

Equity - Global

DGC - Stock Selection Class C EUR

August 31, 2024

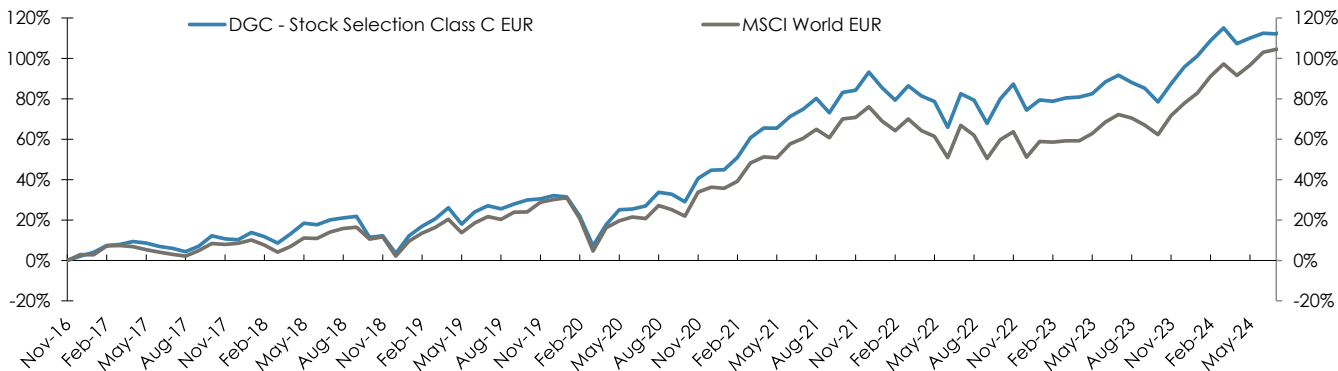


FUND OBJECTIVE

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	2.82%	3.80%	2.97%	-3.64%	1.35%	1.12%	-0.17%	1.24%					9.70%	15.29%
2023	2.86%	-0.37%	0.89%	0.25%	0.93%	3.20%	1.77%	-1.91%	-1.48%	-3.66%	5.02%	4.42%	12.18%	17.64%
2022	-3.99%	-3.34%	3.96%	-2.73%	-1.47%	-7.15%	10.02%	-1.77%	-6.41%	7.28%	4.04%	-6.85%	-9.72%	-14.19%
2021	0.16%	4.18%	6.49%	2.95%	-0.05%	3.54%	2.07%	3.11%	-3.94%	5.78%	0.61%	4.87%	33.57%	29.26%
2020	-0.43%	-7.29%	-12.05%	9.77%	6.28%	0.30%	1.22%	5.28%	-0.70%	-2.84%	9.07%	2.84%	9.56%	4.64%
2019	8.46%	4.14%	3.24%	4.50%	-6.46%	5.11%	2.53%	-1.20%	1.91%	1.53%	0.37%	1.25%	27.60%	27.49%

Data before November 12th 2019 are based on a real portfolio adjusted with the fund's fees. Data from November 13th is the real fund's performance.

STATISTICAL ANALYSIS (Since December 2016)

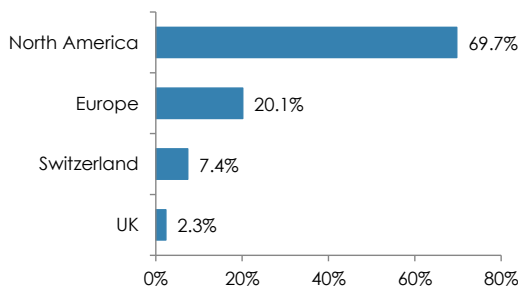
Return	Fund	Index*
Annualized return	10.4%	9.7%
% Positive Months	63%	61%

Risk	Fund	Index*
Annualized Volatility	14.1%	13.9%
Sharpe Ratio (1%)	0.67	0.63

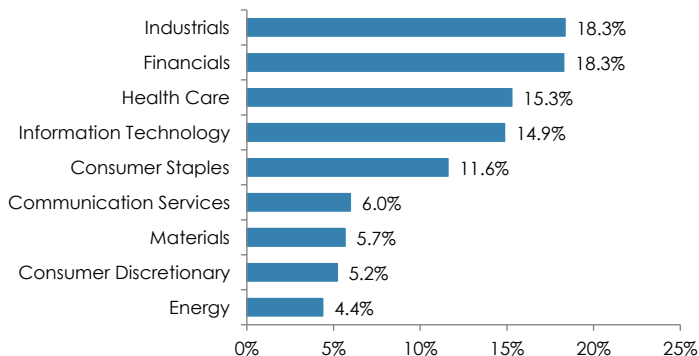
Comparison To Benchmark	Index*
Annualized Alpha	0.9%
Beta	0.97
Correlation	0.96

Top Holdings	Weight
Cummins Inc	3.85%
Abbott Laboratories	3.67%
Alphabet Inc	3.47%
Johnson Controls International	3.40%
Colgate-Palmolive Co	3.35%
Total number of holdings	42

Equity Regional Exposure



Sector Breakdown



*Index: MSCI World EUR

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FUND COMMENTARY

"Good Times" – Chic, 1979

With all major equity indices comfortably up so far this year (barring the Chinese CSI300), investors are clearly enjoying good times; added to the pleasant returns delivered by stocks, fixed income and credit also rose in August, helped by the looming rate cuts that the Fed has telegraphed at the beginning of July. The flip side of this optimism is that there are more and more signs of an economic slowdown in the US, which has left investors unscathed at this point because the preferred scenario is a soft landing, not a recession.

In August, the MSCI World added 2.5%, the S&P500 2.3%, the tech-heavy Nasdaq 1.1%, the Stoxx 600 1.3% and the MSCI Emerging Markets 1.4%; the Japanese Topix confirmed its dependency on the JPY exchange rate: while the Yen rose 2.92% versus the US dollar, the Topix fell by the exact same percentage. It is interesting to notice that, in a month of falling yields (usually favouring Growth), the MSCI World Value outperformed the MSCI World Growth (+2.6% vs +2.4%), which is quite an unusual feat. Much more conform to the tradition was the upside move in Gold (+2.3%) when both the dollar and yields fell (-2.3% for the broad dollar index and -13 bps for the US 10 year yields). August marked the end of the Q2 earnings season, which has been good overall; expectations were pretty high though, as shown by the market's reaction to the spectacular results published by Nvidia: despite a blow-up, the stock fell more than 6% the very day of the earnings release.

So, should you "leave your cares behind" or consider "that it's getting late", as sung by Chic? There are pros and cons: softer economic growth is not good for profits, but, at the same time, lower interest rates should help the economy and valuations. Inflation has receded and does not seem to be a threat for now, so the path gets clearer for Central Banks to ease.

DGC Stock Selection B euro rose 1.34% in August, versus +0.34% for the MSCI World NTR in euros. On a year to date basis, the fund is up 10.62% versus +16.48% for the benchmark.

August has seen our portfolio perform favorably in absolute and relative terms; in fact, our blended strategy has been quite rewarded since signs of a probable easing cycle by the Fed on the 11th of July showed up (thanks to better inflation figures). It is precisely since this date that equity markets have experienced a much broader participation to the upside, helping our portfolio to better its benchmark.

This is reflected in the best performers in August, ranging from Health Care (Intuitive Surgical up 10.8% and Sonova 9.8%) to Financials (Globe Life +13.3%, Hannover Ruck +12.1%) and Information Technology (Palo Alto Networks +11.7%).

We decided in August to implement some changes in the portfolio by reducing our weighting in Chevron (lingering concerns about the Hess acquisition), Deere (top line risk with a slowing economy), and Colgate Palmolive and Schneider (profit taking).

The proceeds have been used to increase Mondelez International, but, more importantly, to initiate two new names:

1) Elevance Health (formerly Anthem), which is one of the largest US Health Insurance providers. This is a resilient business growing steadily, and Elevance trades at a reasonable valuation.

2) Diamondback Energy, a pure E&P play, something we were looking for since Pioneer Natural Resources had been acquired by Exxon Mobil.

The portfolio today trades at a 16.3x median 2025 estimated PER; in the context of elevated global markets multiples, this seems a very reasonable valuation to us, especially when taking the high quality attributes of the companies we invest in.

GENERAL INFORMATION



Fund Inception	November 2019	Subscription	Daily	Fund Domicile	Luxembourg
Fund AUM (EUR)	546'595'842	Redemption	Daily	Inv. Manager	NS Partners SA
Strat. AUM (EUR)	883'950'690	Management Fee	2.00%	Administrator	Apex Fund Services S.A.
Share classes	USD EUR CHF GBP	Performance Fee	0.00%	Auditor	PricewaterhouseCoopers, Lux.
Investment Min	None	NAV	161.66	Custodian	UBS Europe SE, Lux. Branch
ISIN (C EUR)	LU2029569048	Entry/Exit Fee	None	Fund Type	UCITS V
SRI Score	4			SFDR Classification	Article 8

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Actively Managed Fund

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