

# ESG EQUITY ABSOLUTE RETURN FUND – CLASS A1

Monthly Report – August 2023

## 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

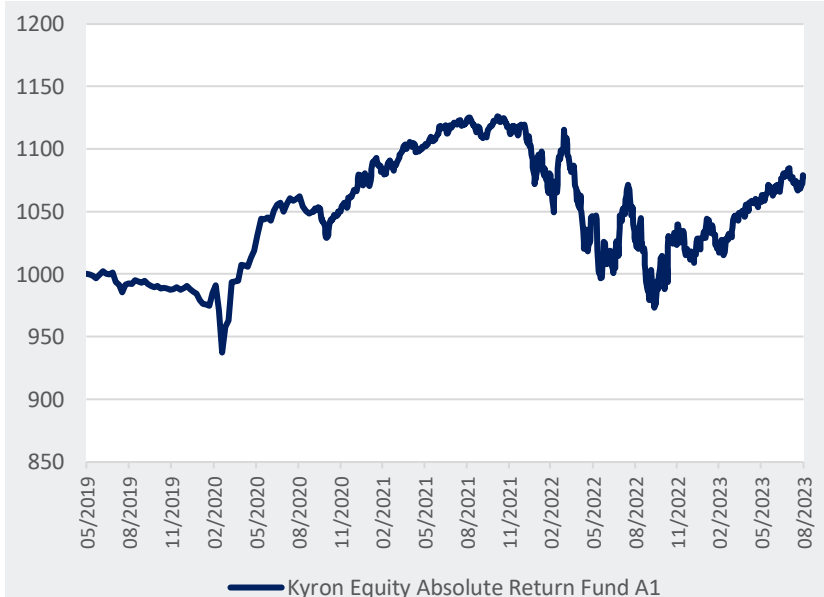
In August the market took a breathing from the June and July rally and after five months of positive returns. The S&P 500 Index closed the month with a loss of -1.8% and Nasdaq -2.2%. The loss would have been greater without the mini rally in the last week of the month. The downturn followed the downgrade of Fitch on US debt, occurred the first day of August, and the idea that the last rate hike in July was not so obvious among FED members. The 10Y Treasury yield reached a peak in the middle of the month, before retracing in the second part of it, in opposite direction vs the equity market.

From an economic point of view, the July Core and Headline inflation on a monthly basis (CPI MoM) came in line with expectation (+0.2%) and similar to the previous month, while Production Prices (PPI) were a little bit higher (0.3% vs 0.2% expected). Retail sales (+1% vs 0.4% expected) and Industrial Production (1% vs 0.3% expected) were resilient, while Manufacturing PMI didn’t give signs of rebounding, being below the line of 50 that signals a contraction. Durable goods orders were -5.2% (vs -4% expected) and the University of Michigan Sentiment (69.5) printed a lower than expected number (71.5).

## FACTS

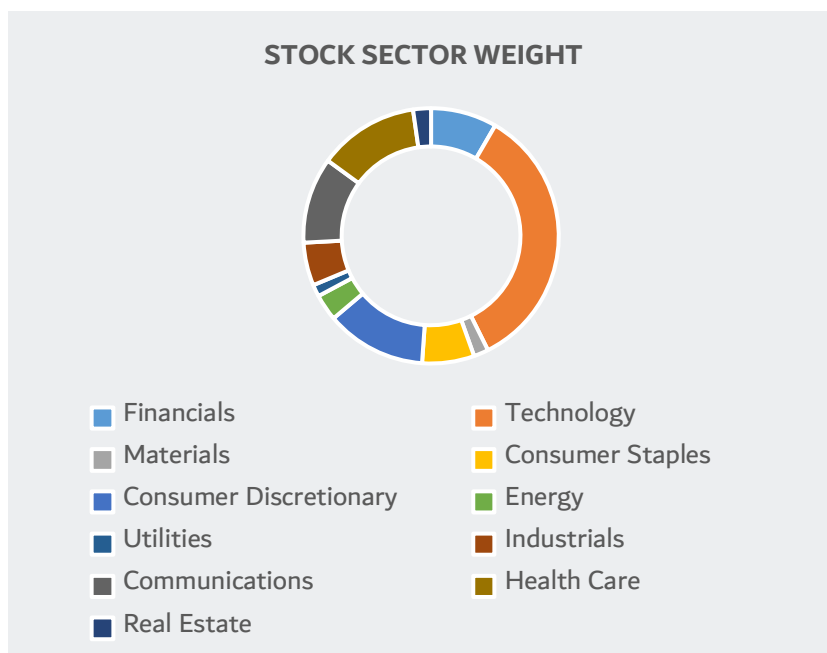
|                            |                                |
|----------------------------|--------------------------------|
| ISIN Code                  | LU1918787364                   |
| Share Class                | Accumulation A1                |
| Currency                   | USD                            |
| Regulation                 | UCITS                          |
| ManCo & Investment Manager | AIMS                           |
| 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                | 24.9          |
| Dvd yield          | 2%            |
| Net exposure       | 65%           |

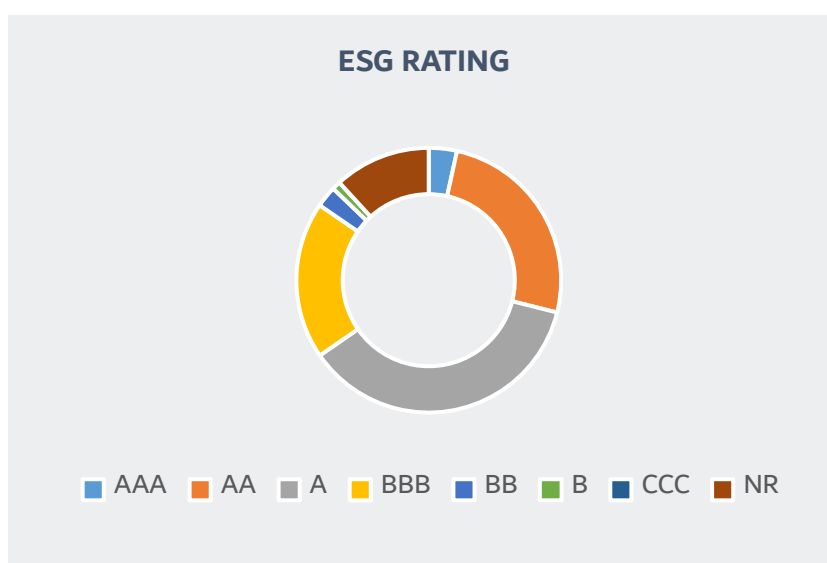


|      | Q1    | Q2    | Q3    | Q4    |       |
|------|-------|-------|-------|-------|-------|
| 2019 |       | 0.0%  | -0.7% | -0.4% | -1.1% |
| 2020 | -3.2% | 9.1%  | 0.5%  | 1.6%  | 7.8%  |
| 2021 | 2.0%  | 2.3%  | -0.2% | 0.7%  | 4.8%  |
| 2022 | -1.0% | -9.0% | -2.8% | 4.0%  | -8.9% |
| 2023 | 2.5%  | 2.5%  | 0.8%  |       | 5.9%  |

| SINGLE STOCKS BY SECTOR | Net Sector Weight |
|-------------------------|-------------------|
| Financials              | 5%                |
| Technology              | 22%               |
| Materials               | 1%                |
| Consumer Staples        | 4%                |
| Consumer Discretionary  | 8%                |
| Energy                  | 2%                |
| Utilities               | 1%                |
| Industrials             | 4%                |
| Communications          | 7%                |
| Health Care             | 8%                |
| Real Estate             | 1%                |



| ESG RATING | Net Sector Weight |
|------------|-------------------|
| AAA        | 3.8%              |
| AA         | 16.1%             |
| A          | 24.4%             |
| BBB        | 18.0%             |
| BB         | 0.5%              |
| B          | 0.7%              |
| CCC        | -                 |
| NR         | 7.9%              |



| DERIVATIVES OVERLAY | Net Strategy Weight |
|---------------------|---------------------|
| Dividends           | 3.2%                |
| Macro               | -32.8%              |
| Stock options       | -                   |

| TOP FIVE FUNDS/STOCKS        | WEIGHT |
|------------------------------|--------|
| APPLE INC                    | 6.5%   |
| MICROSOFT CORP               | 5.6%   |
| KYRON-SUS L/S EUR EQ FD-A1HD | 5.4%   |
| ALPHABET INC-CL A            | 5.0%   |
| AMAZON.COM INC               | 3.9%   |

| RISK MEASURE                 | Kyron ESG EAR |
|------------------------------|---------------|
| Value-At-Risk (99%, 20 days) | 3.8           |
| Ex-Ante Volatility           | 7.6           |

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