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2025 Outlook: sizing new trade order opportunities

Regnan Global Mobility and Logistics

Global | Perpetual | Thematic

March 2025

FOR PROFESSIONAL INVESTORS ONLY

A globally diversified portfolio of sustainable companies across the market-cap spectrum providing solutions to global mobility, logistics and transportation related challenges.

The fund is actively managed, seeking to maximise capital growth by pursuing a fundamental, high conviction, unconstrained and ESG-integrated approach to the identification of stocks with high earnings stability, sound balance sheets, exposure to global mobility and logistics value chains, and compliant with sustainability imperatives. The fund aims to offer diversification benefits relative to mainstream global equity portfolios.

Enduring, Global Thematic
Investing in mobility and logistics means investing in commerce and perpetual wealth creation.

High Earnings Stability
Holdings typically exhibit high earnings stability, sound balance sheets and long durations.

Diversification
We invest in stocks not covered by large banks and not widely held in mainstream global portfolios.

World Economic Alignment
Investable universe exposed to real-world economic growth via local and global trade exposure.

Summary

Amidst significant geopolitical changes and high sector concentration, the economy of transportation is entering a unique phase of opportunity as the fog clears post tariffs uncertainties, inflation fears and new trade order realignment. We see volatility ahead but an environment filled with significant upside potential as the real economy always prevails. Fundamentals show a long-awaited recovery in transport for 2025, while the car construction industry faces a unique challenge. We see significant upside on valuation terms with earnings quality and sound balance sheets offering strong support.

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Senior Fund Manager

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Fund Manager

Long-awaited turning point for recovery in 2025

Accelerated transformation in both the makers and operators of mobility and logistics

As we step further into 2025, we witness an acceleration in the transformation of the 'Mobility & Logistics' industry theme. We identify the three main drivers:

- Sustained globalisation uniformity of consumption and goods production patterns (individuals and companies). Normalisation of behaviour pushes for more competition.
- New 'rapport de force' in commerce agreements (intra and inter trading blocks). Security of supply-chain and efficiency needs push for a new definition of trade agreements between economic partners.
- Prominent disruptive technology for live information and decision-making in consuming, producing and transporting (hyper connectivity and efficiency). Digital tech is impacting mobility significantly and redefines logistics.

This transformation has been exacerbated during the exit of the COVID era, which left the transportation market with an excess of transport capacity which delayed the natural up-cycle recovery of the industry. As such, the recovery is not so much demand-led but supply-driven. In the absence of economic slowdown (if demand remains steady), the transport industry should benefit from price increases and profitability recovery.

This supply/demand imbalance has been exacerbated by consumer patterns which have focused more on experiences such as travel, work from home, or media consumption. This is impacting the recovery of 'real-goods' consumption spending if the trend is sustained.

This real-goods trade has been further impacted by world geopolitical tension and hawkish monetary policies. Trades tension and US tariffs threats increase risk and inflationary pressure which in turn keeps interest rates higher than expected for a longer period. This weighs on investment decisions and consumer spending.

Additionally, the second most prominent transformation is linked to a redefinition of the structure of the automotive industry. The US protects its car manufacturers, China starts to export highly competitive electric cars, while European makers face an existential crisis.

We believe that 2025 could be a turning point for a solid recovery of the theme, offering multiple opportunities through the entire value chain. Normalisation of trends should further strengthen in 2026 as geopolitical and macro uncertainties clear. We see companies in the universe trading at an attractive discount to the market and could benefit from a bounce in the real economy vs. two years of supercharged tech rallies.

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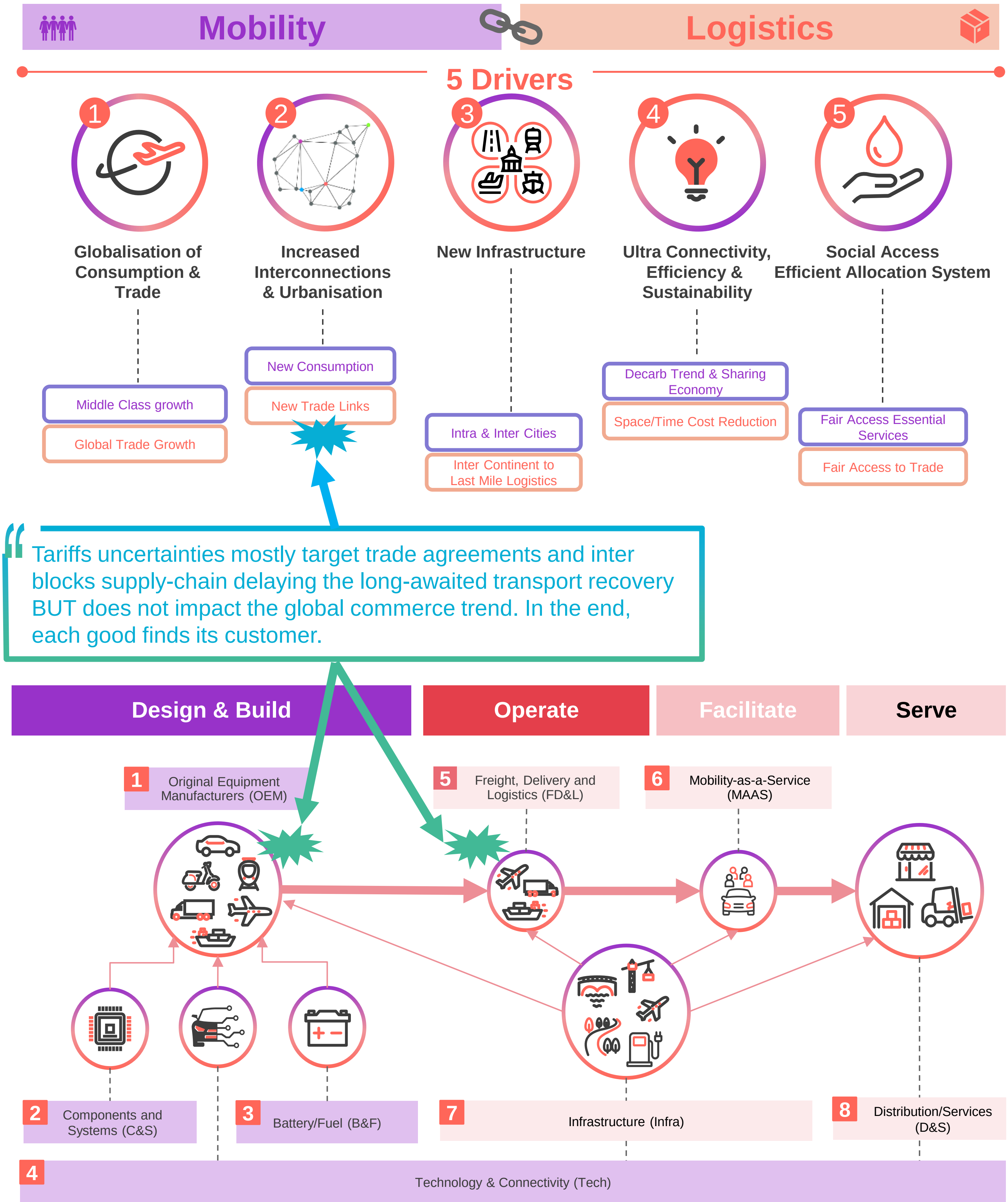
The 5 long-term drivers untouched

Efficient global resources allocation: each good finds its end customer



Source: Regnan.

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Thematic Team global view … short-term noise for longer gains

2024 was a year of elections across the globe which culminated in the US election and the strong Republican win paving the way for a firm repositioning of the US dominance in economics, technology and defence. This should redefine relationships with trading partners at a time when monetary policies must accommodate difficult budget deficits (US and Europe). This raises uncertainty for investors especially for real world economics such as Mobility & Logistics.

Wait and see approach in global dominance
We see growing volatility regarding tariffs impact (inflation and demand response), which should also influence interest rate policies in 1H 25. This should also have a significant impact on foreign exchange and trade. We may see delay in investment decisions in the early parts of the year. Companies may take a cautious guidance for the full year even if they expect a recovery in 2H 25.

Supportive real economy indicators
The transportation business is closely linked to ISM data. A rebound of this indicator has been lagging significantly since 2023 and could recover in 2025. The key parameter lies in the impact of tariffs wars on demand and prices as the amount at stake is twice as big as in 2018.

Interest rates to reduce at slow pace
As inflation is coming down, we see more dovish interest rate policies, but the pace is still uncertain. Any acceleration should support investment and consumption, acting as a catalyst for the theme.

Some marginal weakness in Q4 24 results and cautious guidance for 2025
In terms of catalysts, we may see some type of softness in volumes, based on delayed economic actors' decisions. We still expect a positive earnings guidance and outlook for 2025 with companies adding a touch of caution given the new international and macro environment. We expected moderate earnings adjustments for FY 24 publication, and portfolio repositioning into stocks that sold off too heavily vs big tech leaders in 2024.

Overall positive for real economy
Given the severe weakness in industrials in 4Q 24, we believe that there is scope for positive surprises for the real economy, especially for the US, China and the rest of Asia, and a more muted European situation. Any sector rotation out of tech and communications stocks could offer a good opportunity to rebalance into the thematic names. We foresee a strong year for the theme, but the timing of reversal remains uncertain.

Good financials overall in theme
The thematic universe trades at healthy multiples and shows room for value creation from the current level. Balance sheets are strong and solid cash flow generation provides a buffer for external growth, dividends or buybacks. Risks have already been well discounted in prices 1Q 2025 so far.

> **TARIFFS & RATES**
> Tariffs visibility and lower US interest rates should be the lead macro drivers for the bounce. End of geopolitical tensions should further ease trades.

Opportunities in a new world trade order

Since Trump came into office in January 2025, the new US administration is redefining the terms of commerce on a global level. The implications are many and varied for the US economy, the West and BRICS.

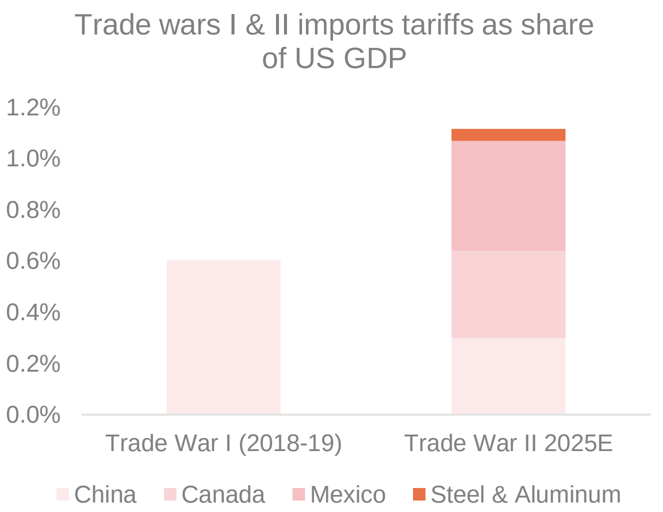
Focus on North American trade with Canada, Mexico and China (45% of US trade): tariffs measures should put pressure in the short term in anticipation of a more integrated North American block.

This could translate into an acceleration of onshoring/reshoring and a strengthening of supply chains with blocks, which already started post-Covid.

It also aims to redefine global bilateral contracts with tariffs to better position the US economy. It should also push Europe and Asia to redefine their offering and competitive stance.

All in all, goods will always meet their customers, but routes and prices must adjust for this new order.

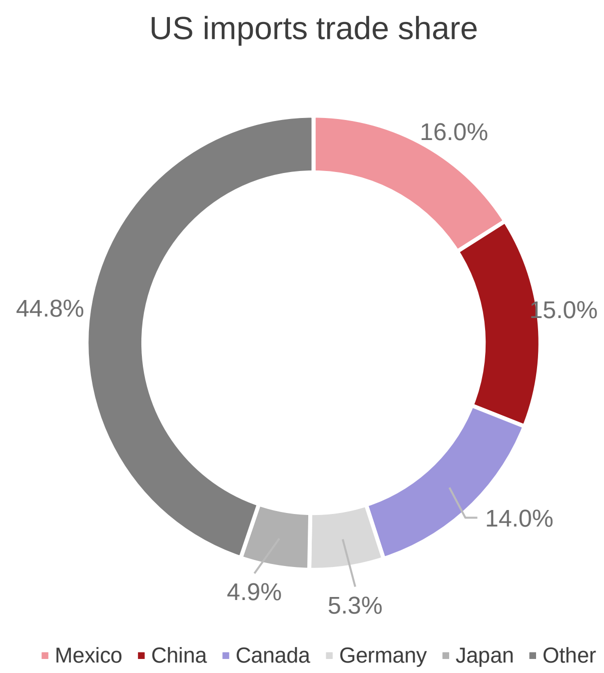
Any stabilisation of global conflicts which started in 2022, could be a catalyst for reinforcing global trades in 2025 and 2026 in our view. This could be a catalyst for 2H 2025.



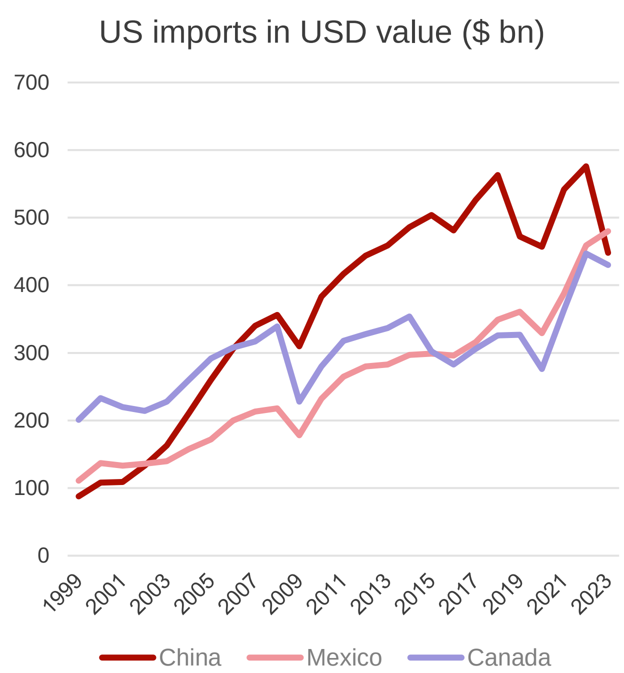
Source: Regnan/Empirical Research Partners.

US redefines key partners agreements

China, Canada, Mexico = 45% exposure



Source: Regnan/UN Comtrade.



Source: Regnan/UN Comtrade.

Key industry indicators at turning point

ISM as indicator for transport at lowest extended level in 25 years

Transportation activity is usually tightly linked to industrial production and can move in a cycle. In the US, the freight cycle is now over two years while it usually has a much shorter duration (1 to 1.5 years). The uptick is well overdue.

Last year was marked by elections around the world, global uncertainties about monetary policies, inflation and global de-stocking, and thus the industrial production recovery took longer than expected but is now finding a turning point.

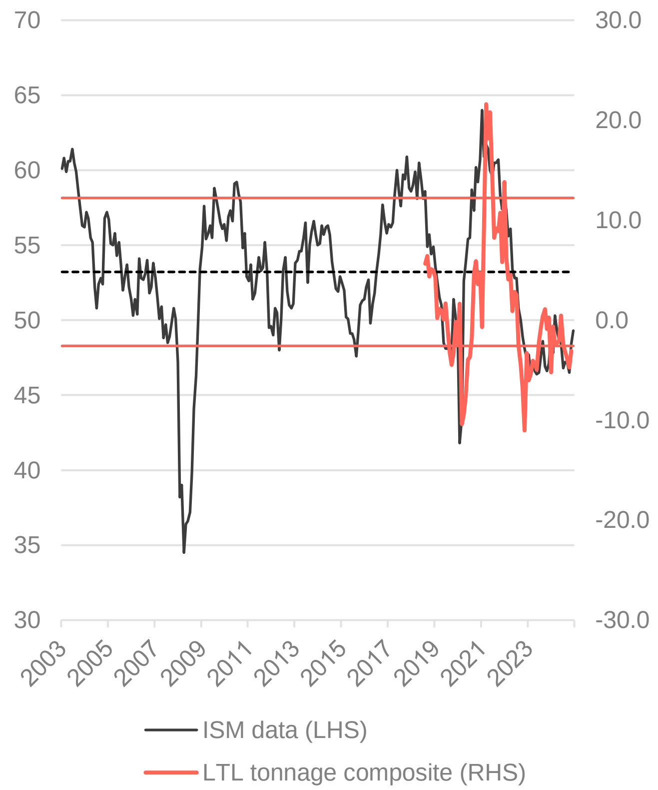
Transportation professionals in the US are now expecting a stable demand environment leading to low single-digit growth, which will be matched by a gradual return to normal levels of supply. This should tighten the market and enable pricing to ramp up with volume.

If the tariff issues and trade tension soften, we should witness a healthy recovery for transport companies (Truck load, LTL, Freight, Rail and global trade). Companies have healthy balance sheets and have been focused on protecting margins in the downturn, while also embarking on new efficient technology (in logistics management, trade brokerage and clean-tech equipment).

This should provide healthy operational leverage with high economic activity. Worth monitoring in the US are:

- delayed investments by economic actors
- adverse weather conditions in January
- at the margin, buzz about the possible entry of Amazon into the freight market, but incumbents have sound positions and efficient processes, and the impact should be marginal.

US ISM data vs LTL tonnage % change proxy



Source: Regnan, Bloomberg 2025.

Significant disruption in the auto industry

Playing safe in the auto market

The radical technological shock of the electric car ramp-up is having a severe impact on ICE incumbents, especially in Europe. The US market remains steady with its car offering mix and distributors kept their businesses intact (further helped by a potential 25% car import tariff). However, the European makers are facing headwinds in the export markets, especially China, which appears to be winning the electric car production race with high quality offerings combined with competitive pricing.

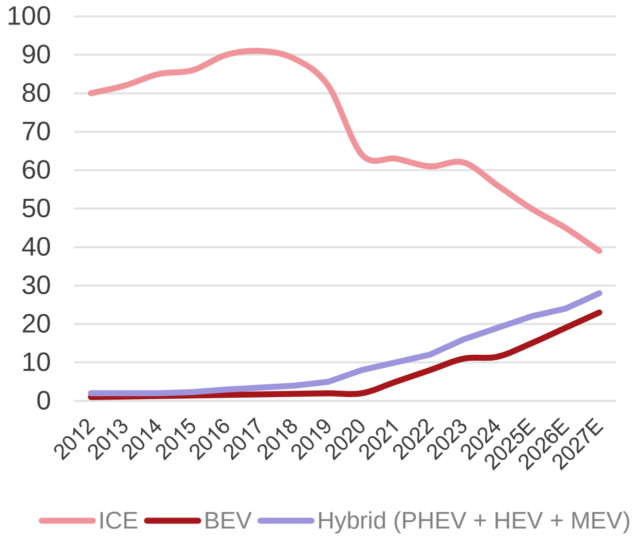
As Chinese auto makers just start to enter the European and global markets, we are remaining cautious about the auto segment in general and mostly keeping an eye on the likely winners.

We may see a 'dead-cat' bounce for the European auto producers, but it could be short-lived given the severity of the structural shock. Another strategic alternative to play the disruption is to avoid it completely by focusing on the truck industry, which has been more stable with good pricing power.

Any significant financial impact on incumbent car manufacturers of the current revolution in car production and demand could lead to pressure on auto suppliers in the short-term in Europe. As such, we remain underweight these companies until the fog clears.

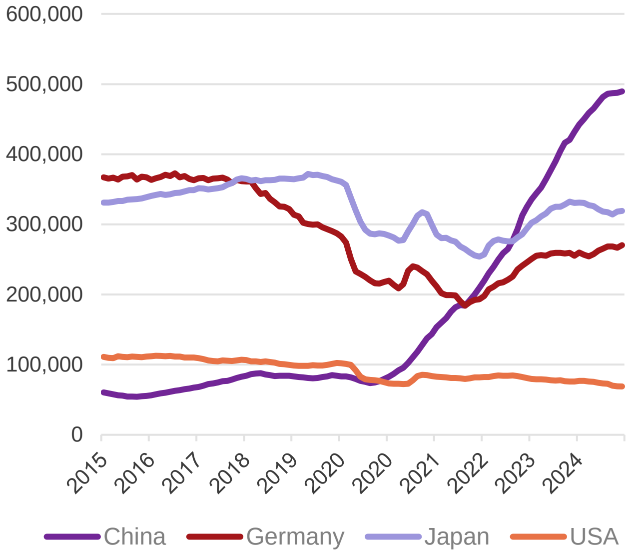
An additional uncertainty could come from any changes in environmental regulations, specifically from Europe. At this stage, no significant changes are expected.

Global light vehicle by mix (million units)



Source: S&P Global/Bloomberg, 2025.

Car exports 12-mnth moving average (units)



Source: S&P Global/Bloomberg, 2025.

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Consumption patterns evolving: focus on real items again?

Since the Covid era, consumers all over the world have consolidated their new way of consuming: e-commerce, online booking (local or international travel, hotels), focus on experience more than accumulating goods (trips), and stay-at-home works (removing bricks and mortar shopping and dining).

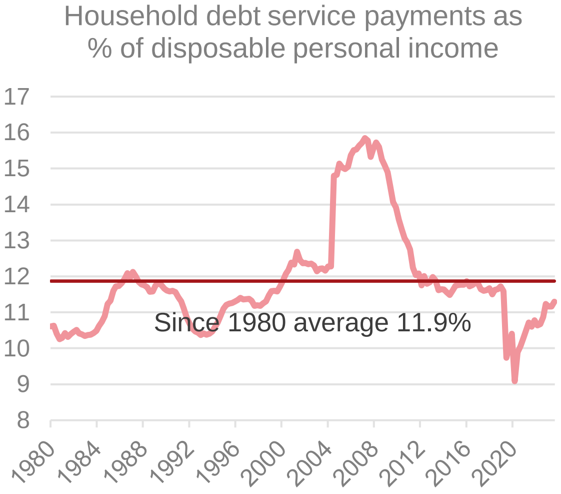
We believe that some of these patterns will stay but we could see a gradual return to real goods consumption, household formation and industrial stimulation.

On the distribution and consumer side, we estimate any dovish monetary policies and national boosts in the US to be favourable to distributors, and we keep our exposure to companies such as Autonation and Autozone. On the consumer end, budgets for travel and home delivery should be resilient, consolidating the need for service experience and choice.

Regarding mobility as a service and airlines, consumers have shown continuous support for services regarding local transportation (Uber), travel (Booking, Expedia) and good traffic recovery for airlines (US, Europe and more recovery for Asia by 2026). Interestingly, younger generations are seeking differentiated travel experiences, a sentiment echoed by the online travel agents (OTAs) who say that people are preferring experiences over consumption of goods; this is possibly a post-Covid behaviour which is here to stay. However, we would expect a natural return to goods consumption to come back into play.

These are all supportive for a bounce in services for consumption and travel as well as goods transportation.

Disposable income is sound vs LT trend while e-commerce continues to rise



Source: St Louis Fed, 2025.

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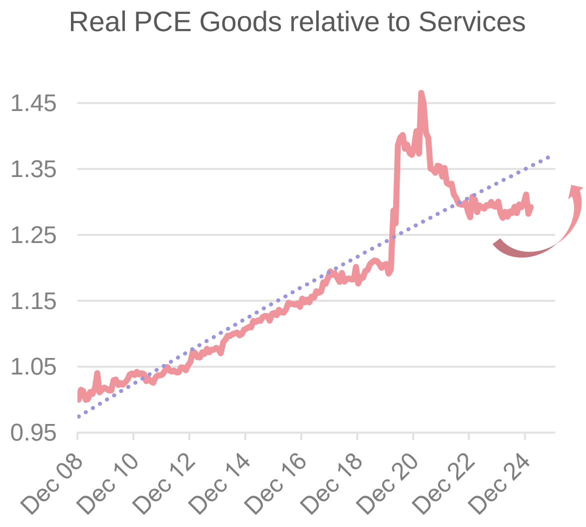


Source: Regnan/CBO/St Louis Fed, 2025.

No limit for transport infrastructure spending

Sustained needs for transportation spending

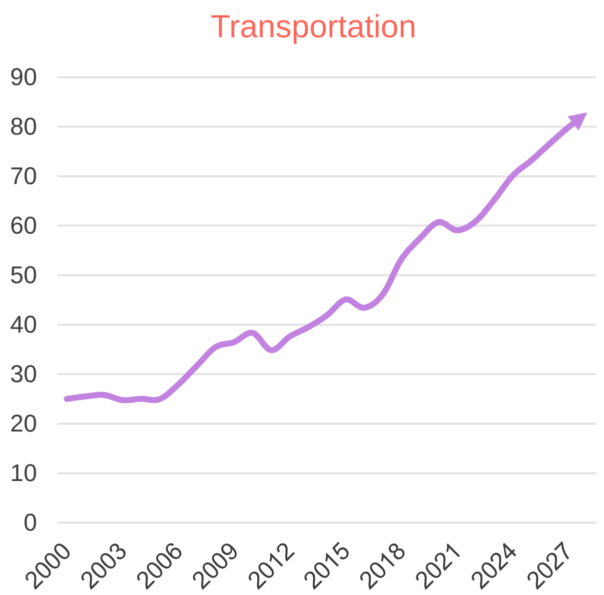
Investment in Transportation, Highways and Streets has been strong worldwide to support trade and economic development.

As an illustration, US spending has grown consistently and should continue at a rate above GDP for the next five years, between 4-5% per annum in line with the past 20-year average.

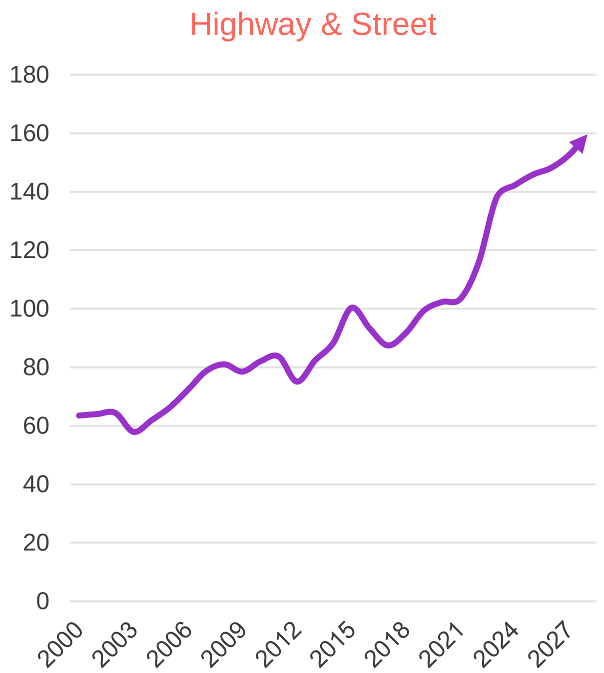
We believe that transportation infrastructure investment should stay resilient as it is a strategic support for reshoring/near-shoring efficiencies. In the US, construction companies (Sterling, Construction Partners) have been well priced, but the outlook remains sound for their activities.

On a global level, most emerging markets will find economic development via investments in roads, rails, ports and airports.

US infrastructure spending is critical for economic growth in the region ($ bn)



Source: Regnan, American Engineering Association, 2025.



Source: Regnan, American Engineering Association, 2025.

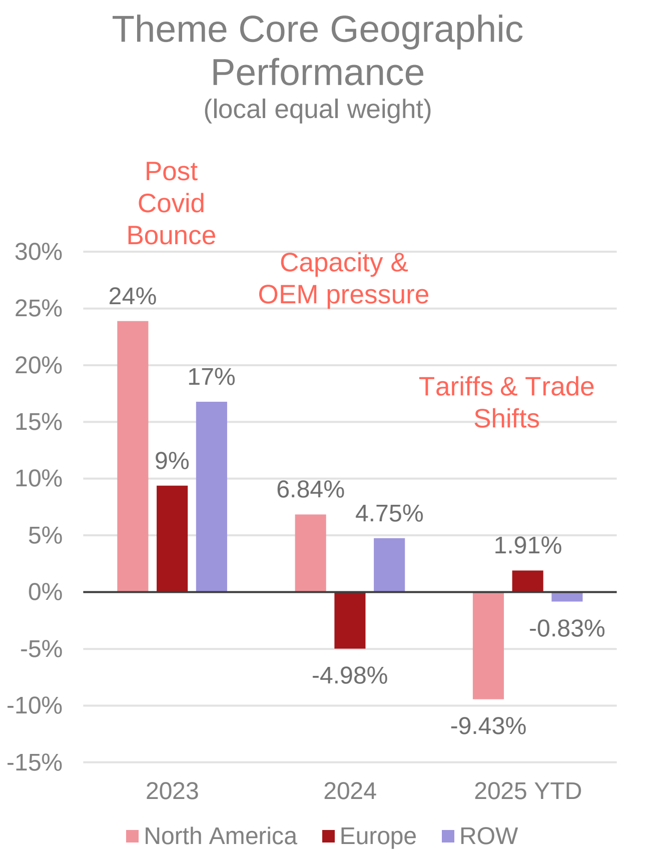
Review of 2024 and outlook

The RGML strategy ended 2024 +4.5%, vs +17.5% for the MSCI ACWI but +11.21% above the global transportation index in USD. It is worth noting that this follows a very strong performance in 2023, which marked a solid recovery from Covid pressure on the transport industry.

2024 was a year of two halves with overall overcapacity and price weakness impacting transportation in the first half of the year, while the market continued to be supported by the solid tech and AI rally. We witnessed a gradual repricing on hopes of a better trade outlook in the second half of the year.

The investment strategy has remained unchanged as we see the real economy being repriced gradually with the new global reshuffle on trade agreements, rates normalisation and a rebalancing out of the tech expensive valuation. 1Q 25 has been strongly impacted by macro uncertainties (mostly trade issues).

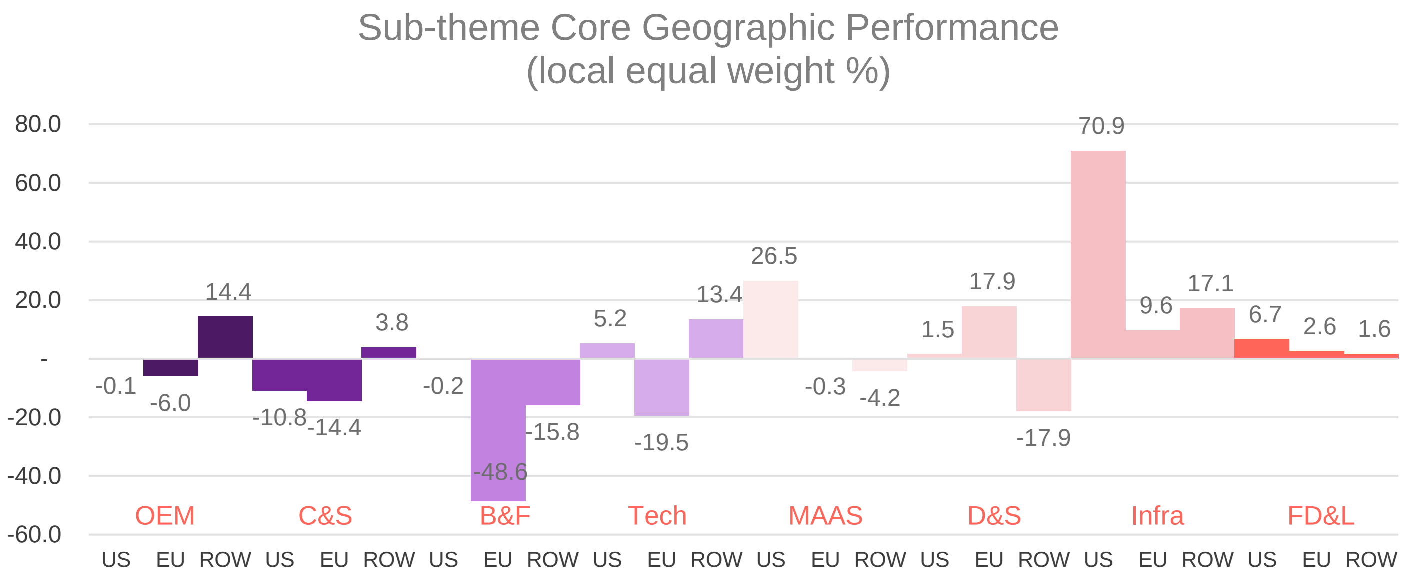
We see strong possibilities of mean reversal in performance as trade tensions fade and companies show resilience in 2Q results.



Source: Regnan, Bloomberg 2025, as at 31 March 2025.

> Most actors expected a strong rebound in 2024 but rising uncertainties re interest rates cuts and tariffs measures have brought an additional delay on the sector valuation recovery for 2025.

Performance by sub-themes in 2024



Source: Regnan/Bloomberg.

Amongst the top performers, infrastructure companies were leading the way with Sterling and Construction Partners both benefiting from an acceleration of demand in their activities throughout 2024.

Logistics and transportation had a mixed year, split in two halves with a slowdown in 2Q and better performance in the second half as visibility on volumes and prices were more supportive. Companies such as XPO (US transportation) and DSV (Europe-based multimodal business) were resilient.

Consumer-focused distribution businesses in the US were resilient, such as Autozone, Autonation, and Group1. On the mobility side, including leisure, Uber and Booking benefited from sustained changing consumer behaviour patterns since Covid.

OEM companies were more mixed due to technological and regulatory headwinds, and we favoured truck businesses such as Paccar, Federal Signal and Volvo, and likely winners in EV such as BYD and Kia. Difficulties emerged from leisure-led stocks which suffered from corrections following post-Covid recovery. Stocks in this theme included Winnebago and Brunswick.

On the car manufacturing side, we believe that trade tariffs will be a significant factor influencing company volumes. Companies that are well-diversified and able to differentiate themselves through technology, pricing or both are likely to succeed. Meanwhile, truck manufacturers are likely to thrive in an environment where economic activity increases.

Global Mobility & Logistics

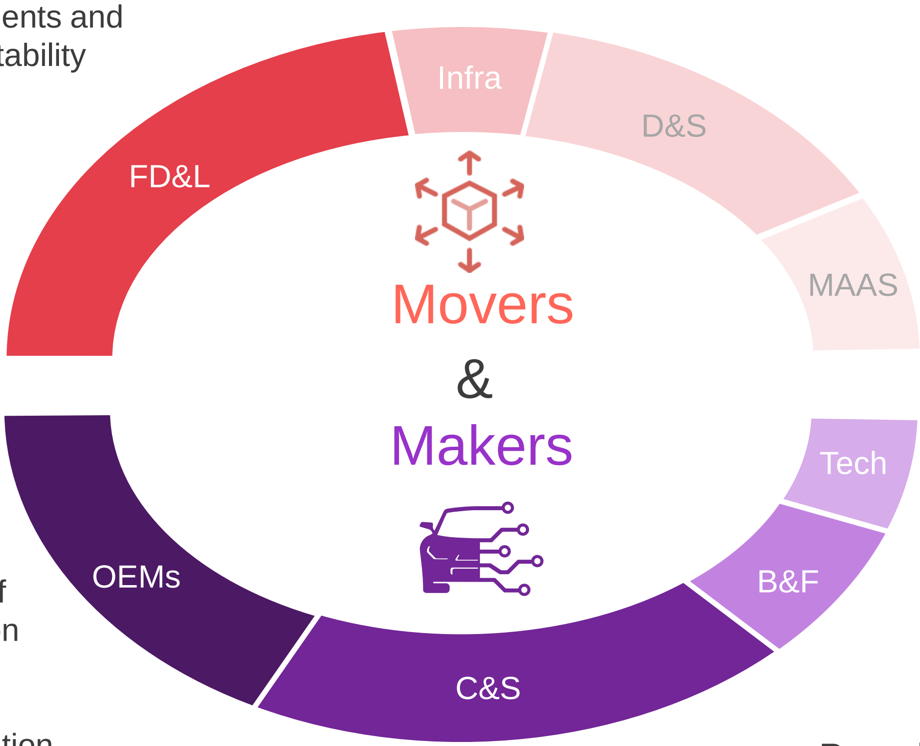
Strategic positioning for the Fund in 2025

Rebound from transportation
- Supply-driven recovery in transport
- Multimodal diversification focus
- Catalyst with new trade agreements and geopolitical stability

Steady growth
- Focus on backlog
- Mindful of valuations
- Looking for steady operators outside US

Stable distributors
- Minimal exposure to car sales mix and tariffs risk
- Lower rates to stimulate consumption to buy cars and for repairs & parts

Consumer behaviour
- Favour experience: travel & ecommerce
- Short travel and eased bookings
- We could revisit airlines at good entry price



Electric vehicle disruption
- Focus on good value winners of the EV revolution (China)
- Avoid the auto makers competition and focus instead on trucks, buses and special vehicles

Exposure to software and systems as service
- Minimal exposure
- Too expensive, need better entry point

Steady manufacturers
- Focus on components and equipment least exposed to tech disruption and trade issues

Rare cheap opportunities
- Minimal exposure
- Structural headwinds

Source: Regnan. Note: chart not to scale of fund allocation sizing. For illustrative purposes only.

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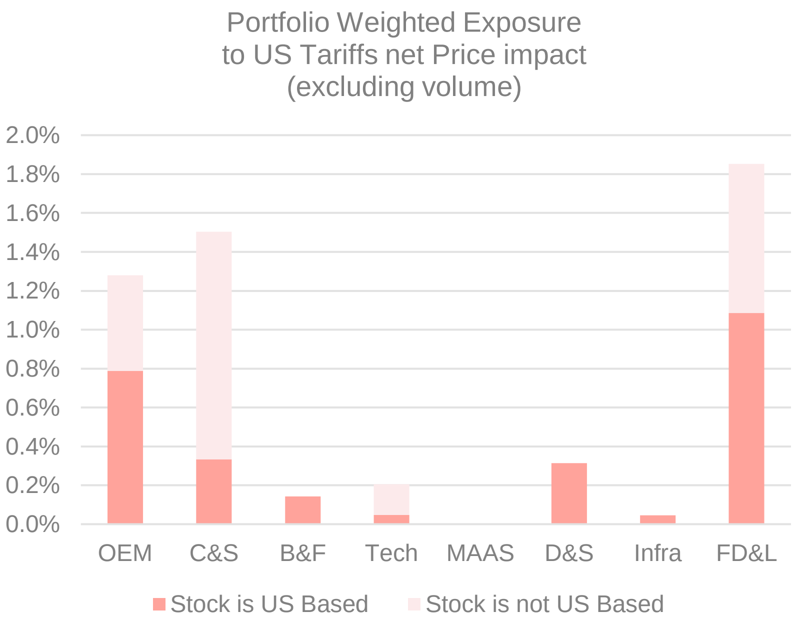
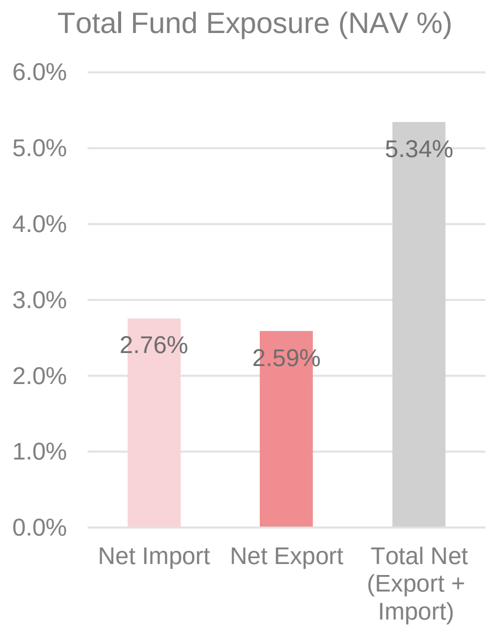
April 2nd US Tariffs exposure at portfolio level

Historic Global Tariffs Shock – Measured Exposure around 5-6% of NAV

- On April 2nd 2025, Trump announced a list of tariffs impacting most countries worldwide, based on Export/Import deficits with the US. These tariffs generate significant uncertainties on their sustainability.
- In the short term, we see price impact on exporters to the US and on US companies' imports. The residual impact on demand response and volumes is uncertain at the stage. As a result, the market is likely to price growing uncertainties on inflationary pressure, recession fears, interest rate policies inflections (or not) and possible trading partners retaliations.
- We have reviewed the GML portfolio by analysing companies based in the US with possible import pricing exposure with price mitigation and Non-US companies with exposure to the US with export pricing mitigation. All in all, we estimate that, on a weighted average, 5.3% of the fund revenues is exposed directly to tariffs, of which 52% is US imports and 48% is Non-US exports.
- If we use a 30% average tariff impact across the board, the valuation impact is around 1.6-2%. This excludes any impact on volume of recession fears, which seems to be the main concern of the market at this stage. On the day of the announcement we estimate that 3-4% of portfolio price swing drop was linked, mostly on volume uncertainties and demand response. We may only have visibility from 2Q and 3Q earnings results, as companies start to accommodate and change behaviours.
- At this stage we maintain a balanced, diversified portfolio as, in our view, most of the recent bad news has been priced in since 4Q 2024.





Source: Regnan, Bloomberg 2025.

Makers outlook – 2025

- **Ongoing electric revolution, pricing war, electric automobile manufacturing market share disruption and disruption throughout the automakers value chain**
  In a continuous attempt to decarbonise and be less dependent on strategic long-term fossil fuel imports, the EU implementation of tough regulations on ICE is starting to have a damaging effect on old European car manufacturers: high carbon credit costs, low purchasing of domestically manufactured vehicles, less competitive offering vs Chinese EV makers. In this environment, we believe that the US market is prone to be more resilient for car makers, while Chinese EVs should start to gain global market share. Truck makers, on the other hand, should be less exposed to this shift.
- **Car makers**
  Global diversified players offer protection against technological changes and adverse trade measures (Kia, Toyota), while we expect Chinese players to consolidate the current electric trend locally and for export (BYD, Geely). Elsewhere, the US market shows resilience against headwinds. Tesla has a strong product proposition, but its valuation is beyond stretched vs earnings visibility from self-driving vehicles or 'robo-taxi' benefits. European car manufacturers are too exposed to regulatory changes, which we see as less favourable in the short term. The other shock for automakers is linked to the capacity to absorb tariffs shocks or to pass it through the value chain which remains uncertain at this stage.
- **Truck makers**
  More concentrated market – we believe that fuel technology changes will take more time and trade activity could be supportive.
- **Leisure, other**
  Boats, leisure vehicles etc still suffer from post-Covid overspend. We stay on the sidelines until we gain better visibility on consumer demand.
- **Equipment, components, tech & battery**
  We favour component makers least prone to European OEM pressure and those which are least likely to be disrupted by new fuel technology. We look at equipment makers like tyre makers, connectivity, brakes. Talking to diversified equipment manufactures, impact of tariffs were expected to be minimal on business and already well priced.

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Trends

2025	2024	
↑	↑	**EV trend consolidation** on global basis is not stopping with the two dominant plays being Tesla in the US (richly priced) and Chinese technology ready to flood Western countries with attractive pricing and quality products. Pressure weighs on European makers especially with the current tough emissions regulatory constraint on decarbonisation objectives. We favour diversified global players or truck businesses which are less prone to disruption.
=	↓	**Volume trends to gradually improve** throughout 2025, especially if interest rates come down. This should support financing of vehicles from a consumer standpoint, while car renewal should pick up. One key element of trade could be tariffs on car imports but also the integrated supply chain. Consumer push policies into EVs and related markets must be monitored.
=	↑	**Equipment selective:** we may see challenges from traditional OEMs impacting some equipment makers, but we will select products less prone to the EV disruption (common equipment and lead technologies).
↑	↑	**Distributors steady:** auto distributors have shown excellent resilience in the US, and we would expect this to consolidate into 2025. Specific services like parts or auction companies show attractive valuations and cash generation capacity.
=	↑	**Infrastructure:** new trades partnering, onshoring and reverse logistics should continue to support infrastructure investment push following an excellent performance in 2024. We may focus on operators as we step into 2025.

Movers outlook – 2025

- **New trade games: global competitiveness means onshoring with smart trades**
  While Trump 2.0 tariffs could be inflationary and impact demand, the proposal to lower taxes and raise oil output could be counter-inflationary. Meanwhile, global supply chain diversification due to geopolitical tension should continue to intensify the 'China + 1' strategy for US importers. At the same time, we expect Chinese manufacturers to diversify their export markets.
- **MAAS (Mobility as a Service)**
  Mobility consumption has been supportive and should continue into 2025. Regarding airlines and airports on a global level, flight volumes have been recovering continuously since 2021 with Asia picking up significantly. Not all airlines are equal and focus has to be on the most profitable ones. Travel consumption has been sound post-Covid and is still an area of focus. We keep exposure in this field via Booking and local mobility such as Uber.
- **Distribution & services**
  Our main focus has been on stable business models for car sales and services especially in the US (Autozone, Autonation) where the consumption pattern has been minimally impacted by the overall macro noise and electric disruption. On the services and repair side, we see room for recovery especially for cash generative businesses (LKQ, Dieteren).
- **Infrastructure**
  Road and transportation infrastructure stocks witnessed a stellar performance in 2024; we may keep a focus in the area but with a view to good entry to infrastructure operators (either airports, ports or railways) to diversify our exposure by type and geography.
- **Transport & logistics**
  As a core allocation, we keep a strong focus on solid business models, cash generation, pricing capacity and ROE. We expect a long-awaited recovery in 2025 across all transportation activities with a potential catalyst and repricing when Trump 2.0 trade measures are defined and quantified. Any stability on geopolitics and conflicts should also be supportive for transportation stocks. Any supply/demand tightness should be measured with an uptick in spot prices which should signal a return to normal cycles. Any risk in supply chain via trade or tariffs issues, could push spot prices back up significantly and offer upside opportunities in the theme.

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Trends

2025 2024

Pricing ongoing recovery, with minimal pressure on pricing throughout our value chain, supported by solid core demand trends and a positive inflationary environment. Pricing should be neutral on fuel (pass through) and should pick up with volumes (as PMI lead indicators seem to recover).

Volume recovery in transportation post inventory destocking and new trade coming into play. Particularly for businesses that sell heavily through distribution channels, this shift should result in improved performance.

Less than Truckload (LTL) steady – freight to recover with commodities. Has the potential to create uncertainty in the short term, particularly internationally.

Mobility as a Service. Consumer patterns continue to focus on services for holidays and travel. Online booking steady, short-term distance steady and global travel (airlines) are recovering from Covid time with better capacity.

M&A and corporate events: robust M&A pipelines should continue in the space. We will also watch spin-offs (ie Fedex LTL exit) and consolidation in the transportation industry.

Focus: automakers electric shock!

> The automaker industry is undergoing a structural shake-up linked to high competition from electric cars, political measures and competitive positioning at local levels. Moreover, new tariffs can further disrupt global supply chains.

The electric car revolution is still ongoing, with Tesla and Chinese producers disrupting the western market significantly.

Despite a slowdown in early 2024, the story picked up in 2H 2024 and seems to continue its journey. Today, almost 15% of new car sales are electric worldwide: ~45% of new car sales are electric in China, ~40% in Europe vs less than 10% in the US (where Tesla has near 60% market share).

Tesla leads the way on the western technology front with car AI and battery technology, while Chinese car makers such as BYD, Geely and others are offering ultra-competitive products internally and internationally. The potential capacity to offer a "5-minute charging" for Chinese electric cars could be game changing in the industry. This puts traditional ICE makers at risk especially in Europe given the strength of clean energy policies. We do not expect the trend to reverse but to consolidate. 2025 should mark the adoption of new trade policies redefining the global car market. We favour US and Chinese makers and focus on the truck industry instead of traditional ICE companies, although we monitor their responses to the new world economics as they seek solutions to the new reality of trade.

Providers of equipment should depend strongly on ICE behaviours in the medium term, especially in times of margin pressure and weak demand. We pick companies which should be least disrupted and best placed to monetise new technologies (ie brakes, internal tech equipment, tyres etc).

Focus: transportation … follow the real economy

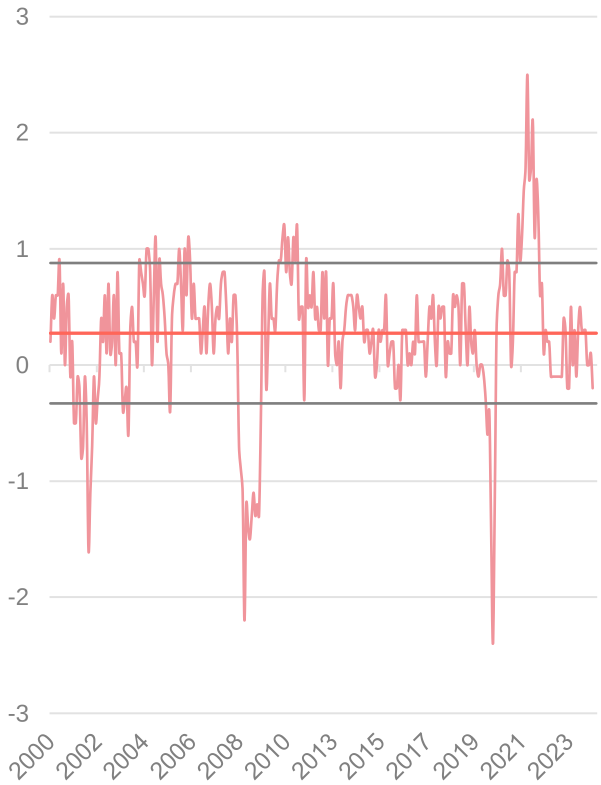
> Supply/Demand imbalance in the US is likely to be resolved in 2025, as long as consumer and commerce confidence is not altered by the new administration’s economic gyrations.

New trade agreements: transportation and logistics emerging winners. Transportation and logistics are key to the strategy positioning. 2024 witnessed an unusual, prolonged softness in activity (volume) and prices (still holding up), mostly due to oversupply of capacity post-Covid recovery, which was also impacted by de-stocking activities and by consumer behaviour focused on services more than goods. We expect the long-awaited bounce to happen in early 2025 with better prices and volumes, especially if new trade agreements see the light early and if reshoring supports industrial production. The overall strong trend of reshoring (globally) should continue to offer local industry support, as a long-term tailwind for the less-than-truckload (LTL) industry and a freight cycle recovery.

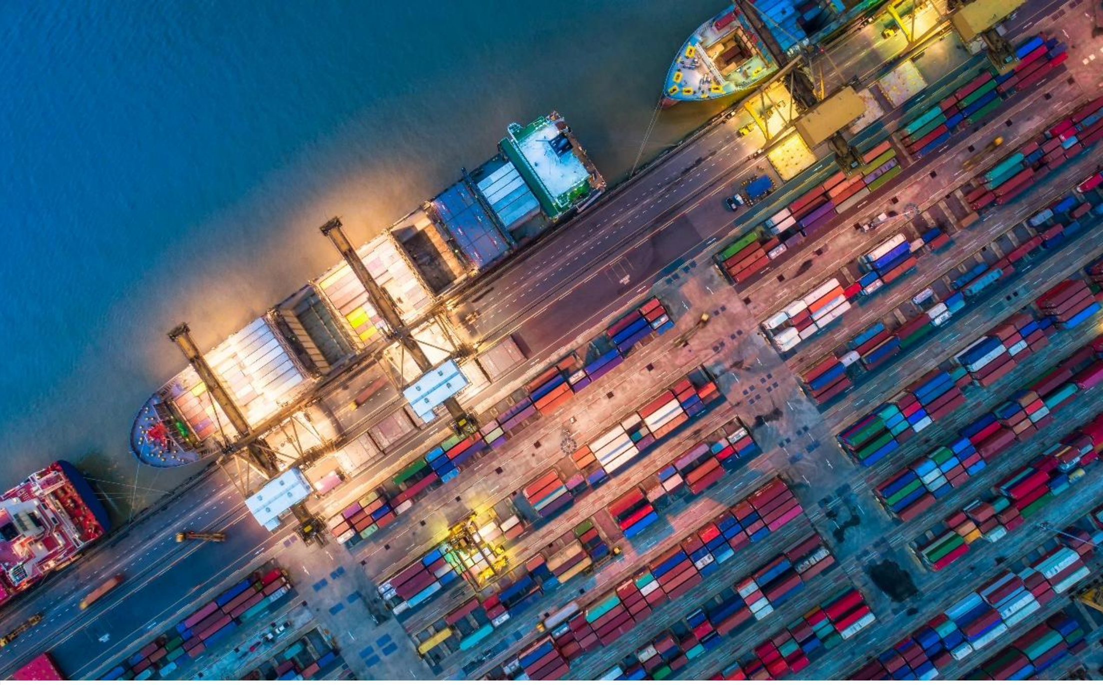
For LTL, we see a potential catalyst with an industrial production upturn, leading to better tonnages transported. Fuel cost being mostly pass-through, any weight increase per shipment can be highly accretive to unit revenue and operating margin

We keep our exposure to US transportation, including multimodal, rail and less-than-truckload activities. Any fiscal support for US domestic activity could translate into sustained real economic activity, and transportation should benefit from it, either through the transportation of raw materials or product goods. Longer term, transportation companies underscored their belief that the LTL industry will not have enough capacity when volumes fully recover back to 2019 levels, which bodes well for structural pricing and margins. We favour US over Europe (soft macro) and are selective for the rest of the world. Technology should support the transportation and logistics value chain especially via brokerage activities and reverse logistics

US manufacturing & trade inventories (% MoM) at low level



Source: Regnan, Bloomberg 2025.




Valuation and risks

Financials and valuations are supportive for a bounce in 2025

The current universe trades at attractive multiples and the financial situation of the companies in the core universe is strong.

The portfolio currently:

- trades at 14.2x PE
- offers a 7.2% FCF yield
- delivers a 24.5% ROE
- supports minimal debt exposure with a 0.5x ND/EBITDA

(all based on Regnan 2027 estimates).

Catalysts

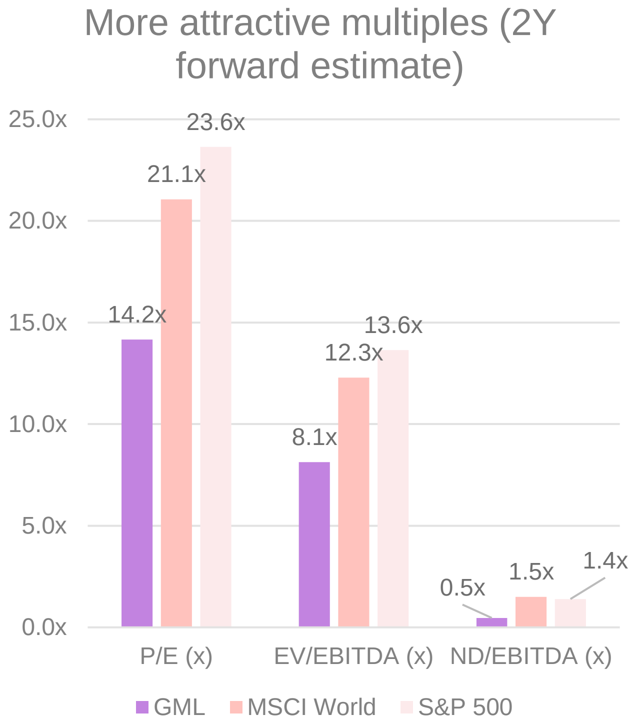
- Decrease in geopolitical tensions
- Clarification and quantification of trades impact on real economy
- 1Q results should provide an opportunity for companies to communicate to the market any impact on guidance and help reset valuations
- More dovish interest rate measures
- Continued onshoring/reshoring industries should support transport

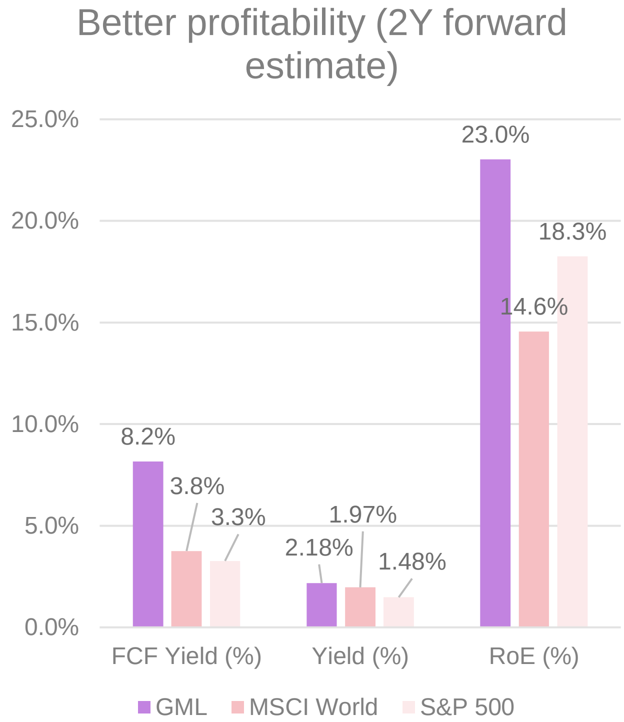
Key risks to monitor:

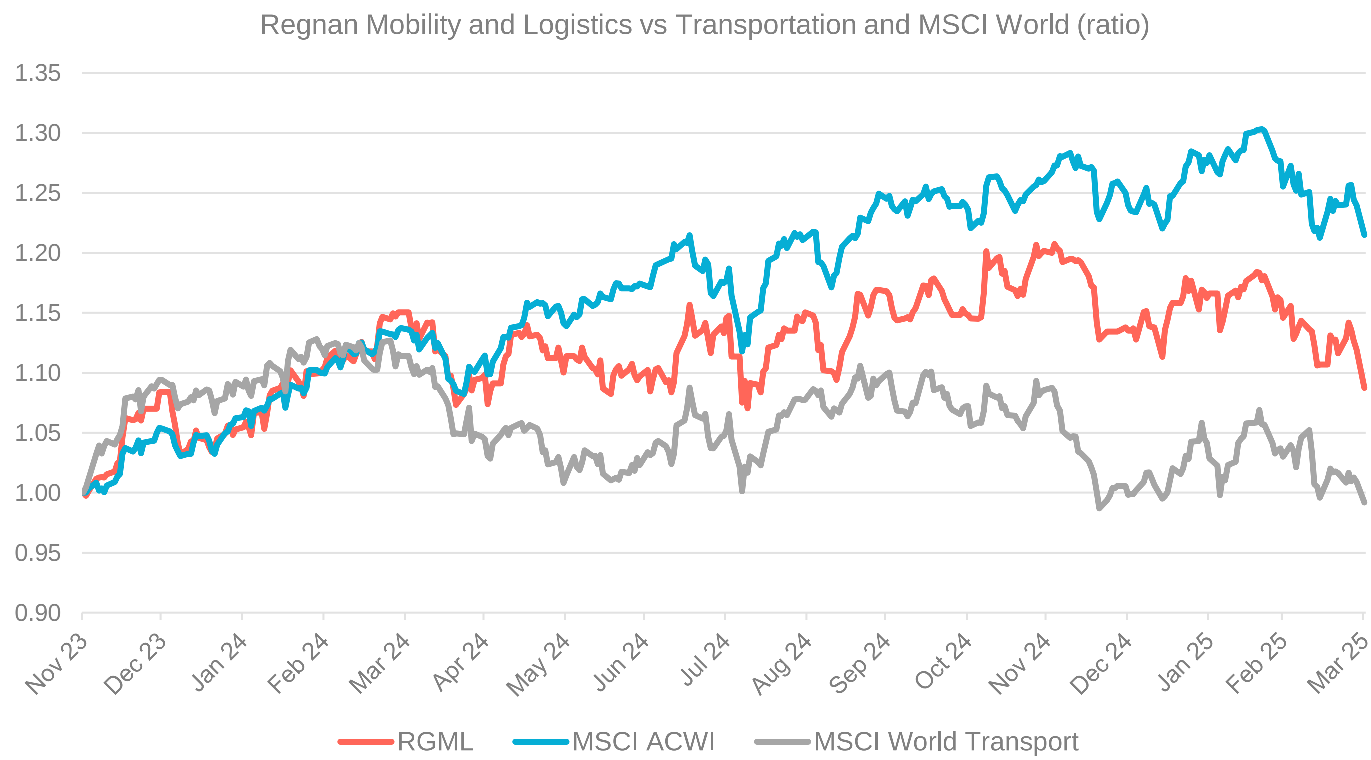
- Real industrial and economic slowdown on tariffs and currency war
- Sustained high-rate environment delaying investment decisions and financing (car industry and trade)
- Industrial slowdown and consumption weakness (restrictive international fiscal policies, ie Europe)
- Adverse regulatory changes hitting the European car industry and international positioning (shock to the traditional automakers and/or global EV development slowdown)
- Significant geopolitical disruption impacting global trades

There is no guarantee that these stated objectives will be achieved.

Fund at discount vs global and US markets
Prone to re-rating of the real economy







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Source: Regnan, Bloomberg 2025. Performance in USD as of March 31, 2025.

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