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October 2024

Belvoir Global Allocation Fund

Monthly Update

- Ongoing deceleration in global industrial output
- US labor market dynamics continue to influence rate outlook
- Equity allocation adjusted following the sale of Danaher Corp

In October, equity markets saw renewed fluctuations as global economic signals highlighted persistent slowdowns, particularly in the industrial sector. Recent data from the US labor market indicated a softening trend, intensifying discussions around potential rate cuts as the Federal Reserve continues to navigate a delicate economic landscape. Inflation data remained on a gradual downward trajectory, enabling the Fed to sustain its measured approach to monetary easing, aligning with the “soft landing” scenario anticipated by many market participants.

Globally, October saw China’s economic support measures targeting weaker-than-expected growth, while Europe faced contracting manufacturing output, keeping investor sentiment cautious. Central banks largely maintained stable policies, aiming to balance inflation management with supporting economic stability.

The fund’s equity allocation strategy in October was impacted by sector-specific trends. Certain positions in healthcare and telecommunications demonstrated notable resilience, benefiting from steady cash flows and operational stability. Conversely, the technology and luxury goods sectors faced headwinds, with the former impacted by cyclical demand fluctuations and the latter by softer global consumer spending patterns. The sale of Danaher Corp aligned with this sectoral rebalancing, reflecting an adaptive approach to the evolving market landscape.

As of October, equity allocation stood at 69.71%, with sector-focused adjustments made to reinforce portfolio balance. Bond allocation held at 19.29%, and liquidity was consistent at 11.17%.

The fund’s performance for October was -2.56% in the EUR share class and -2.83% in the CHF share class, bringing year-to-date returns to +6.21% for the EUR and +7.35% for the CHF share class. With central bank actions and sectoral rebalancing shaping our strategy, the fund remains cautiously positioned amid a challenging market environment.

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