SOMERSTON
ASSET MANAGEMENT

SOMERSTON CORE EQUITY FUND

INVESTMENT LETTER AS AT 30 SEPTEMBER 2025

Portfolio Objectives: To grow capital over the medium term by investing in a concentrated portfolio of high quality companies and to outperform global equities over the economic cycle.

Strategy: We use a fundamental bottom-up approach to identify attractive investment opportunities. We have a 5-year investment horizon. We focus our investments in 15 to 25 high quality companies. We invest in companies that demonstrate strong governance, high profitability, low capital intensity, strong economic moats, and low business risk. We invest globally, without sector/geographic restrictions.

Performance: The Core Equity Fund (US1 class) rose +0.1% in the month and rose by +2.0% over the last three months. The reference index rose by +3.2% during the month and rose by +5.5% over the last three months.

Performance US1 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017				1.2	5.4	-0.2	0.4	-0.1	1.9	1.8	-1.8	2.1	**10.9**
2018	6.2	-4.6	-1.9	0.4	1.2	1.2	4.3	1.3	0.4	-8.5	2.7	-9.0	**-7.2**
2019	6.2	4.2	3.3	3.8	-4.0	5.7	0.6	0.8	-1.6	1.3	5.1	2.5	**31.1**
2020	0.9	-7.3	-14.3	12.5	5.8	2.6	4.4	5.5	-3.4	-3.8	9.7	2.9	**13.0**
2021	-0.6	1.7	3.3	5.0	0.2	3.4	3.1	2.2	-5.1	6.3	-1.6	2.9	**22.2**
2022	-8.3	-4.8	4.4	-9.4	-0.2	-8.8	10.4	-4.5	-8.6	6.6	4.7	-4.8	**-23.1**
2023	2.2	-3.8	5.3	1.8	-1.6	4.7	3.7	-1.1	-5.5	-2.8	8.9	4.6	**17.0**
2024	2.6	3.3	1.6	-4.2	4.0	2.1	0.3	3.3	0.8	-3.5	2.5	-2.1	**10.8**
2025	4.8	-1.9	-7.2	-0.7	7.4	3.6	0.4	1.4	0.1				**7.5**

Total return since March 2017: 99.3%

Geographical Allocation

Region	**% Fund**
North America	69.1%
Europe	23.2%
South America	3.7%
Cash & Equivalents	3.9%

Sector Allocation

Sector	**% Fund**
Information Technology	22.9%
Health Care	20.6%
Consumer Discretionary	18.1%
Communication Services	10.8%
Consumer Staples	10.7%
Industrials	8.0%
Financials	5.0%
Cash & Equivalents	3.9%

Top Ten Holdings

Name	**% Fund**
Amazon.com Inc	6.1%
Alphabet Inc	5.7%
Intuit Inc	5.4%
Meta Platforms Inc	5.1%
Mastercard Inc	5.0%
ASML Holding NV-NY Reg SHS	4.4%
Nvidia Corp	4.3%
Microsoft Corp	4.1%
Unilever PLC	4.1%
Veeva Systems Inc	3.7%
Total for Top Ten	**47.7%**

This factsheet shows the performance of Somerston's "Core Equity Strategy" from 31 March 2017 to 30 September 2023 then the Somerston Core Equity Fund from its launch on 02 October 2023.

GB1 Class Performance: The Core Equity Fund (GB1 class) rose by +0.1% in the month and rose by +1.8% over the last three months.

Performance GB1 (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017				1.2	5.4	-0.2	0.4	-0.1	1.9	1.8	-1.8	2.1	**10.9**
2018	6.2	-4.6	-1.9	0.4	1.2	1.2	4.3	1.3	0.4	-8.5	2.7	-9.0	**-7.2**
2019	6.2	4.2	3.3	3.8	-4.0	5.7	0.6	0.8	-1.6	1.3	5.1	2.5	**31.1**
2020	0.9	-7.3	-14.3	12.5	5.8	2.6	4.4	5.5	-3.4	-3.8	9.7	2.9	**13.0**
2021	-0.6	1.7	3.3	5.0	0.2	3.4	3.1	2.2	-5.1	6.3	-1.6	2.9	**22.2**
2022	-8.3	-4.8	4.4	-9.4	-0.2	-8.8	10.4	-4.5	-8.6	6.6	4.7	-4.8	**-23.1**
2023	2.2	-3.8	5.3	1.8	-1.6	4.7	3.7	-1.1	-5.5	-2.8	8.9	4.6	**17.0**
2024	2.6	3.3	7.4	-4.2	3.9	2.0	0.3	3.0	0.7	-3.6	2.5	-2.2	**9.9**
2025	4.8	-1.9	-7.0	-0.8	7.5	3.5	0.4	1.4	0.1				**7.5**

Total return since March 2017: 97.8%

The GB class launched May 2024, prior performance is based on the US1 Class.

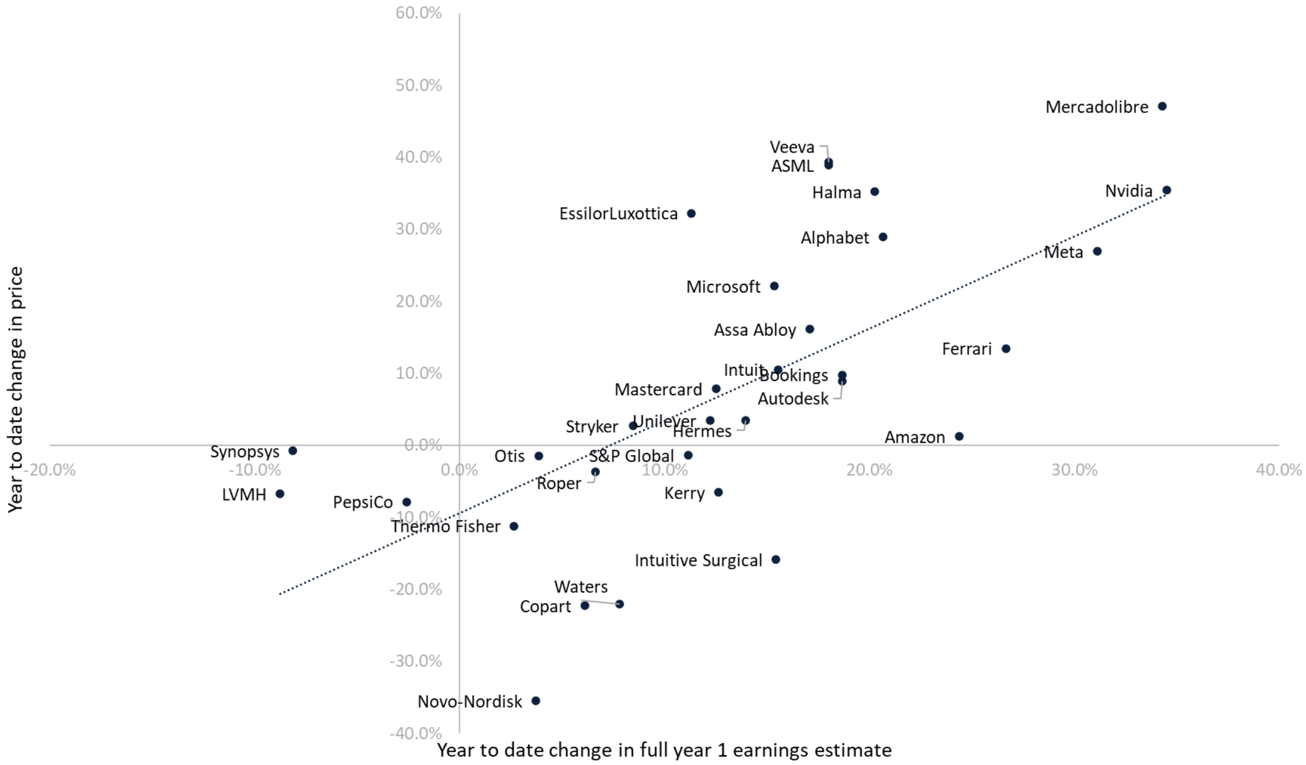
Commentary

The Somerston Core Equity Fund (US1 class) rose by +2.0% over the third quarter of 2025 and +7.5% year to date. As has been the case for much of the past two years, the equity market's ascent continues to be driven by a narrow cohort of names, while the broader market remains largely inert.

This narrowness is particularly evident in the extreme divergence between AI beneficiaries and the remainder of the S&P 500. Although leading economic indicators remain consistent with recessionary conditions, large-cap technology continues to thrive on the back of robust earnings growth and operational leverage. The bulk of consumer strength appears to be concentrated in the hands of high-income households, who disproportionately benefit from equity market appreciation and remain resilient spenders, despite rising macro headwinds. However, outside of this cohort, signs of consumer fatigue are beginning to emerge. Retail sales, US credit card debt and consumer sentiment data all indicate a more fragile underlying picture, particularly in discretionary categories.

With this backdrop in mind, we continue to see a bifurcated market: one where a small number of structurally advantaged companies deliver exceptional growth, while the broader economy remains sluggish. Our portfolio remains concentrated in high-quality businesses where we retain high conviction in the durability of their earnings power and management’s ability to compound returns over time. As illustrated in Chart 1, Year-to-date in 2025, aggregate full year 1 earnings estimates for our holdings have risen c.14% while prices have increased c.6%, implying multiple compression across the portfolio. In our view, this derating sets up the portfolio for some of the most attractive prospective returns we have seen in recent years.

Chart 1: Year to date change in price relative to year to date change in earnings estimates.



Portfolio Leaders

Alphabet was the top contributor to performance this quarter. The company delivered another robust set of results, with continued strength in its Search and YouTube businesses, alongside ongoing momentum in Cloud. Notably, advertising revenues proved more resilient than expected despite a softer macro backdrop, underlining Alphabet's utility-like characteristics and dominance in online discovery. Further, progress in AI commercialisation—particularly through Gemini and its integration into core products—has served to renew investor confidence in Alphabet's ability to monetise AI at scale without compromising its core cash flows. Sentiment was further buoyed by the Department of Justice remedies ruling in the search case, including, no forced divestiture of Chrome, default-engine payments may continue on a non-exclusive basis, and some data-sharing obligations—an outcome which we view as less onerous than many expected and addresses the regulation uncertainty which has been overhanging the stock this year.

EssilorLuxottica performed strongly following the announcement that Meta has acquired a 3% stake in the company. The market interpreted this as a strong vote of confidence in their collaboration, particularly around smartglasses. As we have written previously, we view wearables as a major frontier for AI-driven consumer technology, and EssilorLuxottica's deepening partnership with Meta—especially with the Ray-Ban Meta and upcoming Oakley Meta launches—places it in an enviable position to benefit from this emerging innovation.

Thermo Fisher Scientific also contributed meaningfully. The company posted better-than-expected quarterly results, with strength in its bioproduction business helping offset weakness in academic and industrial end-markets. Management commentary was more upbeat, suggesting that the inventory destocking cycle is largely complete. Importantly, Thermo Fisher's scale and breadth in life sciences tools continues to position it as the default partner for pharma and biotech customers, even in a more challenged funding environment.

Portfolio Laggards

Intuit detracted from performance as its shares faced pressure from soft guidance, which missed expectations despite a solid end to fiscal 2025. While Credit Karma showed improving growth and AI Agents saw strong uptake, concerns over the impact that a shift from traditional Search Engine Optimisation to AI search weighed on sentiment. Management noted that online traffic remained up double digits, but the perceived impact on customer acquisition channels contributed to the decline. We continue to see Intuit as an attractive beneficiary of agentic AI and took the opportunity to increase our position.

Novo Nordisk was also a laggard. The obesity narrative, which has dominated headlines for much of the past 12 months, took a pause as questions were raised about GLP-1 pricing, reimbursement, and long-term adherence. Additionally, competition from Eli Lilly has begun to weigh on forward expectations. While the stock's decline has been disappointing, we consider investors have sold irrespective of the underlying fundamentals of the business, which remains a leader in Diabetes and has an impressive pipeline. At just 14x earnings, we consider the stock to offer reasonable return profile in the years ahead.

Kerry Group underperformed amidst a weak consumer environment and a pullback in demand for functional ingredients across food and beverage customers. While management reaffirmed medium-term growth targets, near-term volumes remain soft and pricing is under pressure. This is an area we continue to monitor closely, but we remain confident in Kerry's ability to compound through innovation and category leadership over time.

Activity

As mentioned above, we observe material weakness in the 'Quality Cohort'. This has opened up opportunities to acquire new positions in companies we have had on our watch list for many years. We initiated positions in:

- Intuitive Surgical, the global leader in robotic-assisted surgery, which continues to expand procedure volumes across developed and emerging markets. The opportunity remains significant as penetration of robotic platforms is still in its infancy and Intuitive Surgical benefits from the first movers advantage.
- Ferrari, which exemplifies scarcity value, pricing power, and capital discipline. With strong demand visibility and a measured approach to electrification, we believe the company remains a uniquely resilient luxury asset.
- Waters Corporation and Veeva Systems, two life sciences tools and software businesses that offer mission-critical solutions and high margins, and where valuation is compelling.
- MercadoLibre, where we see ongoing leadership in Latin American e-commerce and fintech. The business continues to out-execute peers and build defensible moats in logistics and payments.
- Roper Technologies, a high-quality compounder with a proven M&A playbook and robust recurring revenue profile.
- Autodesk, where a transition to a consumption-based model is likely to unlock new revenue streams and improve pricing efficiency over time.

In parallel, we exited our positions in LVMH, Halma, Synopsys, IDEXX Laboratories, and Visa. These decisions were driven primarily by valuation discipline and portfolio optimisation, rather than fundamental deterioration.

Outlook

Our analysis shows the valuation for many of the positions we hold within the Somerston Core Equity Fund have compressed this year, meaning the sales and earnings expectations have risen at a faster rate than their price. We find this encouraging for their prospective risk adjusted returns, especially relative to the elevated valuations we witness in some sectors of the market.

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