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Capital is at risk.
Please read full risk
warning at the end
of this document.

Monthly Commentary: March 2025

Global Innovation

- Invests in exceptional companies at the forefront of innovation in a broad range of high-growth areas
- High-conviction portfolio of 25-50 stocks, with at least 50% in smaller companies
- Team invest in established innovators and emerging winners

Performance

The fund's P class shares were down 5.45% during February. This compares to falls of 1.89% and 5.18% for the MSCI ACWI (GBP) and NASDAQ (GBP) indices respectively. The IA Global sector fell 3.32%. Year to date, the P class shares are down 3.30%, versus rises of 2.23% and 1.50% for the MSCI ACWI Index and IA Global benchmark respectively, and a fall of 2.84% for the NASDAQ index.

Portfolio winners were led in the month by emerging winner, **VusionGroup**, up 23.9% on the back of a bullish sales and profits outlook for 2025 at its earnings call. Vusion is a French company and the leading supplier of electronic shelf labels (ESLs) mainly to large grocery and other retail chains; these ESLs facilitate dynamic price changes in a low cost and resource-efficient manner. Vusion also offers a cloud-based software intelligence platform with in-store cameras and sensors that generate valuable data for corporate customers to maximise revenues and optimise cost and operational performance. It is a major testament to the quality, depth and pedigree of Vusion's complete solution that Walmart has committed to a full rollout of the technology to all of its c.4,600 US stores. In addition, the timing of this rollout with Walmart, the world's largest retailer, was brought forward by about a year ahead of expectations.

February was also a good month for established innovator and digital entertainment leader, **Sony Group**, up 13.8%. Sony's valuation has undergone a sustained fillip with much improved market sentiment towards its games business – PlayStation is the market leader in consoles, sales of which remain solid, and Sony reported strong sales in particular of third-party game titles on its platform, with a better outlook for upcoming titles. In addition, Sony's music streaming services are also boosting financial performance.

Often dubbed 'Latin America's Amazon', and serving 18 countries, Uruguay-based e-commerce and loans and payments player, **MercadoLibre**, rose 10.4% on a set of results that positively surprised the market on both strong revenues and profits that benefited from excellent cost discipline. We remain enthusiastic about MercadoLibre's long-term prospects as a multi-pronged play on the emerging middle classes of Latin America, with particularly strong growth potential from its credit/loans and emerging classified ads businesses.

Detractors in the month were led by tax software company **Vertex**, down 44.1% in February. The fall was driven by a combination of factors: the market took fright from muted guidance and outlook statements from two other software companies (albeit not direct peers) in financial planning and accounting; with its earnings report, Vertex also cited additional investments in its product suite around AI and other areas; and also in the outlook Vertex gave a growth outlook that disappointed the market, albeit a bumper comparative period had a depressing effect.

Data Source:
Morningstar,
Canaccord, FTSE
[www.ftserussell.com/
legal/legal-disclaimer](http://www.ftserussell.com/legal/legal-disclaimer)

The stock had been the fund's largest position before the drop, despite having taken profits on several occasions before. We continue to believe that Vertex has superior fundamentals, as customers need to make accurate tax computations a high priority in face of the threat of financial penalties.

Portfolio activity

Digital forensic software company **Cellebrite DI** declined 22.8% in the month. Cellebrite's customers are mainly within the public sector, and political disruptions in the US, France and Canada had impacts, but, as with Vertex, we continue to be excited by the fundamental attractions of a world-class player offering labour-saving technology to law enforcement and other organisations who need to investigate manifold types of non-compliance and criminal activity.

Risk Warnings

Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest. Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting funds. Our funds invest for the long-term and may not be appropriate for investors who plan to take money out within five years. The Fund will be exposed to stock markets and market conditions can change rapidly. Prices can move irrationally and be affected unpredictably by diverse factors, including political and economic events. The Fund will be exposed to smaller companies which are typically riskier than larger, more established companies. Difficulty in trading may arise, resulting in a negative impact on your investment. Shares in smaller companies may be harder to sell at a desired price and/or in a timely manner, especially in difficult market conditions. The Fund invests in other currencies. Changes in exchange rates will therefore affect the value of your investment. In certain market conditions some assets may be less predictable than usual. This may make it harder to sell at a desired price and/or in a timely manner. In extreme market conditions redemptions in the underlying funds or the Fund itself may be deferred or suspended.

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