



Belvoir Global Allocation Fund

Monthly Update

- Once again a positive month of October, after eight of the last months closed in negative figures
- The European Central Bank (ECB) and the FED continue to focus on fighting inflation
- Eurozone equities therefore remain underweighted compared to Swiss equities and US equities. We remain cautious, but see a bottom forming

After being heavily oversold in September, the markets have started to recover and are now back at the level of June 2022 (except MSCI emerging markets). The market environment, supported by the currently still robust earnings reporting season and the prospect of lower inflation figures, may well continue. Equity markets got off to a flying start in the final quarter. This was due on the one hand to a technical countermovement and on the other hand to weaker than expected economic data. This fueled hopes that an economic slowdown could slow the pace of interest rate hikes by central banks. However, the joy over this lasted only briefly because the US labor market data were strong. Consumer prices in the US rose more than expected in September. An initial wave of selling was followed on the same day by a strong positive counter-reaction on the markets. Even the further rise in capital market interest rates in many places failed to dampen the mood. The stock markets were also boosted by the statements of some Fed officials, which indicated that the US central bank might slow down the pace of monetary policy tightening slightly. The ECB's decision went in a similar direction. The 0.75% increase in key interest rates was in line with expectations. However, comments from ECB head Lagarde were interpreted to mean that fewer rate hikes were needed. Towards the end of the month, the stock markets suffered a brief setback due to disappointing figures from some major US technology companies.

The equity exposure was increased again in October (from 62.3% to 74.3%). This was achieved by selling the futures (SPX Mini Futures in December and SMI Futures also in December). On the currency side, the USD exposure was increased. The allocation in the main currencies remained virtually unchanged at 32.98% EUR, 32.21% CHF and 34.81% USD. The bonds were reduced during the course of October. This gives us sufficient liquidity for a possible increase in the equity exposure.

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.

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