

TM Naveria Global Equity Strategy - GBP

Quarterly Update - Q1 2026
31 March 2026

TM Navera Global Equity Strategy - GBP

Performance

	Q1 2026	2025	2024	2023	Since 30 Nov 2022 ¹
TM Navera Global Equity Strategy GBP (Acc)²	-10.9%	-9.1%	12.7%	17.6%	3.1%
OECD G7 CPI +5% ³	1.8%	7.6%	7.7%	9.5%	29.1%
MSCI AC World Equity Index (£) ⁴	-1.3%	13.9%	19.6%	15.3%	47.5%
IA Global Fund Universe (£)	-3.5%	10.3%	12.7%	12.5%	32.0%

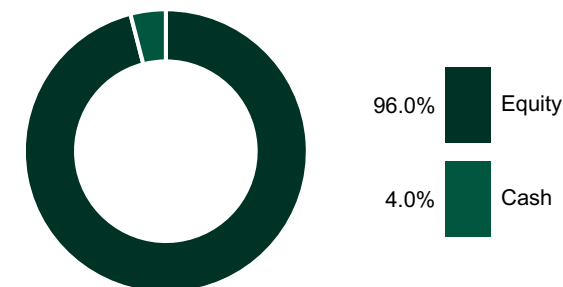
Investment Mandate

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

Equity sectors⁵

% Weight	Names
Information Technology	22.5% Accenture, Amphenol, Cadence Design Systems, Intuit, Keyence Corp, Microsoft, Taiwan Semiconductor Manufacturing Co
Health Care	19.6% Boston Scientific, Intuitive Surgical, Labcorp Holdings, Roche, Sonova, Thermo Fisher Scientific
Industrials	18.3% AMETEK, Automatic Data Processing, Broadridge Financial Solutions, Bunzl, Experian, RELX, Schneider Electric, Verisk Analytics, Xylem
Financials	13.3% London Stock Exchange Group, Marsh & McLennan, Mastercard
Consumer Discretionary	12.5% Amazon, Compass Group, Next, Tractor Supply
Materials	4.2% Avery Dennison, DSM-Firmenich
Communication Services	3.4% Alphabet
Consumer Staples	2.2% Kerry

Asset Allocation (% of Portfolio)



Morningstar ESG Risk Rating™



Out of 8,647 Global Equity Large Cap funds as at 31 March 2026. 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.

¹ Performance since inception. ² TM Navera Global 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.

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

+ 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.

+ **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.

+ **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.

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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.

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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.

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.

Top 10 Equity Holdings

Holding	% Weight
Marsh & McLennan	5.1
Mastercard	4.9
Labcorp Holdings	4.5
Taiwan Semiconductor Manufacturing Co	4.2
Intuitive Surgical	4.1
Amazon	4.1
Microsoft	4.0
Thermo Fisher Scientific	3.7
Keyence Corp	3.6
Cadence Design Systems	3.6
Top 10 Equity Total	41.9

Important Information

Fund manager	Navera Investment Management Limited
Ongoing charges	0.75%
Inception date	30 November 2022
Fund base currency	GBP
Fund size	GBP 102.4m
Pricing	Daily
Fund type	UK UCITS
Structure	ICVC
Domicile	UK
Custodian bank	Northern Trust
Dividend paid	January / May
Previous dividend rate (May 2025 / Jan 2026)	GBP 0.0052 / GBP 0.0066
GBP Share Classes (Dis / Acc)	ISIN GB00BNV0FG02 / GB00BNV0F828

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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/.

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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