

BB Global Islamic Thematic Opportunities TFI Funds Programme

Monthly report as at
30 June 2025



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EXECUTIVE SUMMARY

Key information

Fund name	BB Global Islamic Thematic Opportunities
Reference index	MSCI World Islamic (NRI)
Client reference currency	USD
Inception date	30.09.2020
Performance inception date	31.12.2022
Market value as of 30.06.2025	USD 42,296,523

Performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
1M	6.32	4.02	2.30
3M	17.10	12.29	4.81
YTD	10.65	8.21	2.44
1Y	6.05	8.32	-2.27

Gross of fees, with net (of taxes) income reinvested

Source: Pictet Asset Management

1. MARKET REVIEW

Global markets weathered significant uncertainty in Q2 2025 due to the US “Liberation Day” tariff announcements. This sent shares quickly down as markets feared a large impact on global trade. Postponement of the implementation of tariffs and news on bilateral negotiations resulted in a quick rebound, ending the half-year with a robust rally in risk assets. Equities surged, led by the S&P 500 hitting record highs as tech stocks rebounded on AI optimism. Despite investors fearing the end of American exceptionalism, earnings season during the quarter was surprisingly positive as well. However, regional performance diverged: US stocks outperformed in June, up over 5%, but European equities led for the half-year, rising over 13% on ECB stimulus and Germany’s fiscal expansion. Emerging markets were resilient, with Asian stocks up 5.5% in June, supported by easing trade tensions and strong capital inflows, especially in tech-driven markets like Taiwan and South Korea. Liberation Day tariff announcements broke the traditional link between US Treasury yields and the dollar. Instead of rallying, the dollar weakened sharply—down over 10% year-to-date—while yields rose, signaling a structural shift in safe-haven dynamics. Fixed income markets rallied, with US Treasuries posting their best first-half in five years. Gold soared 25% as investors sought safety amid geopolitical tensions.



2. PERFORMANCE

2.1 Performance breakdown

Monthly performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
Jun 2025	6.32	4.02	2.30
May 2025	7.66	7.40	0.26
Apr 2025	2.31	0.51	1.80

Gross of fees, with net (of taxes) income reinvested

Source: Pictet Asset Management

Quarterly performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
Q2 2025	17.10	12.29	4.81
Q1 2025	-5.51	-3.63	-1.88
Q4 2024	-5.64	-3.67	-1.97

Gross of fees, with net (of taxes) income reinvested

Source: Pictet Asset Management

Performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
1Y	6.05	8.32	-2.27

Gross of fees, with net (of taxes) income reinvested

Source: Pictet Asset Management

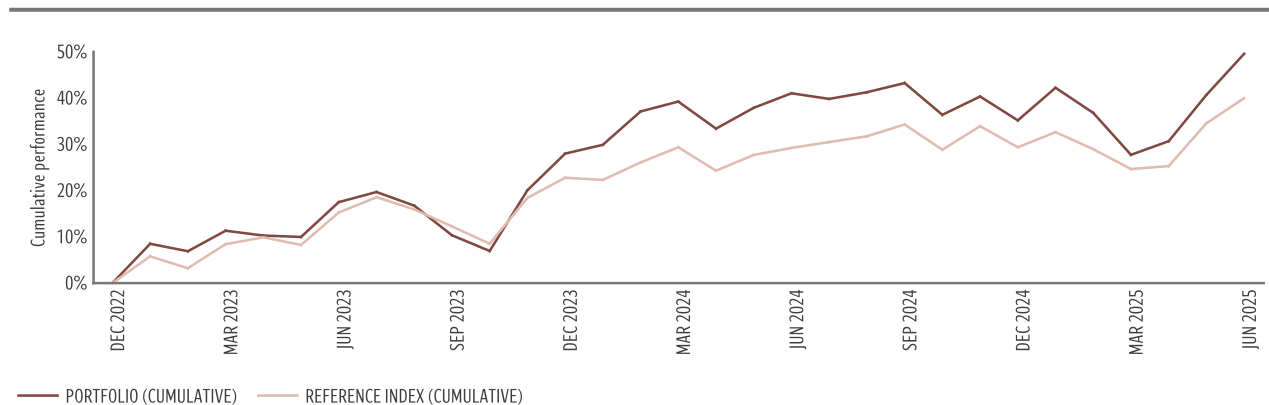
Calendar year performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
YTD	10.65	8.21	2.44
2024	5.62	5.37	0.25
2023	28.00	22.78	5.22

Gross of fees, with net (of taxes) income reinvested

Source: Pictet Asset Management

Performance since 31.12.2022



Gross of fees, with net (of taxes) income reinvested

Source: Pictet Asset Management

2.2 Performance analysis

The portfolio gained 6.3% in June, outperforming the reference index by 2.3%. Selection was the largest driver of this positive effect, primarily through Information Technology, Consumer Discretionary and Health Care. At the stock level, Marvell Technology, Meta, LAM Research and Ferguson were the top performers, while DSM Firmenich lagged.

On 29 May 2025, Marvell Technology posted strong first-quarter figures, easing some of the recent concerns. Net revenue reached USD 1.895 billion, representing a remarkable 63% increase compared to the same period last year. This growth was driven mainly by the successful ramp-up of Marvell's custom artificial intelligence (AI) silicon programmes, which entered volume production during the quarter. The data centre business was particularly noteworthy, generating USD 1.44 billion in revenue, up 76% year-on-year, as demand surged from hyperscaler customers investing in AI infrastructure. Marvell also experienced robust shipments of its electro-optics products, essential for connecting the large-scale computing resources needed for AI workloads. Looking ahead, management guided for second-quarter revenue of approximately USD 2 billion, which would signify 57% year-on-year growth and further emphasises the company's strong momentum in AI and data infrastructure markets. Later in the month, the company hosted its Custom AI Investor Event and revised upwards its data centre total addressable market (TAM) to USD 94 billion from USD 75 billion (a 26% increase) compared to USD 21 billion in 2023. This includes USD 55.4 billion in accelerated custom compute, USD 13.2 billion in switching, USD 19 billion in interconnect and USD 6.5 billion in storage. Furthermore, management disclosed additional custom silicon wins: 18 "multigenerational" sockets, comprising five custom XPUs and 13 "XPU attach" across the top four hyperscalers and a group of emerging hyperscalers, an increase from three sockets discussed last year. Each XPU socket represents a multi-billion-dollar revenue opportunity over an expected product lifetime of approximately 18 to 24 months, while each "XPU attach" opportunity is a several-hundred-million-dollar revenue opportunity over approximately 24 to 48 months. Besides these confirmed wins, the company indicated a pipeline of 50 design win opportunities. With Marvell Technology securing wins at all four of the largest hyperscalers and penetrating emerging AI and sovereign customers, we remain confident in its custom ASIC opportunity to capture about 20% market share (up from under 5% in 2023, and approximately 13% in 2025) of an estimated USD 55 billion addressable market by 2028.

Ferguson released its third-quarter fiscal 2025 results on 3 June 2025, which exceeded expectations. Total revenue reached USD 7.62 billion, marking 4.3% year-on-year growth. This was a notable achievement given a sales-day headwind and foreign exchange pressures. The adjusted operating margin expanded to 9.4%, reflecting effective pricing strategies amidst moderating deflation, and adjusted diluted EPS of USD 2.50 surpassed the FactSet consensus by USD 0.44 per share. Management's commentary highlighted the combination of volume growth, margin improvement, and streamlining initiatives as key drivers of the quarter's performance. These measures incurred USD 68 million in non-recurring charges but are expected to yield USD 100 million in annualised savings. Additionally, the board approved a 5% increase in the quarterly dividend to USD 0.83 per share, reinforcing its commitment to returning capital to shareholders. The industrial end markets served by Ferguson continued to benefit from large capital projects, particularly in Water Works and HVAC, further supporting the company's growth outlook. Given its combination of solid top-line growth, margin expansion, disciplined capital allocation, and strong free cash flow generation, we continue to see value in Ferguson, especially considering its position as a leading distributor in plumbing and HVAC markets. The strength of its core end markets and the implementation of strategic efficiency measures position the company well for continued value creation in the latter half of 2025 and beyond.



3. PORTFOLIO COMPOSITION

In June, we capitalised on the strength of Ferguson and WSP Global to realise gains and to initiate a position in Sika, which now screens as Shariah-compliant. Sika is the global leader in the Building Construction Chemical industry. The company demonstrates sector-leading growth, supported by consistently high R&D expenditure. Given its scale, Sika offers diversified market exposure, with 35% of revenue generated in Commercial, 30% from Infrastructure, 20% from Residential and 15% in Automotive and Industry. Looking ahead, significant growth is anticipated, driven by an increased focus on sustainable products, where Sika holds the industry-leading portfolio. Additionally, the market remains significantly fragmented, with the ten largest players holding just 40% market share, ensuring substantial consolidation opportunities for the company.

4. MARKET OUTLOOK

4.1 Outlook

Global equities are back to all-time high and are relatively expensive but remain in an uptrend as global liquidity conditions are supportive due to policy rate cuts and improving bank lending conditions. Therefore it is too early to turn negative on equities and we remain cautiously constructive. The main risk is a significant slowdown in the US economy and a downgrade in earnings estimates. We expect the Euro-area economy to accelerate due to a combination of fiscal spending, lower energy bills and improving confidence among consumer and businesses. A further boost comes from NATO allies agreeing to more than double their defence spending target from 2% of GDP to 5% by 2035. Technical remains constructive for equity with strong momentum and neutral positioning, where systematic strategies re-leveraging and corporate buybacks more than offset the modest de-risking from institutional investors. Digital Disruption, Enabling Tech, and Industrial Automation continue to benefit from robust growth, fuelled by sustained AI demand. Lifestyle & Experience and Healthy Living also stand out, supported by strong pricing power and a high share of recurring revenues, even in a challenging consumer environment. While Health Innovators and Enablers face political headwinds and continued regulatory scrutiny, current volatility is providing attractive valuation opportunities.

4.2 Strategy

Despite the strong performance of global markets in 2024, the market continues to underprice the persistence of secular growth. We pick stocks with value drivers (sales growth and margins) linked to megatrends, where our research leads us to believe that margins and sales growth will not fade. The resulting unnecessary risk premium is our source of value creation relative to a passive investment in the global equity market. We expect companies that benefit from secular tailwinds to outgrow the market over a full economic cycle but especially during parts of the economic cycle where cyclical growth is under pressure. We focus on those secular growth stocks where we believe the market significantly undervalues their long-term potential. We currently find many of these investment opportunities in companies related to secular growth drivers in Enabling Technology, Health Innovators, Digital Disruption, Smart Construction and Industrial Automation. The portfolio generates a weighted return on invested capital today of 22% while the market currently prices in only 16.62%, leaving significant upside potential.



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