

Fund factsheet

31/03/2024

Structure

Société d'investissement
à Capital Variable
(SICAV)

Regulatory status

UCITS

Fund launch date

14/09/2020

Benchmark

None. Can use MSCI Europe
as comparator

Fund size (EUR)

€389m

Number of holdings

47

Dealing frequency

Daily

UCITS ManCo.

Altum Management
Company (Lux) S.A.

Yield (projected 2024¹)

4.66%

Yield (historic - 2023¹)

I Acc €4.24 / 2.68%
I Inc €3.50 / 3.44%

Initial charge

N/A

Performance fees

N/A

Ex-dividend date

29th December 2023



Fund manager

Rob Burnett has managed the Lightman European Equities Fund since launch on 14th September 2020. He has managed European equity funds since 2005.

Fund aim and objectives

The investment objective is to provide capital growth and to generate positive Environmental, Social and/or Governance (ESG) momentum, over the long term (in excess of 5 years). The investment manager will primarily invest the fund's assets in the shares of companies listed and domiciled in Europe, maintaining a concentrated portfolio of approximately 40-50 holdings. The investment manager seeks to invest in undervalued companies with positive operational momentum. ESG factors will also be incorporated in the analysis by adjusting standard financial metrics to reflect the impact of selected ESG factors.

Fund Commentary

Equities have been supported by central bank liquidity recently, but we believe this will not be the case from the second quarter of 2024. Whilst quantitative tightening has continued, the Fed's Reverse Repo Facility has injected \$2tn of liquidity into financial markets over the last 12 months. This liquidity has likely been an important force driving the outperformance of large-cap growth stocks in the US and the outperformance of Technology globally.

After the continuing liquidity creation of the first quarter, we see a levelling off and contraction for the remainder of the year. Our analysis suggests that this change will shift the leadership within the equity market, away from Technology and more decisively towards value sectors.

We view the mania attached to AI as excessive and believe expectations will not match reality in 2024. We see limited identifiable value creation from the technology as it currently stands and a slow roll-out speed, leading to earnings disappointments in associated companies.

Energy and Metals & Mining lagged in 2023. They have shown themselves to be insensitive to liquidity conditions, not benefitting as liquidity expands but also not suffering as liquidity contracts. We see a strong outlook for many companies in these sectors in 2024.

Investors expect rate cuts in the US and Europe over the next year. Could this amount to a significant tailwind for growth-style investing and a headwind for value? We would say no. It is the long end of the yield curve that matters for valuation, not the short end. Whilst the Fed can cut interest rates at the short end, it cannot drive down interest rates at the long end. As we have discussed in previous notes, the supply of bonds in the coming years is so high relative to demand that it is hard to see long bond yields falling much more, even in a recession.

Whilst 2024 looks like a more challenging year for the index than 2023, we believe the Fund can deliver positive absolute and relative returns.

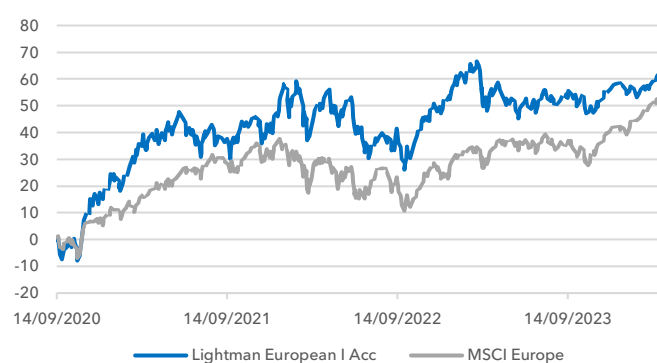
Sector breakdown		Top 10 countries		Top 10 holdings	
Materials	19.04%	France	19.82%	Shell	4.86%
Energy	17.56%	Netherlands	10.92%	Telefonica	4.41%
Communication Services	15.18%	Norway	10.60%	GALP Energia	4.24%
Financials	14.68%	Sweden	9.07%	Orange	4.03%
Industrials	11.29%	Switzerland	7.31%	Antofagasta	3.90%
Healthcare	9.49%	Germany	6.13%	Roche	3.77%
Consumer Staples	8.11%	Denmark	4.93%	Vallourec	3.36%
Cash	3.85%	Australia	4.91%	Koninklijke	3.21%
Consumer Discretionary	0.80%	Finland	4.59%	Carrefour	3.10%
Utilities	0.00%	Spain	4.41%	Sandoz	2.96%

Fund share classes

Share class	OCF (capped)	SEDOL	ISIN	Bloomberg	Min. initial investment	Min. subsequent investment	Regular saving
Institutional (Acc)	0.8%	BMF2996	LU2214500949	LIEEFIA LX	€1,000,000	None	N/A
Institutional (Inc)	0.8%	BPBM2X6	LU2401174797	ELLEID LX	€1,000,000	None	N/A
Retail (Acc)	1.25%	BMF29C9	LU2214501673	LIEEFRA LX	€1,000	None	€100
Retail (Inc)	1.25%	BPBM2Y7	LU2401174870	ELLEERD LX	€1,000	None	€100

Performance

Since launch (%)



Cumulative (%)	1m	3m	6m	1yr	3yr	Launch
I-Acc	3.80	2.61	5.70	7.21	19.50	62.38
MSCI Europe	3.95	7.88	14.96	18.25	31.12	53.20

Calendar year (%)	2024	2023	2022	2021	2020*	2019
I-Acc	2.73	4.68	3.35	23.58	18.22	n/a
MSCI Europe	7.63	15.83	-9.49	25.13	8.51	n/a

Past performance is not an indicator of future performance. Tax treatment depends on the individuals' circumstances and may be subject to change in the future. All data as at 31/03/24 in EUR; fund prices from Northern Trust, MSCI Europe from MSCI. For periods covering part of a calendar year, performance has not been annualised: *2020 performance is from fund launch on 14/09/2020 to year end.²

What are the risks specific to this fund?

- The value of investments and the income derived from them may fall as well as rise and shareholders may not recoup the original amount they invest in the Fund.
- Funds investing in overseas securities are exposed to currency risk. Exchange rate movements may cause the EUR value of investments to increase or decrease.
- The Fund may suffer a reduction in value due to dealing costs incurred when buying and selling investments and management fee charges applied to the fund. Net yields may be lower than gross yields.

Contacts

The Key Investor Information Document (KIID) and prospectus are available in English from:

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¹ Note: 2023 yields are estimated net yields based on the period Jan - Dec 2023. Net yield is after expenses and taxes. Yield % is calculated using ex-dividend unit price as on 29/12/2023. 2024 gross yields are approximate and have been calculated based on actual stock weightings and consensus dividend yields for 2024 as available on Bloomberg.
² Performance quoted does not consider applicable taxes on the investor. Performance calculated using EUR denominated unit prices or index values as at beginning and end of periods. Fund performance is net of fees with net income reinvested. MSCI Europe values used are net return EUR index.