

Marketing Communication — IFS Swiss Small & Mid Cap Equity Fund -S-

Investment policy

The IFS Swiss Small & Mid Cap Equity Fund combines our best investment ideas in the area of Swiss Small & Midcaps. We take an active approach with the aim of achieving a sustainable outperformance to the benchmark (SPI Extra). The sub-fund is actively managed with a reference to a benchmark mentioned in this document. The sub-fund seeks to outperform it over the recommended holding period. The sub-fund does not exactly replicate its reference index (benchmark) and may therefore deviate significantly from it. Therefore, the performance of the sub-fund may differ from that of the benchmark index.

Performance (in %)

The share class was launched on February 06, 2024. There is therefore no sufficient basis for calculating the performance.

General information

Date of issue	06.02.24
Managed by IFS since	06.02.24
Reference currency	CHF
Registration	CH, DE, LI
Custodian	Bank J. Safra Sarasin AG, Basel
Management company	LLB Swiss Investment AG, Zürich
Investment manager	IFS Independent Financial Services AG, Luzern
Management fee p.a.	0.55%
Dealing frequency	Daily, 12:00 o'clock
Minimum investment	CHF 5,000,000
Distribution	Reinvesting
ISIN	CH1319018599
Valor (Switzerland)	131901859

Current figures as of 31.10.2024

NAV per unit	CHF	104.31
Total assets	CHF	90.23 Mio.

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Largest positions

Sandoz	6.1%
Straumann	5.5%
Schindler N	5.3%
SIG Combibloc	5.0%
Roche	4.7%

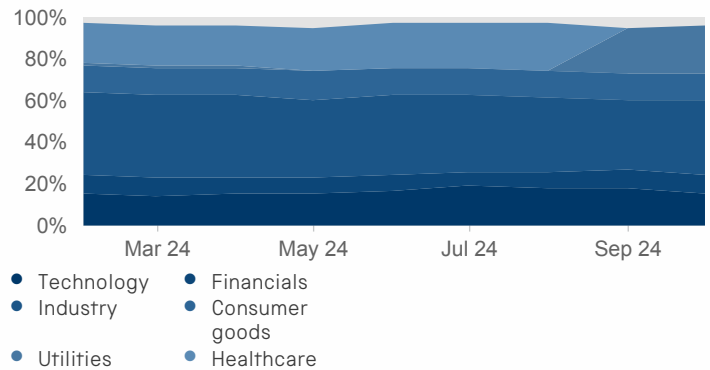
Asset allocation



Asset class breakdown



Historical sector breakdown



Manager Update

Quarterly reporting has been quite turbulent so far, with negative surprises predominating. In the USA, 103 companies increased their forecasts, while 127 issued a profit warning. Reporting in Europe was also rather negative; over 60% of companies in the industrial sector disappointed the market. Switzerland was no exception, and various companies such as Tecan, Bossard and SoftwareOne issued profit warnings. The fund was not spared either, losing 5.7% in value, while the SPI Extra fell by 4%.

The positions in Tecan, Also Holding and Mikron had a particularly negative impact. After Tecan had already reduced its outlook in the summer, a second profit warning followed. The share price lost 22% in value. The laboratory equipment supplier cited weak business in China and hesitant orders from large pharmaceutical customers as reasons. Structurally, Tecan continues to operate in the right markets and applications, and we believe that growth will return over the course of next year. Mikron also published an update and announced that annual profits will be in the single-digit millions below the previous year, which is due to the US business and also hesitant customers. The share price lost 14.5% in value. Also Holding lost 15% in value. The share price suffered from profit warnings from competitors Bechtle and SoftwareOne. However, a significant driver is the impending completion of the West Coast transaction. The cross-selling potential is great and could give the company a growth spurt from 2025. Sandoz and the R&S Group in particular made positive contributions. Sandoz published convincing quarterly results and raised its annual forecast. The momentum remains good and Sandoz should continue to grow solidly next year. The position in the R&S Group, which we acquired by exercising warrants, also developed very positively with a gain of +8.3%. On the capital market day, the company showed how it wants to continue to benefit from structurally growing electricity markets.

The key event in the coming weeks will be the US elections. The removal of the uncertainty factor should generally be positive for the markets. However, if the election result is close, the uncertainty could persist. Geopolitical tensions are also unlikely to decrease after the elections; depending on the outcome, they will probably increase. Despite many dire predictions, US consumers remain strong. Thanks to the stimulus measures, the environment in China also seems to be improving somewhat. In Europe, the situation remains difficult for the time being. Against this backdrop, we remain cautious and selective.

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