

# LO Funds

## Europe All Cap Leaders

### Newsletter

Regional Equities • Equities

30 September 2024

#### PERFORMANCE COMMENTS

LO Funds–Europe All Cap Leaders (EUR NA share) returned 0.1% in September versus -0.4% for its benchmark, the MSCI Europe Index, bringing its YTD performance to 10.4% versus 11.6% for the benchmark. The Fund's EUR PA share returned 0.0% in September and 9.6% YTD, compared to -0.4% and 11.6%, respectively, for the benchmark.

In September, European financial markets were down 0.4% (MSCI Europe) and the eurozone markets were up 1.0%. Despite the Federal Reserve's pivot and dovish 50 bps rate cut, the market was concerned about increasing tensions in the Middle East and China's economy. The MSCI Europe Value ended up 0.5%, while the MSCI Europe Growth was down 1.3% in September. Energy was the worst-performing sector, down 6.9% after Saudi Arabia and Libya hinted at additional oil supply to come. The best sector was Real Estate, benefiting from declining interest rates, up 4.7%. Toward the end of the month, the announcement by the People's Bank of China (PBOC) of major monetary and fiscal stimulus triggered a rally in the country's equity market, which was not mimicked by European names exposed to China.

#### STOCK SELECTION – MAIN CONTRIBUTORS

The top contributors to the Fund's performance in September were Nexans, Flutter and UniCredit.

Nexans (Cables, France, 1.5% weight, +12.8% return, +19 bps contribution) is one of the world's leaders in the design and production of electrical cables. Nexans's share price rose after Greece and Cyprus reached an agreement on funding for a power link between the two countries, called the "Great Sea Interconnector", for which Nexans won a record contract worth EUR1.4bn.

Flutter (Gaming, United Kingdom, 2.2% weight, +9.8% return, +18 bps contribution) is the world's leading online sports betting and gaming operator. The company announced several acquisitions during the

month with the potential for significant revenues and cost synergies.

UniCredit (Banks, Italy, 3.1% weight, 5.3% return, +15 bps contribution) is a pan-European commercial bank with activities in Italy, Germany, and Central and Eastern Europe. During the month, UniCredit bought a 21% stake in Commerzbank, saying that substantial value could be created in Commerzbank, either standalone or within UniCredit, creating some speculation of major upcoming M&A.

#### STOCK SELECTION – MAIN DETRACTORS

The positions that detracted the most from the Fund's performance in September were AstraZeneca, ASML and TotalEnergies.

AstraZeneca (Pharmaceuticals, United Kingdom, 3.5% weight, -11.6% return, -18 bps contribution) is a global pharmaceutical company. During the month, AstraZeneca presented the final overall survival data from its TROPION-Lung01 trial of Dato-DXd in non-small cell lung cancer, and the survival rate was below expectations, leading to a share price decline.

ASML (Semiconductors, Netherlands, 4.4% weight, -8.2% return, -12 bps contribution) is a semiconductor equipment company and a leader in lithography. Semiconductor companies fell amid prolonged weak sentiment across the sector after Intel revised down its capex plans for 2024.

TotalEnergies (Energy, France, 2.3% weight, -5.9% return, -10 bps contribution) is a global integrated energy company, producing and marketing energy in many forms, including oil and biofuels, natural gas and green gases, renewables and electric. European oil stocks fell as Brent tumbled on the prospect of more supplies from Saudi Arabia and Libya.

#### PORTFOLIO ACTIVITY

During the month, we entered Partners Group and ABInBev, among others. At the end of September, the Fund held 49 positions.

#### INVESTMENT TEAM

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Newsletter · LO Funds - Europe All Cap Leaders · Data as at 30 September 2024

## PERFORMANCE

30.09.2024	INCEPTION	AUM	MONTH- TO-DATE	YEAR- TO-DATE	INCEPTION- TO-DATE	2023	2022	2021	2020	2019
LO Funds – Europe All Cap Leaders PA [1]	27 February 2015	EUR 7 mn	0.02%	9.58%	19.97%	9.10%	-23.52%	23.33%	-2.71%	20.74%
LO Funds – Europe All Cap Leaders NA [2]			0.10%	10.40%	30.53%	10.19%	-22.75%	24.57%	-1.73%	21.95%
Benchmark [3]			-0.44%	11.62%	70.33%	15.83%	-9.49%	25.13%	-3.32%	26.05%

Past performance is not a guarantee of future results. Performance is presented net of fees.

[1] Dividend accumulated retail share class, net performance in EUR.

[2] Dividend accumulated institutional client share class, net performance in EUR.

[3] MSCI Europe; ND performance in EUR.

## RISK AND REWARD PROFILE



The following risks may be materially relevant but may not always be adequately captured by the synthetic risk indicator and may cause additional loss:

**Liquidity risk:** Where a significant level of investment is made in financial instruments that may under certain circumstances have a relatively low level of liquidity, there is a material risk that the fund will not be able to transact at advantageous times or prices. This could reduce the fund's returns.

**Concentration risk:** To the extent that the fund's investments are concentrated in a particular country, market, industry, sector or asset class, the fund may be susceptible to loss due to adverse occurrences affecting that country, market, industry, sector or asset class.

**Financial, economic, regulatory and political risks:** Financial instruments are impacted by various factors, including, without being exhaustive, the development of the financial market, the economic development of issuers who are themselves affected by the general world economic situation, and economic, regulatory and political conditions prevailing in the relevant country.

Before taking any investment decision, please read the latest version of the prospectus, the articles of incorporation, the Key Information Documents (KIDs) and the latest annual report and semi-annual report. Please pay attention to the Appendix B "Risk Factors Annex" of the prospectus.

Incorporation of extra-financial risks into the investment decision process may result in underweighting of profitable investments from the sub-fund's investment universe and may also lead the management of the sub-fund to underweight investments that will continue to perform. Sustainability risks may lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and may therefore have a significant impact on its market price or liquidity.

The Fund has been classified as a financial product subject to Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (the "SFDR"). The Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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Where the Fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income. All performance figures reflect the reinvestment of interest and dividends and do not take account the commissions and costs incurred on the issue and redemption of shares/units; performance figures are estimated and unaudited. Net performance shows the performance net of fees and expenses for the relevant fund/share class over the reference period. This document does not contain personalised recommendations or advice and is not intended to substitute any professional advice on investment in financial products. Neither this marketing communication nor this document nor any part of it shall form the basis of, or be relied on in connection with, any contract to purchase or subscription to the Fund. Not all costs are listed in this document and the investor is recommended to refer to the Offering documents for more information.

The articles of association, the prospectus, the Key Information Document ("PRIIPS/KIDs"), and the subscription form are the only official Offering Documents of the Fund's shares (the "Offering Documents"). No party is authorised to provide information or make assurances that are not contained in the Offering Documents.

### Access to documents in country of registrations:

The PRIIPS/KIDs are available in one of the official languages of your country and a Prospectus is available in English, French, German and

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This Fund is classified as Article 8 under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainability-Related Disclosures in the Financial Services Sector ("SFDR"). A Summary of the sustainable website product disclosure is available in English in the "Sustainability-related Disclosure" section of the website fund page on [www.loim.com](http://www.loim.com). Methodological limits: Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

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**France.** Representative: CACEIS Bank, Rue Gabriel Péri 89-91, 92120 Montrouge, Supervisory Authority: Autorité des marchés financiers (AMF).

**Germany.** Representative: DekaBank Deutsche Girozentrale, Mainzer Landstraße 16, D-60325 Frankfurt am Main, Supervisory Authority: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

**Finland.** Finanssivalvonta (Fiva) - Financial Supervisory Authority (FIN-FSA), Snellmaninkatu 6, P.O. Box 103, FI – 00101 Helsinki, Finland; Website: <http://www.finanssivalvonta.fi>.

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**Liechtenstein.** Representative, LGT Bank AG Herrengasse 12, 9490 Vaduz, Supervisory Authority: Finanzmarktaufsicht Liechtenstein ("FMA").

**Luxembourg.** Commission de Surveillance du Secteur Financier (CSSF), 291, route d'Arlon, L-1150 Luxembourg; [www.cssf.lu](http://www.cssf.lu).

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