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This is a Marketing Communication

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## TM CRUX UK Core Fund

The TM CRUX UK Core Fund (B Inc GBP) returned 5.8% against its performance comparator the IA UK All Companies Sector return of 3.6% over the month of July. Performance was led by the Fund's mid-caps, up c.10.5% and outperforming the FTSE 250 which was up c.6.7% over July. The small-cap segment of the Fund was up c.4.9% during July, outperforming relative to the FTSE AIM All-Share Index which was up c.3.1%. The large caps within the portfolio were up c.4.3% during the month, outperforming the FTSE 100 which was up c.2.5%.

At a stock level, Zegona Communications was the largest contributor to performance during the month, up c.32% and contributing c.1.5% to fund performance. The Fund participated in an equity raise to acquire Vodafone Spain in November 2023 at 150p and the shares ended July 2024 at c.348p. During the month Zegona announced two separate agreements to monetise Vodafone Spain's fixed network infrastructure. The deals will be opened to external financial investors which will allow Zegona to extract upfront cash while still retaining equity stakes to participate in any future value uplift. Although subject to regulatory approval, we believe the market is materially underappreciating the potential value creation from these deals. Separately, the Zegona management team are embarking on a transformation plan to improve the underlying Vodafone Spain business and have a strong track record of creating significant value for investors. Despite the strong share price performance so far, we believe there is more to come.

Another strong performer during the month was small-cap Beeks Financial Cloud Group which was up c.43%, contributing c.0.7% to fund performance. A trading update pointed to c.30% organic growth in H2, representing an acceleration from the first half, and a higher cash balance than expected. The company also noted that regulatory approval of the large Exchange Cloud contract won earlier this year appears imminent. The company also highlighted that FY25 had started strongly with a record pipeline, including advanced discussions with a number of major global exchanges.

The largest detractor from performance during July was Hostelworld which was down c.13%, detracting c.0.2% from performance. Hostelworld's H1 trading update reported strong booking volumes offset by a larger contribution from low-cost geographies. However, the continued success of its social media strategy has brought marketing costs down, meaning full year EBITDA expectations could still be achieved. Marketing efficiencies could translate into earnings momentum shortly as the low-cost Asia and Central America comparatives ease.

In summary, July was a strong month of performance for the Fund, outperforming the performance comparator by c.2.2%. The Fund is well positioned for an economic recovery and falling UK interest rates which should lead to a positive backdrop of attractive valuations and momentum and a reversal of the outperformance of large-cap defensives experienced over the past 2-3 years.

### Important Information

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