

FUND PERFORMANCE
Cumulative Returns

1 Month	YTD	1 Year	3 Years	5 Years	Since Launch
1.6%	18.3%	18.3%	37.2%	67.4%	86.5%

Calendar Returns

Year	Q1	Q2	Q3	Q4	Annual
2019	6.2%	2.9%	1.9%	3.5%	15.3%
2020	-20.9%	13.9%	1.7%	11.8%	2.4%
2021	11.0%	2.8%	2.4%	-1.4%	15.2%
2022	1.9%	-4.7%	-4.6%	14.3%	5.9%
2023	3.4%	-3.0%	-0.1%	9.6%	9.8%
2024	2.6%	-0.7%	2.6%	1.0%	5.6%
2025	0.8%	8.6%	6.0%	1.9%	18.3%

This performance information refers to the past. Past performance is not a reliable indicator of future results. This information is denominated in GBP: returns may increase or decrease as the result of currency fluctuations.

FUND DETAILS

Fund Size	£216M
Fund Manager	Matthew Beddall
Fund Structure	OEIC (UK UCITS)
Fund Domicile	UK
Launch Date	21 st August 2018
Base Currency	GBP
ISIN	GB00BFM7DN78
SEDOL	BFM7DN7

The Key Investor Information Document (KIID) and prospectus are available in English from:

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COMMENTARY

The fund's unit price increased by 18.3% in 2025, taking the total increase in unit price since inception to 86%. This marks the seventh consecutive positive calendar year for the fund.

President Trump's tariffs announcement, that saw equity markets fall heavily in April, now seems like a distant memory. This correction lasted all of about a week, since then stock markets resumed their ascent. They have been helped along their way by continued enthusiasm for AI related companies, many of which are striking deals with each other to provide the mind-blowing amounts of capital that it takes to build super-sized data centres.

It follows that 2025 was a good year to be a stock market investor, as judged by rising prices. However, in many cases these price rises haven't been accompanied by a commensurate rise in earnings, meaning higher valuations, and potentially lower returns for investors in the future. AI-related businesses have been at the epicentre of this, which has led to much talk of an AI bubble. I think it likely that as with previous new era technologies, enthusiasm for the impacts, are being muddled with an ability to know who the winners will be, and how lucrative it will be for them.

The estimated \$7 trillion¹ to be spent on data centres by 2030 is premised on a first mover advantage that will deliver outsized profits to the first past the post. I cannot know that this

¹ <https://www.mckinsey.com/featured-insights/week-in-charts/the-data-center-dividend>

won't be true, but without an informed opinion we will be steering our ship well clear of these parts of the market.

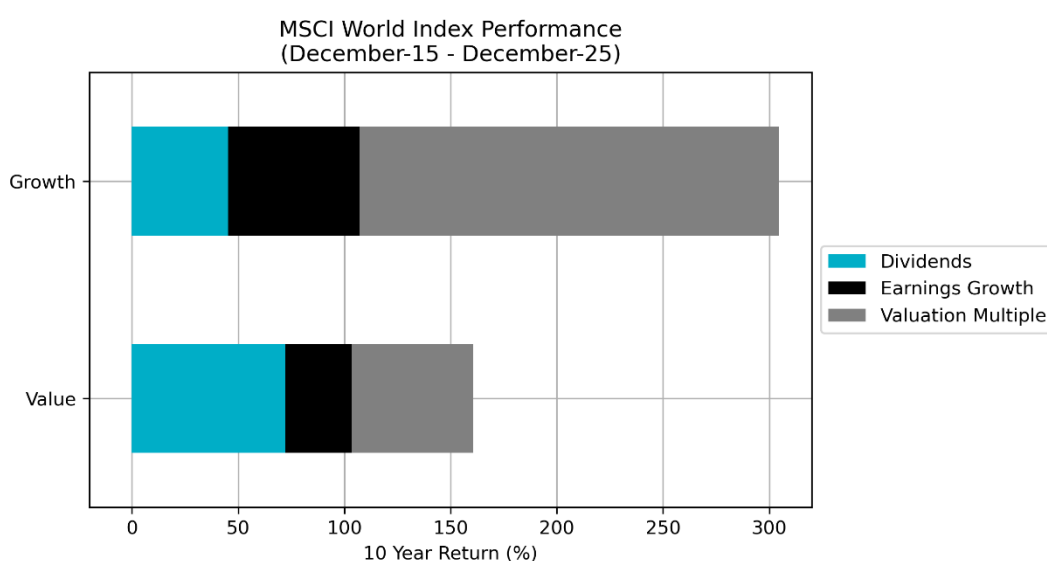
Environments like this leave many investors feeling complacent that markets only ever go up, and there is clearly a large incentive for political leaders to avoid a fall in asset prices. President Trump's campaign to get Jerome Powell to reduce interest rates is testament to this. This further reinforces the views I have written about before, that I see a risk that long-term inflation is the only way that governments can effectively shrink their ballooning debts.

We cannot know what 2026 will hold for markets, or if we will see a bursting of a potential AI bubble. If there is a rush for the exits in markets, then we would expect to be impacted in the short-term but believe that our idiosyncratic and diversified "value" portfolio would provide resilience in the longer term. We are a long way from the epicentre of extreme valuations, with a price to anticipated 2025 earnings ratio of around 12.5x.

As ever we move forward grateful for the trust that you have placed in us. After seven years of abundance, we will be doing all we can to ensure that we do not face the apocryphal "seven years of famine".

A picture is worth a thousand words

The chart below shows the breakdown of total returns in the last decade for the MSCI World Growth and Value indices. We have shared this analysis in the past, and I thought it was worth including an updated version in this letter.



Source: Havelock London calculations based on Bloomberg data.

Although I bridle at the idea that companies can be classified as either "growth" or "value" based on just a couple of numbers, these types of style indices at least provide a means of looking beyond the overall market averages. We would like to think that our approach is more nuanced, but without doubt we will tend towards looking at companies that sit within the value index.

The chart shows that when considering just dividend payments and earnings growth, these two groups of companies delivered broadly similar results. However, changes in valuations (as measured by the share prices versus earnings) meant that on average companies in the

growth index far outperformed those in the value one. Put simply, in the last decade many companies have seen their share prices grow much more quickly than profits.

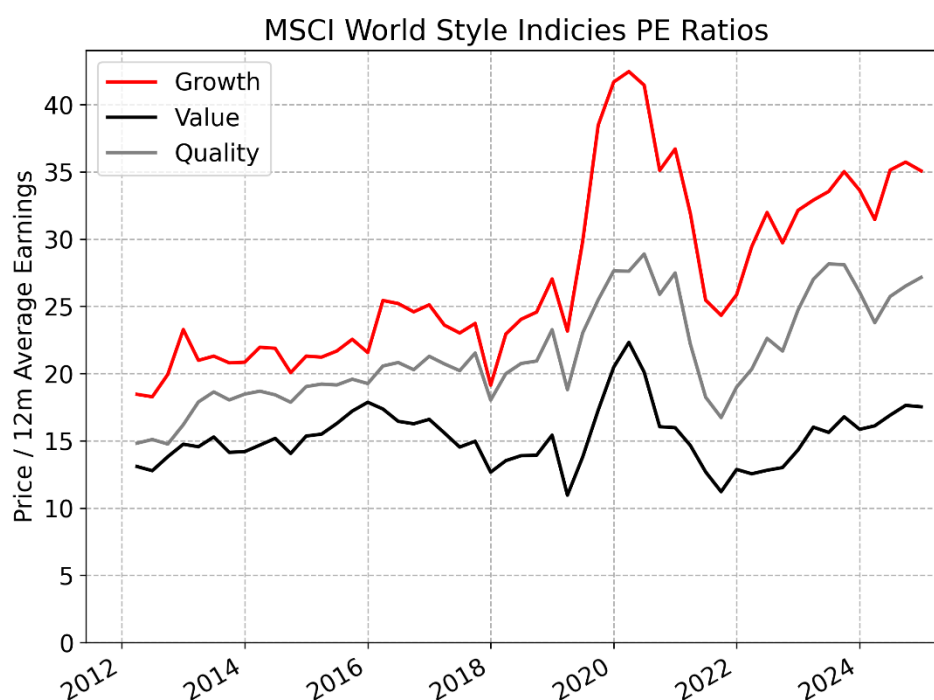
I suspect that many investors will be feeling smug about large stock market gains, without understanding the extent to which they have come from ever-higher valuations. Although in most areas of life folk love a bargain, when it comes to markets there is a tendency towards people investing in whatever has done well, irrespective of why the share price went up. Not so for us.

I obviously have my view on what this chart means for the future, but I will leave you to draw your own conclusions!

What about quality?

The MSCI Growth and Value indices have a younger brother, in the shape of the MSCI World Quality index. All three originate from work on “equity factors”, where cohorts of companies are grouped together based on a set of quantitative characteristics. The quality factor was a comparative newcomer to the academic literature, with MSCI using return on equity, earnings stability, and balance sheet leverage to form a quality index.

I have seen increasing discussion on “quality companies looking cheap”, with the respected commentator Ruchir Sharma calling it a “once-in-a-generation” opportunity in the FT. On this basis it would be remiss to not say something on this subject. The earnings data that we have available for the MSCI Quality index does not however extend back as far as for the Value and Growth indices, which makes it hard to include it in the previous chart (since our preferred measure of earnings growth for indices is a decade-on-decade measure which requires 20 years of data). So, instead, I just show rolling historic PE ratios for the three indices below, which give an indication of how expensive they appear versus each other and history.

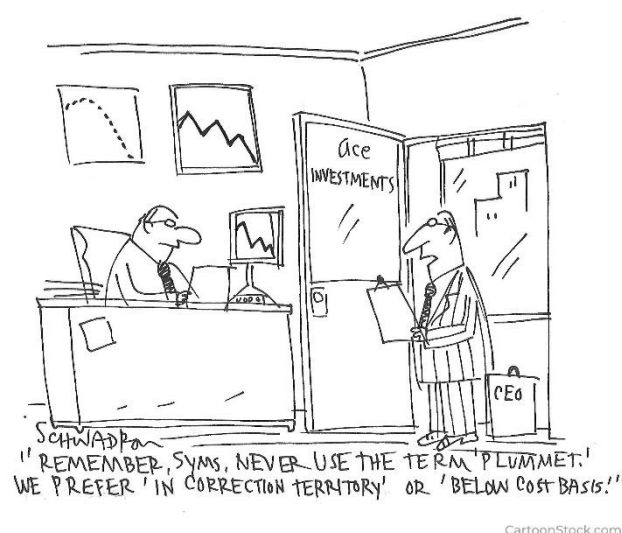


Source: Havelock London calculations based on Bloomberg data.

The argument for “quality looking cheap” seems to be based on it having underperformed the market cap weighed indices last year, but this chart shows that the MSCI Quality index doesn’t look cheap relative to its own history. Whilst I suspect that there are clusters of “quality companies” that are cheap versus history, it doesn’t appear to be the large-cap companies that dominate this index.

As I have written in the past “beauty is in the eye of the beholder”. We think that “value”, “growth” and “quality” are all subjective concepts that feed into the desirability of a given investment case. Narrow quantitative definitions of these factors are useful analytical tools but are also subjective and are by necessity superficial. Our approach is to look at individual companies, “warts and all”, and use this to form a view both on their desirability as an investment and what we would be willing to pay for them.

Getting it wrong



In a recent meeting I was asked about a holding that I have widely spoken about and that saw a large share price fall. The question was quickly followed up with an empathetic comment about me falling under “the curse” of talking publicly about stock ideas.

Later the same day I was re-reading Nick Sleep’s annual letters on my journey home (if you haven’t heard of him, he is an investing legend with a reputation as a first-class independent thinker). In one letter he wrote specifically about the dangers of talking publicly about investments, because it makes it harder to later admit to being wrong.

I am of the view that successful investing is as much about not falling into behavioural traps, as it is making well thought out informed decisions. Our chimp-brains saddle us with what is known as a consistency bias, which refers to the tendency to stick with past beliefs to appear consistent, both to yourself and others, even when new evidence suggests otherwise. Put simply, we are not very good at admitting to being wrong.

Clearly, I do not believe in a “curse” in the sense that uttering a company name makes the universe try to thwart me. Rather, I think that talking publicly about investments leaves you at risk of being compromised, blind to evidence that you might be wrong given a strong desire to be proven right.

I think that investing is a profession where conventional bedside manner is to avoid admissions of being wrong, failing which you find a reason why what you did “couldn’t be anticipated” or bury it behind a suitable euphemism. This isn’t rational, because to be a successful investor you need only be right on average not all the time.

There is a distinct advantage to being comfortable with mistakes, firstly it can help you avoid doubling down on them, but it also offers the chance to learn. Investing is not a discipline where you just master the rules and then go forth and apply them. Rather, we live in a complicated, disorderly and changing world, where learning from past mistakes will make you a better investor in the future.

As ever my focus is on doing a good job managing our client’s money and not sugar coating my updates is part and parcel of this.

Portfolio Update

During the year we sold 16 existing holdings and purchased 16 new ones as summarised in the table below, organised into our three distinct categories based on the nature of the “value” opportunity that we see.

Category	Purchases	Disposals
Asset Based	First Majestic Silver	Hiscox
	Impala Platinum	Prosperity Bancshares
	MP Evans	Shell
	Tidewater	Svenska Handelsbanken
Core	4imprint Group	Berkshire Hathaway
	Anadolu Group	Schouw and Co
	Bakkafrost	Subaru
	Barry Callebaut	Verallia
	Coca-Cola İçecek	Watches of Switzerland
	Exor	YouGov
	IMCD	
	Judges Scientific	
Special Situations	Frasers Group	Fresenius SE
	Hi-Lex	Nippon Television
	Kyoto Financial Group	Rohm
	Sirius XM	Shinnihon Corp
		Victoria's Secret
		Warner Bros Discovery

The detailed commentary below elaborates on the more significant changes.

Asset Based

We established a holding in the platinum miner, Impala, in the third quarter. The rationale is the widely accepted supply deficit that platinum group metals face, which we believe underpins the company’s earnings power in the years ahead. Like most of our asset-based holdings, we also believe that it provides a potential hedge against higher inflation. We

originally researched the company in 2024, since when the share price had move substantially higher. With hindsight not establishing a holding sooner was an "error of omission" on my part, but the investment case was such that we decided there was still reason to belatedly establish a holding.

Continuing with the mining theme, we established a holding in the silver miner First Majestic Silver. The rationale for this was much the same as our platinum mining investment described above. Despite its reputation as a precious metal, silver is used for many industrial purposes and faces a supply deficit. Given that the price of silver looked historically cheap relative to the price of gold, we partly funded the holding by reducing our exposure to the gold miner, Newmont.

Tidewater is a company that leases specialist ships to the offshore oil and gas industry. We started acquiring a holding at the end of the third quarter at a substantial discount to the replacement value of its assets, which we believe have material scarcity value. MP Evans is a UK listed sustainable palm oil producer, which has an impressive history as a multi-generational family business. It is a small holding intended to complement our existing holding in its competitor Golden Agri-Resources.

The holding in the European Bank, Handelsbanken, was sold down in the first quarter as well as the remainder of the Prosperity Bancshares holding, most of which had been sold in 2024. In both cases credit losses have for some time looked very low versus history, and given their rising share prices, we felt there were better opportunities elsewhere.

The UK Insurance business Hiscox was sold in the third quarter. Following a rally in its share price we felt that the valuation was increasingly dependent on their new business activities in the US, which we felt less well placed to have an informed view on.

Core

We established a holding in the specialist cocoa and chocolate business, Barry Callebaut, in the second quarter. The company had historically commanded a premium valuation, but an extremely volatile cocoa price adversely impacted earnings in a way that most shareholders clearly hadn't anticipated. This gave us the opportunity to purchase shares in this high-quality business, at a knock-down price relative to our view on its intrinsic value.

Our investments in Anadolu Group, Coca-Cola İçecek, Exor, and CNH Industrial all fit within our recurring theme of holding companies and family-controlled businesses.

Anadolu Group is a Turkish holding company that owns a large indirect stake in the Turkish Coca-Cola bottling company, Coca-Cola İçecek. We established holdings in both companies in the second quarter and think that they provide high quality exposure to a very different set of consumers to any of our other holdings, due to their operations in Turkey and the Middle East. Anadolu Group trades at a substantial discount to the value of its holdings in other publicly listed Turkish companies. These holdings which include Coca-Cola İçecek, are in turn trading below our estimates of their intrinsic value.

During the fourth quarter we established a holding in Exor, which is the investment company of the Agnelli family (who founded Fiat). Exor owns large stakes in Stellantis (formerly Fiat), CNH Industrial, Iveco and Ferrari, all of which have a long association with the Agnelli family. Exor also owns an asset management business called Lingotto, which manages some of the company's assets (and hired James Anderson of Scottish Mortgage fame). It trades at a substantial discount to the value of its holdings, most of which are publicly listed. Given our existing holding in CNH Industrial, we have become familiar with Exor and believe that they are skilled capital allocators.

The holding in Judges Scientific was established in the third quarter but substantially increased during the fourth. It is also a holding company, having acquired a portfolio of niche scientific instrument businesses in the last two decades. They have an impressive capital allocation track-record which has delivered a very high level of earnings growth. We had researched the company earlier in the year, and a substantial share price fall gave us the opportunity to establish the holding at an attractive price.

We established a small holding in Bakkafrost during the third quarter, which was an opportunistic move given that we have owned it in the past, understand the business, and it experienced a large fall in its share price.

The holdings in 4imprint and IMCD were both established at the end of the fourth quarter. Although 4imprint is listed in the UK, most of its business comes from selling promotional branded goods to small and medium sized companies in the US. IMCD sells niche speciality chemicals to consumer and industrial businesses. Both companies are distributors, meaning that they require relatively little capital, both have strong track records of growth, and both were available to buy at attractive prices relative to our view of their intrinsic value.

The holdings in Berkshire Hathaway, Verallia, Schouw & Co, and Subaru were all sold to release capital for other investments. We remain big supporters of Berkshire, and it was psychologically painful for me to sell our remaining shares. The decision was made purely based on the share price no longer being at a discount to our valuation, albeit that this valuation is very dependent on assumptions of how and when their cash war chest is deployed.

The holding in Watches of Switzerland was sold due to a decision that we did not have a sufficiently well-informed view of their likely success in expanding to the US. The holding in YouGov was sold due to us revisiting our thesis and deciding that we were less sure of our views on the outlook for the business in the years ahead.

Special Situations

We established a holding in SiriusXM in the first quarter. The company runs satellite-based radio stations in North America, which historically dominated in-car audio because regular broadcast radio works poorly over large geographies. The company is backed by the media "tycoon" John Malone and counts Berkshire Hathaway as a large shareholder. We treat it as a Special Situation both because of its balance sheet leverage and because of the changes going on in its industry. These are, however, risks that we believe are mitigated by both the company's strategy and the valuable assets they own.

Frasers Group is the UK retailer behind Sports Direct, founded by Mike Ashley, and currently run by his son-in-law. We decided to treat it as a Special Situation because of their unconventional approach, which has seen them acquire stakes in other publicly listed retail companies. We think that the company's shares are cheap relative to their earnings power and see it as a co-investment with proven entrepreneurs (albeit controversial ones).

Kyoto Financial and Hi-Lex are both Japanese businesses that were added into our collection of Governance Reform opportunities, which form the bulk of our Special Situations. These holdings are in companies that we think can increase shareholder returns by a relatively simple restructuring of their balance sheets. We continue to see this as a source of opportunity.

The holdings in Nippon Television, Rohm and Shinnihon that were sold were also Japanese Governance Reform type ideas. The last two were both relatively small holdings, and all three were sold in the first half of the year.

The holding in Fresenius was sold in the second quarter, after what had been a long journey for us. We had owned shares in the company for around seven years, the first five of which had been disappointing. The turnaround plans of their new CEO saw the share price stage a strong recovery, causing the share price to head towards our view of intrinsic value, and motivating us to move on.

Our holding in Warner Bros Discovery was sold in the fourth quarter, after having been in the fund for nearly four years. Like Fresenius it had proved an unrewarding investment, but our thesis was validated when a bidding war erupted and sent the share price higher. The holding in Victoria's Secret was sold in the second quarter as we moved to feel less confident in our views.

Performance

The overall increase in fund unit price during 2025 was 18.3%.

The first table below shows a breakdown of this result, into our three value opportunity categories.

Category	Contribution
Asset Based	15.8%
Core	0.4%
Special Situations	3.1%
Fees (net of cash)	-0.9%
Total Return ²	18.3%

The next two tables show the top ten and bottom ten contributors to performance at a fund level.

Top 10 Performers	Contribution
Newmont	5.89%
First Majestic Silver	2.38%
SigmaRoc	2.14%
Barry Callebaut	1.86%
Warner Bros Discovery	1.50%
Air Lease	1.44%
Dowa Holdings	1.12%
Yellow Cake	0.95%
Serica	0.83%
Bucher Industries	0.79%

Bottom 10 Performers	Contribution
Victoria's Secret	-1.40%
Card Factory	-1.00%
Teleperformance	-0.97%
Watches of Switzerland	-0.71%
CNH Industrial	-0.63%
SiriusXM	-0.47%
Exor	-0.46%
YouGov	-0.44%
Tidewater	-0.43%
Keisei Electric Railway	-0.36%

² This is an aggregate across all share classes, and the total does not sum due to rounding.

Our exposure to the gold miner, Newmont, and silver miner, First Majestic Silver, delivered outsized contributions. The intention behind our "Asset Based" category is to have exposure to scarce asset businesses that we think are attractively priced and might act as an inflation hedge. Specifically in the case of both gold and silver we believed that increases in the underlying metal prices were not being reflected in the share prices of the miners. It felt that both these theses "played out" during 2025, and hence we see this as a case of "good decision, good outcome".

SigmaRoc (limestone aggregates), Air Lease (aircraft rental), Yellow Cake (uranium) and Serica (North Sea oil and gas) are all also part of our Asset Based category. Dowa Holdings is a recycling business that sits amongst our Japanese Special Situations, but it's exposure to platinum group metals gives it some overlap with the Asset Based holdings.

Air Lease was subject to a takeover offer in 2025 by a consortium led by the Japanese Sumitomo Corp. Although the immediate jump in share price gave us some temporary gratification, we think the acquisition price is more favourable to the buyers than the sellers. We aren't activists, and so are resigned to having to go with the majority, sell our shareholding, and move on elsewhere.

Barry Callebaut, Warner Bros Discovery, and Bucher Industries are all Core holdings. Barry Callebaut delivered almost immediate gains after our initial purchase, which contrasts with the long wait that we have had to see the value of Warner Bros reflected in its share price.

The retailer Victoria's Secret and Watches of Switzerland were both large positive contributors last year (1.9% and 0.9% respectively). Hence, this year's losses were giving back last year's gains. We categorised the first of these as a Special Situation, but the second as Core.

Card Factory is a Core holding that we have spoken about in the past. They issued a warning in December that profits would be 10-15% lower than previously thought due to lower-than-expected footfall on the high-street. This led to an immediate 28% fall in the share price. It also overshadowed their purchase last year of digital competitor, Funky Pigeon, at what we think was an attractive price. Based on updated broker expectations of this year's results the shares sit on a forward price earnings ratio of 6.3x and free cash flow yield of 10% (this would have been 22% had they not made the acquisition). We think that the share price fall was an over-reaction but move forward alert to the risk that our views are not impartial.

Teleperformance is another Core holding that was a source of disappointment for us. The company is a business process outsourcer, most of which takes the form of outsourcing customer support services. Having previously been a growth darling, the company's share price has been weighed down by concerns of disruption from AI. We think that this risk is being overstated, in part because we think that they will make use of this technology and not be displaced by it. Whilst their core business shows no signs of disruption, they lost a large government contract for visa processing that impacted their earnings. Based on broker expectations of this year's results the shares sit on a forward price earnings ratio of 6.0x, and free cash flow yield of 25%.

Finally...

Congratulations if you have made it this far.

We entered the new year with the fund's holdings having an aggregate forward price earnings ratio of 12.5x, which is almost half that of the MSCI World index (22.6x), and believe that there is considerable upside to our estimate of intrinsic value. However, we also find ourselves in a chaotic world, with rising global tensions, unsustainable government finances, and financial markets that can move rapidly at the slightest whiff of danger. We will be doing all we can to remain humble, navigate these challenges, and be good stewards of your money. As ever, thank you for your support.

Matthew Beddall

CEO, Havelock London

IMPORTANT INFORMATION

This is the opinion of the author at the time of writing and it may change. The company examples used are for illustrative and information purposes only. Every attempt is made to ensure this information is correct or up-to-date. This is not a recommendation or investment advice and you must not use it to make investment decisions.

Investment Risks

The value of investments in WS Havelock Global Select (the fund) may fall as well as rise. Investors may not get back the amount they originally invested. Investments will also be affected by currency fluctuations if made from a currency other than the fund's base currency. Past performance is not a reliable indicator of future results.

Potential investors should not use this document as the basis of an investment decision. Decisions to invest in the fund should be informed only by the fund's Key Investor Information Document (KIID) and prospectus. Potential investors should carefully consider the risks described in those documents and, if required, consult a financial adviser before deciding to invest. The fund can invest more than 35% of its value in securities issued or guaranteed by an EEA state listed in the prospectus.

Performance Data

All performance information is for the A-Accumulation share class, which is the longest running share class for the fund. This performance information refers to the past. Past performance is not a reliable indicator of future results. This information is denominated in GBP: returns may increase or decrease as the result of currency fluctuations.

The data in this document is sourced from the fund accountants unless otherwise specified. The data used to calculate the price to earnings ratio is sourced from Bloomberg.

Other Information

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