

Comment February 2025

The main focus in early February remained on Trump’s tariff threats, but investors have largely shrugged off his declarations, waiting for concrete policies before reacting. As a result, attention has shifted to U.S.-led peace talks with Russia aimed at ending the war in Ukraine, with Europe notably sidelined – likely due to the bloc’s low military spending. All of this is happening against the backdrop of internal challenges in Europe: France is struggling to pass a budget, while Germany is bracing for upcoming elections – both adding to an already uncertain environment for businesses operating in the region.

European stock markets continued their strong run in February, with major indices reaching new all-time highs. The rally was driven by defense and aerospace stocks, which surged on expectations of increased military spending in Europe and a faster resolution to the Ukraine war. Financials extended their three-year uptrend, fueled by strong loan growth, drawing comparisons between the Magnificent 47 – Europe’s leading banking stocks – and the U.S. Magnificent 7 tech giants.

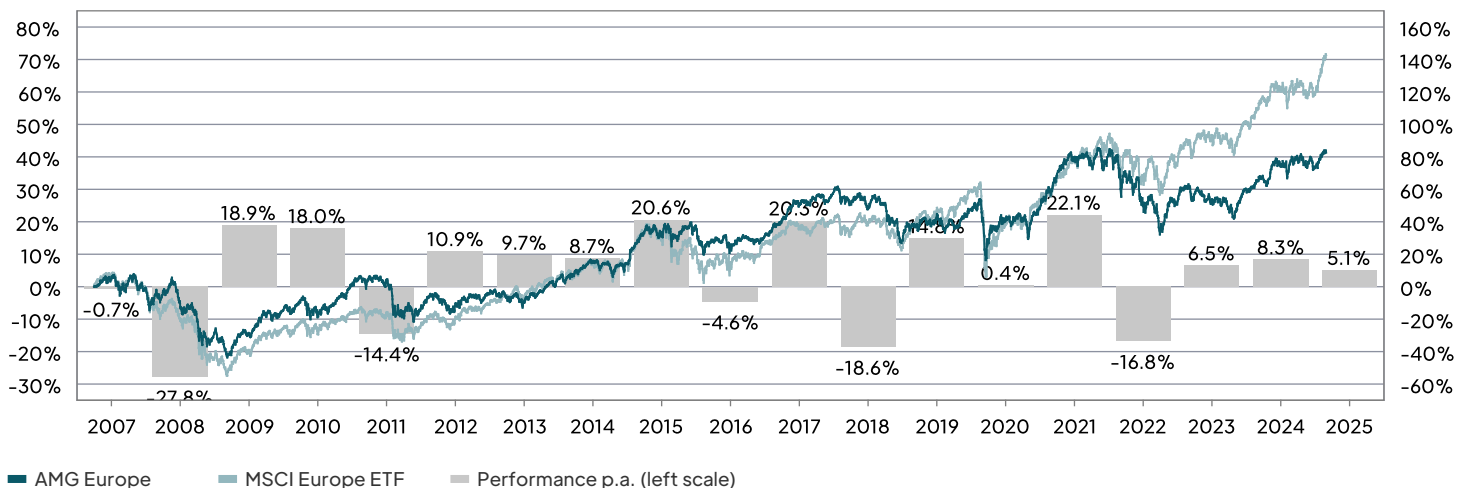
This month, the strong rally in defense and aerospace stocks has been a key driver of market gains. However, since our strategy excludes defense companies by definition, this has contributed to our underperformance. Our fund has lagged the broad index by 1.88% in February. A negative size contribution of -50bps continues to weigh on returns, reflecting ongoing weakness in small and mid-cap stocks, which have yet to see their opportunity. At the same time, our portfolio maintained a neutral industry bias of +0%, despite the exclusion of defense firms.

Despite these challenges, we remain cautiously optimistic about our long-term strategy. While political instability in Europe and global uncertainties may drive short-term volatility, our disciplined approach – focused on high-quality companies with strong fundamentals, robust ESG practices, and attractive valuations – positions us well to navigate evolving market conditions and deliver sustainable returns for our investors.

Top 10 positions

Novo Nordisk	3.6%
ASML Holding	3.4%
Novartis	3.2%
Schneider Electric	3.1%
AstraZeneca	2.9%
Iberdrola	2.9%
L’Oreal	2.8%
Banco Bilbao Vizcaya Argentaria	2.8%
Swiss Re	2.7%
Essity	2.5%

Performance since launch Tranche A



Key figures as of 28 February 2025

Net Asset Value Tranche A	EUR 165.84
Number of shares	10'888
Total Net Asset Value	EUR 5.5m

Performance Tranche A

Duration	Fund	MSCI Europe ETF
1 month	0.8%	3.7%
3 months	3.3%	10.0%
12 months	10.7%	16.2%
3 years p.a.	2.0%	10.5%
5 years p.a.	5.4%	11.3%
since inception (01.04.2007) p.a.	3.4%	5.1%

Year	Fund	MSCI Europe ETF
2025	5.1%	11.2%
2024	8.3%	8.1%
2023	6.5%	15.7%
2022	-16.8%	-9.1%
2021	22.1%	24.9%
since inception (01.04.2007)	82.6%	142.7%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	12.9%
Sharpe ratio (2.47% Risk free rate)	n/a
Beta (vs. MSCI Europe ETF)	0.85

Exposure

Equities	96.9%
Cash	3.1%

Top-3 / Poor-3 performers in February 2025

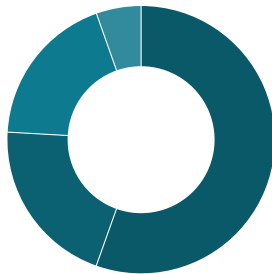
Company	Perf.
NOS SGPS	25.8%
Alimak Group	25.0%
Coca-Cola HBC	19.6%
Wolters Kluwer	-16.0%
4imprint Group	-13.8%
WH Smith	-11.3%

Breakdown by sectors



Financials	23.9%	Utilities	6.2%
Industrials	14.8%	Communication Serv.	6.1%
Health Care	13.8%	Materials	3.9%
IT	11.1%	Real Estate	0.7%
Consumer Staples	9.3%	Energy	0.0%
Consumer Discr.	7.2%	Cash	3.0%

Breakdown by currencies



EUR	55.4%	GBP	18.7%
CHF	20.5%	DKK	5.4%

Sustainability

Applied ESG characteristics

- Exclusion Criteria Reporting
- Integration Benchmark

This is a financial product within the meaning of Art. 8 of the Disclosure Regulation (EU) 2019/2088.

Distributions to investors

(Amounts per unit)

Date	Gross dividend (before SWT deduction)	Net dividend (after SWT deduction)
	Tran. A in EUR	Tran. A in EUR
12.03.2013	2.00*	1.30
18.03.2015	1.40*	0.91
18.03.2020	1.00*	0.65
25.04.2023	3.50*	2.27
18.03.2024	1.30*	0.84

* With affidavit: no SWT deduction. Investors domiciled outside Switzerland receive the gross dividend.

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Fund facts

Domicile of fund	Switzerland
Legal form	Contractual investment fund
Investment universe	Europe
Investment manager	Serafin Asset Management Ltd, Zug
Management company	LLB Swiss Investment Ltd, Zurich
Custodian bank	Bank J. Safra Sarasin Ltd, Basel
Launch date	01.04.2007
Recommended investment horizon	5 years
Reference currency	EUR
ISIN / Bloomberg-Ticker (respective share class)	A (EUR): CH0027940730 / AMGEUIN SW B (EUR): CH0048476664 / AMGEUIB SW C (CHF-hedged): CH0297417534 / AMGEUCH SW
Distributions	distributing (Dividend & Capital Gain)
Subscription and redemption	daily (cut-off 09.00 CET)
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
Registered for public distribution	CH, DE

Fee structure

Subscription and redemption fee	none
Management fee p.a.	Tranche A: 1.00% Tranche B: 1.50% Tranche C (CHF-hedged): 1.00%
Total expense ratio p.a. (per 31.12.2024; TER)	Tranche A: 1.43% Tranche B: 1.94% Tranche C (CHF-hedged): 1.44%

Artico Equity Team

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