Majedie Investments (MAJE)

MAJE's management team will benefit from broader resources under Brown Advisory.

Update
30 October 2025

Overview

Majedie Investments (MAJE) aims to deliver annualised returns of at least 4% above the UK Consumer Price Index (CPI) over rolling five-year periods, employing a 'liquid endowment strategy'. The 'endowment' element refers to a fundamental, long-term approach to investing, focusing on differentiated sources of return, while the 'liquid' aspect reflects the avoidance of investments with long lock ups such as private equity, private credit and venture capital funds, or other hard-to-price assets. MAJE has been managed by Marylebone Partners since early 2023, with CIO and founding partner Dan Higgins at the helm.

In September 2025, Marylebone Partners entered into a formal agreement to become part of Brown Advisory (subject to regulatory approval). As part of Brown Advisory, Dan and his team will gain access to the firm's extensive research resources and benefit from its scale, while maintaining full autonomy over **Portfolio** management. As such, MAJE's strategy will remain unchanged. In addition, Dan and his team will have access to Brown Advisory's fund range without incurring double fees.

In fact, they have introduced the Brown Advisory Global Focus fund – a global equity strategy – into the portfolio, expecting that careful stock selection will be crucial within quality growth stocks going forward. They believe quality growth stocks should be an important component of any endowment-style approach but think they are unlikely to benefit from the same tailwinds as for much of the post-global financial crisis era. Since the beginning of the year, they have also increased exposure to other areas where they see strong risk-adjusted return potential, such as Asian markets.

Dan and his team have also made four new special investments this year, including an opportunity in litigation finance, a co-investment in an over-capitalised European bank, and another co-investment targeting a cyclical sector suffering from over-capacity that is in the early stages of rationalisation alongside JB Investments. Its founder Brian Riley has delivered exceptional returns in comparable prior campaigns. The most recent special investment is in a UK-listed Life Sciences company that has pivoted its business model to focus on clinical testing and manufacturing of specialist therapies and where an inflection in revenues and profits has yet to be recognised by the market.

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Analyst's View

We view Marylebone Partners' agreement to join Brown Advisory as a positive development, as it will give Dan and his team access to significantly deeper resources, but will see no significant change to the way the team manage MAJE's assets. In future, MAJE will have access to Brown Advisory's Investment Solutions Group – a team specialising among others in asset allocation and manager selection – as well as a team of over 20 equity research analysts. In addition, Marylebone Partners will benefit from Brown Advisory's institutional scale, which could enable them to negotiate better terms on third-party funds or for special investments. Finally, MAJE will receive a cash payment for its stake in Marylebone Partners (albeit not material to NAV) and – as a demonstration of ongoing alignment – a reduction in ongoing management fees. In aggregate, these developments should enhance performance potential and reduce the OCF.

We continue to see MAJE's strategy as highly differentiated, focusing on under-the-radar and often unique sources of return. We believe this approach can provide valuable diversification at a time of heightened concentration and elevated valuations in equity markets, as well as tight spreads in credit markets. Moreover, MAJE offers access to carefully selected specialist managers that are otherwise difficult to access, along with exclusive opportunities through its special investments.

MAJE currently trades at a **Discount** of c. 18%, after having commanded a premium or traded very close to par between mid-April and the end of May this year, when investors were seeking opportunities outside the US. Interestingly, the widening of MAJE's discount since then has coincided with the strong rebound of AI-related stocks. Given the trust's modest free float, we believe this wide discount could narrow rapidly, offering a potentially attractive entry point.

BULL
While Marylebone Partners' team will retain their autonomy, joining Brown Advisory will give access to significantly broader resources and capabilities
Offers a differentiated approach through specialist managers that are difficult to access elsewhere and exclusive special investments
Wide discount offers attractive entry point

BEAR
May lag global equity indices if US technology mega-caps continue to outperform
While this appears to be a low-risk integration, incorporating into Brown Advisory may present unknown risks
High OCF (similar to peers in the AIC Flexible Investment sector), though the reduced management fee should lower it.

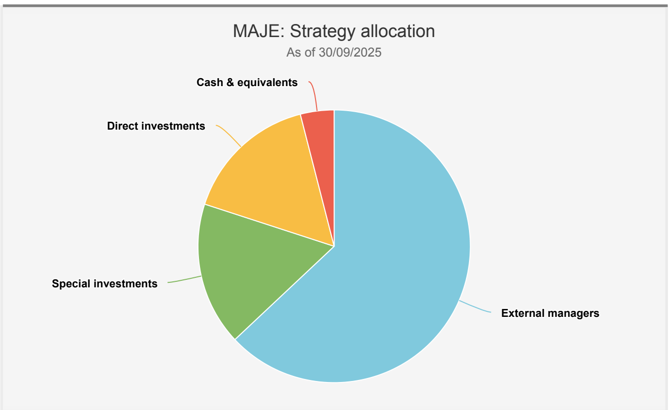
Portfolio

Majedie Investments (MAJE) provides investors with what its investment manager, Marylebone Partners, defines as a 'liquid endowment' strategy. The 'endowment' element refers to a fundamental, long-term approach to investing, avoiding market timing or tactical trading, and focusing on differentiated sources of return with high potential. The 'liquid' aspect, meanwhile, reflects the team's avoidance of illiquid asset classes such as private equity, infrastructure, or real estate. The team at Marylebone Partners believe that they can deliver on their aim of generating annualised returns of at least 4% above the UK Consumer Price Index (CPI) over rolling five-year periods without investing in illiquid, hard-to-price assets, setting MAJE apart from traditional endowment-style strategies.

In September 2025, Marylebone Partners agreed to become part of Brown Advisory, a Baltimore-based investment management and strategic advisory firm, with the transaction still subject to regulatory approval. The agreement will give Marylebone Partners access to Brown Advisory's extensive research resources, including its Investment Solutions Group – a team specialising in asset allocation, manager selection, and related areas – as well as a network of 20 sector-specialist research analysts. They will also collaborate with Brown Advisory's Endowment, Foundation & Family Office teams, sharing insights, supporting due diligence, and sourcing new opportunities. In a recent meeting, the team at Marylebone Partners highlighted the strong alignment between the two organisations, citing overlaps in activity and commonalities in culture, while emphasising that they will retain full autonomy. As such, the team will continue to manage MAJE as before, but with deeper institutional resources.

Led by CIO and founding partner Dan Higgins, the Marylebone Partners team structure the portfolio around three fundamental investment strategies: direct equity investments, specialist external managers, and hard-to-access special investments, with the pie chart below showing the allocation to each strategy as at the end of September. Specialist external managers are third-party funds, all pursuing a fundamental approach but with a distinctive style or expertise in a specific region or sector. Many of these managers are capacity-constrained and typically inaccessible for retail investors, meaning MAJE provides a rare opportunity to access these managers. Special investments include carefully selected co-investments, special purpose vehicles, or thematic situations, all expected to deliver a higher return profile of at least 20% IRR but which must be monetised within a maximum of three years. While this segment of the portfolio is somewhat less liquid than others, it is worth noting that all MAJE holdings are regularly marked to market. In addition, as Marylebone Partners becomes part of Brown Advisory, the team will benefit from the scale of the US organisation, which may enable it to negotiate more favourable terms for third-party funds and special investments.

Fig.1: Strategy Allocation



Source: Marylebone Partners

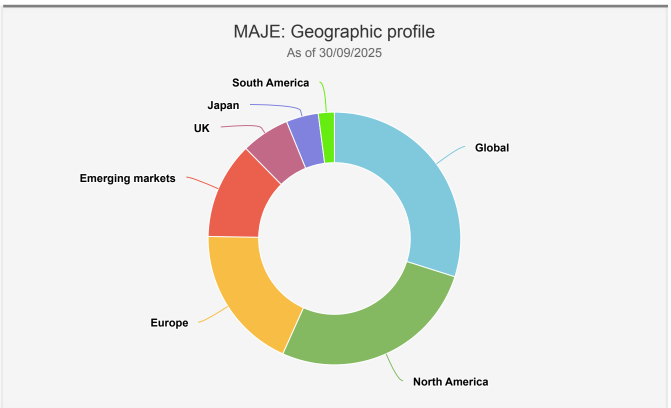
Another benefit of Marylebone Partners joining Brown Advisory for MAJE shareholders is that the trust will gain access to its in-house fund range without incurring a double layer of fees. Dan and his team have added one of these funds to the portfolio: the Brown Advisory Global Focus fund, a long-only global equity strategy investing in 10 to 15 high-quality names. Dan notes that quality compounders (companies with durable franchises and strong compounding potential) should form an important part of an endowment portfolio and that it is appropriate to outsource this allocation to specialists, as stock selection and position sizing are more important than ever following strong performance.

More broadly, Dan and his team believe that global equity markets – particularly US growth mega-caps that dominate global equity indices – are trading at elevated valuations. As a result, they have been focusing on areas offering more attractive risk-adjusted return potential. For example, this year they have increased their exposure to Asian markets by introducing Niatross Investments, a long-only equity manager, into the portfolio. They have also added to their holdings in a small-cap activist manager that had previously been closed. This strategy focuses on constructive activism whose purpose is to generate value from mismanaged small- and mid-cap companies in the Japanese market that are trading at deep discounts to book value and are now being incentivised to reform by Japan's ongoing corporate governance initiatives.

Dan and his team retain a position in the Global X Copper Miners ETF, anticipating stronger demand for copper from China as the government continues efforts to re-ignite its economy and the need for significant investment in power distribution – which could lead to a supply shortfall. They also favour uranium, which faces a similar supply–demand imbalance. The team expressed this exposure through the Sachem Cove Special Opportunities Fund, which invests in smaller uranium companies, alongside the holding in the more generic holding in the Sprott Uranium Miners ETF.

The portfolio also maintains exposure to the US, where the team have identified selective opportunities outside the large-cap growth names. These include mid-cap biotechnology firms, accessed through the Paradigm BioCapital Partners Fund, and undervalued software companies via the Praesidium Strategic Software Opportunities Offshore Fund. MAJE also holds the CastleKnight Offshore Fund, an event-driven strategy.

Fig.2: Geographic Profile



Source: Marylebone Partners. Global denotes an investment strategy where the underlying geographic allocation is not broken down in this analysis

Conversely, Dan and his team have reduced MAJE's allocation to credit strategies. They believe there is complacency in parts of the credit markets, with spreads relative to sovereign bonds not adequately compensating investors for the additional risk. As a result, the allocation to absolute return strategies, which consist of specialist credit strategies, has fallen since the start of the year. The credit allocation is focused on asymmetric situations where downside is limited and the upside potential considerable.

While the team have become more concerned about the UK and European economies, of MAJE's nine direct investments, five are UK-listed companies and three are continental European firms. Dan and his team view these businesses as situations where fundamentals are improving, but the inflection has yet to be appreciated by the market.

Since the beginning of the year, the team have also made four new special investments. The first, Project Galicia, is an opportunity in litigation finance. This opportunity was brought to Marylebone Partners by Bow Street Capital, which seeks to pursue claims against Spanish banks that have issued credit cards at usurious rates or without meeting transparency obligations. Dan and his team believe that jurisprudence and credit risk in this situation is limited, thanks to EU consumer protection regulations, while the counterparties are large, solvent Spanish banks. This co-investment should have low, or even no, correlation to financial markets. The second special investment, Project Zeno, is a co-investment in Bank of Cyprus Holdings (BOCH), alongside one of the company's major shareholders, Caius Capital. BOCH is a healthy and profitable but over-capitalised bank, and the aim is to incentivise the company to release excess capital through increased dividends and/or share buybacks via activism, potentially leading to a re-rating of the stock.

The third new special investment, Project Philadelphia, is a co-investment alongside JB Investments, targeting a cyclical industry in China which is undergoing structural change. The thesis is that distressed, high-cost producers will be forced out of the sector, which should enable the survivors to benefit from a price recovery. The team at Marylebone Partners expect the specific sector and underlying holdings to remain confidential for the foreseeable future. They also note that this is JB Investments' first special purpose vehicle in five years, with its founder and owner, Brian Riley, having delivered exceptional returns in his previous campaigns. The most recent special investment, Project Ox, a co-investment alongside Briarwood Capital, is in Oxford Biomedica a UK listed contact and development manufacturing organisation focused on the production of viral vectors for use in cell and gene therapy. New management have closed the loss-making drug development division and the company is already moving into profit. The shares trade at steep discount to its peer group's multiples.

It is worth noting that, along with copper stocks, special investments are the only segment of the portfolio where currency is not currently hedged back into sterling. As such, MAJE should be seen by its shareholders as a GBP denominated investment.

Gearing

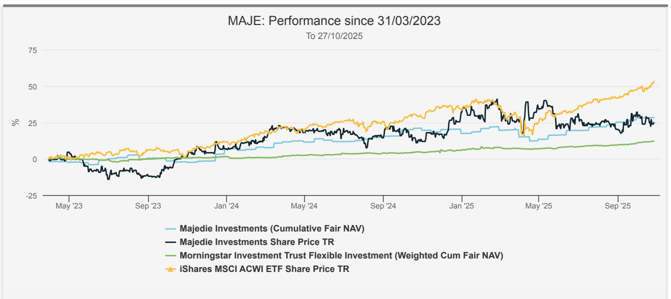
Both the board and the investment manager believe that structural gearing is not required to deliver net annualised total returns of at least 4% above the UK CPI over rolling five years. Accordingly, MAJE has no long-term debt. A longstanding debenture was paid off early this year, reducing annual costs by roughly 75bps. However, the trust has a £15m revolving credit facility, should it be required, which will expire at the end of August 2026, providing a more flexible approach to gearing. At the end of September, MAJE held a net cash position of 4%, giving the management team dry powder to take advantage of potential future market dislocations.

Performance

Marylebone Partners became the investment manager for MAJE on 31/01/2023, but the overhaul of the strategy means that the portfolio only began to be representative of its approach toward the end of March 2023. From that point to 27/10/2025, the trust has generated NAV and share price total returns (TRs) of 28.3% and 24.8%, respectively. Over the same period, UK CPI has increased

8.9% (to the end of September 2025). As such, MAJE is on track to achieve its goal of delivering net annualised total returns of at least 4% above UK CPI over rolling five-year periods. In addition, MAJE has delivered c. 2.4x the NAV TR of the average constituent of the AIC Flexible Investment sector, although it is worth noting that this is a multifarious sector, with a range of unique strategies sharing few similarities. For comparison purposes only – and noting that MAJE does not benchmark itself against global equity indices – the MSCI ACWI Index (represented by an ETF in the chart below) generated a net return of 53.1% in sterling terms over the same period.

Fig.3: Performance Since End Of March 2023



Source: Morningstar

Past performance is not a reliable indicator of future results.

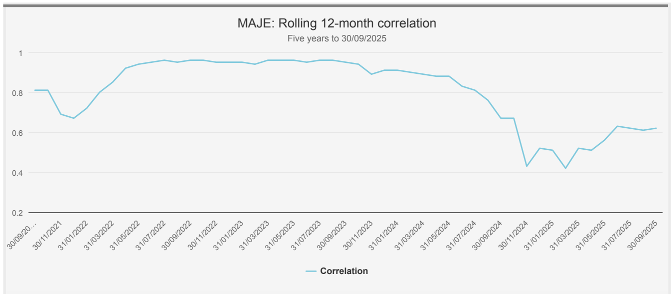
Since the beginning of the year (to 27/10/2025), equity markets have broadly experienced two distinct phases. In the earlier part of the year, markets were particularly volatile, driven largely by escalating trade tensions between the US and the rest of the world, which culminated on 'Liberation Day' (02/04/2025) when the US administration announced a series of elevated tariffs against its trading partners. However, markets rebounded strongly from the second half of April onward, as tariffs were paused and reduced, while trade agreements were signed. In this context, MAJE delivered a NAV TR of 9.3% year to date, while its share price declined by 5.4%, compared with a net return of 14.5% for the MSCI ACWI Index (in sterling terms).

MAJE outperformed global equity indices until mid-May, benefitting from its differentiated sources of return, away from the US growth mega-caps that dominate global indices and particularly suffered during that period. Notably, in the first quarter, specialist credit managers with an absolute-return mindset and equity-focused managers – particularly those with exposure to European and Chinese equities – contributed positively to the trust's NAV return. Since then, the MSCI ACWI Index has overtaken MAJE amid the market rebound; however, the trust's NAV has continued to advance, with all portfolio strategies generating positive returns. Equity-focused external managers delivered the strongest gains during the second and third quarters, while direct investments also made a meaningful contribution – notably those in copper, which benefitted from favourable supply–demand dynamics.

Special investments likewise produced positive returns, supported by strong performance in uranium stocks and progress on Bank of Cyprus and Orizon, a Brazilian waste management company.

Although US growth mega-caps have rebounded strongly since 'Liberation Day', Dan and his team note these stocks are trading at elevated valuations, leaving little margin for error. As a result, they believe the most attractive risk-adjusted opportunities lie outside this cohort. Arguably, Marylebone Partners' differentiated views are reflected in the chart below, which shows rolling correlations with the MSCI ACWI Index over one-year periods, using one-month steps to highlight gradual changes. The chart indicates that correlations have moderated since Marylebone Partners took charge of MAJE. Therefore, we believe the trust could provide strong diversification benefits and may be an appealing option for investors seeking exposure to opportunities with a potentially superior risk–reward profile and a degree of idiosyncratic characteristics.

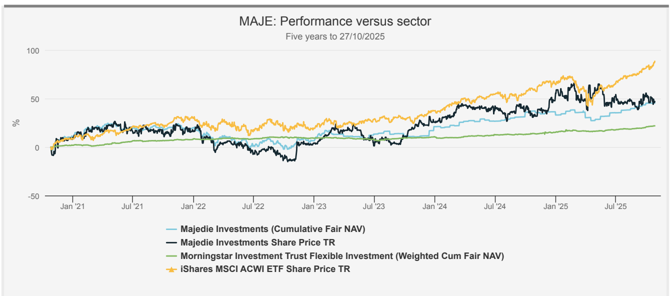
Fig.4: Rolling Correlation



Source: Morningstar

For compliance reasons, we have included MAJE's five-year performance to 27/10/2025 in the chart below, although it is important to note that Marylebone Partners has only managed MAJE since 31/01/2023. Over the five-year period, MAJE delivered a NAV TR of 45.3% and a share price TR of 47%, which compares favourably with the 21.8% average return of the Morningstar Investment Trust Flexible Investment sector. In this five-year period, the MSCI ACWI Index generated a net return of 88% (in sterling terms).

Fig.5: Five-Year Performance



Source: Morningstar

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Dividend

MAJE pays its dividend in quarterly instalments of 0.75% of NAV at the end of each relevant quarter, totalling 3% of NAV over the trust's full financial year. Accordingly, positive NAV performance will result in a higher dividend, while a decline in NAV will lead to a lower payment. So far in MAJE's current financial year, three interim dividends have been paid, totalling 6.2p, which, combined with last year's final dividend payment of 2.1p, results in a 12-month yield of 3.4%.

At the time of the publication of its last half-year report (to 31/03/2025), the trust had revenue reserves of c. £10.4m, which was enough to cover c. 2.4x the dividend instalments paid in the 12-month period to the end of March 2025. Although it is worth noting that two more interim dividends have been paid since then. MAJE also has £124.2m of capital reserves, which may be distributed as way of dividend.

Management

MAJE has been managed by Marylebone Partners since January 2023, an investment manager experienced in protecting and growing wealth in real terms for a variety of investors. Marylebone Partners notably distinguish themselves through their ability to access differentiated investments, often unavailable to other investors and allocators alike.

In September 2025, Marylebone Partners entered into a formal agreement to become part of Brown Advisory – a private, Baltimore-based investment management and strategic advisory firm – subject to regulatory approval. As part of Brown Advisory, Marylebone Partners will have access to the firm's extensive research resources, including its Investment Solutions Group – a team specialising in asset allocation, manager selection, and related areas – as well as a network of more than 20 research analysts. The team will also be able to collaborate with Brown Advisory's Endowment, Foundation & Family Office teams, supporting the sourcing and due diligence of investment opportunities. Marylebone Partners will also benefit from Brown Advisory's institutional scale, which may enable more favourable terms with third-party funds or for special investments. In addition, they will have access to Brown Advisory's fund range without incurring double fees. Importantly, Marylebone Partners will retain full autonomy over portfolio management, meaning MAJE's strategy will remain unchanged. Following completion of the arrangement, MAJE will receive a cash payment in respect of its 7.5% stake in Marylebone Partners; however, the amount will not be material to the trust's NAV.

Marylebone Partners will continue to be led by its founding partner and chief investment officer, Dan Higgins. His background – including his tenure as CIO of Fauchier Partners, an alternatives investment manager – has allowed him to cultivate a network of high-quality fund managers across specialist areas globally. He also brings extensive experience with closed-ended fund structures, notably through Fauchier Partners' flagship listed vehicle, the Absolute Return Trust Limited.

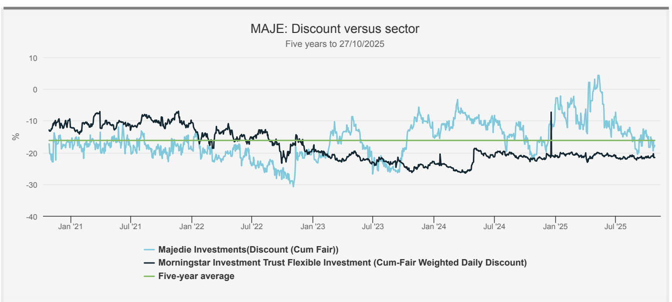
Dan is supported by senior investment analysts, Arjun Menon and James Bloomer as well as by investment analyst Amy Haines. Arjun joined in 2021, having several years of equity research and accountancy experience, which he applies to his primary focus on direct investments in public equities. James has been at Marylebone since 2017 and focuses on fundamental equity and credit strategies alongside co-investments. Amy joined Marylebone Partners in 2024, focusing primarily on equity- and credit-focused strategies, as well as co-investments. Previously, she was with Hassium Asset Management, where she was involved in investment research and the management of discretionary portfolios.

Discount

At the time of writing, MAJE is trading at a 17.8% discount, according to data from Morningstar. We note that the trust traded close to par or at a small premium between mid-April and the end of May 2025, at a time when investor sentiment on US equities turned negative following the announcement of tariffs on 'Liberation Day' (02/04/2025). This may have driven increased demand for MAJE's shares, as the trust offers exposure to idiosyncratic opportunities, away from the US large caps that dominate global equity indices. However, the trust's discount has widened since then, perhaps coinciding with the rebound of American AI-related stocks.

That said, it is worth highlighting that MAJE has a small free float, meaning modest buying or selling could move its share price significantly. As such, we believe the current discount of 17.8% could narrow quickly depending on investor appetites, potentially offering an attractive entry point.

Fig.6: Discount



Source: Morningstar

The board monitors MAJE's premium and discount and has the ability to issue or repurchase shares if deemed appropriate. However, the scope for share buybacks is partly limited by the significant holding of the Barlow family, and no repurchases have been undertaken since Marylebone Partners assumed management of the portfolio (on 31/01/2023).

Charges

As a result of Marylebone Partners becoming part of Brown Advisory, on completion of the deal (which might be expected by the end of the calendar year but is subject to FCA approval), management fees will be reduced from 0.9% to 0.8% on market capitalisation up to £150m, from 0.75% to 0.675% between £150m and £250m, and from 0.65% to 0.6% above £250m. For illustrative purposes, based on the current market capitalisation of c. £132.5m, the blended management fee would be c. 0.9% under the existing fee structure, compared with c. 0.8% under the new one.

Thanks to this reduction, the trust's ongoing charges figure (OCF) of 1.4% (as at the end of its last financial year on 30/09/2024 and excluding the cost of investing in external managers) should decrease accordingly. We note the impact of the OCF is already in the NAV and not a cost deducted from the price paid for the shares.

ESG

While environmental, social, and governance (ESG) issues are not the sole drivers behind the managers' investment approach, they are thoroughly considered and fully integrated into the strategy. The Marylebone team believe that a sustainable investment mindset aligns with good performance outcomes over time and its incorporation into the research process is helpful when it comes to identifying opportunities and risks that might otherwise be overlooked or underestimated by the market.

Rather than excluding investment opportunities outright, the team believe in driving change through proactive yet pragmatic engagement across each of the three fundamental strategies that make up the portfolio. They collaborate closely with their external managers to ensure thorough due diligence is being carried out, thus enhancing their understanding of the ESG risks/opportunities, while also being able to evaluate the quality of each of the external managers' firm, team, investment philosophy, and process. For direct investments, the team assess a company's people, culture, strategy, and operating practices, as well as governance and disclosure practices.

The investment team utilise third-party data, including ESG research and insights from Morningstar's Sustainalytics, along with independent research and views from within their extensive network. This helps them form their own opinions on sustainability issues. At the time of writing, the strategy has not yet received ESG ratings from Morningstar.

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