

HOW ABSOLUTE RETURN FUND

Factsheet – June 2024

Investment objective

The investment objective of the HOW Absolute Return Fund is mainly to achieve a positive absolute return over the medium term through capital growth. In order to achieve its investment objective, the fund invests in European and American equity securities and rights as well as in fixed- or variable-interest debt securities and debt securities and/or in money market instruments of issuers worldwide. The HOW Absolute Return fund is actively managed without referencing a benchmark. The performance of the sub-fund is not coupled with any reference index, so it can make its investment decisions independently of such indices.

General Information

Fund name	HOW Absolute Return Fund							
Share class	EUR I							
ISIN	LI1278249639							
Launch date	20.07.2023							
Fund size	EUR 11.3mn							
Last NAV	EUR 105.02							
Fund type	UCITS							
Investment zone	Europe and USA							
Use of proceeds	Accumulation							
SRI according to KID 07.05.2024	<table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></table>	1	2	3	4	5	6	7
1	2	3	4	5	6	7		

Fees

Issue premium	none
Redemption charge	none
Management fee	max. 1.25%
Performance fee	15%
High watermark	yes
Hurdle rate	no

Historical performance

Due to the fact that this unit class has existed for less than twelve months, no performance data is displayed.

Monthly performances

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2024	3.80%	0.54%	0.67%	2.06%	-1.06%	1.47%	0.09%					
2023	1.18%						0.46%	-1.60%	-1.70%	-1.65%	3.65%	2.14%

Monthly Comment

European and US markets experienced opposite performance in June. European markets were under selling pressure due to the surprising call of snap elections by President Macron after the European elections results. Specifically, STOXX Europe 600 lost -1.30% and EURO STOXX 50 -1.80%. The British market also suffered losses as the elections in early July approached: the FTSE 100 lost -1.34% and the FTSE 250 -2.14%.

In contrast, US indices continued their ride led by information technology and communication services sectors, supported by macro data that provided comfort on inflation decrease: S&P 500 closed the month at +3.47%, Nasdaq at +5.96% and Dow Jones at +1.12%.

Another difference between the two markets was on the volatility side: while in the US markets it fell close to the lows marking a -3.72% over the month, in Europe it jumped to a plus 28% in June.

On the macro side, European PMI Indicator was at 50.8 in June, remaining above the 50-threshold level. The disinflationary trend continues, and the European Central Bank became the first main central bank to cut interest rates. In the UK manufacturing and services activity expanded, consumer sentiment continued to improve and core inflation fell substantially to 3.5% YoY from 3.9% the previous month. The BoE is open to cutting rates at one of its upcoming meetings. In the US the PMI services activity is holding up, while the PMI manufacturing is growing modestly. Annual US inflation eased slightly to 2.6% in May from 2.7% in April.

The positive macro environment supported the riskier segments of fixed income: European and US high yield were the top performing fixed income sectors, delivering returns of +1.5% and +1.1% over the quarter, respectively.

HOW Absolute Return Fund – EUR I closed the month at +0.09%

The sectors that contributed the most to the fund's performance were information technology and semiconductor due to continued enthusiasm in the AI space. On the contrary, consumer discretionary, banks and industrials weighted negatively on the performance.

In terms of single names, the biggest contributors were mega cap such as Microsoft, Apple and ASML, being major players in the race towards AI. Novo Nordisk was also a notable contributor, thanks to its investment plan to increase production of its diabetes drug, which has been successfully prescribed as a weight-loss product.

On the other hand, the biggest detractors were French companies such as L'Oreal, Vinci and Airbus due to the early elections call in the country and some stock specific news. Finally, the AMC Green Hydrogen Economy suffered from profit taking, after a strong performance in May.

Trading-wise, we reduced the weight of French companies in anticipation of the elections, we increased our exposure to the UK market, where we expect the political outcome to give more certainty to investors. Away from this, there are no significant changes pending the quarterly reports starting in July,

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Allocation

Equity	61.72%
Bonds	44.82%
Cash	3.45%

Key Data

Highest NAV (12.06.2024)	105.74	Annualised volatility	4.86%
Lowest NAV (27.10.2023)	94.85	Max drawdown	-5.58%
% positive	52.81%	Duration	3.29
Best period	1.42%	YTM	3.73%
Worst period	-0.83%		

Top 5 equity holdings

HOW Made of Switzerland Fund	6.06%
Microsoft Corp.	2.59%
ASML Holding NV	2.05%
Iberdrola SA	1.50%
Future Stoxx Banks	1.47%

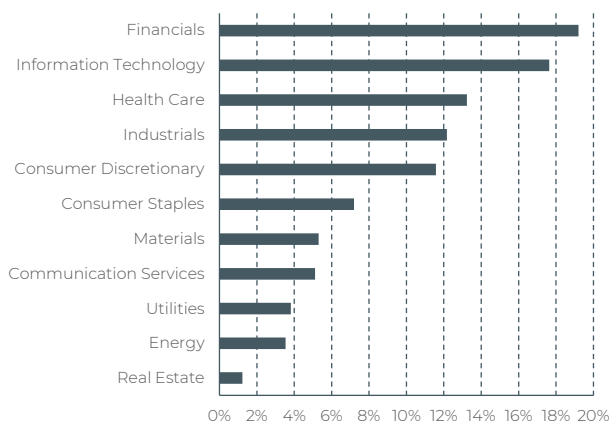
Top 5 contributors

Microsoft Corp.	0.23%
ASML Holding NV	0.20%
Apple Inc.	0.17%
Novo Nordisk A/S	0.13%
Arista Networks Inc.	0.12%

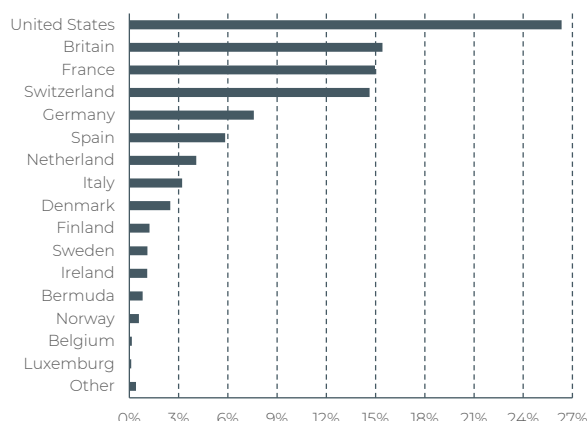
Top 5 detractors

Airbus SE	-0.22%
Vinci SA	-0.14%
BCV Green Hydrogen Economy	-0.13%
Banco Santander SA	-0.10%
L'Oreal SA	-0.08%

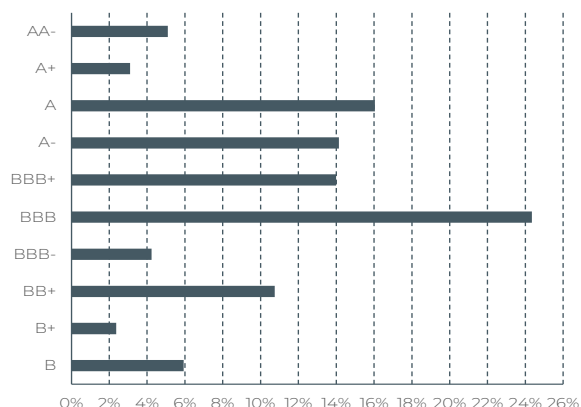
Sector breakdown (Equities)



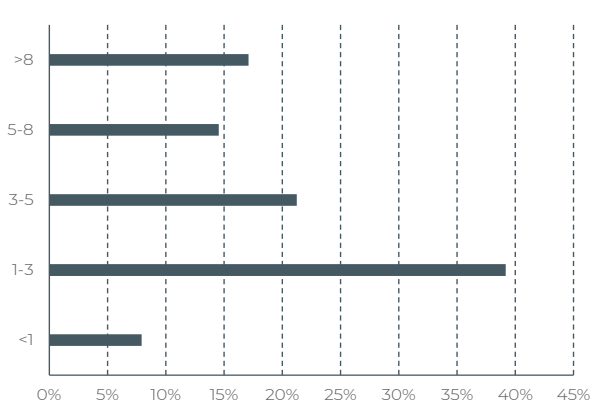
Geographic breakdown (Equities)



Ratings (Bonds)



Maturities (Bonds)



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