



## Quarterly Report

Report for the quarter ended 30 June 2025

### FUND AT A GLANCE

Fund Inception Date	30 March 2022
Base Currency	USD
Fund AUM (£)	192,818,568

### PERFORMANCE % (PERIOD RETURNS TO 30 JUNE 2025)

(Performance shown below is net of fees)

Share Class Net Performance Returns	1 Month (%)	3 Month (%)	6 Month (%)	1 Year* (%)	Since Inception* (%)
F - GBP returns (inception 30/03/22)	-1.37	1.41	2.93	-0.51	2.04
F - EUR returns (inception 22/04/22)	-3.08	-0.89	-0.66	-1.55	1.71
S - GBP returns (inception 11/06/24)	-1.39	1.33	2.77	-0.83	0.04
Z - GBP returns (inception 24/03/23)	-1.32	1.56	3.23	0.07	2.19
<b>Benchmark - MSCI Emerging Markets Index</b>	4.33	5.48	5.35	6.35	3.45

Source: Landy Tech, Skerryvore as of 30 June 2025

\* Annualised

Fund performance compared to the MSCI Emerging Markets Index Net TR (GBP) since inception (30/03/22). The Fund and Benchmark's performance is calculated in GBP. Past performance does not predict future returns. The value of your investment and any income on it may go down as well as up and may vary. Changes in exchange rates may have an adverse effect of the value of the Fund. In difficult market conditions, the Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Fund to defer to suspend redemptions of its shares.

For professional investors only

### ABOUT US

We are an independent investment management boutique established in Edinburgh in 2019. Our sole focus is emerging markets equities. Our core investment team has been together a decade with an average of over 17 years investment experience.

### INVESTMENT PHILOSOPHY

Our philosophy stresses the importance of alignment. We invest alongside managers and owners with good reputations that share our belief in a long-term approach to investment - the strategies have a history of preserving as well as growing client capital by investing alongside owners and managers with a record of integrity and delivery.

### INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve long-term capital appreciation.

### SFDR

For the avoidance of doubt, the Fund does not have a sustainability objective and does not put sustainability above investment returns. The Fund promotes environmental and social characteristics and discloses in accordance with Article 8 of the SFDR (Sustainable Finance Disclosure Regulation). No index has been designated as a reference benchmark, as defined in SFDR.

### FUND INFORMATION

Copies of legal and regulatory Fund documentation as well as Fund performance reports can be found via the link below.



[www.skerryvoream.com/uk](http://www.skerryvoream.com/uk)

### PLATFORMS AVAILABLE

ZIM, Aviva, Aegon, abrn wrap, Allfunds, AJ Bell, Embark, Integrafín, Novia, Parmenion, Quilter, SECCL

# Skerryvore ICAV – Global Emerging Markets Equity Fund

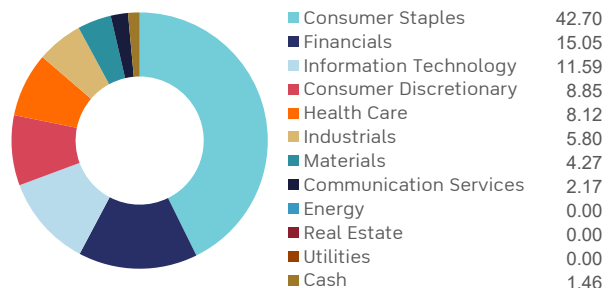
## SHARE CLASS INFORMATION

Share Class	ISIN	SEDOL	Launch	Ongoing Charge	AMC	Initial Charge	Min Investment
<b>F Share Class</b>							
GBP Acc class	IE000AW7I893	BP5XH85	30/03/22	0.58%	0.43%	<5%	Nil
EUR Acc class	IE000FLGLBC2	BP5XH96	22/04/22	0.58%	0.43%	<5%	Nil
<b>S Share Class</b>							
GBP Acc class	IE00092BXG10	BP5XH07	11/06/24	0.90%	0.75%	<5%	5k
<b>Z Share Class</b>							
GBP Acc class	IE000DNFBBZ7	BMTXZ53	24/03/23	0.00%	0.00%	<5%	50m

## KEY CHARACTERISTICS

Number of holdings	42
Number of countries	17
Number of sectors	8
Number of industries	21
7-day liquidity (%)	100
Average market capitalization (\$m)	67,012
12 months trailing turnover (%)	39
Active share (%)	91

## SECTOR WEIGHTS



## TOP 10 COUNTRY WEIGHTS

Country	Fund (%)	Benchmark (%)
India	21.54	18.12
Taiwan	12.24	18.92
Mexico	11.38	1.97
Brazil	11.23	4.44
China	8.66	27.34
South Africa	7.37	3.23
Canada	3.61	0.00
Portugal	3.27	0.00
Netherlands	3.21	0.00
Greece	2.95	0.62
Cash	1.46	0.00

## TOP 10 HOLDINGS

Name	Weight (%)
Cipla	5.00
HDFC Bank Limited	4.25
Wal Mart de Mexico	3.91
Tata Consultancy Services	3.71
Franco Nevada	3.61
Fomento Economico Mexicano	3.60
Yifeng Pharmacy Chain	3.47
TSMC	3.35
Raia Drogasil	3.28
Jeronimo Martins	3.27

## GET IN TOUCH

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Past performance does not predict future returns. The value of your investment and any income on it may go down as well as up and may vary. All investments involve risk, including the possible loss of capital.

Source: Landy Tech, Skerryvore as of 30 June 2025

Benchmark MSCI EM Net Total Return Index (USD) - Totals may not sum due to rounding. Any security mentioned is for informational purposes only and should not be construed as investment advice. Not for use with the public. Not for redistribution

# Skerryvore ICAV GEM Equity Fund

## POSITIONING & STRATEGY

We are fundamental, long-term, bottom-up investors seeking to create a high-conviction portfolio of reasonably valued, high-quality companies that are exposed to, or operate in, emerging markets. Portfolio positioning is the output of our bottom-up based convictions, rather than a specific top-down view.

This quarter began with so-called 'Liberation Day' in the US, which involved the imposition of punitive tariffs on goods from overseas. If these tariffs remain in place they represent a huge change to the system of trade that has been in place for decades. This is a big **IF** as the subsequent market volatility appears to have forced a climbdown on some of the more extreme proposals. It is quite possible that there will be further levels of uncertainty and volatility due to the chaotic way in which changes are being implemented.

Importantly, the portfolio weathered this potential first bout of volatility as we would expect. The businesses we invest in all have aligned business owners and strong balance sheets, and the majority of them are exposed to long-term demographic-driven growth in local emerging markets. We were also helped by the low exposure to Chinese equities and our focus on businesses meeting the needs of domestic emerging consumers. From a return perspective this meant that the portfolio performed strongly in both absolute and relative terms during the early part of the quarter and, unsurprisingly, lagged the recovery in broader markets towards the end of the period. Compared with the index, being underweight TSMC and a lack of exposure to the Korean equity market had a significant negative impact on relative returns. A broader rally in Taiwanese and Korean AI-exposed stocks, plus the strong move in the Taiwanese dollar, accounted for much of the period's underperformance.

## COMMENTARY

We took advantage of the turbulence within markets at the start of the period to reduce the holding in the precious metals royalty and streaming business **Franco-Nevada**, which benefited from a flight to safety.

We continued to reduce the position in **Coca-Cola HBC (CCH)** on valuation grounds and a concern that the market is getting too comfortable with the notion that there will be some form of end to hostilities between Ukraine and Russia, where CCH has business operations. The underlying business continues to perform well but the ongoing strength in the share price means that the risk-reward became less compelling relative to other opportunities in the portfolio.

## COMMENTARY

We are finding a number of attractive investment opportunities in Brazil, a market that remains quite out of favour with investors due to very high real interest rates curbing demand for equities within the local market. This led us to **Sendas Distribuidora**, the operator of Brazil's Assaí cash-and-carry chain. The company's low-price, high-volume model is well suited to Brazil's economic climate, and its ongoing store conversion programme offers a multi-year growth runway. The decision to initiate a position reflects our growing conviction in the attractive characteristics of the cash-and-carry retail format. Following the sale of the business by the troubled French supermarket chain Casino, an experienced management team is now in place and is well incentivised to deliver earnings growth. In our view, the current valuation reflects neither the company's cash flow generation capability, nor the long-term growth opportunity that lies ahead.

We have also recently added to our position in **Raia Drogasil**, Brazil's leading pharmacy chain, after its share price declined on the back of near-term earnings headwinds. We believe that the valuation is undemanding for a business that has a long runway for store and revenue growth driven by the continued formalisation and consolidation of Brazil's pharmacy market.

We added a new holding in China's leading medical device manufacturer **Shenzhen Mindray**. The company was established in the early 1990s and continues to be run by its founders, who retain a large stake in the business. Through consistent investment in research and development, the company has built up a wide-ranging portfolio of products spanning patient monitoring, in-vitro diagnostics and imaging systems. Mindray products have a strong reputation around the world, with over 40% of the company's revenues coming from international markets. Tariff uncertainty and a slowdown in domestic demand have caused the valuation to reach a level that we believe reflects these near-term risks, prompting us to build a position.

We also sold out of **China Resources Beer (CR Beer)** on the back of management change, with the departure of the chairman and growing concerns over capital allocation. While CR Beer retains a strong brand portfolio as a result of its joint venture with **Heineken**, the business has signalled a willingness to pursue more aggressive expansion into non-core areas such as spirits, raising concerns over strategic focus and return discipline. The reduced confidence we have in this growth strategy means that the business no longer meets our standards for long-term ownership.

<sup>1</sup> Benchmark MSCI EM Net Total Return (USD), as of 30 June 2025

# Skerryvore ICAV GEM Equity Fund

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## OUTLOOK

In an increasingly volatile political environment, strong corporate governance is more important than ever to protect investors. We actively seek out owners and management teams with long track records of treating all their stakeholders fairly.

Many years of experience of investing in inflation-prone emerging markets has taught us to seek companies with strong pricing power. A proven ability to create intellectual property, ownership of strong brands and well-managed retail franchises are some of the attributes of companies we have seen navigate previous periods of inflation. Regulated assets or assets at high risk of being regulated often lack pricing power, which can leave them more exposed to inflationary pressures, and for that reason we have tended to avoid holding these in our portfolios.

The strategy has a significant exposure to high-quality domestic franchises such as leading retailers, soft drinks makers and financial institutions meeting unmet need. These may prove to be more defensive in the current period of trade friction and are also beneficiaries of the demographic opportunity available in some emerging markets, which can be seen in structural trends such as urbanisation, rising incomes and shifting consumption patterns.

Strong balance sheets help companies weather economic cycles, and as a result we won't invest in businesses with a record of excessive borrowing. Most importantly, our investment philosophy and process are designed to ride out stormy waters. Historically these storms have originated within our own markets, but developed markets are the source of the current bout of volatility and may continue to be so.

Finally, we believe valuations for businesses within our portfolio look attractive on an absolute basis and the long-term return opportunity in emerging markets continues to be a very attractive one.

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### For professional investors only

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Past performance does not predict future returns. An investment in the Fund should be viewed as medium to long term. Potential investors in Emerging markets should be aware that investments in these markets can involve a higher degree of risk. An investment in the Fund should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors. The value of investments and the income from them may go down as well as up and may be subject to sudden and large falls in value. An investor may lose their entire investment.

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The Fund is a sub-fund of Skerryvore ICAV (the "ICAV"), an umbrella Irish Collective Asset-Management Vehicle with segregated liability between sub-funds.

The Fund is authorised as a UCITS by the Central Bank of Ireland and is a scheme recognised by the UK's Financial Conduct Authority. The Fund is not registered under the Securities Act 1933 or the Investment Company Act 1940 of the United States of America ("USA") and is therefore not for distribution to any US persons or to any other person in the USA.

Decisions to invest should be based on the Fund's prospectus, supplement, and key investor information document (KIID), as well as the most recent annual and semi-annual financial statements. These documents are available in English free of charge on <https://www.skerryvoream.com/uk/node/1832?tab=legal-documents> and from the registered office of the ICAV at 35 Shelbourne Road, Ballsbridge, Dublin, D04 A4EO, Ireland during normal business hours on any business day.

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### RISK FACTORS

- Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund.
- Past performance does not predict future returns. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.
- The Fund does not hedge currency exposure. If the currency of the share class is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.
- Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. In difficult market conditions, the Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Fund to defer or suspend redemptions of its shares.
- Investments in Emerging markets can involve a higher degree of risk.

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