards

- **Fiserv** announced a material cut to its revenue and profit guidance for 2025 and 2026 alongside significant leadership changes. Both reflect a reassessment of the business by its new CEO who identified issues with the company's financial forecasting and transparency of its communication with shareholders and analysts. Fiserv remains a profitable business, but it requires a period of investment and reorganisation. With the level and visibility of future growth now reduced, we sold the position in November.

- **Synopsys**. A lack of explanation for unexpectedly weak performance in its intellectual property division and the abrupt departure of the Chief Revenue Officer and Head of IR gave us cause for concern. In addition, the acquisition of Ansys adds to execution risk. Together, these negatives weakened our confidence in the company and we sold the position in November. We continue to hold **Cadence**, which gives higher-quality exposure to semiconductor design and testing software.

- **Experian** has been added to the 'AI losers' list by the markets – unfairly in our view. Experian owns unique datasets that cannot be easily 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. Despite delivering solid results, with total sales growth of 12% (of which 8% organic sales growth), the shares sold off, enabling us to top up our position at an attractive valuation.

### Transactions

We bought an initial position in **Taiwan Semiconductor Manufacturing Co (TSMC)**, the world's leading producer of advanced semiconductors. As a chip maker, not a chip designer, TSMC benefits regardless of which chip designs are in demand. We added to **RELX** (first purchased in June), a global provider of data and analytical tools that enable users in sectors such as insurance, legal and healthcare to be more productive. We added to **Experian** on some share

# Quarterly Update

price weakness and trimmed **Intuitive Surgical** and **Alphabet** after strong gains. We reduced **Bunzl** to reflect more challenging growth dynamics and also took some profits in **Next** following very strong performance this year. We sold **Fiserv** and **Synopsys** – see **Laggards**.

## Stewardship

We have a responsibility to be good stewards of capital we have been entrusted with, alert to anything that might affect the value and durability of your investments. This starts with a continuous process of in-depth research, seeking the best companies we can find to meet the fund’s inflation-plus objectives. Throughout this challenging year we have been putting the fund under the microscope to stress-test our analysis of each company we hold. As a result, we sold five holdings, added four new names to the fund and topped up a number of existing holdings whose strong fundamentals are not currently reflected in their share prices.

During 2025 our research has led us to high-quality growing businesses in industries with strong structural growth trends – from medical devices, consumer retail, defence and ratings agencies to cyber security, semiconductors, innovative software and electrification. In the process, we’ve met with companies, analysts and industry experts in the US, China, France, the UK and here at our offices in London. You can be confident that we are heading into 2026 with an extremely healthy pipeline of investment ideas and will be ready to act on these as buying opportunities arise.

## Top 10 Equity Holdings

Holding	% Weight
Mastercard	5.5
Experian	5.3
Intuit	4.8
Amazon	4.7
Marsh & McLennan	4.6
Microsoft	4.6
London Stock Exchange Group	4.2
Intuitive Surgical	4.1
Alphabet	4.0
Thermo Fisher Scientific	3.8
<b>Top 10 Equity Total</b>	<b>45.7</b>

# Important Information

Fund manager	Navera Investment Management Limited
Ongoing charges	0.75%
Inception date	30 November 2022
Fund base currency	GBP
Fund size	GBP 125.4m
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)	USD 0.0076 / USD 0.0055
USD Share Classes (Dis / Acc)	ISIN GB00BNV0FJ33 / GB00BNV0FH19

**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**

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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/](http://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.

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

**Sources**

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