

HOW ABSOLUTE RETURN FUND

Factsheet – October 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.

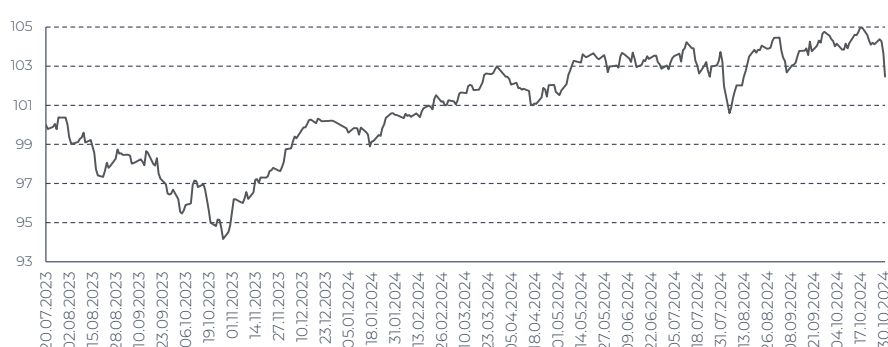
General Information

Fund name	HOW Absolute Return Fund							
Share class	CHF I							
ISIN	LI1278249647							
Launch date	20.07.2023							
Fund size	EUR 11.6mn							
Last NAV	CHF 102.47							
Fund type	UCITS							
Investment zone	Europe and USA							
Use of proceeds	Accumulation							
SRI according to KID 07.05.2024	<table border="1"> <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
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Fees

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

Historical performance



Monthly performances

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2024	2.34%	0.38%	0.51%	1.95%	-1.26%	1.28%	-0.12%	0.84%	0.69%	0.10%	-1.99%	
2023	0.13%							0.37%	-1.81%	-1.90%	-1.87%	3.43%

Monthly Comment

In October, stock markets ended on a lower note, particularly in Europe, where uncertainty about the upcoming U.S. election weighed heavily on investor sentiment. The election outcome is anticipated to shape both fiscal and monetary policies, with potentially far-reaching effects. A Trump victory, coupled with a Republican-led Congress, could lead to tax cuts and increased tariffs, likely driving up long-term inflation. In contrast, a Harris win is expected to signal a more moderate policy path.

Performance across markets reflected this uncertainty. In the U.S., the Nasdaq edged down by -0.52%, the S&P 500 fell by -0.99%, and the Dow Jones declined by -1.34%. In Europe, losses were even steeper: the STOXX Europe 600 dropped by -3.35%, while the EURO STOXX 50 fell by -3.46%. The UK market was also affected after the Labour Party's first budget announcement, with the FTSE 100 falling by -1.54% and the FTSE 250 down by -3.16%.

Sector-wise, Europe's weakest performers included Information Technology, Consumer Staples, and Real Estate. Industrials and Communication Services sectors, however, managed to post positive returns. In the U.S., Health Care, Materials, and Real Estate sectors saw the largest declines, while the Financials emerged as a standout performer.

October's volatility rose as investors grappled with election uncertainties and central banks' early-November interest rates decision.

Fixed income markets also faced challenges: government bond markets broadly experienced sell-offs. U.S. Treasuries started to slide, driven by expectations that a Republican win could spark inflationary policies. The 10-year Treasury declined by -3.99%, while Germany's 10-year bond fell by -2.30%. The fund's bond portfolio held a duration of 5.22 years, yielding around 3.66%.

On the macroeconomic front, inflation data offered mixed signals. In Europe, headline inflation dipped below the 2% target. In the U.S., while September's CPI indicated easing inflation, it wasn't as pronounced as hoped, with core inflation holding steady at 3.3%. In the UK, inflation dropped below 2%.

Global growth remained resilient, although uneven, with the U.S. and UK outpacing expectations, while Europe lagged behind.

For the Absolute Return Fund – CHF I, October ended in the red, with a decline of -1.99%.

Gains within the fund were driven by a PUT option on ASML and strong results from Alphabet, Sandoz, and Standard Chartered. However, losses stemmed from ASML, which reported disappointing orders, as well as the long position on STOXX Europe 600 Real Estate Futures, impacted by inflation fears linked to a potential Republican win. Additionally, positions in the HOW Made of Switzerland Fund and LVMH struggled due to ongoing weak top-line growth.

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Allocation

Equity	55.88%
Bonds	50.33%
Cash	2.38%

Key Data

Highest NAV (18.10.2024)	105.00	Annualised volatility	5.23%
Lowest NAV (27.10.2023)	94.16	Max drawdown	-6.20%
% positive	52.98%	Duration	5.22
Best period	1.40%	YTM	3.66%
Worst period	-1.34%		

Top 5 equity holdings

HOW Made of Switzerland Fund	5.96%
Microsoft Corp.	3.24%
Stoxx600 Real Estate	2.84%
Stoxx600 Media	1.98%
Alphabet Inc.	1.91%

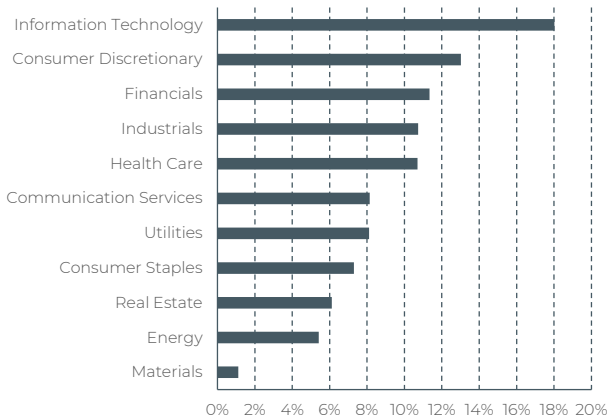
Top 5 contributors

Option Put ASML Oct 24	0.29%
Alphabet Inc.	0.12%
Sandoz Group	0.07%
Standard Chartered PLC	0.06%
Dell Technologies Inc	0.04%

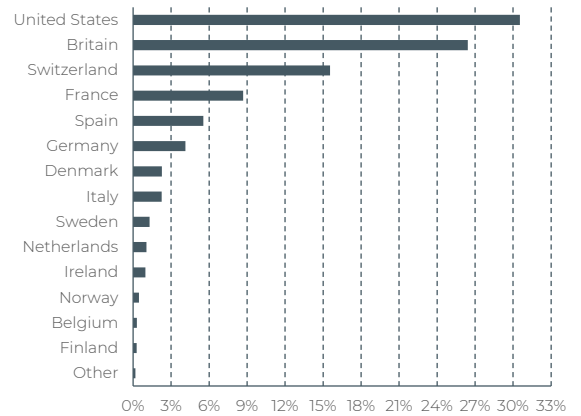
Top 5 detractors

ASML Holding NV	-0.35%
Stoxx600 Real Estate	-0.28%
HOW Made of Switzerland Fund	-0.28%
LVMH	-0.16%
Taylor Wimpey PLC	-0.12%

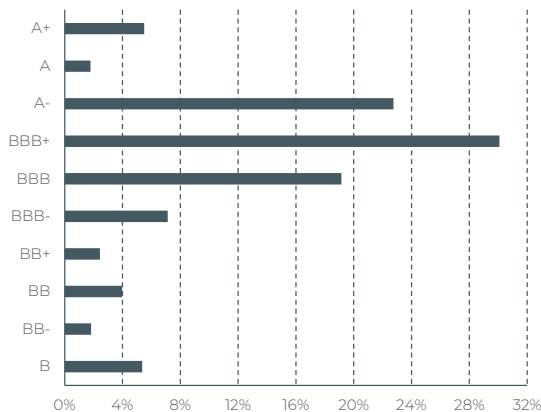
Sector breakdown (Equities)



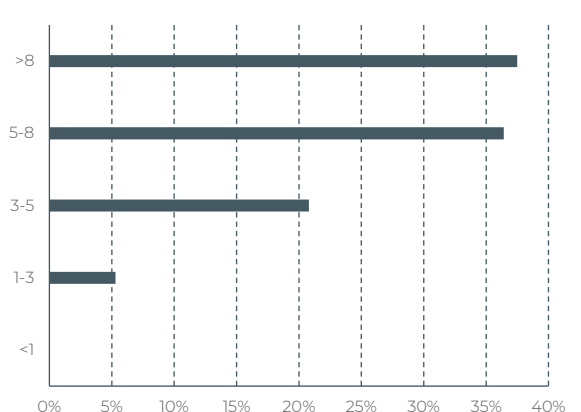
Geographic breakdown (Equities)



Ratings (Bonds)



Maturities (Bonds)



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