

# Equity - Global

## DGC - Stock Selection Class A CHF

May 31, 2024

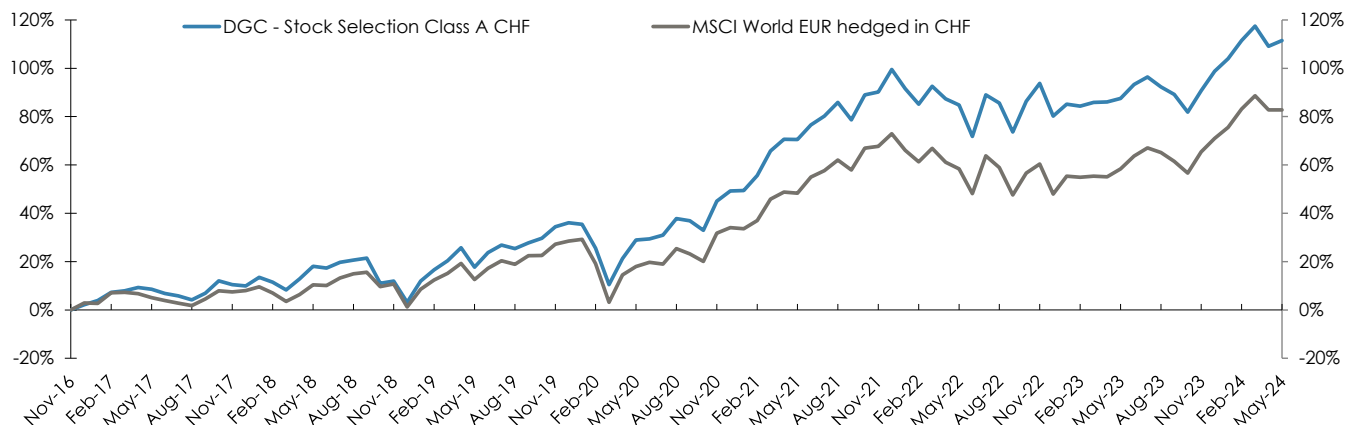


### FUND OBJECTIVE

The sub-fund is an equity long only fund. It invests in equities and equity-related products.

The investment objective of the sub-fund is to achieve a performance in a global equity market better than the "MSCI World in Euro" index. The sub-fund will invest in global equities with an emphasis on developed markets with no specific style or geographic bias. It will invest in companies with attractive growth prospects following a strict valuation process.

### HISTORICAL PERFORMANCE



### MONTHLY PERFORMANCE (%) NET OF FEES

| Year | Jan    | Feb    | Mar     | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov   | Dec    | Fund   | Index*  |
|------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|---------|
| 2024 | 2.61%  | 3.68%  | 2.81%   | -3.85% | 1.16%  |        |        |        |        |        |       |        | 6.39%  | 6.95%   |
| 2023 | 2.75%  | -0.45% | 0.82%   | 0.13%  | 0.77%  | 3.05%  | 1.61%  | -2.06% | -1.63% | -3.86% | 4.86% | 4.25%  | 10.31% | 15.57%  |
| 2022 | -3.98% | -3.33% | 4.00%   | -2.71% | -1.38% | -7.04% | 10.02% | -1.78% | -6.45% | 7.32%  | 3.95% | -6.97% | -9.66% | -14.45% |
| 2021 | 0.14%  | 4.17%  | 6.50%   | 2.92%  | -0.03% | 3.56%  | 2.07%  | 3.14%  | -3.91% | 5.76%  | 0.64% | 4.90%  | 33.72% | 28.96%  |
| 2020 | -0.45% | -7.29% | -12.02% | 9.75%  | 6.33%  | 0.32%  | 1.21%  | 5.30%  | -0.72% | -2.85% | 9.11% | 2.85%  | 9.64%  | 4.34%   |
| 2019 | 8.46%  | 4.14%  | 3.26%   | 4.48%  | -6.43% | 5.12%  | 2.51%  | -1.16% | 1.92%  | 1.50%  | 3.65% | 1.26%  | 31.86% | 26.99%  |

### STATISTICAL ANALYSIS (Since December 2016)

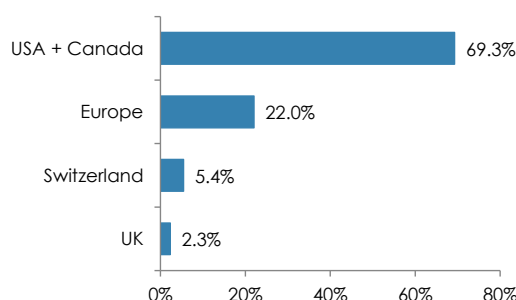
| Return            | Fund  | Index* |
|-------------------|-------|--------|
| Annualized return | 10.5% | 8.5%   |
| % Positive Months | 63%   | 60%    |

| Risk                  | Fund  | Index* |
|-----------------------|-------|--------|
| Annualized Volatility | 14.3% | 14.2%  |
| Sharpe Ratio (1%)     | 0.66  | 0.53   |

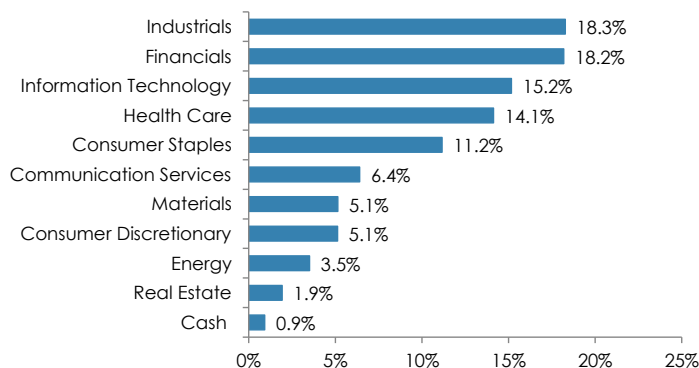
| Comparison To Benchmark | Index* |
|-------------------------|--------|
| Annualized Alpha        | 2.0%   |
| Beta                    | 0.99   |
| Correlation             | 0.97   |

| Top Holdings             | Weight |
|--------------------------|--------|
| Alphabet Inc             | 4.00%  |
| JPMorgan Chase & Co      | 3.70%  |
| Colgate-Palmolive Co     | 3.69%  |
| ASML Holding NV          | 3.57%  |
| Microsoft Corp           | 3.49%  |
| Total number of holdings | 40     |

### Equity Regional Exposure



### Sector Breakdown



\*Index: MSCI World EUR Hdg in CHF

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### FUND COMMENTARY

"All eyes on me" – 2Pac, 1996

All eyes on who or what? Central Banks, geopolitics, US or European elections? No, all eyes on Nvidia, at least when it comes to equity markets.

Just to highlight how flabbergasting Nvidia's impact has been this year (not even to mention 2023), the stock is up 121% year to date at the end of May, contributing to no less than 27% of the MSCI World's performance for 2024 (just as a reminder, this index comprises 1'450 stocks). Even more eye-popping, if we focus on the US market, Nvidia alone has accounted for around 45% of the S&P 500's 6% year-over-year earnings growth, excluding NVDA, the S&P's earnings growth would fall to only 3.3%.

Such an outstanding performance from the – so far – big winner of the AI investing theme has allowed a vast array of Information Technology and Communication Services stocks to grind higher also, which drove us back to where we've been for the last 18 months or so, in other words an uber dominance from Growth versus Value. As the MSCI World has added 4.23% in May, its Growth component has soared 5.6% while Value "only" rose 2.8%. US equities logically led the march, with the S&P500 up 4.8% and the Nasdaq 100 up 6.3%. European equities fared correctly with the Stoxx 600 up 2.6%, while Emerging Markets struggled to add 0.3% and are only up 2.5% year to date, versus +10.6% for the S&P500. The lack of IT and Communication Services behemoths is being felt everywhere outside the US.

All eyes on Nvidia, yes, but some developments are worth mentioning elsewhere: with softer economic data, hopes that Central Banks will soon ease resurfaced, the US dollar fell 1.6% versus the euro and US 10 year yields receded by 18 bps. Gold benefited and added 1.8%, and a more pedestrian economic growth pushed Oil down 6%. Looming rate cuts favoured credit, with the Itraxx Crossover up 1.6%, and the Yen finally resisted somewhat and regained a modest 0.1% versus the USD..

DGC Stock Selection B euro added 1.46% in May, versus -2.75% for the MSCI World NTR in euros. On a year to date basis, the fund is up 7.91% versus +11.44% for the benchmark.

In a month of such a high polarization for equities in general, our portfolio unfortunately underperformed its benchmark, while still up by a comfortable number.

As the market focuses essentially on Information Technology and Communication Services, some defensive sectors (not all of them though) face a hard time getting some traction. This is true for Consumer Staples, where we're overweight, and also Health Care in General, where we're also overweight. Three of the five worst performers in our portfolio in May pertained to Health Care: Carl Zeiss Meditec (down 13.9%), Abbott Laboratories (down 3.6%) and Merck (down 2.9%).

We fortunately benefited from the strong returns provided by Swiss Re (+14.9%), Apple (+13%), Johnson Controls International (+10.5%) and Booking (+9.4%).

After too many disappointing earnings releases, we have entirely exited Starbucks; we also have sold our position in Exxon Mobil, which we inherited after Pioneer Natural Resources' acquisition. We have initiated a position in Pembina Pipeline Corp, a Canadian Energy Transportation and Midstream company essentially active in the Western Canadian Sedimentary Basin, with connections to the Bakken in the US. The earnings stream is solid and is relatively immune from Energy prices gyrations, while the valuation stands below the historical averages and the company pays a 5% + dividend.

Other than that, we have reduced ON Semiconductors as we do not have sufficient visibility on the Auto business, and added to Bank of America, Cummins, Generali, Microsoft and Ulta Beauty.

### GENERAL INFORMATION



|  |                 |                        |        |                            |                              |
|--|-----------------|------------------------|--------|----------------------------|------------------------------|
| <b>Fund Inception</b>                                  | July 2013       | <b>Subscription</b>    | Daily  | <b>Fund Domicile</b>       | Luxembourg                   |
| <b>Fund AUM (EUR)</b>                                  | 526'430'423     | <b>Redemption</b>      | Daily  | <b>Inv. Manager</b>        | NS Partners SA               |
| <b>Strat. AUM (EUR)</b>                                | 869'405'960     | <b>Management Fee</b>  | 1.50%  | <b>Administrator</b>       | Apex Fund Services S.A.      |
| <b>Share classes</b>                                   | USD EUR CHF GBP | <b>Performance Fee</b> | 0.00%  | <b>Auditor</b>             | PricewaterhouseCoopers, Lux. |
| <b>Investment Min</b>                                  | None            | <b>NAV</b>             | 250.14 | <b>Custodian</b>           | UBS Europe SE, Lux. Branch   |
| <b>ISIN (A CHF)</b>                                    | LU0947862669    | <b>Entry/Exit Fee</b>  | None   | <b>Fund Type</b>           | UCITS V                      |
| <b>SRI Score</b>                                       | 400.00%         |                        |        | <b>SFDR Classification</b> | Article 8                    |
| <a href="http://www.nspgroup.com">www.nspgroup.com</a> |                 |                        |        |                            | Actively Managed Fund        |

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