

# Equity - Swiss

## NS (CH) FUNDS - Swiss Excellence Class DPM CHF

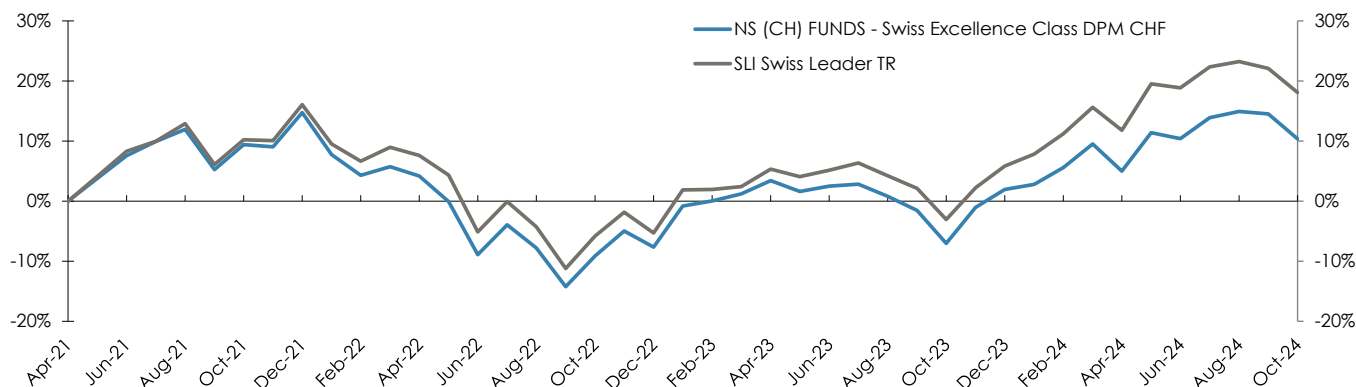
October 31, 2024



### FUND OBJECTIVE

NS (CH) FUNDS-Swiss Excellence is an open-end fund domiciled in Switzerland. The Fund's objective is to outperform the Swiss equity market measured by the "SLI" Swiss Leader Index® Total Return by investing mainly in Swiss shares. The manager integrates ESG criteria into the selection and weighting of companies in the portfolio.

### HISTORICAL PERFORMANCE



### MONTHLY PERFORMANCE (%) NET OF FEES

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	Index*
2024	0.83%	2.71%	4.60%	-3.10%	6.09%	-0.92%	3.16%	0.92%	-0.37%	-3.62%			10.33%	11.56%
2023	7.42%	0.83%	1.19%	2.19%	-1.74%	0.87%	0.30%	-1.95%	-2.33%	-5.57%	6.44%	3.04%	10.43%	11.76%
2022	-6.11%	-3.18%	1.36%	-1.47%	-4.09%	-8.84%	5.46%	-4.03%	-6.96%	5.95%	4.60%	-2.84%	-19.52%	-18.41%
2021					3.80%	3.64%	2.19%	1.82%	-5.97%	3.93%	-0.34%	5.25%	14.75%	16.07%

### STATISTICAL ANALYSIS (Since May 2021)

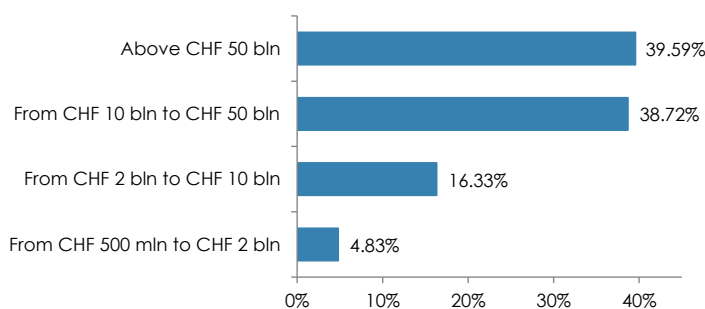
Return	Fund	Index*
Annualized return	3.4%	4.9%
% Positive Months	57%	57%

Risk	Fund	Index*
Annualized Volatility	14.0%	14.0%
Sharpe Ratio (1%)	0.17	0.28

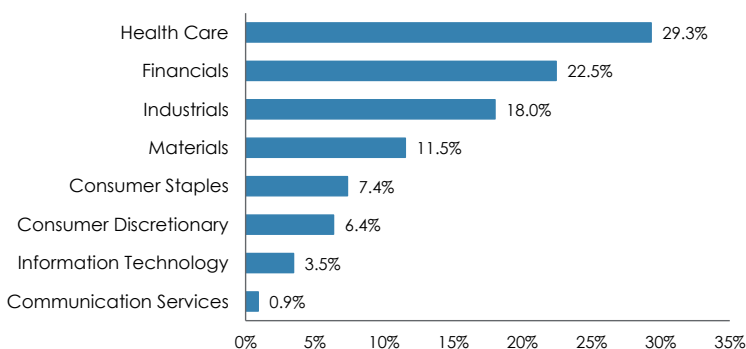
Comparison To Benchmark	Index*
Annualized Alpha	-1.3%
Beta	0.99
Correlation	0.99

Top Holdings	Weight
Roche Holding AG	7.24%
Novartis AG	7.18%
Cie Financiere Richemont SA	6.35%
UBS Group AG	5.40%
Zurich Insurance Group AG	5.10%
Holcim AG	4.91%
Nestle SA	4.57%
Swiss Re AG	4.08%
Lonza Group AG	3.70%
Givaudan SA	3.21%
Total number of holdings	46

### Market Cap Breakdown



### Sector Breakdown



\*Index: Swiss Leader Index TR

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## FUND COMMENTARY

"Atomic" – Blondie, 1979

No less than 3 of the largest companies in the world (all part of the famous Mag-7) have announced their will to go "atomic", nuclear to be precise, to secure their ever-growing electricity needs in the future. Amazon, Alphabet and Microsoft made this bold move in the last few weeks, which marks a massive shift in the way nuclear energy is considered. This used to be the monopoly of Governments, directly or through their state-owned and/or regulated utilities, but the obvious enormous increase in electricity consumption related to data centres is pushing private companies to enter the power generation business. This, added to the space industry also being the subject of private initiatives, constitutes a serious change in domains that were, up to now, Government-led. What's next is anybody's guess, but there are chances that the very deep pockets of the Mag-7 and others will drive tectonic shifts in many industries. The US presidential race has some atomic characteristics as well, but more in the way both candidates behave, while the Q3 earnings season, which has started in October, was more muted than atomic, at least for the big market leaders. This has to be put in the context of rising long term yields (+50 and + 27 bps for the US and the German 10 year) and elevated valuations. There are no signs of an imminent severe slowdown for the US economy, and Europe's and China's difficult economic conditions aren't new. While credit behaved extremely well despite rising yields (+0.45% for the Itraxx Crossover), equity markets were almost unanimously in the red: the MSCI World lost 2%, the S&P 500 1%, the Stoxx 600 3.4%, the MSCI Emerging Markets 4.4%, and the Chinese CSI300 3.2%. Japan was the sole outlier with a +1.9% return, but the Yen tumbled 6.3% versus the dollar. Oil zigged and zagged and ended the month up 1.6%, leaving again the spotlight to Gold, which added 4.1% and is up 33% year to date.

Swiss Excellence was down 3.62% (DPM class) in October versus -3.30% for the UCIF-compliant SLI Total Return index. On a year-to-date basis, the fund is up 9.18% versus +11.56% for the benchmark.

The fund underperformed its benchmark last month, all sectors were in negative territory. In relative terms, the fund's underweight in Sandoz and UBS combined with its overexposure to Cie Financiere Richemont, Swiss Re as well as its exposure to Landis+Gyr, Bossard and Huber+Suhner were the primary drivers of underperformance.

The largest contributors to the fund's performance were Sandoz (+11.6%), Accelleron Industries (+5.6%), Sonova (+3.8%), Holcim (+3.1%) and UBS (+1.8%). Conversely, the largest detractors included Straumann (-17.5%), Sika (-14.1%), Givaudan (-11.7%), Cie Financière Richemont (-6.3%), Partners Group (-6.1%) and Swiss Re (-5.2%). In October, the SMI, SLI, and SPI Extra recorded performances of -3.09%, -3.30%, and -3.96%, respectively.

We decided to divest our positions in Bucher, Daetwyler and Softwareone due to their performance significantly falling short of our expectations. However, we identified promising opportunities in Zurich Insurance, Alcon and UBS, and we reduced our exposure to Nestlé. Finally, we have initiated a new position in Comet, a CHF2.0 billion market cap leader in radio frequency power and X-ray technology. The company is well-placed in digitalisation and electrification. The semiconductor cycle showed recovery in 3Q24, and Comet's long-term growth outlook remains strong, driven by rising chip production demand and advancements like AI that require complex semiconductor components.

Swiss Excellence now has a median market capitalisation of CHF 17.9 bln, the largest position being Roche (7.2%) and the smallest Medacta (0.3%). The main overweight sector is industrials (18.0% of the portfolio versus 10.2% for the benchmark), and the main underweight is healthcare (29.1% versus 32.0%). 21% of the portfolio is made up of companies with a market capitalisation of less than CHF 10 bln and 5% of our investments have a market capitalisation of less than CHF 2 bln. Our top 5 positions are Roche, Novartis, Cie Financière Richemont, UBS and Zurich Insurance. The Swiss Excellence strategy, i.e. the DGC Swiss Excellence fund and NS (CH) Funds Swiss Excellence fund, now totals CHF 124.2 million.

Signatory of:



## GENERAL INFORMATION

<b>Fund Inception</b>	14-May-2021	<b>Subscription</b>	Daily (1 Business Days)	<b>Fund Domicile</b>	Switzerland
<b>Strat. AUM (CHF)</b>	124'210'942	<b>Redemption</b>	Daily (1 Business Days)	<b>Inv. Manager</b>	NS Partners SA
<b>AUM (CHF)</b>	71'801'421	<b>Management Fee</b>	1.50%	<b>Administrator</b>	GERIFONDS SA
<b>Share classes</b>	USD EUR CHF GBP	<b>Performance Fee</b>	10.00%	<b>Auditor</b>	PricewaterhouseCoopers SA
<b>Investment Min</b>	None	<b>NAV</b>	110.37	<b>Custodian</b>	Banque Cantonale Vaudoise
<b>ISIN (DPM CHF)</b>	CH1106275048	<b>Dividend</b>	Distributed		
<b>Fund Type</b>	Swiss Fund				

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