

**Investment Objective and Policies**

The investment objective of the Fund is to endeavour to maximise the total level of return for investors through investment, primarily, in a diversified portfolio of equity securities. In seeking to achieve the Fund's investment objective, the Investment Manager will invest at least 80% of its assets in equity securities.

Investments in equity securities may include, but are not limited to, dividend-paying securities, equities, Collective Investment Schemes (CISs) including exchange traded funds and preferred shares of global issuers.

The Fund will invest a substantial proportion of its assets in other UCITSs, including ETFs, and other eligible CISs.

The Fund is actively managed, not managed by reference to any index.

Fund Type UCITS  
 Minimum Initial Investment €100,000

**Sustainability**

The Fund is classified under Article 6 of the SFDR meaning that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Fund Details**

ISIN MT7000026506  
 Bloomberg Ticker CCFEEB MV

**Charges**

Entry Charge Up to 2.5%  
 Exit Charge None  
 Total Expense Ratio 2.42%

Currency fluctuations may increase/decrease costs.

**Risk and Reward Profile**

This section should be read in conjunction with the KIID

Lower Risk Potentially lower reward Higher Risk Potentially higher reward

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**Portfolio Statistics**

Total Net Assets (in €mns) 8.0  
 Month end NAV in EUR 123.61  
 Number of Holdings 45  
 % of Top 10 Holdings 8.51

**Country Allocation<sup>1</sup>** %

United States	68.4
Asia	6.3
France	5.4
Netherlands	3.8
Europe	3.5
Germany	3.3
Spain	2.2
Korea, Republic of	1.9
United Kingdom	1.2
Australia	0.9

<sup>1</sup> including exposures to ETFs. Does not adopt a look-through approach.

**Top Equities** %

Bank of America Corp	5.3
Taiwan Semiconductor	4.8
Amazon Inc	4.1
Pfizer Inc	4.1
Alphabet Inc	3.8
Walt Disney Co/The	3.7
Apple Inc	3.7
Microsoft Corp	3.7
Mastercard Inc	3.3
KLA Corp	3.1

**Top Funds** %

iShares US Property Yield	1.9
JPMorgan US Growth	1.7
iShares S&P 500 Industrials	1.7
JPMorgan US Value	1.6
Xtrackers MSCI Japan	1.6

**Currency Allocation** %

EUR	22.0
USD	75.9
GBP	2.1

**Asset Allocation** %

Cash	3.1
Equities	88.3
ETF	5.1
Fund	3.4

**Historical Performance to Date**

**Sector Breakdown** %

Information Technology	27.3
Financials	18.6
Consumer Discretionary	10.9
Health Care	10.2
Industrials	10.0
Communication Services	8.8
US Diversified	3.4
Energy	2.9
Consumer Staples	2.2
Diversified	1.6
Materials	0.9

**Performance History**

Past performance does not predict future returns

Calendar Year Performance	YTD	2023	2022	2021	2020*	2019	Annualised Since Inception **
Total Return***	0.00	0.00	-15.17	18.50	-2.58	-	-0.50

Calendar Year Performance	1-month	3-month	6-month	9-month	12-month
Total Return***	0.00	0.00	0.00	0.00	0.00

\* The Euro Equity Fund Institutional Share Class B was launched on 5 February 2020 and eventually changed its name to the Global Opportunities Fund Institutional Share Class B on 14 May 2020.

\*\* The Annualised rate is an indication of the average growth of the Fund over one year. The value of the investment and the income yield derived from the investment, if any, may go down as well as up and past performance is not necessarily indicative of future performance, nor a reliable guide to future performance. Hence returns may not be achieved and you may lose all or part of your investment in the Fund. Currency fluctuations may affect the value of investments and any derived income.

\*\*\* Returns quoted net of TER. Entry and exit charges may reduce returns for investors.

## Introduction

As March draw to a close there is a clear feeling that market participants have moved on from what was considered so far to be the main game-changer in town, namely central banks, and focus more on other factors that move markets, namely corporate earnings and GDP growth. This achieved the feat of pushing markets higher in spite of decreasing odds of monetary easing in the immediate to medium term. With every month of leading macroeconomic indicators showing no negative impact in the real economy from high interest rates the discussion slowly moves to what part of the economic cycle are we currently experiencing. Beyond the ad nauseam AI talks in the main media, it is quite extraordinary how the global economy managed to weather not only a higher cost of capital, but also the impact of tariffs levied in recent years by de-globalization trends or supply chain bottlenecks caused by geopolitical conflicts. One can ask himself whether we have already achieved a new normal economic state where higher cost of capital warrant less economic mobility, therefore what markets are left with are only global economic corporate behemoths with competitive position delivering earnings generating powers that guarantee increasing stock prices in perpetuity. But financial markets history and the economic cycle theory do make a case for a return to normality sooner or later. This will translate at some point into economic recession, corporate defaults and declining stock markets. When this will happen is anyone's guess, but one basic error is relying on economists and analysts' opinion on when such events will occur. Let us not forget that 2023 was supposed to have been the most anticipated economic recession in history, which eventually did not materialise.

From the monetary front, the FED has opted to maintain its federal funds interest rate unchanged as widely predicted by market participants. Along with the decision, FED officials pencilled in three quarter-percentage point cuts by the end of the year, while the updated "dot plot" also indicates three cuts next year, one fewer than last December. Additionally, revised forecasts for 2024 GDP growth were adjusted upwards, suggesting resilience in the face of tighter monetary policy. In Europe, the ECB also opted to hold its key interest unchanged, while latest comments from its main representatives do paint a pre-committal for a June rate cut. While there is a high bar for this not to be delivered, there is a wide range of possible outcomes in subsequent months, depending on further progress with disinflation.

Equity markets seem to having reached a levitating state as they posted the strongest rally in the last 5 years while reaching all-time highs in all major geographies – US, Europe and Japan. As this happened on a backdrop of ever diminishing number of FED interest rate cuts expected this year, even the most positive forecasts regarding global economic growth could not shadow the stretched valuation picture painted currently in the market. Some things that have to happen in order to prop up current market levels include a significant increase in market breath (i.e. strong performance in names other than recent performers) and a least a temporary range trading (i.e. under par market performance for a while). While the first has already become apparent in the last month, it is the second factor that worries most market participants, particularly in a very attractive yield offered by bond markets. With all most compelling investment-themes in the last 18 months having already performed for their faithful, it looks like the next couple of quarters will be more difficult to navigate than the usual, as there is no clear growth driver markets could rely on.

## Market Environment and Performance

March Purchasing Managers' Index (PMI) indicators showed that the Euro area economy moved closer to stabilization, amid a modest recovery in services (reading of 51.1 versus the previous month reading of 50.2) largely offsetting the weakening manufacturing segment (reading of 45.7 versus a previous month reading of 46.5). New orders declined at the slowest rate in ten months, and backlogs of work were depleted at the weakest rate in nine months, while employment saw modest growth. Headline inflation declined to 2.4%, marginally down from February's 2.6%. The core rate excluding volatile food and energy prices also cooled to 2.9%.

The US economy continued to defy some earlier sings of slowdown displaying signs of continued strength. Consumer spending, business activity and employment all indicated a healthy expansion to start the year, advancing on an upwardly revised 3.4% QoQ growth in Q4 2023. The labour market remained particularly robust, with the March jobs report showing a significant increase in nonfarm payroll jobs and sustained low unemployment rate. Annual inflation rate in the US accelerated for a second consecutive month to 3.5%, the highest level since September 2023, compared to February's 3.2%. Core consumer prices eased to a near three-year low of 3.8%.

Somewhat surprisingly, March continued the rally in equity markets, probably on a momentum factor from the positive fourth quarter earnings season. However, there was a change in market leadership, as technology underperformed, while unusual leaders like energy, materials and utilities rebounded nicely. Other unexpected trends for the month include the continuation of Europe outperforming US and the Magnificent 7 slowly losing steam compared to the rest of the market. The S&P 500 index gained 3.14% supported by benevolent numbers continuing to pour in from the real economy. European markets also reached all time high levels as the EuroStoxx50 and the DAX gained 4.22% and 4.61% respectively, with real estate, materials and energy names leading the way.

## Fund Performance

In the month of March the Global Opportunities Fund registered a 2.77% gain, underperforming its hedged comparable benchmark by 65bps. The Fund's allocation has been adjusted, as the Manager repositioned it to better respond to the recent market developments. New conviction names Adobe Systems and Booking Holdings were added based on compelling in house valuation models' fair values and a very interesting risk-adjusted entry levels. As well, holdings in Palo Alto Networks and KLA Corp have been slightly increased as they reflect some of the Manager's most compelling convictions currently. Holdings in Caterpillar, Kraft Heinz, United Airlines Holdings and iShares Core S&P 500 UCITS ETF have been liquidated as recent earnings reports and market trends showed limited upside potential in our view. Cash levels have been slightly increased.

## Market and Investment Outlook

Going forward, the Manager believes the global economic landscape remains complex, as inflationary pressures seem to have stopped their receding trend particularly on the back of services, driving further central bankers' hesitations on decisively cutting interest rates. Geopolitical tensions have also recently upended global energy prices adding further uncertainty as regards future developments in the macroeconomic landscape. While the skies of the US economy are still clear of any material cloud and the Chinese economy has recently posted encouraging signs as regards a potential improvement in economic growth, there might be some other potential tensions building up beneath the apparently positive picture. On such backdrop, the Manager continues having a conservative view on equity markets over the coming quarters, as the very strong market rally recorded in the last months, raises the odds of a retracement next. The Fund will continue its diversified allocation with a focus on quality companies. Specific allocation to companies benefitting from secular growth trends irrespective of the next move in interest rates should be expected going forward as tactical plays. Cash levels will be used as a tool for proactive action in case of markets deterioration.

## Disclaimer

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