HOW ABSOLUTE RETURN FUND

Factsheet – January 2025

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.

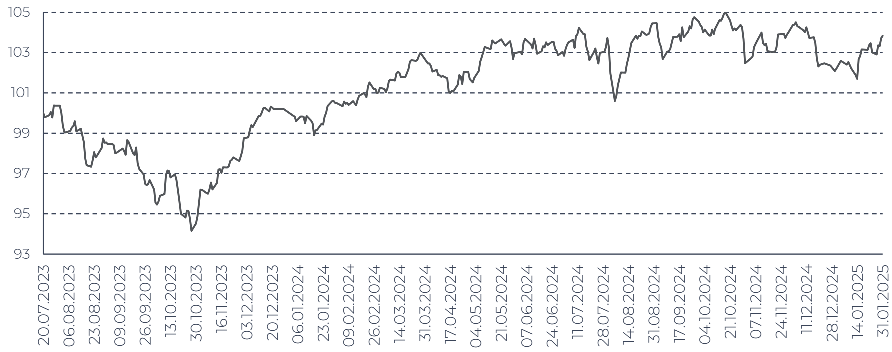
General Information

Fund name	HOW Absolute Return Fund
Share class	CHF I
ISIN	LI1278249647
Launch date	20.07.2023
Fund size	EUR 11.8mn
Last NAV	CHF 103.84
Fund type	UCITS
Investment zone	Europe and USA
Use of proceeds	Accumulation
SRI according to KID 07.05.2024	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



Monthly performances

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2025	1.60%	1.60%											
2024	2.07%	0.38%	0.51%	1.95%	-1.26%	1.28%	-0.12%	0.84%	0.69%	0.10%	-1.99%	1.49%	-1.73%
2023	0.13%							0.37%	-1.81%	-1.90%	-1.87%	3.43%	2.05%

Monthly Comment

January was marked by heightened volatility, as shifting economic data and geopolitical developments kept investors on edge. The month began with stronger-than-expected U.S. labor market data, which sparked a sharp rise in U.S. bond yields, sending ripples across global fixed-income markets. As a result, equities faced downward pressure, with investors recalibrating their expectations for monetary policy.
However, market sentiment quickly shifted when the latest U.S. inflation figures came in lower than anticipated, prompting a retreat in bond yields and fueling a strong rebound in U.S. equities. Adding to the turbulence was uncertainty surrounding the Trump administration's stance on tariffs, which left investors questioning potential trade policy shifts. Meanwhile, concerns over the Chinese AI model DeepSeek and its possible impact on the technology sector introduced another layer of risk, further contributing to market swings.
Market-wise, major indices posted positive performances in January. In Europe, the EuroStoxx 600 rose +6.29%, the EuroStoxx 50 gained +7.98%, and the UK's FTSE 100 index increased by +6.13%. In the U.S., the Dow Jones advanced +4.97%, the S&P 500 was up to +2.70%, and the Nasdaq +1.64%.

On January 20, Donald Trump was officially inaugurated as the 47th President of the United States, an event that had been closely watched by financial markets. In his first few days in office, he signed several executive orders, but the absence of any immediate new tariffs came as a relief to investors, easing concerns about potential trade disruptions.
Market sentiment was further lifted by a slight decline in core inflation, which led to a significant drop in U.S. Treasury yields. As widely anticipated, the Federal Reserve kept interest rates unchanged during its January meeting. However, policymakers signaled their willingness to implement further rate cuts later this year, even if inflation does not fully return to the 2% target, reinforcing expectations of a more accommodative monetary stance
Eurozone growth stagnated in the fourth quarter, coming in at 0% quarter-on-quarter, highlighting ongoing economic challenges in the region. Although inflation ticked up to 2.4% year-on-year, the European Central Bank's (ECB) decision to cut rates by 0.25% underscored concerns about sluggish growth and the need for monetary support.
Meanwhile, political developments continue to play a crucial role in Europe. In Germany, the upcoming federal election is in focus, with an uncertainty around the political landscape are growing, adding a layer of risk to market sentiment. France, on the other hand, remains in a fragile position, with little room for fiscal maneuvering.

Volatility remained largely in line with December levels throughout the month, with a few occasional spikes along the way.

Bond markets experienced heightened volatility in January, driven by growing uncertainty around President Trump's proposed policy agenda. His plans for tax cuts, immigration restrictions, and new tariffs fueled expectations of higher inflation in the U.S., leading to a global rise in bond yield.

In January 2025, sector performance varied significantly between Europe and the United States. European markets saw a strong rotation into defensive sectors and industrials, Utilities, Industrials, and Consumer Staples led the charge, as investors sought stability amid lingering global uncertainties. The Energy sector also posted solid gains, supported by rising oil prices and renewed demand expectations.
In the U.S., the market dynamic was more mixed. The Energy sector emerged as a standout performer, driven by higher crude oil prices and increasing investor confidence in long-term demand. Healthcare stocks also saw strong gains. On the other hand, the Technology sector, which had dominated market performance for much of the past year, faced headwinds. Nvidia's 17% drop in January highlighted growing concerns about increased competition in AI, particularly from China's DeepSeek model. Despite this, select AI-driven companies and semiconductor firms managed to hold their ground, supported by continued long-term optimism in the sector.

The Absolute Return Fund – CHF I delivered a +1.60% return in January, reflecting a balanced approach to risk management amid shifting market conditions. The fund's strongest performers included the HoW Made of Switzerland Fund, Meta Platforms which surged following exceptionally strong earnings results. Additionally, the EuroStoxx 600 Media Index contributed positively, reflecting strength in the European media sector, while Shell gained momentum after providing encouraging guidance on its share buyback program.
On the downside, Microsoft weighed on performance as analysts reacted negatively to a weaker-than-expected cloud outlook. Apple also detracted, as its earnings report, while in line with consensus estimates, failed to spark investor enthusiasm. Meanwhile, Seagate Technology and Sempra struggled, further limiting the fund's overall gains for the month.

Asset Manager | Management Company | Depositary Bank | Auditor

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Allocation

Equity	59.20%
Bonds	46.30%
Cash	0.69%

Key Data

Highest NAV (18.10.2024)	108.00	Annualised volatility	5.15%
Lowest NAV (27.10.2023)	94.85	Max drawdown	-5.58%
% positive	55.59%	Duration	5.52
Best period	1.42%	YTM	3.57%
Worst period	-1.40%		

Top 5 equity holdings

HOW Made of Switzerland Fund	6.09%
Microsoft Corp.	4.39%
STOXX Europe 600 Media	2.11%
Berkshire Hathaway Inc.	1.91%
Eli Lilly & Co	1.65%

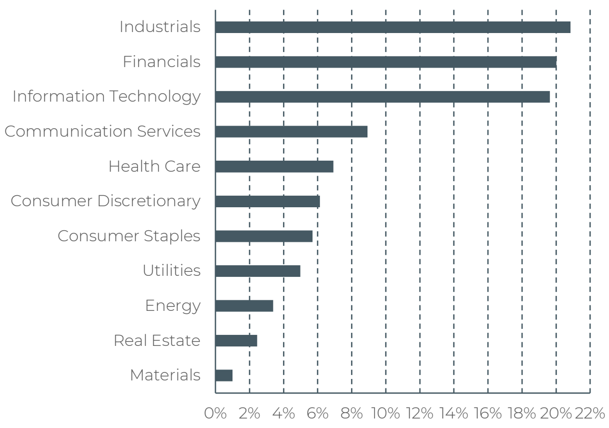
Top 5 contributors

HOW Made of Switzerland Fund	0.32%
Meta Platforms Inc	0.17%
STOXX Europe 600 Media	0.13%
Shell PLC	0.12%
Sandoz AG	0.12%

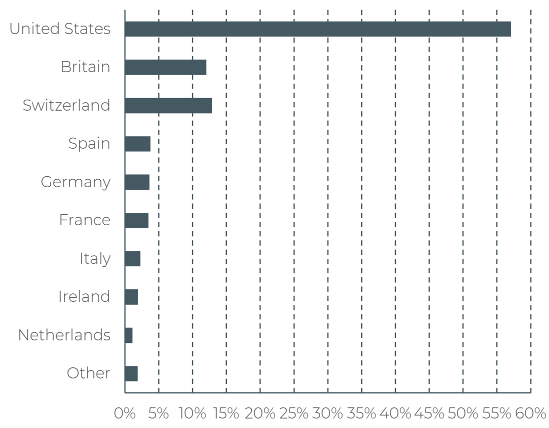
Top 5 detractors

FWD USD/EUR	-0.12%
Microsoft Corp.	-0.10%
Apple Inc.	-0.09%
Seagate Technology Holding	-0.07%
Sempra Energy	-0.05%

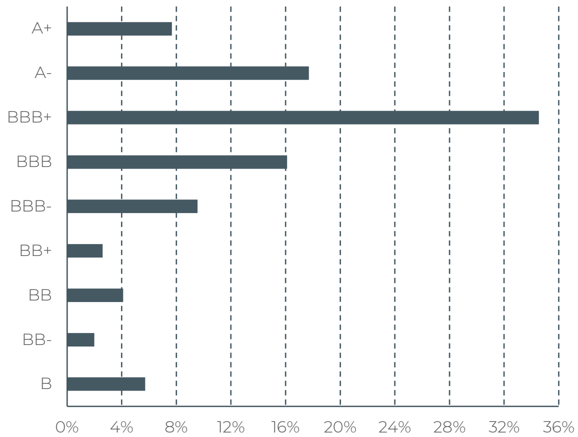
Sector breakdown (Equities)



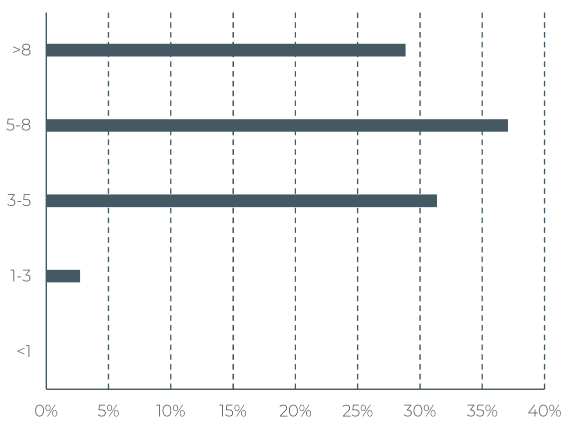
Geographic breakdown (Equities)



Ratings (Bonds)



Maturities (Bonds)



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