

**BB Global Islamic
Thematic
Opportunities
TFI Funds Programme**

Monthly report as at
31 May 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 31.05.2025	USD 39,792,231

Performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
1M	7.66	7.40	0.26
3M	2.85	4.35	-1.50
YTD	4.08	4.02	0.06
1Y	2.02	5.37	-3.35

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

Source: Pictet Asset Management

1. MARKET REVIEW

Global equities pushed higher in May, recovering their poise after April's jitters over Trump's tariffs. The S&P 500 recorded its best monthly performance in over a year with gains in excess of 6%. This reflected strong corporate profits, with three-quarters of the companies beating first quarter earnings expectations, according to LSEG data. The S&P 500 was also lifted by rallies in IT and communication services sectors, which together make up two-fifths of the US benchmark. Growth sectors generally performed well, and so did industrials, financials and consumer discretionary. Conversely, healthcare finished some 3% lower, with investors worried about Trump's plans to lower prescription drug prices. Regionally, equity gains were broad-based with every major region posting positive returns. Emerging market equities added over 3% in aggregate, boosted by a strong performance in Latin American stocks. Euro zone stocks added nearly 6% in local currency terms as investors responded positively to upbeat economic data. Industrial production grew by 2.2% in the first three months of the year, marking its first increase after seven quarters of contraction thanks to solid external demand, while manufacturing PMI reached its highest level since 2022. There was also some optimism that defence and other fiscal spending plans could support growth over the longer term.



2. PERFORMANCE

2.1 Performance breakdown

Monthly performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
May 2025	7.66	7.40	0.26
Apr 2025	2.31	0.51	1.80
Mar 2025	-6.63	-3.33	-3.30

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

Source: Pictet Asset Management

Quarterly performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
Q1 2025	-5.51	-3.63	-1.88
Q4 2024	-5.64	-3.67	-1.97
Q3 2024	1.57	3.92	-2.35

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

Source: Pictet Asset Management

Performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
1Y	2.02	5.37	-3.35

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

Source: Pictet Asset Management

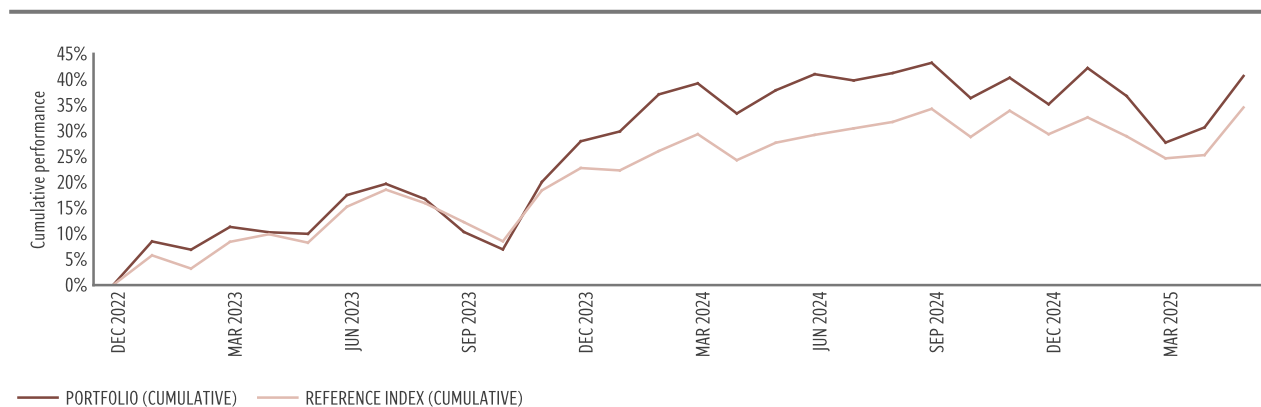
Calendar year performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
YTD	4.08	4.02	0.06
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 7.66% in May, outperforming the reference index by +0.24%. Allocation was the largest driver of positive effect, as Energy – the portfolio has a structural underweight there – lagged most sectors while markets continued their recovery. Selection in Communication Services and Industrials added to positive effect, but was offset by negative selection stemming from Information Technology. At the stock level, Meta, Infineon Technologies, WSP Global and Idexx Laboratories were the top performers, whereas Danaher, L’Oreal and TopBuild detracted.

On May 7th, WSP released its 1Q2025 earnings, following other Engineering firms that had reported their first quarter too. The global professional services company, including consulting and engineering, reported Q1 net revenues and adjusted EBITDA (margin) that came out at \$3.35bn and \$534m (16%) respectively, slightly ahead of consensus. Its organic net revenue growth was reported at +3.7% year-on-year (+5.5% when adjusted for the three fewer billable days in the US in Q1 25), reflecting +7.0% organic growth in Canada, +5.7% in Americas, +4.3% in EMEIA which were partially offset -6.2% in APAC. In terms of backlog, it reached a new record to \$16.6bn (+16.6% year-on-year; organically +1.4% year-on-year). It reaffirmed its 2025 guidance, which had been initiated with the launch of its 2025-2027 Strategic Plan at its recent Investor Day (back in February) with net revenue at \$13.5-14bn (reflecting constant currency organic growth of +5%-8%), adjusted EBITDA of \$2.50-2.55B (implied margin of 17.9%-18.9%) and Days Sales Outstanding (“DSO”) of 67-73 days (vs 72 days in 4Q2024). Although the name trades at 17.5x EV/EBITDA vs 12.6x peer average, we think the company’s track record warrants this premium valuation. Given its 2025-2027 strategic plan is underway – namely, Net Revenue of \$17+bn (from ~\$12bn in 2024) and an Adjusted EBITDA margin of 19.0–20.0% (vs. 18.0% in 2024) - , we continue to see value in the name given its growth (organic and M&A) and margin improvement potential.

Additionally, Idexx Laboratories’ shares were up 18% over the month, as the company reported a reassuring print, with topline up 5% organically, margins improving, leading to a 7% EPS increase on a comparable basis. Idexx also reported the successful launch of Cancer Dx, a diagnostic panel for early detection of canine lymphoma. Thanks to strong and continued underlying demand for its products, the company also raised its full-year revenue and EPS guidance.

3. PORTFOLIO COMPOSITION

In May, we continued deploying cash through selected semiconductors (Lam Research, Infineon Technologies), hyperscalers (Meta and Microsoft), Industrials (Siemens, Schneider) as well as some defensive names (Danaher, Revvity) and added back to Bruno Cucinelli. We initiated a position in Dynatrace, a leading observability vendor that specializes in monitoring hybrid-cloud environments for large enterprises undergoing digital transformation. The company addresses critical needs in cloud adoption by unifying application and infrastructure performance tracking through three core data types: logs (event records), metrics (resource utilization), and traces (end-to-end request flows). Its AI-powered platform automatically collects this telemetry via lightweight agents, generating real-time dashboards and proactive alerts. When issues emerge, it pinpoints root causes at the code or infrastructure layer, enabling rapid resolution and minimizing operational downtime for complex IT ecosystems. We had been waiting for May 15th and the company to release its F4Q2025 earnings and more importantly its 2026 outlook, given current uncertainty in the demand backdrop. Reassured by its good figures (revenues, Annual Recurring Revenue and operating profit coming above the Street), with commentary mentioning no macro-related hit, and by its strong guide fiscal 2026, that came well above consensus on revenue, ARR, operating income and FCF. Yet, we see some conservatism likely baked in it around macro assumptions and deal timing, as well as on its On-Demand Consumption (ODC; not reflected in ARR) which is still relatively new, projected at \$30m in FY2026 vs \$21m in FY2025.

4. MARKET OUTLOOK

4.1 Outlook

Despite persistent global uncertainty, several encouraging signals are emerging for investors as our business activity indicator for developed markets has improved, even amid some US economic softness. Global growth is expected to remain stable at around 2.8% in 2025, supported by resilient demand, easing inflation, and the prospect of monetary policy loosening across major economies, though the final impact of tariffs remains uncertain. Europe's outlook is brightening, driven by stabilizing inflation and anticipated ECB rate cuts. Our focus on megatrends allows us to identify market segments less sensitive to short-term economic fluctuations and to capture structural growth opportunities. This is reflected in a strong Q1 earnings season across the portfolio, with 90% of our 42 reporting companies beating EPS expectations and an average 12% EPS growth forecast for the next 12 months. 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 22.31% while the market currently prices in only 16.94%, leaving significant upside potential.



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