

Equity - Global

DGC - Stock Selection Class AU USD

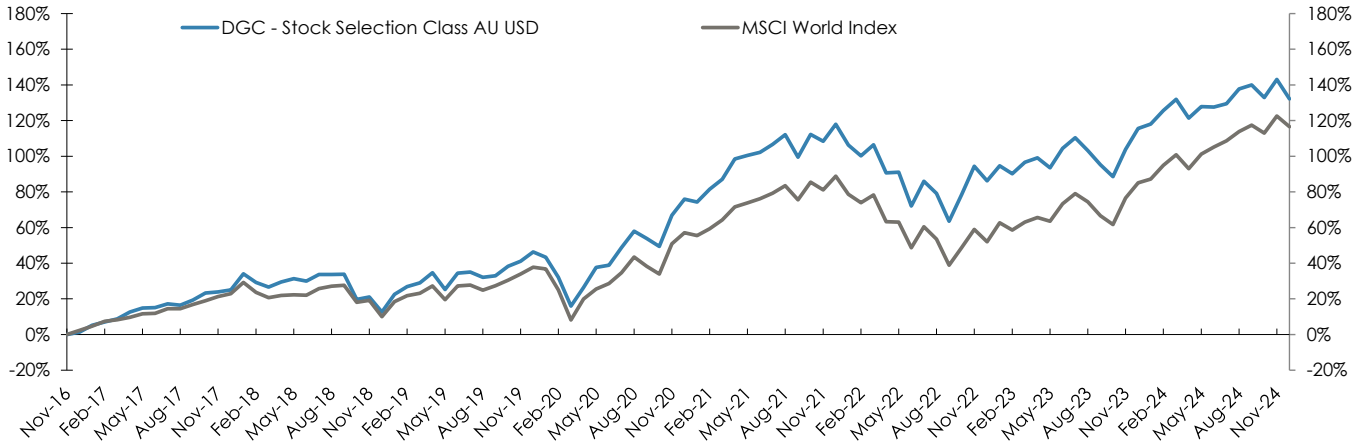
December 31, 2024

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	1.15%	3.45%	2.80%	-4.55%	2.94%	-0.13%	0.84%	3.60%	0.95%	-2.95%	4.34%	-4.48%	7.71%	17.00%
2023	4.52%	-2.30%	3.36%	1.27%	-2.82%	5.66%	2.89%	-3.40%	-3.86%	-3.47%	8.12%	5.76%	15.74%	21.77%
2022	-5.39%	-2.93%	3.09%	-7.61%	0.19%	-9.93%	8.06%	-3.64%	-8.73%	9.15%	8.93%	-4.21%	-14.55%	-19.46%
2021	-0.90%	4.09%	3.07%	6.12%	0.98%	0.89%	2.17%	2.66%	-5.98%	6.42%	-1.78%	4.56%	23.90%	20.14%
2020	-2.01%	-7.89%	-12.18%	9.01%	8.87%	0.90%	7.14%	6.15%	-2.59%	-2.88%	11.75%	5.37%	20.26%	14.06%
2019	8.86%	3.53%	1.64%	4.39%	-6.98%	7.31%	0.50%	-2.18%	0.60%	4.04%	2.09%	3.62%	29.94%	25.19%

Real performance starts from April 2024.

STATISTICAL ANALYSIS (Since December 2016)

Return	Fund	Index*
Annualized return	11.0%	10.0%
% Positive Months	67%	67%

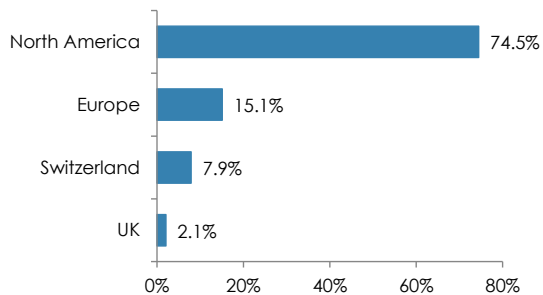
Risk	Fund	Index*
Annualized Volatility	16.5%	15.6%
Sharpe Ratio (1%)	0.61	0.58

Comparison To Benchmark	Index*
Annualized Alpha	0.8%
Beta	1.02
Correlation	0.97

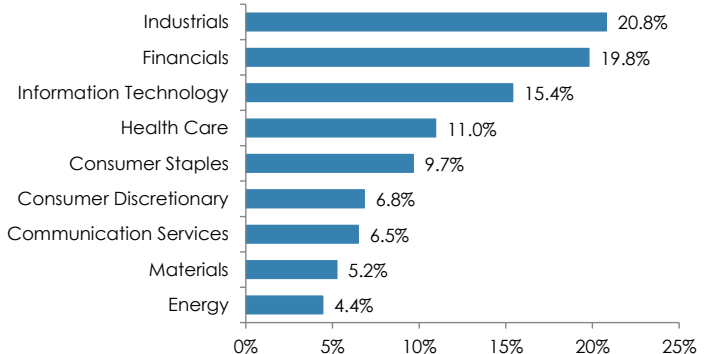
Top Holdings	Weight
Alphabet Inc	4.21%
Booking Holdings Inc	3.95%
Abbott Laboratories	3.93%
Cummins Inc	3.88%
Cisco Systems Inc	3.68%
Total number of holdings	38

*Index: MSCI World Index

Equity Regional Exposure



Sector Breakdown



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FUND COMMENTARY

"Dance across the floor" – Jimmy "Bo" Horne, 1978

When Jimmy "Bo" Horne wrote this song in 1978, the "floor" still prevailed on the New York Stock Exchange; this was the place where most of the equity transactions were done, with traders and brokers actively buying and selling stocks. A decisively good year for equities traditionally ended with a festive atmosphere on the pit. Electronic trading has gradually started to supplant physical trading in the 80s, and has now almost entirely replaced it. With 2024 marking a very rare back-to-back 20% + yearly return for the S&P500, we can imagine that traders and brokers would have danced across the floor on the 31st of December, especially that, despite Covid, interest rates, inflation and geopolitics, the index has delivered a whopping 186% price performance since 2014.

Things could even have been better if December 2024 had not been a poor month for equities in general; the US economy is still defying the Cassandras, marking a sharp contrast with most regions. Fed's ample easing expectations are being rattled down, with higher yields and a much stronger USD as a consequence. To wit, the US 10 year yield rose by 40 bps (+28 bps for the Bund), and the broad dollar index soared 2.6% (underneath the surface, the Euro was down 2.16%, but the Yen tanked 5.07%). WTI caught up 5.47% and ends the year flattish, Gold receded a tad (-0.7%, but still +27.2% for the year) and credit was barely down in an overall pretty positive year (+7.2% for the Itraxx Crossover in 2024).

When it comes to equities, very often does December confirm, and sometimes amplify, the general trends observed during the previous 11 month of any given year. 2024 was no exception, as, even if the market struggled contrarily to the rest of the year, style and sectors stubbornly maintained their trajectory. The nascent reversal triggered by Mr Trump's win (the "Trump trade") entirely faded and market polarization came back in force. Growth smashed Value with the Nasdaq up 0.4% versus -2.5% for the S&P500, but more striking is the performance gap between the MSCI World Growth and the MSCI World Value: +0.4% for the former and -5.8% for the latter in December, and +25.1% versus +9% in 2024, an incredible 1610 bps difference! Needless to say that winning Growth stocks, and among them the Magnificent-7 (or possibly the "Heavyw-8" with the addition of Broadcom), are in the US, which explains the vast outperformance from US equities versus all other markets so far.

DGC Stock Selection B euro lost 2.5% in December, versus -0.66% for the MSCI World NTR in euros. On a year to date basis, the fund is up 15.77% versus +26.60% for the benchmark.

If the overall performance of our portfolio remains largely positive and satisfying on an absolute basis, how disappointing it is when compared to its benchmark since the beginning of 2023! Although we can still find some comfort by observing that our portfolio significantly outperforms the vast majority of its active competitors, we must admit that its negative return gap versus the MSCI World is striking.

We can easily blame the absence in the portfolio from superstar performers like Nvidia, Meta or Tesla to explain part of the underperformance, but what sorrows us the most is investors' disdain vis-à-vis a large swath of companies we own which we believe deserve more than their dismal relative returns versus the benchmark suggest. This is very much the case of Consumer Staples and Health Care stocks for example, two sectors where we are currently overweight.

Will 2025 be a year of a broader market with more stocks and sectors participating? This remains to be seen, as, for the time being, there seems to be a real craze towards AI-related stocks, whatever their valuations.

We remain, in this context, strictly committed to our investment discipline and our focus on valuations for solid and sustainable business models.

We have entirely exited Carlsberg and Sanofi in December, as we witnessed a deteriorating earnings momentum for both, and we have initiated a position in Henkel. We believe that the diversified nature of the business (adhesives, sealants, and functional coatings for industrial applications as well as for consumers and craftsmen on the one hand, and laundry & home care and hair care products on the other hand), added to an attractive valuation and enviable growth prospects, is an opportunity at these levels.

Signatory of:



GENERAL INFORMATION

Fund Inception	April 2024	Subscription	Daily	Fund Domicile	Luxembourg
Fund AUM (EUR)	575'004'267	Redemption	Daily	Inv. Manager	NS Partners SA
Strategy AUM (EUR)	945'295'008	Management Fee	1.50%	Administrator	Apex Fund Services S.A.
Share classes	USD EUR CHF GBP	Performance Fee	0.00%	Auditor	PricewaterhouseCoopers, Lux.
Investment Min	None	NAV	272.23	Custodian	UBS Europe SE, Lux. Branch
ISIN	LU2609978585	Entry/Exit Fee	None	Fund Type	UCITS V
SRI Score*	4			SFDR Classification	Article 8

*Summary Risk Indicator

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Actively Managed Fund

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