



Q2 2025 FACTSHEET – FOR PROFESSIONAL INVESTORS ONLY

Strategy Overview

The European Equity, long only strategy was launched at Landseer Asset Management in October 2022 and is managed by Andy Billett and his European equity team of 6. The strategy is currently managed in a Single Managed Account for a SWF. AUM is \$1.69bn and the performance track record is fully audited. Although the strategy was only launched in 2022, the PM and Team have been managing European Equity strategies for their entire +20 years careers. Likewise, the investment team have worked together previously for a number of years pre-Landseer Asset Management.

The strategy is entirely benchmark agnostic and is a portfolio of 'best ideas' in a concentrated book, typically between 20-25 names in total. The strategy is available to institutional investors only who can take a longer-term approach with more tolerance for volatility. The companies are all 'core' longer-term holdings which does not mean that the portfolio is static as we will trade around earnings, news flow, etc.

The strategy comprises the highest conviction long positions from the core book of the Equity Long/Short Hedge Strategy utilising the same investment philosophy and fundamental approach. We do not favour any style, country or region but the portfolio is predominantly large cap in developed Europe only, including the UK. Liquidity is key, as is very disciplined risk management.

Landseer Asset Management

Landseer Asset Management was founded in 2020 by Andy Billett, Paul Graham, and Roger Guy. The firm is 100% owned by the 3 General Partners and Partners that have all worked together previously, running European Equities in both Long/Short and Long-Only. Today the firm runs a small number of specialised, active LO and absolute return strategies on behalf of institutional investors only.

Commentary Q2 2025

Our principal objective is to out-perform the European benchmark by 5% p.a. on a similar volatility.

In EUR terms, the strategy returned +7.53% in Q2 2025 vs the benchmark (SXXP) which returned +1.39% in Q2 2025. Since inception the strategy is +64.78% vs. the benchmark +39.58%.

The second quarter was one of the most tumultuous of recent years, although you wouldn't know it if you just looked at the performance of most equity indices, with the broad European Stoxx600 up 3.3% for the quarter and the S&P500 and Nasdaq + 11% and +18% respectively (in USD terms).

Volatility spiked at the beginning of the quarter, On April 2, President Trump announced reciprocal tariffs far exceeding expectations, prompting a sharp market sell-off — the S&P 500 dropped over 10% in two days, its 5th worst since WWII, and a subsequent 90-day tariff delay for non-retaliating countries on April 9 triggered a market rebound, with the S&P posting a +9.52% gain that day. Fears of a US recession eased by early May as strong jobs data and tariff rollbacks (notably a reduction in US tariffs on China) boosted investor sentiment. Trade uncertainty persisted, with more Trump tariff threats, US legal rulings against the tariffs, and tensions with China. On the geopolitical front we saw ongoing conflict in Ukraine/Russia and in June Israel attacked Iran's nuclear facilities, leading to a spike in oil prices (+7% in a day); nevertheless, although the US and Iran exchanged retaliatory strikes, they avoided full-scale conflict after a ceasefire was announced, and oil retraced its move. OPEC continued to increase oil supply to a greater extent than the market had expected. Throughout the quarter, there was little evidence that either the US or global economies were suddenly deteriorating thanks to the tariffs. Indeed,

Unless otherwise stated, all data and commentary have been provided by Landseer Asset Management UK LLP. Past performance is no guarantee of future results.



Q2 2025 FACTSHEET – FOR PROFESSIONAL INVESTORS ONLY

even the flash PMIs for June towards the end of the quarter still pointed towards expansion, with the US composite PMI at 52.8, and the Euro Area composite at 50.2. That resilience was particularly striking in Europe, and in Germany, the Ifo's business climate indicator hit a 1-year high in June. US fiscal concerns remained a big theme, with long-end Treasury yields moving higher as a result, and we saw an ongoing decline in the US Dollar, with the dollar index having now seen its worst H1 performance since 1973.

The average US tariff rate currently stands at c.14%. At the timing of writing, the tariff letters sent by the US, appear to effectively delay the July 9 deadline to August 1 for the EU. While near-term there is two-way risk on trade news, our assumption is that the final tariff rate is not substantially higher than current levels, given the administration's sensitivity to financial conditions – consensus for Europe is c. 10-15% headline albeit with sector specificities. For the US, the debate is now on the consequences of tariffs, and particularly the outlook for the US consumer (70% of US GDP).

In 2018 when tariffs were announced, the dollar also strengthened, offsetting tariff driven price hikes, thereby neutering the impact tariffs. Unlike 2018, the dollar has weakened this time and isn't an offset. However, real wages are still growing at 1.9% – for a mid-cycle economy, this is near the highest levels of real wage growth seen throughout history. Even factoring in a full passthrough of tariff costs, real wage growth is still likely to be positive. Historically, we have never had a recession in the US when real wages are positive. Secondly, financial conditions have recovered sharply. That is, the wealth effect is likely to help. Thirdly, for labour markets, while hiring is likely to slow near-term due to tariff uncertainty, layoffs are likely to remain low with; a) corporate balance sheets in record health; b) end tariffs, especially once exemptions made are taken into account, are likely manageable; and c) high monetary (assuming eventual Fed cuts) and fiscal accommodation. With immigration slowing, why layoff today only to have to rehire in 2026? That is, the US economy, despite having a tariff driven soft path, is likely to emerge unscathed. However, there are distributional variances – lower income cohorts are likely to be worse off. They are more impacted by tariffs, less exposed to the wealth effect, and the "Big Beautiful Bill hurts them disproportionately". Middle and high-income consumers (net beneficiaries of the bill) are likely to continue driving spend. The passing of the "Big Beautiful Bill" also allows for 100% bonus depreciation and capex offsets which is likely to see an acceleration in US capex spend in 2026.

In Europe, the focus remains the impact of the fiscal spending package from Germany which is equivalent to the Marshall Plan and the Reunification spend, combined. With fiscal multipliers, the impact could be sizeable for core European growth in 2026, and it is encouraging in terms of the speed which this has been signed into law by German legislators; coupled with this has been a swift passing of the proposed tax bill which allows for higher depreciation allowances for capex, as well as a gradual reduction in corporate tax rates. A further tailwind comes from the ECB which has already cut interest rates sizeably and that easing is now starting to influence the economy. Construction confidence, even in Germany, has inflected higher as interest rates have declined.

In terms of the EU consumer, over the past 2 years, savings rates have risen to very high levels. A combination of improving residential markets (i.e. house prices driving a positive wealth effect), still positive real wages in Europe and lower energy prices should encourage European consumers



Q2 2025 FACTSHEET – FOR PROFESSIONAL INVESTORS ONLY

to spend. The market has been very quick to price the initial beneficiaries of the fiscal announcements almost at the expense of everything else.

Our largest winner Siemens Energy sits firmly in that camp. We would anticipate the market broadening throughout the second half. Whilst cost of equity has compressed across the banks sector as the sector has moved higher, we still see further opportunities in core European and Greek names whilst remaining more cautious on Scandinavian banks which have higher valuations, lower capital distributions and potential cost of risk headwinds.

On the consumer side, Ryanair was a positive contributor - a high-quality cyclical in a consolidated industry with best-in-class unit economics, financial returns and formidable management team. Ryanair's FY25 results highlighted the airline's resilience amid challenges including as fare pressures and aircraft delivery delays. Strategic fare adjustments, shareholder returns, and fleet expansion plans position the airline for continued growth. Summer pricing trends remain better than consensus is modelling, and the airline has an operating cost opportunity given it is "staffed up" in anticipation of Boeing deliveries that have been delayed. As the delivery schedule normalizes this will ameliorate.

The strategy benefitted from its exposure to the European defence sector with its position in Rolls Royce performing strongly during the period. The remarkable performance of European defence stocks (particularly in May) underscores a broader shift in the continent's approach to security and defence. As geopolitical uncertainties persist and traditional alliances evolve, European nations are taking proactive steps to fortify their military capabilities, leading to increased investor interest and significant market gains in the defence sector.

Despite ongoing volatility, the medium-term European equity outlook remains constructive. Eurozone macro data remains stable, fiscal policy is turning expansionary (notably Germany's €1T stimulus), and central banks continue to provide support. European equities attracted \$3.2B in net inflows in June, and valuation multiples remain attractive at approximately 13.5x forward earnings versus 20.4x for the US.

Risks remain in the form of unresolved US-EU trade tensions and oil market volatility. Nevertheless, structural drivers such as AI adoption, green infrastructure, and defence modernization continue to offer leadership potential.

Stock selection remains critical. Investors are rewarding companies aligned with policy support and thematic growth, while punishing those vulnerable to tariffs or regulatory headwinds. As the 9 July trade deadline approaches, clarity on tariff policy will be key to re-risking sentiment. Until then, Europe's resilience hinges on domestic momentum and global de-escalation.

Kind regards,

The Landseer Asset Management Team

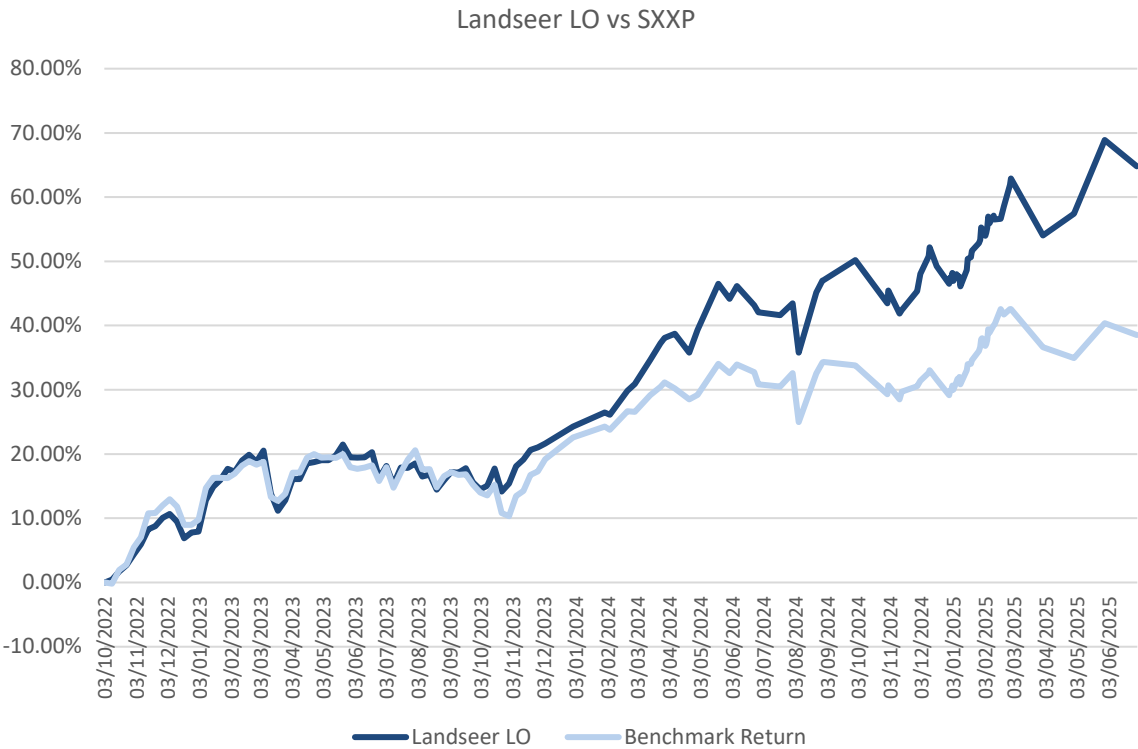
Contact: Iain Edwards, Head of Client Partnerships – ire@landseeram.com

Landseer Asset Management, 18 Cavendish Square, London, W1G 0PJ, UK.



Q2 2025 FACTSHEET – FOR PROFESSIONAL INVESTORS ONLY

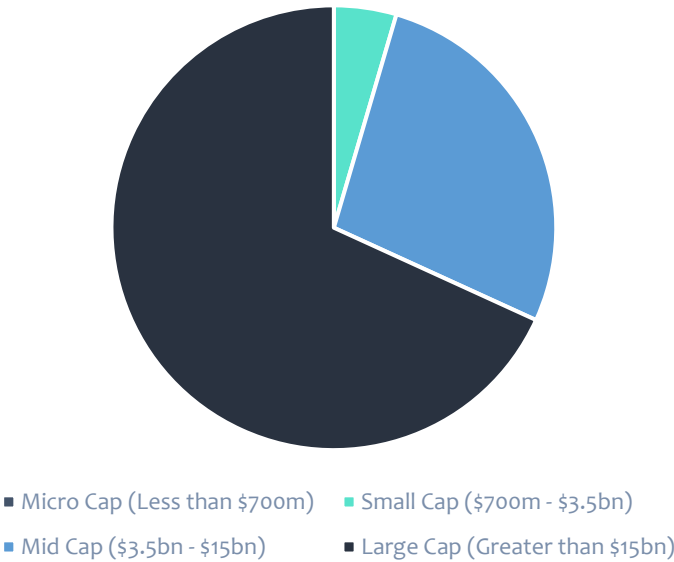
PERFORMANCE



Past performance is no guarantee of future results.

Source: Landseer Asset Management (UK) LLP as at 30 June 2025, EUR Returns.
Please refer to the important performance notes and the disclaimer at the end of this document.

MARKET CAP (EUR)

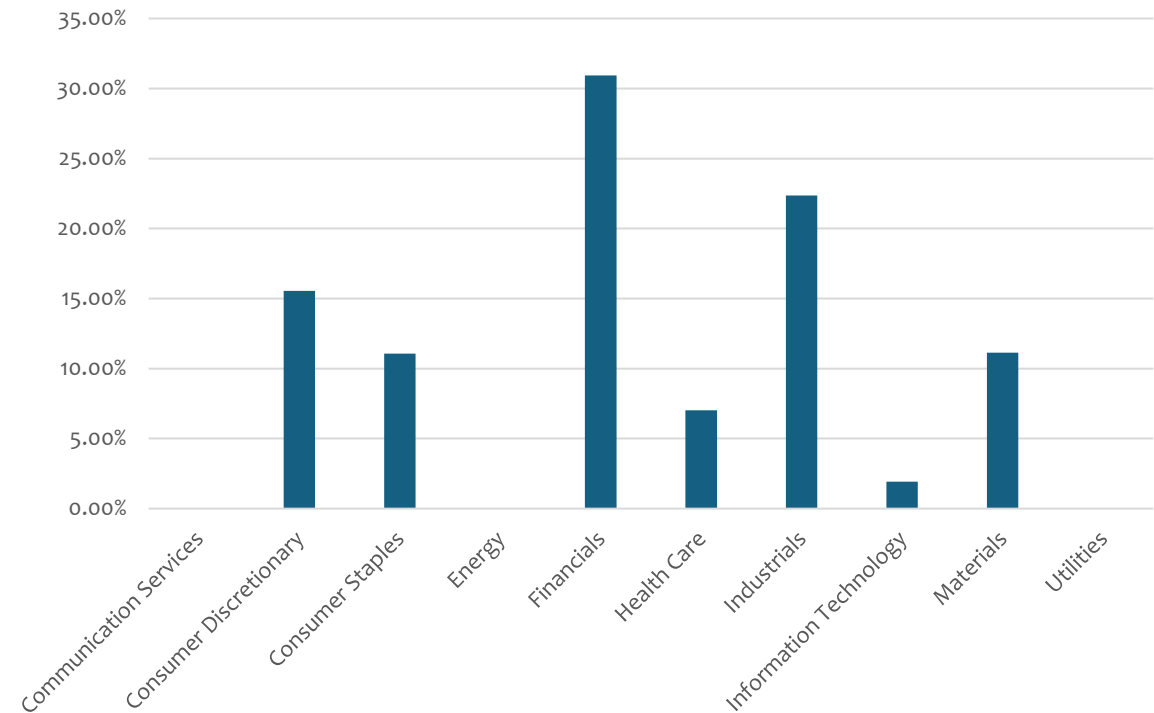


Source: Landseer Asset Management (UK) LLP as at 30 June 2025.



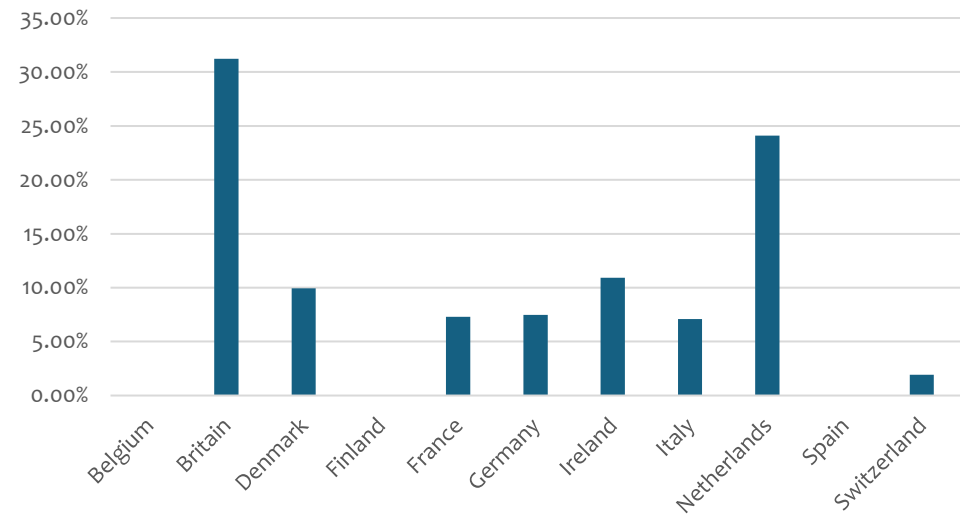
Q2 2025 FACTSHEET – FOR PROFESSIONAL INVESTORS ONLY

EXPOSURE BY
SECTOR
(% OF NAV)



Source: Landseer Asset Management (UK) LLP as at 30 June 2025.

EXPOSURE BY
COUNTRY
(% OF NAV)



Source: Landseer Asset Management (UK) LLP as at 30 June 2025.

SOURCES AND
NOTES

All underlying data and data calculations are provided by Landseer Asset Management UK LLP as at, 30 June 2025.



Q2 2025 FACTSHEET – FOR PROFESSIONAL INVESTORS ONLY

LANDSEER ASSET MANAGEMENT

LandseerAM European Equity Long Only Strategy			
Strategy Type	European Equity Long Only	Base Currency	Euro
Strategy Structure	SMA or UK OEIC	Dealing Frequency	Daily
Launch Date	Oct 2022 (at Landseer)	Portfolio Managers	Andy Billett
Strategy AUM	\$1.69 bn	Share Class Currencies	USD, EUR, GBP, CHF

KEY RISKS

1. The value of equities and equity-related securities can be affected by daily stock and currency market movements.
2. Investors' capital is fully at risk and may not get back the amount originally invested.
3. Exchange rates can have a positive or negative effect on returns.

IMPORTANT LEGAL INFORMATION AND DISCLAIMER

Issued by Landseer Asset Management UK LLP ("LAM") (FRN no 951602), authorised and regulated by the Financial Conduct Authority.

The information contained herein (the "Information") is for the exclusive use of the intended recipient(s) and the accessing, reproducing, or distributing of the Information by any other person is unauthorized and may be unlawful. LAM disclaims all liability for any loss or damage resulting from the receipt or use of the Information and does not warrant as to the completeness or accuracy of the Information. The Information does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting, investment or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares in any strategy or any security, commodity, financial instrument or derivative linked to, or otherwise included in, a portfolio managed or advised by LAM; or (iv) an offer to enter into any other transaction whatsoever. Any performance information presented represents past performance. Past performance is no guarantee of future results. LAM (partnership no. OC431777) is a limited liability partnership registered in England and Wales. If this is an unsolicited email, and you do not wish to receive further unsolicited emails, you can unsubscribe by replying to this email and requesting to be removed from the distribution list.