

Monthly Report

The Fund's NAV rose by 1.1% in September. The return for the third quarter is 3.1%, the 1 year trailing performance is 7.3%.

The much anticipated first US interest rate cut of the current cycle was announced in September. In delivering a reduction of 0.5% the Federal Reserve signalled a willingness to act decisively. Over the course of the third quarter, interest rate conditions were also eased in Europe and at home by the Bank of England. The Pound strengthened against the Dollar by 5.8% over the third quarter; to a sterling based investor, this offsets the return of world equity index which delivered 6.3% in dollar terms. Fixed income markets generally delivered positive returns consistent with a belief that longer dated bonds will benefit from a decline in short term interest rates.

Gold appreciated by 13.2% over the quarter. With monetary policy at an inflexion point, a US economy which continues to defy pessimists, an impending election which will result in the election of a keen spender regardless of party and escalating conflict in the Middle East, Gold is likely to remain an attractive destination for conservatively managed capital.

The Fund's return over the quarter and year to date has benefitted from the diversification that has been emphasised over the last 12 months. The equity allocation contributed 1.6% of the return for the quarter. Of this, the Japanese allocation contributed 0.6% notwithstanding the sharp drawdown and subsequent recovery in Japan in early August. In the US and Europe, the value style outperformed growth stocks and this helped the targeted allocation to managers exhibiting a value style bias to contribute 0.5% of the funds return. UK equities are often grouped into value driven holdings and they continued to recover over the quarter. The largest Equity allocation remains to Global Leader companies and this group contributed 0.2%, the holdings in semi-conductor companies let off some steam to cool the overall return.

Fund Data

| | |
|------------------------------|-------------------------------|
| NAV/Share (Class B Acc) | £14.37 |
| Fund Size (£mn) | 55.1 |
| Currency Share Class | GBP (Base) |
| Investment Management Charge | 1.00% |
| Ongoing Charges Figure | 1.38%* |
| Dealing Frequency | Daily |
| Legal Structure | OEIC (UCITS) |
| Co-Managers | Fergus Shaw & Michael Flitton |
| Inception Date Fund | 2013 |

*OCF includes the Investment Management Charge

Away from the equity holdings, the allocation to Gold sat alongside Japanese equity as the strongest contributor to performance. Meanwhile the exposure to Real Estate Investment Trusts, albeit small, contributed 0.4%. This sector has contended with a changed interest rate dynamic alongside regulatory challenges which have stifled demand for the shares. There remains value in our holdings. Our Bond holdings are short dated Gilts with an additional allocation to an Emerging Markets Debt Fund managed by Mike Cerami of Artisan Partners who brings a deep understanding of debt markets that sit off the beaten track and has a history of generating good returns from spotting opportunity in these markets.

Portfolio activity over the quarter has generally seen some profits being taken in the areas that have done well and recycling into emerging opportunity. In particular, the single country exposures to Japan and the UK were trimmed into rising markets. Likewise, weightings to the specialist value managers were kept in check. Proceeds were invested in Global Leaders where we see significant opportunity from both a fundamental and timing perspective given the price to earnings ratio premium enjoyed by this group of high quality businesses is currently at a multi-year low. At 22.5% of the portfolio this represents the largest thematic allocation and further increases in equity allocation will target the value in this group of companies.

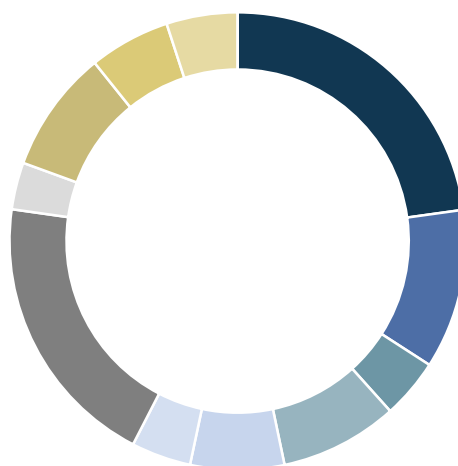
The recent actions of central banks have removed some of the polarisation of market related debate and markets have weathered a period of disinflation in a key technology theme, namely Artificial Intelligence. Equity bull markets remain in place albeit headline valuations continue to signal caution. These inputs temper the overall equity allocation and yet within that, we see significant pockets of opportunity in both the Global Leader holdings and in places that have been less-loved for some time, for example the Emerging markets. Off-setting, the Gold and Fixed Income allocations offer up defence and dry powder to take advantage of short term price movements.

**FERGUS SHAW****MICHAEL FLITTON**

FUND FACTS

Allocation by Theme

- Global Leaders Equity Strategy - 23%
- Active Value Basket - 11%
- Emerging Market Equity - 4%
- Japan - 8%
- UK Equity - 7%
- Technology - 4%
- Fixed Income - 20%
- Cash - 3%
- Gold - 9%
- Property - 6%
- Commodities - 5%



Top Equity Holdings

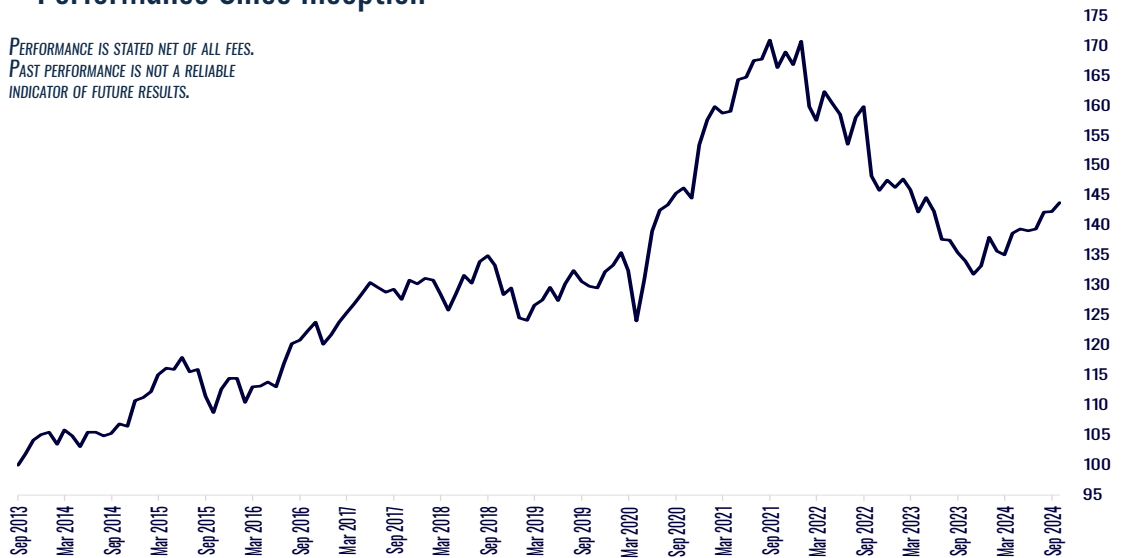
| | |
|--------------------------------------|------|
| Landsdowne Developed Market | 5.0% |
| Zennor Japan Fund | 5.0% |
| Schroder Global Recovery Fund | 3.4% |
| Chikara Japan Income & Growth | 3.3% |
| Edinburgh Worldwide Investment Trust | 3.0% |

Top Non-Equity Holdings

| | |
|-------------------------------|------|
| UK Gilt 2027 | 5.7% |
| iShares Physical Gold | 5.3% |
| UK Gilts 2028 | 4.3% |
| Artisan Emerging Markets Debt | 4.2% |
| Schroder Global Recovery | 3.4% |

Performance Since Inception

PERFORMANCE IS STATED NET OF ALL FEES.
PAST PERFORMANCE IS NOT A RELIABLE
INDICATOR OF FUTURE RESULTS.



Monthly Table (Net)

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2024 | (1.8%) | (0.4%) | 2.7% | 0.5% | (0.2%) | 0.2% | 2.0% | 0.1% | 1.1% | | | | 4.1% |
| 2023 | 0.9% | (1.3%) | (2.5%) | 1.7% | (1.6%) | (3.3%) | (0.1%) | (1.5%) | (1.0%) | (1.6%) | 1.1% | 3.6% | (5.7%) |
| 2022 | (6.4%) | (1.5%) | 3.1% | (1.2%) | (1.1%) | (3.2%) | 2.9% | 1.2% | (7.3%) | (1.6%) | 1.2% | (0.8%) | (14.3%) |
| 2021 | 1.4% | (0.7%) | 0.2% | 3.3% | 0.3% | 1.7% | 0.1% | 1.9% | (2.7%) | 1.6% | (1.2%) | 2.3% | 8.3% |
| 2020 | 1.6% | (2.1%) | (6.4%) | 5.6% | 6.2% | 2.5% | 0.7% | 1.3% | 0.7% | (1.2%) | 6.2% | 2.8% | 18.3% |
| 2019 | (0.3%) | 2.0% | 0.7% | 1.7% | (1.7%) | 2.2% | 1.7% | (1.4%) | (0.6%) | (0.2%) | 2.0% | 0.8% | 7.1% |
| 2018 | (0.2%) | (1.7%) | (2.1%) | 2.3% | 2.4% | (1.0%) | 2.7% | 0.8% | (1.1%) | (3.7%) | 0.9% | (3.9%) | (5.0%) |
| 2017 | 1.7% | 1.2% | 1.3% | 1.3% | 1.5% | (0.6%) | (0.6%) | 0.4% | (1.3%) | 2.5% | (0.5%) | 0.7% | 7.7% |
| 2016 | (3.5%) | 2.4% | 0.1% | 0.6% | (0.7%) | 3.4% | 2.8% | 0.5% | 1.2% | 1.2% | (3.0%) | 1.3% | 6.4% |
| 2015 | 0.9% | 2.5% | 1.0% | (0.2%) | 1.7% | (2.0%) | 0.3% | (3.9%) | (2.4%) | 3.6% | 1.6% | 0.0% | 2.9% |
| 2014 | (1.9%) | 2.3% | (0.9%) | (1.7%) | 2.3% | (0.0%) | (0.6%) | 0.4% | 1.5% | (0.4%) | 4.0% | 0.5% | 5.5% |
| 2013 | - | - | - | - | - | - | - | - | 1.9% | 2.3% | 0.9% | 0.4% | 5.4% |

Performance

| Year Ended | Sep 2024 | Sep 2023 | Sep 2022 | Sep 2021 | Sep 2020 |
|-----------------|----------|----------|----------|----------|----------|
| Net Performance | +7.3% | -9.6% | -10.9% | +13.7% | +12.6% |

Fund Codes

| | ISIN: | SEDOL: | Bloomberg: |
|-------|--------------|---------|------------|
| B Acc | GB00BCZXTM29 | BCZXTM2 | TMCESBA LN |
| B Inc | GB00BCZXTL12 | BCZXTL1 | TMCESBI LN |

Key Fund Information

| | |
|---|---|
| NAV/Share Class (Acc) | £14.37 |
| Fund Size (£mn) | 55.1 |
| Currency | GBP (Base) |
| Authorised Corporate Director | Thesis Unit Trust Management (Authorised and regulated by FCA) Exchange Building St John's Street, Chichester, West Sussex PO9 1UP |
| Fund Custodian | The Northern Trust Company |
| Auditor | Pricewaterhouse Coopers LLP |
| Fund Legal Structure | UK OEIC (UCITS) |
| Inception Date - Fund | September 2013 |
| Fund Saving Structures | SIPPs, ISAs & JISAs |
| Key Fund Documents | cernocapital.com/verno-select |
| Ongoing Charges - Class B (incl. Management Fee) | Management Fee 1.00% Allocated managers' Fees 0.19% Other Fees (incl. running costs) 0.19% OCF 1.38% |
| Transaction Costs | Explicit Costs 0.02% Implicit Costs 0.03%* |
| Initial Charge | 5% - waived as standard |
| Contact | Tom Milnes 020 7036 4126 |

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