

Quarterly Update - Q1 2025

Protea Fund

Veritas High Equity

31 March 2025



Protea Fund – Veritas High Equity

Performance

	Q1 2025	Last 12 months	Last 3 years	Last 5 years	Since 31 Jan 2019 ¹
Protea Fund - Veritas High Equity (Acc)²	-3.2%	2.8%	17.9%	79.0%	85.0%
UK CPI +4% ³	1.5%	6.5%	28.9%	47.2%	55.6%
UK CPI ³	0.5%	2.5%	16.4%	25.5%	28.2%
Peer Group ⁴	-1.7%	2.5%	8.5%	48.2%	39.4%
MSCI AC World Equity Index (£) ⁵	-4.3%	4.9%	24.7%	94.7%	90.6%
FTSE All-Share Index (£) ⁵	4.5%	10.5%	23.3%	76.5%	51.2%
Inv. Grade Corporate Bonds (1-10Y) ⁵	1.1%	4.7%	5.9%	10.0%	11.2%

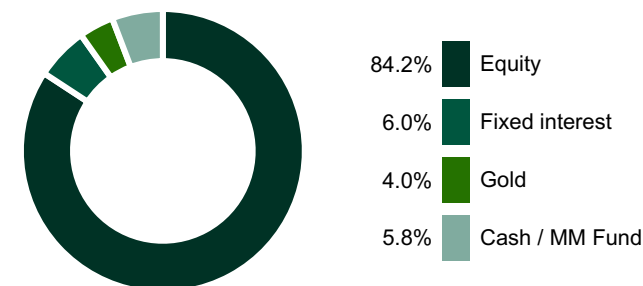
Investment Mandate

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
Health Care	18.8%	Align Technology, Intuitive Surgical, Labcorp Holdings, Roche, Sonova, Thermo Fisher Scientific, UnitedHealth Group
Information Technology	18.7%	Accenture, Adobe, Amphenol, Cadence Design Systems, Intuit, Keyence Corp, Microsoft, Synopsys
Financials	17.4%	Fiserv, London Stock Exchange Group, Marsh & McLennan, Mastercard
Industrials	13.6%	AMETEK, Automatic Data Processing, Broadridge Financial Solutions, Bunzl, Experian
Consumer Discretionary	7.9%	Amazon, Next, Tractor Supply
Materials	3.6%	Avery Dennison, DSM-Firmenich
Communication Services	2.1%	Alphabet
Consumer Staples	2.0%	Kerry

Asset Allocation (% of Portfolio)



Morningstar Sustainability 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 8,346 Aggressive Allocation funds as at 31 March 2025. Based on 92% of eligible corporate AUM and long positions only. Sustainability provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

Quarterly Update

Investment commentary

Through an extraordinary period of newsflow and challenging markets, the fund has not been immune to the resultant volatility, falling 3.2% over the quarter. Negative performance on a quarterly basis is not uncommon, and we continue to focus on our long-term inflation-plus return objectives.

“In the short run, the market is a voting machine but in the long run it is a weighing machine.” Warren Buffett, annual letter to shareholders, 1973

Even with a swift turnaround between writing and publishing, attempts at insightful comment on the US administration’s actions are likely to be redundant. However, there is definitely a great deal of noisy voting in markets. At such times, it may be tempting to make significant and sudden changes to portfolios and asset allocations. We continue to weigh. Our focus has not shifted from finding resilient, high-quality businesses benefiting from long-term structural growth trends that we can hold with conviction through good times and bad.

Our weighing machine of choice is a strong valuation discipline. In essence, does this company’s stock price today reflect its future profitability and cash generation? It’s a recurring subject of many of our investment discussions.

During rocky markets, having the ingrained habit of valuation discipline is worth its weight in gold. It has served our clients well during previous periods of market volatility and political uncertainty, such as the Global Financial Crisis, 2018-19 trade war, the Covid pandemic and the invasion of Ukraine. Our valuation methodology, not the market, informs us when a stock is ripe for a trim or suitable for a top up. As a result, trimming and adding to positions over the years has provided a significant source of additional returns relative to a buy-and-hold strategy.

We have recently trimmed a number of equity positions on valuation grounds, including **Amphenol**, **Intuitive Surgical** and **Amazon**. And with our eyes firmly on the future, we have purchased new holdings that we believe will thrive in an increasingly automated world. These are **Cadence Design Systems** (semiconductor testing software), **AMETEK** (precision instrumentation) and this quarter, **Keyence Corp** (sensors and machine vision).

We also weigh up our own thinking, challenging the reasons behind portfolio holdings to assess whether their long-term growth prospects and competitive moats continue to confer a ‘right to win’. Where we do identify a clear threat to our long-term investment thesis, we act quickly. Our decision to sell Infineon in 2024 following a research visit to China is a case in point.

Pullbacks in stock markets can give us opportunities to add to the existing fund holdings. In addition, we have our sights on a number of high-quality companies that we have researched in depth and would like to own – when the price is right. We’ll be watching patiently for attractive entry points, with the liquidity available to take swift action.

Top of the class

Rising risks from climate change, cybercrime and pandemic risks are driving the need for more insurance, and capable insurance brokers such as **Marsh & McLennan**. And this takes us to the nub of why we like this business. The role of insurance brokers is not to underwrite risk: it is to facilitate the transfer of risk from their clients to insurance companies. Furthermore, insurance brokers are typically asset light, cash-generative businesses because they are not required to hold any regulatory capital. In spite of the geopolitical and economic uncertainty, Marsh & McLennan continues to achieve c.70% recurring revenues.

Quarterly Update

This quarter highlighted the benefits of having exposure to **gold**, which we have steadily increased during the past year. We view gold primarily as a diversifier against equity market volatility, but it can also be a useful hedge against inflation and a store of value in times of uncertainty.

You there at the back!

Cadence Design System's Q4 results showed strong demand for its semiconductor design and testing software, as well as a record backlog of new business. However, with market sentiment becoming more risk-averse, Cadence's cautious outlook for its Chinese segment led the stock to sell off. We continue to back Cadence as a 'picks and shovels' play on the long-term growth of digitisation and automation. Its revenues are closely tied to semiconductor R&D spending, making its operations significantly less cyclical than other areas of the semiconductor industry.

Accenture's solid Q2 results could not cushion its share price from the uncertainty unleashed by the Trump administration's unpredictable cuts to government spending. In fact, only 8% of Accenture's global revenues are from US Federal contracts. Nonetheless, the stock price has been pulled down alongside names such as Booz Allen, which derives 98% of its revenues from US Federal contracts. We believe Accenture still has much to offer, both in its traditional consultancy business and its rapidly growing AI consultancy, as enterprises need help to cope with accelerating technological change.

Transactions

Keyence Corp is a world leader in machine vision and industrial sensors. As workforces shrink, robot density (robots per employee) is set to grow at 10% per annum during the 2020s. However, growth in demand for vision systems will be double that. Keyence products help manufacturers improve efficiency and productivity by increasing automation, and they play a key role in quality control – for example checking that circuit boards are assembled correctly. We began

researching Keyence in 2024 and visited the company's headquarters in Japan. After some patient waiting and watching, we were pleased to bring the stock into the portfolio at an attractive entry valuation.

Portfolio activity – engagement

How can we meaningfully help investee companies and, therefore, our clients' investments? Our answer is to focus on what is material for each portfolio company.

For some, this means making their boards more effective in terms of skills and knowledge (such as cybersecurity), or having appropriate executive remuneration. For companies such as **Next** and **DSM-Firmenich**, upholding human rights in their global supply chains is clearly important. For others, such as **Microsoft** and **Amazon**, energy and water efficiency are areas to focus on.

The debate in the US about whether ESG conflicts with fiduciary duty has intensified. We will continue to encourage companies to consider environmental and social factors that are material to their businesses. To learn more, see our [2024 Stewardship Report](#).

Quarterly Update

Top 10 Equity Holdings

Holding	% Weight
Fiserv	4.6
Mastercard	4.4
London Stock Exchange Group	4.2
Marsh & McLennan	4.1
Thermo Fisher Scientific	3.7
Experian	3.6
Tractor Supply	3.4
UnitedHealth Group	3.4
Labcorp Holdings	3.3
Microsoft	3.2
Top 10 Equity Total	38.1

Important Information

Fund manager	Meridiem Investment Management Ltd
Ongoing charges	0.75%
Inception date	25th January 2019
Fund size	GBP 724.4m
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 2024 / January 2025)	GBP 0.98 / 0.75
ISIN (Dis / Acc)	LU1901197852 / LU1901191145

Meridiem Investment Management Ltd

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.meridieminvestment.com

Meridiem Investment Management Ltd 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. Meridiem Investment Management Ltd 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.meridieminvestment.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.

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 - Veritas High Equity 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 2025. 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).