

HOW ABSOLUTE RETURN FUND

Factsheet – July 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.

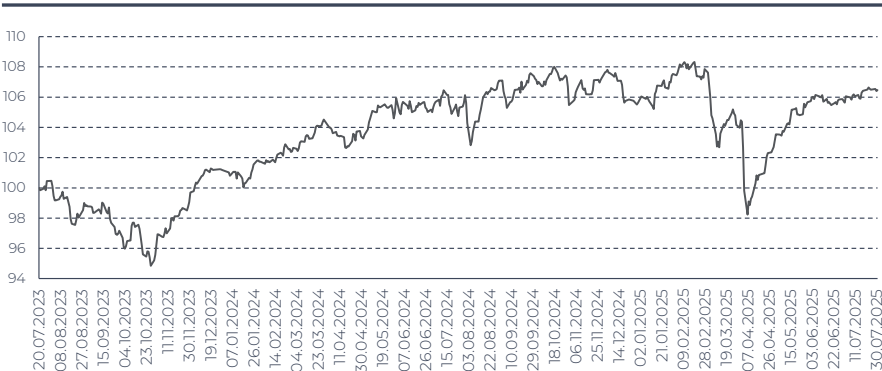
General Information

Fund name	HOW Absolute Return Fund						
Share class	EUR I						
ISIN	LI1278249639						
Launch date	20.07.2023						
Fund size	EUR 11.8mn						
Last NAV	EUR 106.47						
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	0.80%	1.82%	0.30%	-3.61%	-1.22%	2.88%	0.20%	0.57%					
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

July continued the positive momentum across global equity markets, supported by corporate earnings that generally exceeded expectations, a backdrop of subdued volatility, and easing concerns over tariff disputes. US equities advanced in July, supported by strength in technology stocks and greater clarity on the trade tariff front. In the run-up to the 1 August deadline, the US reached tariff agreements with several major trading partners, easing concerns over potential trade disruptions. Further momentum came from the political arena, as the House of Representatives approved President Trump's flagship tax and spending package, known as the "Big Beautiful Bill."

The S&P 500 advanced +2.3%, supported by broad-based gains across most sectors, while the Nasdaq Composite outperformed with a +3.7% increase, driven in particular by strength in large-cap technology names and continued investor enthusiasm for artificial intelligence-related themes.

Elsewhere, some more defensive sectors – including healthcare and consumer staples – underperformed during July, with healthcare weighed down by renewed regulatory pressures on drug pricing and consumer staples facing margin headwinds from higher input costs.

Eurozone equities posted modest gains in July, with the STOXX Europe 600 up +0.88% and the EURO STOXX 50 ahead by +0.31%, supported by easing concerns over tariffs and a number of positive corporate earnings announcements.

Among the best-performing sectors were healthcare and financials. Healthcare stocks benefited from upbeat quarterly results and the improved trade outlook, while in the financial sector, several European banks delivered earnings that exceeded market expectations.

In July, investor attention centered on trade negotiations and a resurgence of concerns over fiscal discipline, both of which pushed global government bond yields higher, as yields move inversely to prices. In contrast, corporate bonds delivered stronger returns, supported by improving economic sentiment and a more constructive outlook for credit risk.

In July, both European and U.S. equity markets experienced a period of remarkable calm and composure. In the U.S., the famed VIX — often dubbed the "fear gauge" of Wall Street — declined to around 15 as the month drew to a close, settling well below its longer-term average and reflecting a surprisingly tranquil investor mindset despite looming geopolitical and fiscal headwind.

In this environment, the HOW Absolute Return Fund – EUR I delivered a +0.57% return for July.

The main positive contributors to performance in July were Microsoft, Arista Networks, Alphabet, and Meta. Microsoft's shares advanced after the company reported quarterly results that exceeded market expectations, with strong growth in its cloud business and continued momentum in AI-related services. Arista Networks also delivered robust earnings, driven by sustained demand for its networking solutions from hyperscale data center customers. Alphabet posted better-than-expected revenues, supported by a recovery in digital advertising and solid growth in its cloud division. Meta benefited from strong user engagement across its platforms and higher advertising revenues, underscoring the company's ability to monetize its growing audience base effectively.

The main negative contributors in July were the US dollar hedge against the Euro, Arthur J. Gallagher, the short position on the S&P 500, and BAE Systems. Arthur J. Gallagher came under pressure following a mixed quarterly earnings release, where revenue growth slowed and margins came in slightly below expectations. BAE Systems also detracted after the stock eased from recent highs, with investors locking in profits despite solid fundamentals in the defence sector.

From an operational perspective, July was a relatively quiet month. We made only minor adjustments to position sizes, primarily to rebalance holdings in response to market reactions following the release of quarterly results.

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Allocation

Equity	40.40%
Bonds	50.47%
Cash	5.10%

Key Data

Highest NAV (19.02.2024)	108.33	Annualised volatility	5.88%
Lowest NAV (27.10.2023)	94.85	Max drawdown	-9.32%
% positive	55.24%	Duration	5.3
Best period	1.42%	YTM	3.45%
Worst period	-2.78%		

Top 5 equity holdings

HOW Made of Switzerland Fund	6.24%
Microsoft Corp.	2.58%
BAE Systems PLC	2.13%
Munchener Ruckversicherungs AG	1.96%
Berkshire Hathaway	1.93%

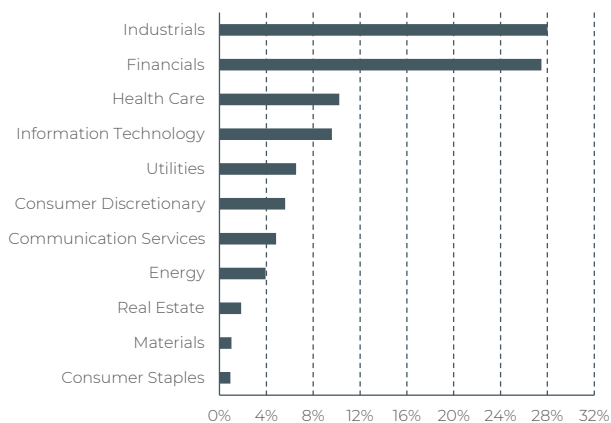
Top 5 contributors

Microsoft Corp.	0.28%
Arista Networks Inc	0.20%
Alphabet Inc	0.15%
Meta Platforms Inc	0.11%
KKR & Co Inc	0.11%

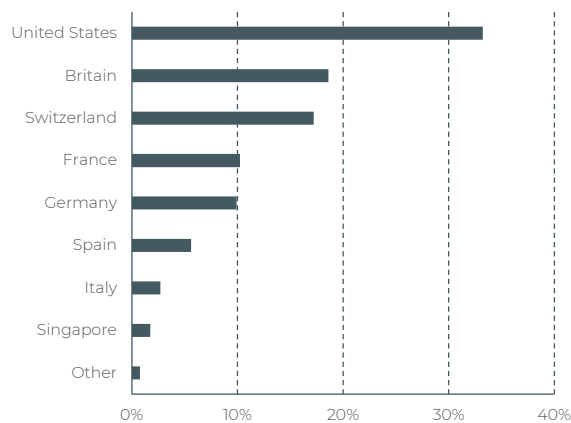
Top 5 detractors

FX FWD USD/EUR	-0.42%
Arthur J. Gallagher & Co	-0.14%
Fut. E-Mini S&P 500 Sep25	-0.11%
BAE Systems PLC	-0.10%
Iberdrola SA	-0.09%

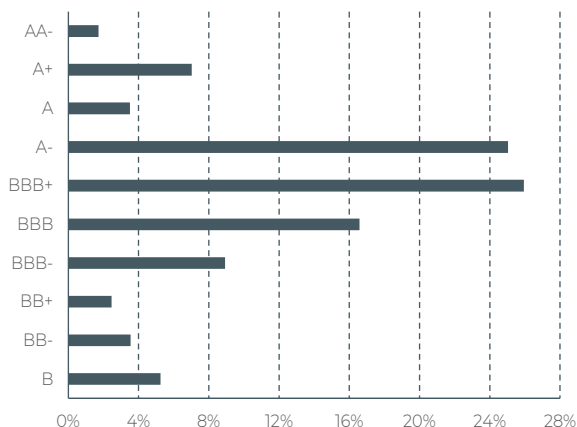
Sector breakdown (Equities)



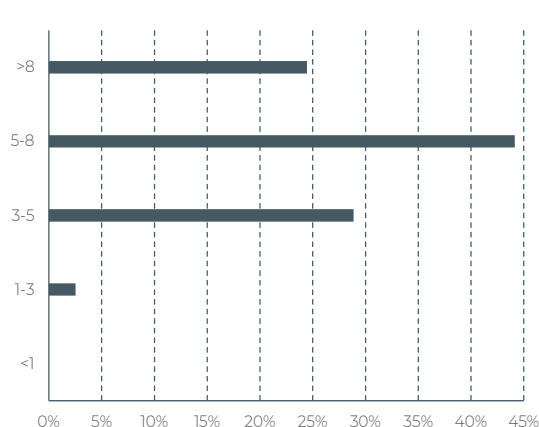
Geographic breakdown (Equities)



Ratings (Bonds)



Maturities (Bonds)



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