

# ESG EQUITY ABSOLUTE RETURN FUND – CLASS A1

Monthly Report – February 2024

## STRATEGY OBJECTIVE

The objective of the Compartment is to achieve a long term positive absolute return by integrating environmental, social and governance (“ESG”) considerations with a short-term moderate risk through a combination of capital growth and income.

The following guidelines apply:

- The fund will invest mainly in global large capitalization stocks with a focus on the US and Europe.
- Around 50% in Total Return Swaps having global stocks as main reference assets.
- ESG score corresponds to a rating between best (AAA or equivalent) and worst (CCC or equivalent): the average ESG rating of the investments will be BBB (or equivalent) or higher.
- Exclude companies that are involved in very severe ESG controversies, with the goal to invest the larger part of assets in companies with minor or moderate controversies.

The fund is actively managed without a benchmark.

## MANAGER’S COMMENT

February marked another positive month for the majority of global markets, propelling all major developed indices to new highs: the S&P 500 increased by 5.17%, nearing the 5200 level, the STOXX 600 rose by 1.84% to approach the 500 level, and the NIKKEI added another 8%, closing in on 40,000. China also saw gains, with the CSI 300 up by 9.4% and the HSI by 6.6%. On the whole, the MSCI World index advanced by 4.3% and the MSCI EM approached 5%. The leading force behind the uptrend in the US was once again Artificial Intelligence, with Nvidia and SMCI ranking among the top performers of the month and the year.

In the United States, Federal Reserve members maintained a hawkish stance, signaling higher rates for a longer period. The expectation for 2024 now includes three rate cuts, down from seven anticipated at the end of last year. A similar outlook holds for the Bank of England, while the ECB is expected to be more aggressive with four cuts this year. The market has delayed the first rate cut from March to June.

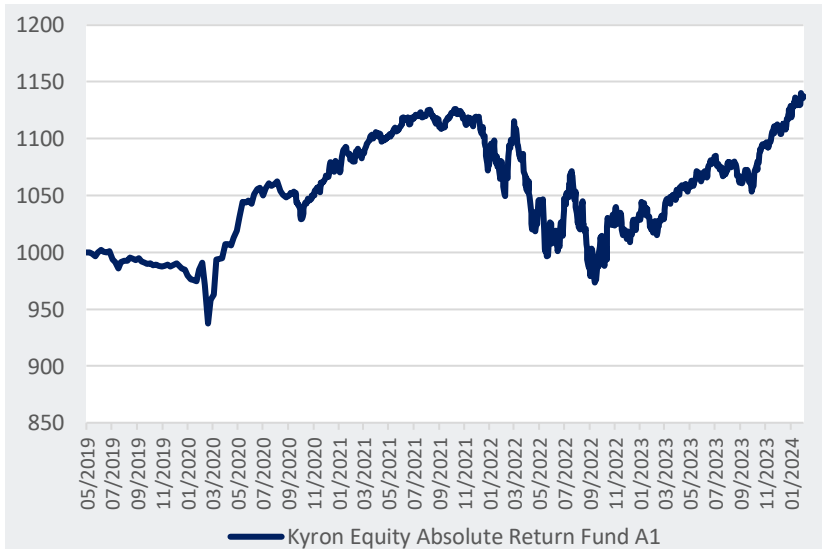
The earnings season outperformed expectations, with a Q4 '23 earnings growth rate of 4%, bolstering the equity market rally despite rising bond yields across all maturities, both government and corporate, except for high yield: the 10-year US Treasury yield climbed to 4.3%, and the Bund yield to 2.5%.

The US economy's hard data showed signs of weakness: retail sales fell by 0.8% and industrial production by 0.1%, with the previous month's figures revised downward to 0.1% from 0.6% and to -0.3% from 0.1%, respectively. Inflation continued to decelerate, with the headline CPI at 3.1% compared to 3.4% the previous month, while the unemployment rate was 3.7%, slightly below the anticipated 3.8%.

## FACTS

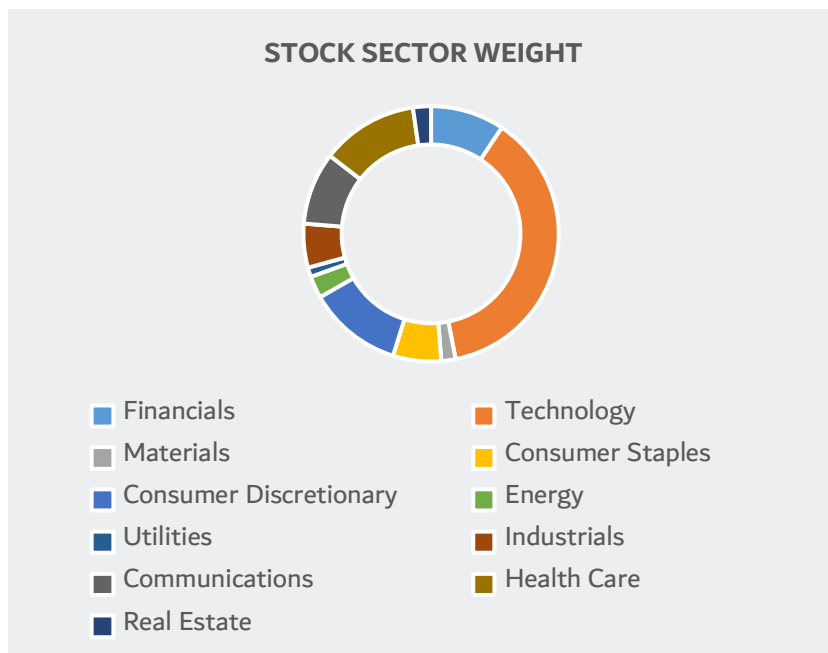
ISIN Code	LU1918787364
Share Class	Accumulation A1
Currency	USD
Regulation	UCITS
ManCo & Investment Manager	AISM
Depository Bank	CACEIS
Auditor	Mazars
Benchmark	No
Share Class Hedging	No
Inception Date	May 29th, 2019
Valuation	Daily
Cut-Off Time	10:00AM CET
Settlement	Up to 3 business days
Minimum Investment	50'000 USD
Management Fee	1.00%
Performance Fee	10% of positive perf. with HWM

Metric	Kyron ESG EAR
Average ESG rating	A
P/E	26.0
Dvd yield	2%
Net exposure	68%

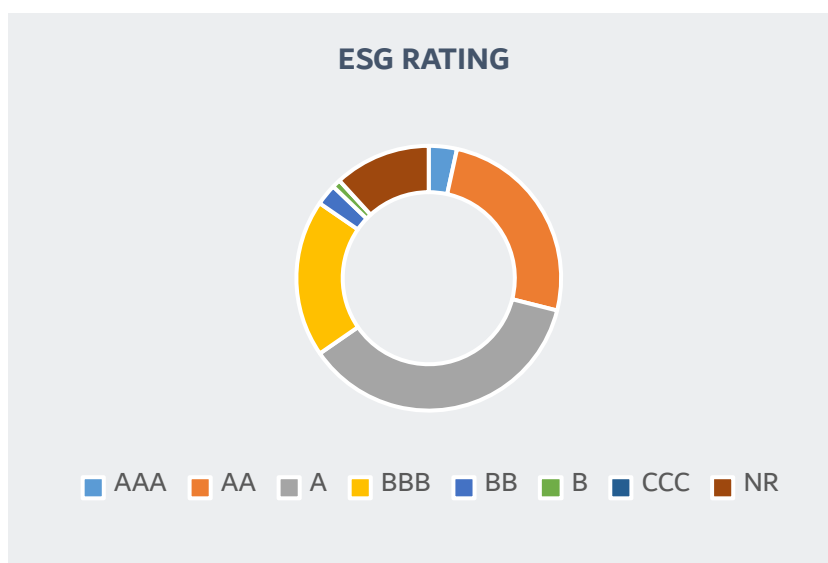


	Q1	Q2	Q3	Q4	YTD
2019		0.0%	-0.7%	-0.4%	-1.1%
2020	-3.2%	9.1%	0.5%	1.6%	7.8%
2021	2.0%	2.3%	-0.2%	0.7%	4.8%
2022	-1.0%	-9.0%	-2.8%	4.0%	-8.9%
2023	2.5%	2.5%	-0.7%	4.6%	9.1%
2024	2.3%				2.3%

SINGLE STOCKS BY SECTOR	Net Sector Weight
Financials	6%
Technology	26%
Materials	1%
Consumer Staples	4%
Consumer Discretionary	8%
Energy	2%
Utilities	1%
Industrials	4%
Communications	6%
Health Care	8%
Real Estate	2%



ESG RATING	Net Sector Weight
AAA	5.5%
AA	18.1%
A	24.3%
BBB	18.0%
BB	0.5%
B	0.5%
CCC	-
NR	7.9%



DERIVATIVES OVERLAY	Net Strategy Weight
Dividends	0.6%
Macro	-27.8%
Stock options	-

TOP FIVE FUNDS/STOCKS	WEIGHT
MICROSOFT CORP	6.8%
APPLE INC	6.0%
KYRON-SUS L/S EUR EQ FD-A1HD	5.1%
NVIDIA CORP	4.6%
ALPHABET INC-CL A	3.9%

RISK MEASURE	Kyron ESG EAR
Value-At-Risk (99%, 20 days)	4.3
Ex-Ante Volatility	9.2

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