

Belvoir
Global Allocation II
Universal



Monthly Update

- A trend reversal or a bear market rally?
- Interest rates continue to rise
- Reallocations continue
- In February, the Belvoir Global Allocation II Universal Fund recorded a minus of 2.5%

January's price recovery continued in the first half of February. As a result, US stock indices – just as the much earlier European indices – were able to break through to the top of the hotly observed 200-day average. However, in mid-February, inflation figures exceeded expectations, and reports from the US labor market led to renewed concerns on the interest rate – and thus a market trend reversal. Inflation is remaining stubborn, and a 2% target is not realistic for the foreseeable future. Meanwhile, the market assumes that interest rates will peak at well over 5% in the US. These are currently just under 4% in Europe. In the second half of February, US equity markets have been corrected back to this 200-day average. If the line holds, an upward trend can be confirmed. However, if not, we will fall back into a bear market. Considering the base data, almost all companies held in the portfolio reported good or better-than-expected quarterly figures. As for interest rates, we observed falling prices and rising interest rates from mid-February onwards. This is down to the renewed rise in inflation expectations, especially at the longer end. For that reason, our positioning on bonds is also very short, with a maximum of 2-3 years to maturity. Europe and European equities turned out to be much more resilient due to the more defensive composition of the indices. This is why European equities outperformed the US. We harnessed this boost to further build our position in BNP, one of Europe's top 3 banks, which is now trading near its all-time high. In the US, value stocks have been among the losers so far in 2023. We see this as an opportunity to enter top firms such as Merck, Eli Lilly, Deere and PepsiCo. We have also added Walt Disney, a giant that we now view as a turnaround candidate, as its old CEO, Bob Iger, returned at the end of 2022, and who has already achieved initial successes. SIKA is another new addition, a hidden Swiss Gem that has shown consistent and solid growth. On the other hand, we have widely reduced our positions in the tech sector, for example in Logitech and Electric Arts, due to weak figures, and in Nvidia after its great run up (+120% from its low), as well as in Check Point, AMD, Abercrombie and Seagate. Shortly before the end of the month, NASDAQ short futures hedges were completely liquidated after the index fell by approx. 8% from its peak.

At the end of February, the fund's equity ratio was around 74.0%, with bonds at 17.2% and cash at 9.4%. In this reporting month, tech stocks were among the biggest winners, such as Tesla (+26.6%), Nvidia (+18.9%) and AMD (+11.3%). On the other hand, the shares of Barrick Gold (-15.1%), Electronic Arts (-12.0%), Walt Disney (-8.9%) and Adobe (-8.5%) lost value. In terms of currency, as of the end of February 2023, the main currencies have an allocation of EUR at 58.3%, USD at 31.6%, and CHF at 6.3%. We don't expect the USD to weaken from its current level, so we're holding the USD position in the fund. The fund's overall performance for February was -2.5%.

The fund continues to focus on the leading companies in the technology and innovation sector, with an increased core-satellite approach. In addition, depending on market conditions, we will allow ourselves to partially hedge and to consider interesting bonds in the allocation again.

For more information about the Belvoir Global Allocation II Universal Fund, please visit our [website](#). We are happy to answer questions about the funds via the contact details and are grateful for any feedbacks.

Your Belvoir Team



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The sales prospectus, the basic information sheet and the current reports, the current unit prices as well as further information on the fund and, if applicable, other unit classes of the fund can be found free of charge in German on the following homepage at <https://fondsfinder.universal-investment.com>.

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