

BPI OPPORTUNITIES FUND

PERFORMANCE REVIEW

During the first quarter, favorable economic indicators supported risk assets. In the US, GDP for the last quarter of 2023 recorded growth of 3%, and the labor market continued its trend of normalization. However, inflation data exceeded expectations. In Europe, although GDP growth in the last quarter was marginal, some leading economic indicators started to show improvements. Consequently, economic data reinforced investors' expectations regarding the robustness of the economy, and global equity markets posted strong returns in the first quarter, with gains spread across various sectors. The US particularly benefited from the continued optimism regarding the potential positive impact of generative artificial intelligence on future productivity. Europe also benefited from the expectation of accelerated growth.

In the portfolio, communication services sector led gains, with Meta and Alphabet delivering returns of 37.3% and 15.8%, respectively. In the IT sector, companies from the semiconductor industry such as ASML and KLA continued the strong momentum from last year, gaining both more than 20%. Additionally, companies from more cyclical sectors, such as Fastenal and Copart in the industrial sector, and Hermes and Inditex in the discretionary consumer sector, performed well. On the other hand, companies from more defensive sectors, such as consumer staples, had more modest returns.

FUND INFORMATION

Portfolio Managers:

Luís Alvarenga
Rui Araújo

Strategy AUM (€):

202.7 Million

Share Class:

Class I

Minimum Investment:

EUR 250 000

Strategy Inception Date:

November 2018

Fee Structure:

Management Fee: 1%

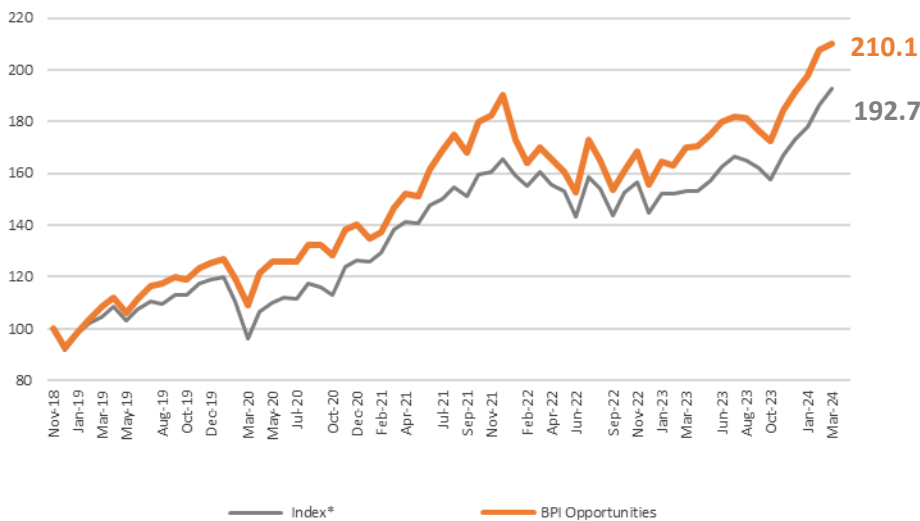
Bloomberg Code:

BPIOPPI LX Equity

ISIN Code:

LU0220377575

EVOLUTION SINCE STRATEGY INCEPTION



*: The fund has no official benchmark. The reference index is the MSCI World Net Total Return (MSDEWIN Index)

INVESTMENT CASES

1. Arista Networks

Arista Networks is a leading player in the software-driven cloud networking sector, specializing in high-speed data center Ethernet switches. The company develops high-performance cloud networking solutions, including switches, routers, and Wi-Fi software. Its low-latency switches cater to high-frequency trading platforms, large internet companies, and cloud service providers, reducing networking costs. The company is an industry leader in data-driven, client-to-cloud networking for large data center, campus, and routing environments.

Arista Networks possesses a distinctive edge in the cloud networking sector, primarily driven by its technological superiority, market leadership, and customer-centric approach. Key strengths include its purpose-built cloud networking platform, broad and differentiated product portfolio, single binary image software, rapid innovation capabilities, deep customer understanding, and a strong management team. Over the past 3 years, the company has seen its ROIC gradually increasing in a consistent way, coming from a ROIC of 20% in 2020 to 36% in 2023.

Arista Networks has delivered an annual sales growth of 10-15% annually with strong cash flow generation and expects a higher than peer group growth in the long term of a 15% p.a. (2022-27 growth outlook). Arista Networks is well-positioned in the rapidly growing cloud switching market, particularly in segments like cloud/400G. It stands to benefit from the generative AI megatrend and a potential recovery in 400G cloud spending.

2. Applied Materials

Applied Materials is a leading provider of manufacturing equipment, services, and software to manufacturers of semiconductor wafers and chips, flat panel LCDs, solar PV cells and modules, and other electronic devices. The company operates in three main segments: Silicon Wafer Fab Equipment Group, Applied Global Services, and Display. Applied Materials is renowned for its expertise in materials engineering, enabling customers to produce cutting-edge chips and advanced displays on an industrial scale.

Applied Materials holds a dominant position in the semiconductor manufacturing equipment market due to its broad product portfolio, technical prowess, and robust service and support. Its leadership in materials engineering allows it to deliver innovative solutions that cater to evolving customer needs and drive technological advancements.

The company's expertise in nanomanufacturing technology positions it as a key player in meeting the demands of industries such as AI, IoT, 5G networks, and smart vehicles. Additionally, the growing demand for larger, higher-resolution displays in TVs and mobile devices presents significant opportunities for Applied Materials in the display segment. Moreover, the company anticipates sustained investment in semiconductor capital spending, driven by technology transitions to smaller dimensions and increasing demand for advanced chip architectures.

Over the past three years, the company recorded a ROIC persistently high and stable between 35% and 38%, with operating margins around 30%. Furthermore, Applied Materials exhibits a robust balance sheet, characterized by a negative net debt position, indicating financial strength and stability. Additionally, the company demonstrates strong cash generation capabilities, further solidifying its competitive advantage and positioning it for sustained growth and profitability.

3. Paychex

Paychex is a leading provider of integrated human capital management solutions for small- to medium-sized businesses in the US. Paychex' Management Solutions unit (large majority of revenues) provides payroll processing, tax administration and other outsourced HR services. The company's Professional Employer Organization (PEO) and Insurance Services unit provides a range of payroll and HR services through a co-employment relationship and a variety of insurance services through a network of carriers. They also generate interest income by investing its clients' payroll and tax funds before remittance to the appropriate third parties.

The Company is the only US nationwide payroll provider specialized on small businesses with fewer than 100 employees. The Company serves more than 650.000 small business clients that together employ around 11M people across the US.

The Company has 50% of revenues from payroll software (payroll software is a mature business and includes payroll processing). Outsourcing services (includes the administration of the payroll function, insurance, compliance, and employee benefits) account for the remaining half.

Paychex differentiates from others through its dominance in the small business segment, innovative HR outsourcing technology and the expertise of the highly trained HR consultants. Its payroll software is widely recognized as industry-leading in terms of quality, features and functions. Additionally, the Company's field sales force is the only one covering the US nationwide, enabling superior client service and cross-selling. The company also has a very strong brand recognition and referral partnerships.

The higher cost and complexity of switching providers in the small business segment support a greater pricing power and a client's retention rate greater than 80%. Furthermore, cost advantages resulting from superior scale support Paychex' competitive position. Industry leading margin as smaller businesses with less than 25 employees do not require much service but cannot entirely rely on a do-it-yourself software solution either. Paychex's business model benefits from highly visible recurring revenue and cash flow from more than 600.000 small business clients and consistently returns cash to shareholders.

Companies' ROIC has been persistently high and very stable over the past 5 years, always between 30%-35%, with operating margins of 35-40%. The Company needs little working capital resulting in a high cash conversion.

Paychex has generated a positive sales growth over the last 10 years of 8% p.a. The growth strategy is to sell outsourcing services across its installed base, where the penetration is still low. It's strong balance sheet with negative net debt offers flexibility to potentially acquire other assets in the market and strategically position itself to benefit from the growth of online/SAAS payroll and broader HCM solutions.

PERFORMANCE

	1Y	3Y	Strategy Inception
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Net Total Return**

BPI Opportunities	23.5%	12.8%	15.0%
Reference Index*	25.9%	11.7%	13.1%

Volatility

BPI Opportunities	10.0%	16.7%	16.4%
Reference Index*	9.4%	14.0%	15.9%

Information Ratio

BPI Opportunities	0.32	0.24	0.31
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*: The fund has no official benchmark. The reference index is the MSCI World Net Total Return (MSDEWIN Index). All information is provided by Bloomberg and the representative weights are taken from the iShares MSCI World ETF;
**: Returns for time periods of more than one year are historical annual compounded total returns while returns for time periods of one year or less are cumulative figures and are not annualized.

HISTORICAL RETURNS

	2019		2020		2021		2022		2023		2024	
	Fund	Index*	Fund	Index*	Fund	Index*	Fund	Index*	Fund	Index*	Fund	Index*
Jan	6.52%	7.38%	1.36%	0.67%	-3.68%	-0.29%	-8.94%	-3.92%	5.59%	5.22%	3.42%	2.91%
Feb	5.34%	3.80%	-6.03%	-7.64%	1.67%	2.66%	-5.27%	-2.72%	-0.70%	-0.05%	5.01%	4.63%
Mar	4.71%	2.74%	-8.48%	-13.14%	6.75%	6.71%	3.54%	3.72%	4.20%	0.63%	1.05%	3.42%
Apr	3.06%	3.74%	11.08%	11.12%	3.78%	2.18%	-2.66%	-3.29%	0.17%	0.14%		
May	-5.18%	-5.23%	3.87%	3.22%	-0.47%	-0.12%	-3.03%	-1.45%	2.79%	2.52%		
Jun	5.00%	4.30%	0.10%	1.66%	6.91%	4.64%	-4.67%	-6.41%	2.88%	3.63%		
Jul	4.21%	2.79%	0.02%	-0.48%	4.56%	1.80%	13.13%	10.67%	0.99%	2.28%		
Aug	1.16%	-0.96%	4.79%	5.48%	3.33%	2.95%	-4.45%	-2.84%	-0.15%	-0.84%		
Sep	1.79%	3.16%	0.17%	-1.53%	-3.96%	-2.37%	-6.90%	-6.90%	-2.99%	-1.91%		
Oct	-0.56%	0.21%	-3.08%	-2.42%	7.14%	5.82%	4.73%	6.24%	-2.06%	-2.74%		
Nov	3.46%	4.00%	7.71%	9.83%	1.50%	0.56%	4.61%	2.66%	6.98%	5.96%		
Dec	1.64%	1.17%	1.43%	1.91%	4.19%	3.21%	-7.66%	-7.62%	3.68%	3.62%		
YTD	35.29%	30.02%	11.92%	6.33%	35.72%	31.07%	-18.17%	-12.78%	22.98%	19.60%	9.75%	11.37%

* The fund has no official benchmark. The reference index is the MSCI World Net Total Return (MSDEWIN Index) | The grey area marks the period since the inception of the strategy

IMPORTANT INFORMATION

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Each investment in the Funds is subject to risk of partial or complete loss. Past performance is not necessarily indicative of future results. People interested in acquiring any investments should inform themselves as to: (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition; (b) any foreign exchange control requirement which they might encounter on the acquisition or sale of investments; and (c) the income tax and other tax consequences which might be relevant to the acquisition, holding or disposal of the investment.

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The performance detailed above is calculated for class I (EUR). The Funds may use derivatives to protect the value of the Funds’ assets or to reduce the costs of investing, although this may not be achieved. It is not anticipated that the use of derivatives will have any significant effect on the risk profile of the Funds. If an investor’s reference currency is not Euro (e.g. Pounds Sterling) then the return may increase or decrease as a result of currency fluctuations.

The details of the up-to-date remuneration policy and complaints handling policy of CaixaBank Asset Management Luxembourg S.A., as well as the NAV and documentation of the Funds, are available on <https://www.caixabanklux.com/>

To the attention of Spanish investors:

- BPI Global Investment Fund – BPI Opportunities is a Luxembourg undertaking for collective investment in transferable securities (UCITS) authorised for cross-border distribution in Spain under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), and registered with the CNMV under number 600

To the attention of Portuguese investors:

- BPI Global Investment Fund – BPI Opportunities is a Luxembourg undertaking for collective investment in transferable securities (UCITS) authorised for cross-border distribution in Portugal under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)
- The Portuguese paying agent is Banco BPI, Rua Tenente Valadim, 284, 4100-476 Porto, Portugal