

# Equity - Swiss

## DGC - Swiss Excellence Class A CHF

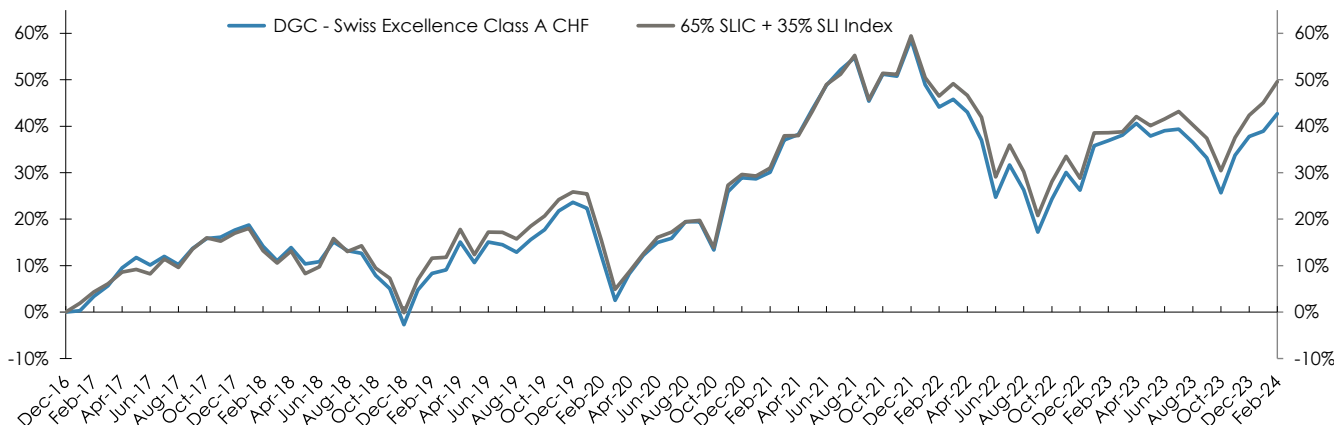
February 29, 2024



### FUND OBJECTIVE

The sub-fund is an equity long only fund. It invests in equities and equity-related products in the Swiss market. The investment objective of the sub-fund is to achieve a performance in the Swiss equity market better than the index "65% of the SLIC and 35% of the SLI" by investing in Swiss shares, certificates of shares and equity-like transferable securities.

### HISTORICAL PERFORMANCE



### MONTHLY PERFORMANCE (%) NET OF FEES

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	Index*
2024	0.80%	2.72%											3.54%	5.07%
2023	7.53%	0.81%	0.89%	1.82%	-1.93%	0.83%	0.21%	-2.04%	-2.44%	-5.63%	6.42%	3.04%	9.15%	10.54%
2022	-6.14%	-3.22%	1.14%	-1.88%	-4.22%	-8.95%	5.57%	-4.09%	-7.19%	6.08%	4.59%	-2.90%	-20.42%	-19.22%
2021	-0.18%	1.12%	5.32%	0.86%	3.93%	3.61%	2.23%	1.72%	-6.04%	3.97%	-0.28%	5.24%	23.08%	23.00%
2020	-1.01%	-8.26%	-8.69%	5.60%	3.68%	2.44%	0.78%	3.09%	0.00%	-5.11%	11.09%	2.38%	4.29%	3.00%
2019	7.67%	3.40%	0.71%	5.48%	-3.83%	3.99%	-0.50%	-1.41%	2.44%	1.84%	3.44%	1.49%	27.05%	26.01%

### STATISTICAL ANALYSIS (Since January 2017)

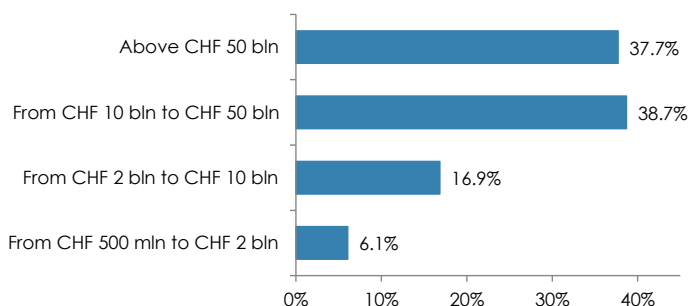
Return	Fund	Index*
Annualized return	5.1%	5.8%
% Positive Months	63%	63%

Risk	Fund	Index*
Annualized Volatility	13.6%	13.6%
Sharpe Ratio (1%)	0.30	0.35

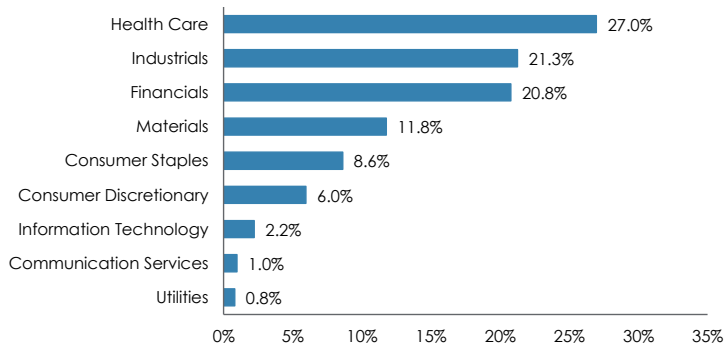
Comparison To Benchmark	Index*
Annualized Alpha	-0.6%
Beta	0.99
Correlation	0.98

Top Holdings	Weight
Novartis AG	7.51%
Roche Holding AG	6.28%
Nestle SA	6.11%
UBS Group AG	5.43%
Cie Financiere Richemont SA	5.28%
Holcim AG	4.68%
Partners Group Holding AG	3.61%
Zurich Insurance Group AG	3.59%
ABB Ltd	3.51%
Lonza Group AG	3.49%
Total number of holdings	53

### Market Cap Breakdown



### Sector Breakdown



\*Index: before December 2021 Swiss Leader Index, then 65% SLIC + 35% SLI

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### FUND COMMENTARY

"Free Bird" – Lynyrd Skynyrd

Out of its cage, a bird is free to fly high, with no limits in sight; we've witnessed many market birds enjoying this experience in February 2024, with no less than 9 major equity indices breaking through their all-time highs: the S&P 500, the Dow Jones, the Nasdaq 100, the DAX, the CAC, the Swedish OMX, the Dutch AEX, the Japanese Topix, and, as a symbol, its Nikkei sibling, which finally bettered its 1989 mark. As a consequence, the MSCI World also reached an all-time high. The unabated optimism around AI continues to drive equity markets to the upside, thanks to the very convincing results and forecasts delivered by the thematic's behemoths like Nvidia, Meta, Microsoft and Amazon; it is although worth pointing out that, at least up to now this year, the Magnificent 7 have lost three comrades-in-arms (Apple, Alphabet and Tesla are in negative territory) and have morphed into the "Fabulous 4". The earnings season being almost done, we can draw some conclusions out of it: results have mostly been very good, and very few companies showed serious concerns about the business in 2024. Although positive, the tone was nevertheless not exhilarating, apart for the majority of those companies very much involved in AI. The steady performance of equities is even more eye-popping when looking at interest rates moves this year: 10 year yields have gone up significantly (almost 40 bps for the US and Germany), as rate cuts expectations get further delayed due to the strong economy and resistant inflation, especially in the US. This has translated into a steady USD (respectively up 2.2%, 6.4% and 1.2% versus the EUR, the JPY and the CNY) and sustained oil prices (+9.2% so far this year). Growth stomps on Value, again, and due to the incredible rise of the big Growth names, it is striking to see that the S&P 500 has performed roughly in line with the Nasdaq 100, whereas the MSCI World Growth outpaces the MSCI World Value by 370 bps year to date. But let's not spoil the party and enjoy these good markets; "Won't you fly, high, Free Bird, Yeah!" as the legendary Lynyrd Skynyrd song says.

Swiss Excellence was up 2.72% (DPM class) in February versus +3.13% for the benchmark, made up of 65% of the Swiss Leader Index Total Return (SLIC) and 35% of the Swiss Leader Index (SLI). On a year-to-date basis, the fund is up 3.54% and the benchmark +5.07%.

The fund underperformed its benchmark last month. While all sectors were in positive territory, communication services, consumer staples, and utilities were exceptions. In relative terms, the fund's underexposure to Alcon, ABB, Cie Financiere Richemont, VAT, Lonza, Swiss Re, and Sika, as well as a small overexposure to UBS, alongside with exposure to Adecco and Romande Energie, were the primary reasons for the underperformance. The largest contributors to the fund's performance were Sulzer (+23.5%), Alcon (14.9%), Georg Fischer (+12.7%), Cembra Mooney Bank (+12.6%), ABB (+11.0%), Cie Financiere Richemont (+9.0%) and Holcim (+9.0%).

In February, the SMI, SLI, and SPI Extra demonstrated performance gains of 0.93%, 3.13%, and 0.74%, respectively.

This month, companies continued to share their annual results and we had some positive surprises. Roche 4Q23 revenue fell short of expectations mainly due to currency headwinds but their FY23 target topped estimates. ABB gave a mixed 4Q23 result due to its figures being slightly ahead of the consensus on revenues but very marginally missed the consensus estimates on operational EBITA. As expected, FY 2023 was a transition year for UBS due to the Credit Suisse takeover, but the DPS proposal is higher as consensus expectations including new share buy-back announcement and the targets for FY2026 have already been confirmed. Sika's profitability figures came in-line with expectations, but they provided a strong outlook for 2024. Swiss companies continue to achieve long-term profit targets despite the persistent global economic uncertainty.

Swiss Excellence now has a median market capitalisation of CHF 10.9bln, the largest position being Novartis (7.5%) and the smallest Medacta (0.4%). The main overweight sector is industrials (21.3% of the portfolio versus 13.3% for the benchmark), and the main underweight is consumer discretionary (6.1% versus 10.3%). 23% of the portfolio is made up of companies with a market capitalisation of less than CHF 10 bln and 6% of our investments have a market capitalisation of less than CHF 2 bln. Our top 5 positions are Novartis, Roche, Nestlé, UBS and Cie Financière Richemont. The Swiss Excellence strategy, i.e. the DGC Swiss Excellence fund and NS (CHF) Funds Swiss Excellence fund, now totals CHF 109.3 million.

### GENERAL INFORMATION



<b>Fund Inception</b>	2-Jan-2017	<b>Subscription</b>	Daily	<b>Fund Domicile</b>	Luxembourg
<b>AUM (CHF)</b>	44 853 641	<b>Redemption</b>	Daily (1 Business Days)	<b>Inv. Manager</b>	NS Partners SA
<b>Strat. AUM (CHF)</b>	109 300 000	<b>Management Fee</b>	1.25%	<b>Administrator</b>	Apex Fund Services S.A.
<b>Share classes</b>	USD EUR CHF GBP	<b>Performance Fee</b>	10.00%	<b>Auditor</b>	PricewaterhouseCoopers, Lux.
<b>Investment Min</b>	None	<b>NAV</b>	142.70	<b>Custodian</b>	UBS Europe SE, Lux. Branch
<b>ISIN (A CHF)</b>	LU1479929470	<b>Fund Type</b>	UCITS V	<b>SFDR Classification</b>	Article 8

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