Intermede Global Equities Fund

Monthly Report 30 April 2025

Performance

Period ending 30 April 2025	1 m (%)	3 m (%)	6 m (%)	1 yr (% pa)	3 yrs (% pa)	5 yrs (% pa)	7 yrs (% pa)	10 yrs (% pa)	Since inception (% pa)
Intermede Global Equities Fund	-1.43	-9.55	-1.45	4.43	9.17	9.19	11.13	11.03	10.70
MSCI All Country World Index (Net Dividends Reinvested) (A$)	-1.70	-6.06	3.26	13.50	14.19	13.59	11.75	10.92	10.79
Out/(under) performance	0.27	-3.49	-4.71	-9.07	-5.02	-4.40	-0.62	0.11	-0.09

Notes: Performance returns are calculated net of management fees and are pre-tax in A$. Past performance is not a reliable indicator of future performance. The numbers are rounded to two decimal places.

Portfolio Review

During the month of April, we opened one new position and did not close any positions.

We initiated a position in Unicharm, the category leader in baby nappies and sanitary napkins. We view Unicharm as a defensive name, supported by its enviable product portfolio, strong market share in key Asian markets, and solid free cash flow. We expect Indonesia and India to be the primary growth drivers, while the adult incontinence segment is expected to drive long-term growth. The company's valuation has come under pressure due to lower-than-expected birth rates in Southeast Asia and intensified competition in China's feminine care sector. Unicharm maintains a net cash position, with cash and equivalents accounting for approximately 20% of total assets.

Market Outlook

Continued US flip-flopping on tariffs and trade provoked further market volatility and economic uncertainty during April. Perhaps the most significant market development during the month has been the apparent breakdown of the US dollar's safe haven trade that had been reliable across the preceding several decades. For example, while the US dollar strengthened during market slumps in 2008 and 2020, it has fallen almost 10% against a basket of other currencies since mid-January, with US treasury yields rising even despite the fact that the European Central Bank has been cutting rates aggressively (reducing the deposit facility rate by 0.75%, to 2.25% so far this year) at the same time as the Federal Reserve has kept rates on hold. There was also a negative surprise on US growth just after month end, with the announcement that the American economy shrank slightly in the first quarter.

Continued erratic behaviour by Donald Trump, who during the month was aggressively critical of Fed Chair Jay Powell, dubbing him "Mr Too Late", and "a major loser" on social media, and also said of the impact of his tariff policy that US children would need to learn to make do with fewer cheap goods including dolls and pencils, prompted the most volatile period for equities since the early part of the Covid-19 pandemic (the S&P500 was down as much as 12% in the week following Trump's 'Liberation Day' tariff announcements), and also appears to have caused something of a climbdown from Trump in certain areas.

For example, in an interview with NBC at the start of May, he denied that he intended to remove Powell before his term as Fed Chairman ends in 2026, saying "No, no, no. That was a total – why would I do that?", perhaps an encouraging sign that the market retains a disciplining function that will restrain the most extreme destabilising behaviours. Relatedly, we also note that Elon Musk announced during the month that he would 'significantly' scale back his role with the Department of Government Efficiency, to refocus on his role as Tesla CEO, after the company announced a sharp decline in profitability during the month.

A tangible effect of wayward US policymaking appears to have been an investor exodus from US assets, with the MSCI ACWI ex-US Index climbing 4% in the first 16 weeks of the year, with the MSCI USA index of US shares falling 11% over the same period, the biggest divergence between US and international equity performance over an equivalent period in over 30 years. While US equities and ACWI ex-US fell sharply in tandem on Liberation Day itself, the bounce back was much sharper for ex-US markets (although US equities have gathered strength since). There have also

About Intermede

Intermede is a London-based, specialist global equities manager. It aims to outperform global equity markets by identifying well-managed companies with strong market positions in attractive industries and purchasing them at discounts to intrinsic value. In particular Intermede looks for companies with a demonstrated sustainable competitive advantage.

Key Facts

Investment objective

The Fund invests in an actively managed portfolio of companies listed (or expected to be listed) on share markets around the world. The Fund is not hedged to the Australian dollar. The Fund aims to deliver a return that exceeds the Benchmark (before fees) over 7-year periods.

Index

MSCI All Country World Index (Net Dividends Reinvested) (A$)

Performance inception date

27 February 2015

APIR code

PPL0036AU

Management costs (including GST)

0.99% p.a.

been significant ripple effects globally from the US dollar's declining value, with wild swings in the Taiwanese currency forcing an emergency announcement from the country's central bank, and significant currency movements also seen in Malaysia and Japan, where the yen approached the ¥140/US$ level at one point.

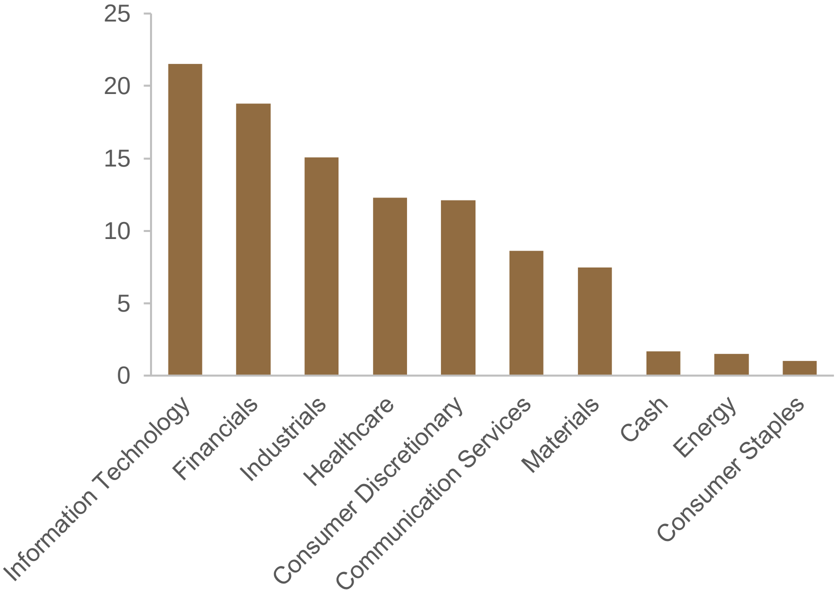
April was a busy month for corporate results, with strong results from market bellwethers Alphabet, Meta, and Microsoft, each of which announced strong growth in profitability and robust demand for cloud computing services, bringing some cheer, even as the ongoing pattern of regulatory action against mega cap technology firms rolled on globally, with the EU fining Apple and Meta €700m for breaching antitrust rules, and an American court referring Apple for possible criminal charges over the firm's attempts to navigate an injunction requiring it to change its rules around in-app purchases. Results for Apple and Amazon were less well received however, with the former noting rising costs and tepid demand in China, and the latter predicting an impact to profitability from tariff impacts. Looking more widely, while Q1 results overall have been better than anticipated, rising sell-side analyst pessimism about the full year picture is seeing estimate downgrades outnumbering upgrades by 2.5x at present.

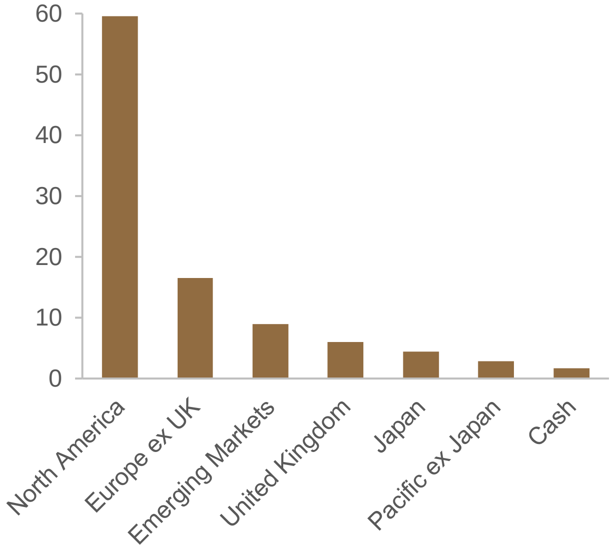
As always, we seek to look through short term noise and to focus on the factors likeliest to drive positive long term economic outcomes for portfolio companies. Therefore, our primary mission remains to identify and understand high-quality growth businesses in possession of defensible competitive moats, and to purchase them at attractive valuations. We believe this remains the most prudent path to capital appreciation in the long-term.

Top 10 Holdings

Company	Country of Domicile	Sector
Apple	United States	Information Technology
Alphabet	United States	Communication Services
Mastercard	United States	Financials
Taiwan Semiconductor Manufacturing Company	Taiwan	Information Technology
Haleon	United Kingdom	Healthcare
Linde	United Kingdom	Materials
Amazon.com	United States	Consumer Discretionary
Schneider Electric	France	Industrials
Meta Platforms	United States	Communication Services
RELX	United Kingdom	Industrials

Sector and Regional Weights %





Sector Positioning

Most active overweight owned sectors for April 2025	
Industrials	We are overweight in Industrials with a focus on leading companies with high entry-barriers that can benefit from structural growth trends, increase market share, and improve margins. In particular, we look for differentiated and innovative technology as a source of competitive advantage. Within the sector, holdings include Transdigm Group (a leading supplier of equipment and components to the aerospace original equipment and aftermarket sectors – both in Commercial and Defence), and Schneider Electric (a leading supplier of LV/MV electrical equipment, cooling solutions for data centres, and industrial automation products and software). In terms of end-market, we are currently most positive on Aerospace, Electrical, and Power. In contrast, we see challenges with Residential Construction, Autos, and Energy. Since Trump's election, we are also mindful of the impacts of tariffs with regard to exports and raw material costs.
Materials	Within the Materials sector we own Linde, Shin-Etsu Chemical, and Symrise. Linde is the world's largest industrial gases business, supplying oxygen, hydrogen, and other gases to a wide range of industries and end-markets (eg hospitals, renewable energy, food and beverage). The market structure is very concentrated (only 3 large players) with a significant of proportion of business under take-or-pay contracts, so pricing is consistently strong while volumes are relatively non-cyclical with a number of secular tailwinds (eg hydrogen for fuel desulphurization and fuel cells). Shin-Etsu is a leading provider of silicon wafers, again in a concentrated supplier market, with strong demand coming from the Electronics/Tech sector. It is also the leading supplier of PVC in the US with unrivalled scale and backward integration to lower input costs. Combined with an increasing management focus on shareholder return, this makes the company an attractive investment case. We also own the leading specialty ingredients manufacturer, Symrise AG. These companies are differentiated from many, more commoditised companies in the Materials sector.

Most active underweight owned sectors for April 2025	
Consumer Staples	We are underweight Consumer Staples according to GICS, but see the exposure as approximately equal weight if companies such as McDonald's (Consumer Discretionary), Haleon (Healthcare), and Symrise (Materials) are considered Consumer Staples names, as we believe they better fit that classification. Haleon is entirely a consumer facing business and unlike a pharma company has R&D equal to less than 3% of sales. McDonald's is in a discretionary industry (restaurants) but performs more like a staple with same store sales often countercyclical to economic downturns. Finally Symrise is an ingredients supplier to Consumer Staples firms and is therefore closely linked to the performance of its customers. We added Unicharm, a maker of nappies and feminine care products, to the portfolio during the month which is our only GICS-classified Consumer Staples name.
Energy	We are underweight the Energy sector because the companies that account for the majority of the index are large integrated or national oil companies that do not meet our growth criteria. This is partly because their revenues are directly tied to oil and gas prices, which we have expected to fall since 2022 due to supply and demand factors. More recently, the deteriorating global macro outlook and increased OPEC production have weighed on the oil price. However, we continue to see a robust long-term outlook for LNG, Hydrogen, and Carbon Capture technology, which explains our holding of Baker Hughes, the global leader in these areas.

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