HOW ABSOLUTE RETURN FUND

Factsheet – May 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.

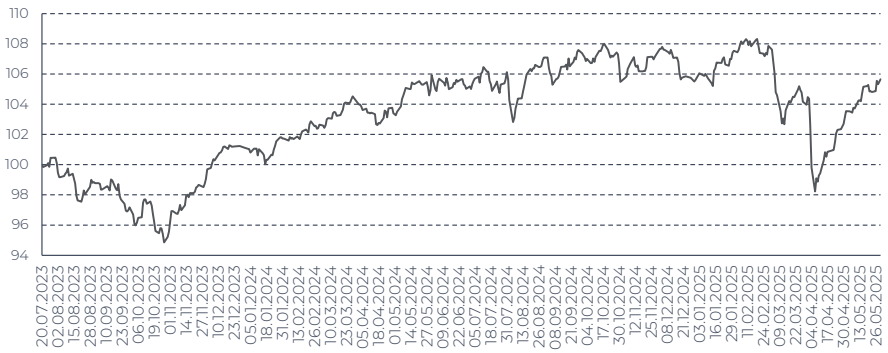
General Information

Fund name	HOW Absolute Return Fund
Share class	EUR I
ISIN	LI1278249639
Launch date	20.07.2023
Fund size	EUR 11.6mn
Last NAV	EUR 105.66
Fund type	UCITS
Investment zone	Europe and USA
Use of proceeds	Accumulation
SRI according to KID 06.05.2025	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	0.04%	1.82%	0.30%	-3.61%	-1.22%	2.88%							
2024	4.39%	0.54%	0.67%	2.06%	-1.06%	1.47%	0.09%	1.06%	0.90%	0.27%	-1.77%	1.70%	-1.54%
2023	1.18%							0.46%	-1.60%	-1.70%	-1.65%	3.65%	2.14%

Monthly Comment

Markets staged a strong rebound in May, recovering from the volatility that had characterised the beginning of the second quarter. A significant boost to investor sentiment came as trade tensions, particularly those that had weighed heavily on markets in April, eased following a breakthrough in negotiations between the United States and China. As part of the agreement, the U.S. announced a sharp reduction in tariffs on a broad array of Chinese imports, cutting the average duty from a punitive 145% down to 30%. China responded in kind, lowering its tariffs on American goods to 10%, signalling a more constructive and collaborative tone in bilateral trade relations. This policy shift was welcomed by financial markets, as the easing of trade barriers helped restore investor confidence and triggered a broad-based rally in global equities.

Reflecting this renewed optimism, major equity indices delivered robust performances in May. In the U.S., the S&P 500 gained +6.15%, while the Nasdaq surged +9.56%. European markets also participated in the rally, with the STOXX Europe 600 advancing +4.02% and the EURO STOXX 50 closing the month up +4.00%. This broad-based rebound in equities was accompanied by a notable decline in market volatility, another clear sign of improving sentiment. The VIX, which had spiked to 52.3 in early April, dropped to 17.8 by mid-May, highlighting a substantial easing in investor anxiety and reinforcing the broader recovery in risk appetite.

Despite the improved equity backdrop, U.S. Treasury yields remained elevated. While the reduction in trade-related risks offered some relief, investors remained focused on the persistent concerns surrounding the widening U.S. budget deficit and the growing supply of government debt needed to finance it, both of which continued to exert upward pressure on yields.

Meanwhile, the U.S. dollar weakened modestly over the month, as changing expectations around future interest rate policy, coupled with ongoing concerns about fiscal discipline, weighed on the currency.

The HOW Absolute Return Fund - EUR I posted a positive performance of +2.88% in May.

The main positive contributors to monthly performance, including Microsoft, delivered strong rebounds, supported by recent positive earnings momentum. HOW Made of Switzerland Fund and Seagate also rebounded solidly, the latter driven by better-than-expected Q3 earnings and the announcement of a $5 billion share buyback on May 21. Sandoz Group AG contributed positively as well.

On the negative side, Eli Lilly reported good numbers for the quarter, but optimism was tempered when the company revised its profit guidance downward. Berkshire Hathaway's performance in May was notably influenced by the announcement of Warren Buffett's planned departure as CEO by the end of the year, as well as by weaker results from Arista and a decline in the AXA 3.375% corporate bond maturing in 2034.

From an operational standpoint, we increased our equity exposure mainly by exercising expiring options and adding to selected positions after the release of stronger-than-expected earnings

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Allocation

Equity	46.20%
Bonds	50.75%
Cash	2.62%

Key Data

Highest NAV (19.02.2024)	108.33
Lowest NAV (27.10.2023)	94.85
% positive	55.07%
Best period	1.42%
Worst period	-2.78%

Annualised volatility	6.09%
Max drawdown	-9.32%
Duration	5.47
YTM	3.46%

Top 5 equity holdings

HOW Made of Switzerland Fund	6.25%
Microsoft Corp.	3.48%
BAE Systems PLC	1.94%
Berkshire Hathaway Inc.	1.91%
Arthur J. Gallagher & Co	1.84%

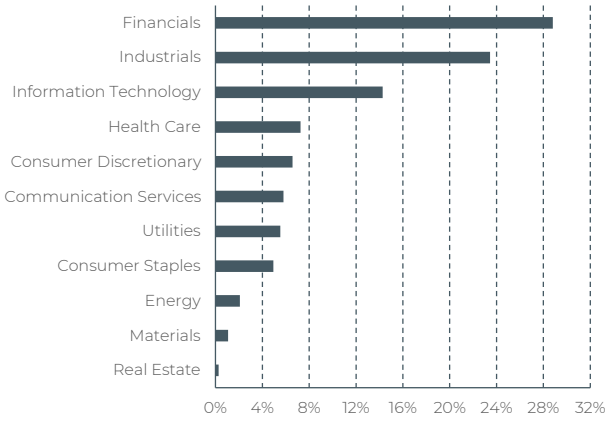
Top 5 contributors

Microsoft Corp.	0.53%
HOW Made of Switzerland Fund	0.30%
Seagate Technology Plc	0.29%
Sandoz Group Ag	0.25%
Curtiss-Wright Corp	0.22%

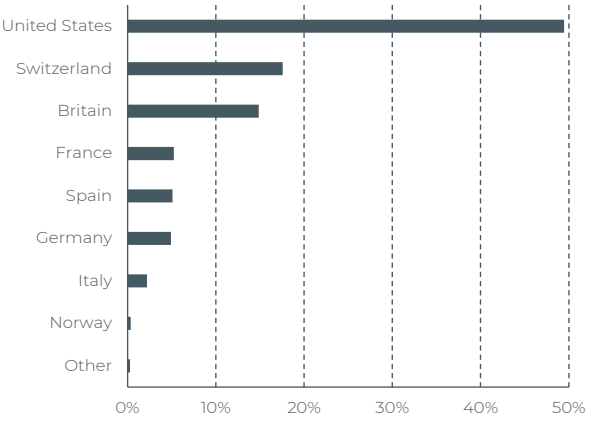
Top 5 detractors

Eli Lilly & Co	-0.22%
Berkshire Hathaway Inc.	-0.11%
Arista Networks Inc	-0.05%
Axa 3.375% 2034	-0.04%
Opt. Siemens C200 May25	-0.03%

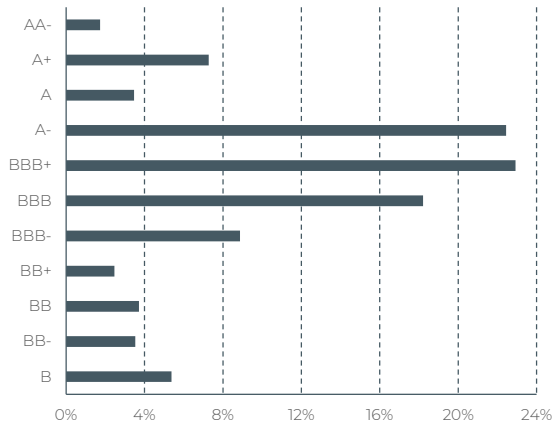
Sector breakdown (Equities)



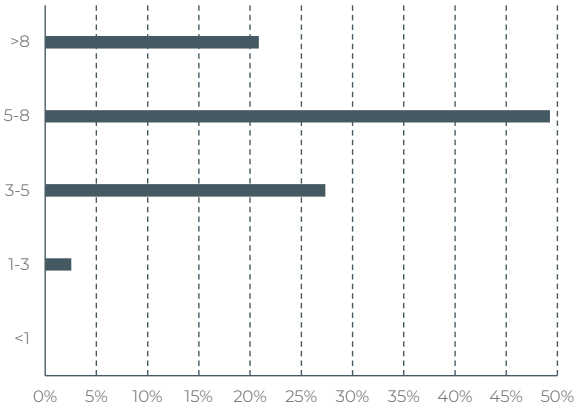
Geographic breakdown (Equities)



Ratings (Bonds)



Maturities (Bonds)



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