

Quarter report September 2020

Markets.

Markets consolidated throughout summer as investors were awaiting Q2 company numbers and any indications if economies had further to go or were just profiting from pent up demand. GDP numbers indicated that the bottom was less deep than supposed, but further out forecasts had to be a bit less than earlier predicted. In all still indicating that economies will have made up for the loss at the end of 2021. Slowly but surely consumer demand in more cyclical sectors was picking up as well, though entertainment, travel and leisure were still very much depressed. Over the summer infections picked up again. In the US, the lockdown has never been tight enough to suppress spreading and so in several states the epidemic flared up again. In Europe discipline in social distancing weakened after infections numbers were brought down to a minimum. The lull in Corona infections at the beginning of the holiday season was too tempting to let go by and Europeans were on the move again. Especially the youngsters enjoyed the summer break and partied as if Corona never existed. It is not surprising to see Spain hit again the most as it is the most popular holiday destination amongst the youth. And so now we have again to deal with a rising number of Corona cases and local areas went again in a lockdown. Yet the numbers of deadly cases or IC patients is no way near the percentages of Spring. Also the vast growing number of testing drives the increased cases. Therefore the situation from Spring is hardly comparable. Another 'global' lockdown doesn't seem feasible, nor does it meet much support.

Portfolio.

As said before, on a stock level we held on to the names in which we had invested already in the beginning of the year and expanded in some of them. These names were mainly economic sensitive. Only these sectors carry an attractive valuation on a historic basis, rather than only on a relative basis. During the summer these stocks performed much more in line with the broad market the before, but still carry much potential when the economy turns for the better.

So far insecurity had favored tech and defensives, but as the performance gap widened just too much, rebalancing took hold in September and tech stocks sold off. On a relative basis good for us. And as markets consolidated the gains of the second quarter and July, we took some beta out of the portfolio. Short weights were increased on popular stocks with much negative exposure to Corona like Basic-Fit and Accor. Although deep value stocks couldn't keep up with the index (read: due to heavy tech weight), the picture altered a bit into a mixed bag. Arcelor, Maersk and BHP did do well, while oil related stocks were still dramatic. Besides depressed oil demand (low air traffic), this sector has also have to cope with investment headwinds from

EnvironmentSocialGovernance driven reallocations. While this could easily last until the end of the year, valuations are ridiculous low. The same goes for Financials. Low interest rates do hurt and the flattish yield curve doesn't provided much opportunity for now. But then again valuations are that low, that not much needs to happen to alter the picture. And yet, lately a lot of names with no or negative momentum just slip slid away. New impetus can strongly change course.

Outlook

It looks and feels like most people are picking up their regular business. Roads get more crowded and anecdotal evidence underlines that investment is picking up. People are aware that the virus is around, but not so frantic as before. As medical care is better than before, more and more people are willing to let the virus run its course. Governments will maneuver in between as they are very aware not to jeopardize the fragile economic recovery, but then again can't risk to let the virus spreading run out of control. In the meantime economies are flooded with monetary and fiscal incentives. And that is what keeps driving this market. There is really is no alternative to invest this wall of money in... until the economy gets back on its feet again. And when if, it will also mark a turning point for growth(tech) over value stocks and more so for now an end to low/negative long interest rates. Then investments will be directed to the real economy instead of financial markets. Cyclical companies will profit and the hey days for bonds will be mature. How that will spell out on an index level, very much depends on the composition. With nowadays a lot of passive investing ongoing, money flows will support broad equity markets as bonds have no value. Combined with de-globalization it could mean that next year we experience a level of inflation, which we haven't experienced for a long time. Traditionally, commodities are the beneficiaries. But is quite early to tell. That trickers are in place doesn't necessarily mean it will work out accordingly as we have experienced over the last decade. And especially in Europe it seems that there is always something adverse brewing.

Q4 will be dominated by the US elections. Four years ago, this provided much fireworks. This year round something similar seems happening in the run up. A Biden victory is what markets are hoping for. General thinking is that a much larger stimulus package will be injected and "peace" will made with China. Markets are hungry for more stable politics after 4 years of "Twitter" surprises. But also now Biden takes the lead, as did Clinton 4 years ago. That Trump triumphed took anyone by surprise. Presorting favors cyclical stocks, adversary to the Corona trend of lately. And now with the infections once more on the rise, it is not to hope for that Trump pulls another ace.

Performance Directional Share Class Long Only

Net Asset Value September	100.4
Long Only Return	2.1%
Europe Total Return	0.6%
YTD Return Long Only	-14.6%
YTD Europe Total Return	-11.0%
Best monthly return last 12 months	5.6%
Worst monthly return last 12 months	-16.4%
12 month return	-8.5%
3 year return	-17.3%
5 year return	0.4%
10 year return	103.5%
Since Inception	64.9%
Since Inception Europe Total Return	18.5%

Performance Share Class LongShort

Net Asset Value September	118.5
Net Asset Value June	112.8
Fund Return	5.1%
YTD Fund Return	1.6%
YTD Europe Total Return	-11.0%
Best monthly return last 12 months	4.3%
Worst monthly return last 12 months	-3.5%
12 month return	6.1%
10 year return	18.5%
Since Inception Europe Total Return	18.5%

Risk (12m) long only

Number of Longs	31
Top 5 Longs as % Equity	35%
Top 10 Longs as % Equity	55%
Delta	91%
Beta forward	82%
Beta realised	35%
Volatility realised	11%
factor momentum	1%
factor value	4%
factor quality	-5%
factor growth	1%

Risk (12m) LongShort

Gross Exposure/Leverage	143%
Long	91%
Short	52%
Net Exposure	39%
Number of Longs	31
Number of Shorts	28
Top 5 Longs as % Equity	35%
Top 5 Shorts as % Equity	28%
Beta forward	47%
VAR/3month/ 95%conf.	6.0%



Performance TradeWind Long Only in %

Year	Position	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR	CUM
2007	TWC Long Only									1.5%	0.7%	-5.4%	-0.9%	-4.2%	-4.2%
	Euro Stoxx index									0.1%	3.0%	-3.3%	-0.5%	-0.8%	-0.8%
2008	TWC Long Only	-12.3%	-1.7%	-7.7%	8.2%	4.3%	-8.4%	-4.2%	2.5%	-18.1%	-18.7%	-7.5%	-1.1%	-51.8%	-52.9%
	Euro Stoxx index	-13.0%	-1.0%	-2.7%	6.3%	0.9%	-11.7%	-1.7%	1.3%	-11.5%	-15.9%	-6.2%	0.2%	-45.1%	-45.1%
2009	TWC Long Only	-1.1%	-4.9%	3.9%	12.9%	7.6%	-1.2%	3.3%	1.8%	1.0%	0.8%	3.2%	9.2%	41.4%	-33.4%
	Euro Stoxx index	-6.7%	-10.9%	3.9%	16.0%	18.2%	-13.1%	9.6%	5.8%	4.4%	-4.5%	1.7%	5.6%	27.7%	-29.9%
2010	TWC Long Only	-0.9%	1.5%	10.5%	2.2%	-9.3%	2.1%	14.6%	-9.0%	11.0%	1.1%	4.4%	17.2%	50.5%	0.2%
	Euro Stoxx index	7.3%	2.0%	-7.7%	-2.4%	-19.0%	-3.2%	7.6%	12.5%	5.3%	3.9%	-5.0%	5.6%	2.7%	-28.0%
2011	TWC Long Only	3.9%	2.4%	4.8%	2.5%	-1.3%	-3.8%	-5.6%	-9.7%	0.9%	6.8%	-3.4%	4.7%	0.8%	1.0%
	Euro Stoxx index	4.4%	2.0%	-2.5%	3.6%	-2.3%	-0.9%	-5.9%	-12.9%	-6.0%	8.5%	-2.4%	-0.3%	-15.3%	-39.0%
2012	TWC Long Only	3.9%	7.5%	3.4%	-3.9%	-9.0%	4.1%	-0.1%	1.3%	-0.8%	-0.1%	3.2%	4.5%	13.5%	14.6%
	Euro Stoxx index	5.6%	4.3%	-0.1%	-5.1%	-7.1%	6.3%	2.7%	4.0%	1.2%	1.8%	2.7%	2.4%	19.3%	-27.2%
2013	TWC Long Only	4.4%	-6.4%	0.4%	-0.3%	6.6%	-2.7%	6.7%	1.5%	5.7%	7.9%	2.4%	-0.2%	28.2%	47.0%
	Euro Stoxx index	3.2%	-0.8%	3.0%	0.0%	3.5%	-5.5%	6.4%	-0.9%	5.9%	5.3%	1.2%	0.8%	23.6%	-10.0%
2014	TWC Long Only	4.1%	-3.5%	2.7%	0.7%	4.7%	-1.7%	-3.1%	-1.8%	3.7%	-4.5%	3.5%	0.8%	5.1%	54.5%
	Euro Stoxx index	-2.1%	5.0%	0.3%	0.9%	2.6%	-0.9%	-3.4%	1.6%	0.9%	-2.7%	4.7%	-2.4%	4.1%	-6.3%
2015	TWC Long Only	6.6%	11.6%	1.9%	1.9%	-2.3%	-1.4%	4.0%	-8.9%	-5.6%	5.6%	2.1%	-1.9%	12.6%	73.8%
	Euro Stoxx index	7.2%	7.3%	3.0%	-1.4%	0.5%	-3.9%	4.7%	-8.3%	-6.6%	9.5%	3.0%	-5.6%	10.4%	3.4%
2016	TWC Long Only	-5.9%	-2.2%	3.7%	-0.5%	3.6%	-7.2%	3.6%	0.9%	1.5%	4.3%	-0.9%	7.6%	7.9%	74.2%
	Euro Stoxx index	-5.9%	-3.0%	2.8%	1.1%	2.2%	-6.2%	5.1%	1.3%	-1.0%	1.2%	-0.4%	6.7%	3.8%	0.6%
2017	TWC Long Only	0.1%	1.2%	2.5%	1.8%	-1.3%	-1.1%	1.9%	-1.4%	2.7%	0.0%	-4.6%	-1.1%	2.0%	91.1%
	Euro Stoxx index	-1.0%	2.6%	5.4%	2.3%	1.6%	-2.7%	0.4%	-0.4%	4.5%	2.3%	-2.0%	-1.0%	12.5%	21.2%
2018	TWC Long Only	2.0%	-0.4%	-3.8%	6.2%	0.0%	-3.9%	3.4%	-3.0%	-0.8%	-10.6%	-3.9%	-9.9%	-23.1%	47.0%
	Euro Stoxx index	3.2%	-3.8%	-2.1%	4.9%	-1.5%	-0.9%	3.5%	-2.6%	-0.3%	-6.6%	-1.1%	-5.8%	-12.7%	5.8%
2019	TWC Long Only	8.2%	5.3%	-0.6%	6.5%	-5.5%	7.6%	2.5%	-3.6%	3.1%	1.6%	1.7%	3.2%	31.5%	93.2%
	Euro Stoxx index	6.2%	4.1%	1.4%	5.0%	-5.7%	5.2%	0.1%	-1.3%	3.7%	1.3%	2.8%	1.2%	26.1%	33.4%
2020	TWC Long Only	-4.5%	-5.4%	-16.4%	4.3%	2.5%	3.6%	-3.3%	5.6%	0.0%				-14.6%	64.9%
	Euro Stoxx index	-1.7%	-7.9%	-16.9%	6.5%	5.2%	4.9%	-0.9%	3.5%	-1.8%				-11.0%	18.8%

Performance TradeWind Equity Fund in %

Year	JAN	FEB	MRT	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR	CUM
2007									-0.2%	-3.1%	5.0%	1.8%	1.8%	1.8%
2008	2.1%	-3.1%	-6.1%	4.3%	3.6%	-2.8%	-0.5%	0.6%	-13.9%	-11.2%	-4.9%	-2.1%	-30.5%	-29.4%
2009	-3.2%	-1.1%	2.4%	10.5%	4.9%	-1.2%	-0.9%	-2.3%	-0.5%	1.9%	1.4%	3.4%	15.0%	-19.0%
2010	0.7%	4.5%	3.1%	2.1%	-0.7%	0.6%	11.2%	-4.5%	7.1%	-1.1%	5.2%	7.1%	39.2%	13.5%
2011	3.1%	0.7%	3.3%	0.7%	0.9%	4.0%	0.3%	2.3%	3.3%	1.8%	-2.3%	2.5%	22.4%	38.9%
2012	1.6%	2.3%	0.4%	-1.4%	-5.1%	1.7%	0.7%	-1.1%	-4.3%	-2.8%	3.0%	2.5%	-3.5%	34.0%
2013	0.2%	-8.0%	-0.5%	-3.3%	5.0%	0.7%	4.3%	1.0%	2.5%	4.5%	2.7%	-0.3%	7.9%	44.5%
2014	4.8%	-3.7%	1.5%	0.3%	2.7%	-1.3%	-0.3%	-3.1%	3.3%	-5.1%	0.5%	-0.6%	-2.8%	41.3%
2015	1.6%	3.8%	-0.6%	2.0%	-2.8%	-0.1%	-0.1%	-2.8%	-1.7%	-0.8%	0.5%	-0.4%	-2.9%	37.1%
2016	-2.9%	-0.4%	2.2%	-1.4%	2.2%	-5.8%	-2.8%	-0.6%	0.7%	4.6%	-0.5%	5.2%	-1.2%	34.9%
2017	0.0%	-0.4%	0.7%	1.3%	-2.4%	-1.0%	1.7%	-1.0%	1.5%	0.2%	-4.6%	-1.4%	-6.3%	26.4%
2018	1.6%	2.0%	-1.4%	4.3%	-1.9%	-1.9%	0.8%	-1.8%	0.0%	-9.4%	-4.9%	-3.9%	-17.9%	0.9%
2019	4.4%	1.0%	-1.5%	2.9%	-2.3%	4.7%	2.5%	-1.6%	2.3%	1.6%	0.2%	2.9%	15.6%	16.7%
2020	-3.5%	-0.4%	-2.2%	2.1%	0.8%	0.1%	-0.5%	4.3%	1.3%				1.6%	18.5%