



# Belvoir Global Allocation Fund

## Monthly Update

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- Core inflation is the problem of the central banks
- In the fixed-income area, we remain invested in corporate bonds with good credit ratings at a short duration
- The equity exposure has been sharply reduced to below 50% in view of a correction

The economy is performing better than expected in America and to some extent in Europe. Strong interim reports from US companies point to continued robust private consumption. This is not surprising at a time of full employment and skills shortages. In many countries there are more job vacancies than unemployed, and wages are rising to compensate for inflation. Companies have to raise prices to compensate for higher costs. The wage-price spiral is already reflected in stubborn core inflation, which was 5.7% in Europe and 5.6% in the US in March. Both figures were above economists' expectations. For the Fed and the ECB, these core inflation rates are unacceptable. We therefore believe that interest rates will continue to rise until either unemployment rises sharply or the financial markets correct significantly. We believe that expectations for the first US rate cuts in the second half of 2023 are too optimistic. SNB President Thomas Jordan has clearly signalled that price stability is the top priority. Interest rates in Switzerland are therefore also likely to rise. We have not changed our defensive stance. After four banks worldwide collapsed within a few days in March, sentiment on the financial markets improved surprisingly quickly in April. Investors saw the collapses as isolated events rather than the start of a widespread banking crisis. Even the slight increase in core inflation rates in the US and the eurozone did not dampen optimism on the stock markets. Several European stock indices reached new highs for the year during the month. Positive economic data, lower energy prices, a progressive easing of supply chains and a so far satisfactory reporting season provided tailwinds.

After the good gains in April, we significantly reduced the equity exposure to 46.51% through short futures on the S&P 500 and the SMI. This was done in anticipation of a more difficult month for equity markets in May. As regards single shares, we sold all of Partners Group and increased our positions in Deutsche Telekom and Infineon. The bond allocation remained unchanged at 15.5%.

The allocation to the main currencies remained changed slightly in April. The currency allocation in EUR is higher at the end of April at 45.07%, CHF at 28.04% and USD slightly lower at 26.87%. The overall performance of the fund for the month of April is 1.08% in EUR and 0.42% in CHF. The overall performance of the fund YTD is 6.9% in CHF and 7.4% in EUR.

Please visit our [website](#) for more information on the Belvoir Global Allocation Fund. We are happy to answer questions about the funds and are grateful for any feedback you may have.

## Your Belvoir Team

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**Mauro Tempini**  
Chief Investment Officer



**Steffen Bauke**  
Chief Executive Officer

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The prospectus including the trust agreement, the basic information sheet and the current reports, the current unit prices as well as further information on the fund, can be found free of charge in German on the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li).

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