PICTET
Asset Management

BB Global Islamic Thematic Opportunities
TFI Funds Programme

Monthly report as at
31 December 2025

CONTENT

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 31.12.2025	USD 25,606,711

Performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
1M	-0.27	0.98	-1.25
3M	2.06	3.74	-1.68
YTD	17.04	19.72	-2.68
1Y	17.04	19.72	-2.68
3Y	16.51	15.68	0.83

Gross of fees, with net (of taxes) income reinvested
Source: Pictet Asset Management

1. MARKET REVIEW

Global equities as measured by MSCI ACWI and MSCI World Islamic indices delivered another positive quarter in December, rising each around 1%, and bringing their full-year returns to 22.3% and 19.7% in US dollar terms respectively, the third consecutive year of double-digit gains. European equities outperformed the US, helped by sizeable fiscal support, expectations of further interest rate cuts, and some investor unease about the increasingly tech-concentrated nature of the US market. European indices reached new all-time highs in the final sessions of 2025, finishing the year up 25% in local currency terms. Emerging markets also posted solid gains, with Latin America a notable bright spot as improving macro stability in Brazil and robust global demand for metals and other commodities supported the region's resource-heavy markets.

2. PERFORMANCE

2.1 Performance breakdown

Monthly performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
Dec 2025	-0.27	0.98	-1.25
Nov 2025	-0.82	-0.43	-0.39
Oct 2025	3.18	3.18	0.00

Gross of fees, with net (of taxes) income reinvested
Source: Pictet Asset Management

Quarterly performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
Q4 2025	2.06	3.74	-1.68
Q3 2025	3.64	6.64	-3.00
Q2 2025	17.10	12.29	4.81

Gross of fees, with net (of taxes) income reinvested
Source: Pictet Asset Management

Performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
1Y	17.04	19.72	-2.68
3Y	16.51	15.68	0.83

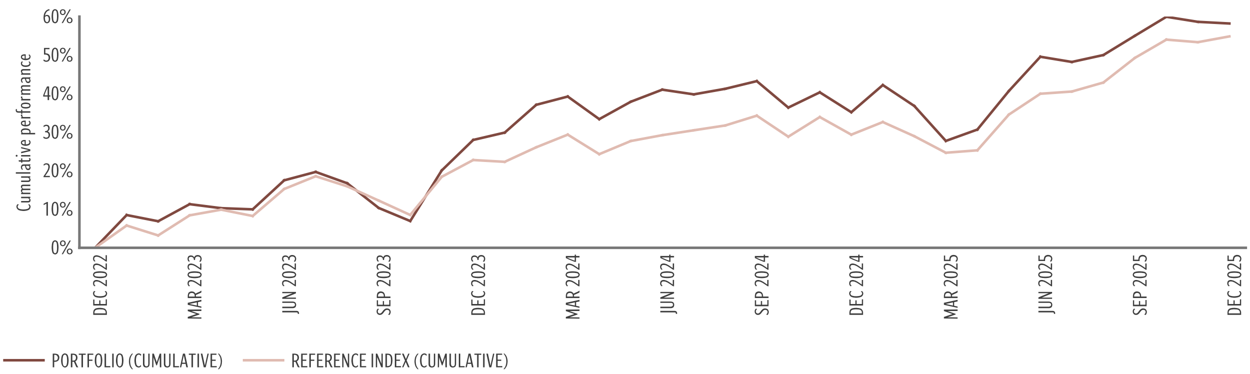
Gross of fees, with net (of taxes) income reinvested
Source: Pictet Asset Management

Calendar year performance (%)

	PORTFOLIO	REFERENCE INDEX	EXCESS RETURN
2025	17.04	19.72	-2.68
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 returned -0.3% in December, behind the reference benchmark which returned +1.0%. Our selection in Industrials, as well as our underweight and selection in Materials, were the main culprits for the relative underperformance in December. Year-to-date, the portfolio returned +17.04% in absolute terms, lagging the MSCI World Islamic (+19.72%; -268bps relative). The drivers of our relative underperformance in 2025 were our selection in Health Care, Materials and, to a lesser extent, IT.

At the stock level, in December, LAM Research, Bruno Cuccinelli and Infineon Technologies were the top contributors whereas Alphabet, Ferguson and Trane Technologies detracted.

On 9 December, Ferguson reported a solid F1Q2026 quarter with sales up 5% year-on-year to USD 8.2bn and operating profit rising 14%, driven by an 80bps margin expansion to 9.9%. Growth was led by the Non-Residential segment (+12% year-on-year), which continues to benefit from large project activity in waterworks and commercial construction, supporting the view that strength in this segment is sustainable into 2026. Residential revenues remained challenged and declined 1%, which was somewhat expected, reflecting a weak housing backdrop and tough HVAC comparisons. Management guided to steady gross margins (30-31%) and modest near-term growth, pointing to a slowdown in sales growth in October and November to around 3%, and suggesting this level is likely to continue in early CY26e given weakness in new residential building activity and in HVAC. Expectations had been elevated ahead of the print (the stock was up 43% year-to-date at that point), and this softer sales growth and limited gross margin upside likely disappointed, while the stock laps tougher comps; the share price reaction was consequently weak on the day (-8%) despite the solid fundamentals. With balanced end-market exposure, robust pricing, and ongoing market share gains, Ferguson remains well positioned for gradual improvement as US residential activity stabilizes through 2026.

LAM Research and Infineon remained strong performers in December, supported by a year-end rerating of the semiconductor complex on persistent AI-related capex and expectations of a multi-year upcycle in wafer fab equipment and power electronics. LAM's share price strength was underpinned by accelerating AI data-center investments, robust demand for high-bandwidth memory and NAND, solid order momentum in wafer fabrication tools, and successive analyst target upgrades after a year of exceptional gains in 2025. Infineon participated in the broader European semiconductor rally as investors priced in tightening supply across the AI supply chain and improving pricing dynamics, while its power and automotive franchises positioned it as a key beneficiary of electrification trends and data-center infrastructure spend, despite some mixed recent quarterly results the month prior.

3. PORTFOLIO COMPOSITION

In December, we initiated a position in D.R. Horton, the largest homebuilder in the US, with a broad geographic footprint, operating across 36 states, primarily in Sunbelt markets as well as the Northwest, Midwest, and East regions. It targets primarily first-time and first move-up homebuyers. Our investment rationale is based on the view that the firm is well placed to benefit from an environment of lower interest rates and robust housing demand thanks to its high backlog conversion rate and use of mortgage buydowns. Additionally, its land-light operating model and more affordable homes compared to competitors provide a clear competitive advantage in the current housing market. To fund this purchase, we reduced positions in TopBuild and Ferguson, crystallising gains.

4. MARKET OUTLOOK

4.1 Outlook

The outlook for equities remains broadly favourable, with a "Goldilocks" backdrop of high single-digit EPS growth and globally lower interest rates, even as elevated valuations may constrain further multiple expansion. This environment is likely to be more supportive for growth stocks, and the portfolio is well positioned with a weighted average EPS growth of 12.5% for 2026. Key structural supports include the ongoing AI capex megacycle and associated productivity gains, a K-shaped US consumer, a potential rebound in China, and easing headwinds for the pharma sector. Against this backdrop, prospects appear particularly strong for Enabling Technologies, Digital Disruption, Lifestyle & Experiences, Health Innovators, and Industrial Automation. Principal risks to this constructive view include an AI "bubble" unwind, a resurgence of inflation prompting a more hawkish Fed, and renewed geopolitical instability.

4.2 Strategy

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 21.14% while the market currently prices in only 17.35%, leaving significant upside potential.

For more information, please contact your Client Relationship Manager.

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