

Quarter report March 2021

Markets.

2021 started with all markets could have wished for. A blue wave in US politics was vested and the prospect of more economic stimulus to come out favored higher taxes for high earners and corporates. Especially for infrastructure, healthcare and green fuel tail wind was to be expected. As been highlighted before; the amount of money pumped into economies is something we have not experienced since WOI. And once the worst of the pandemic is behind us due to wide progress in vaccination, all this stimulus will ignite inflation once the economy gets going. At the moment we are at cross roads of lockdowns and intensifying vaccination programs, which in the end will drive down infections rapidly. Besides all signs of an overkill of money in equities, cryptocurrencies, real estate and commodities, bonds started to behave differently. In this quarter 10 year yields rose 50 basis points in Europe and a 100 bips in the US. Medium term trends of diminishing yields have been broken, and stock markets acted accordingly. Finally, value stocks broke the persistent underperformance versus growth stocks.... and with a bang! The valuation gap had reached historical levels. Which in itself is not enough to counter the trend, but gives ample ammunition for huge mean reversion when economic forecasts change. A severe outperformance of cyclical stocks and markets unfolded. Defensive / growth sectors had to give in. The outlook that all this could turn into a much more inflationary world lifted bond rates and commodities. Risk was very much on, also seen by rocketing performance of the Bitcoin.

Portfolio

The portfolio has not been changed much, and will not as the cards look good the reflationary trade. As progress was made in value over quality, we even sharpened positioning. But on the other hand lowered gross exposure, circumnavigating a possible collapse in overly owned tech/ growth stocks which could get hurt by higher bond yields. That only partially took place and the collapse of highly leveraged fund in tech /growth stocks exacerbated the underperformance. Loud and clear voicing of CB's to manage yield curves (dampen long yields) brought sectors/factors in a more balanced fashion and tech recuperated itself strongly. Not in the least due to 'Robin Hood' traders buying anything that moved up and carried a fancy name.

Outlook

At the time of writing, juts another year went by since Covid set our world upside down. And still it isn't over, but it all looks that we are very close. Before the Covid hit in 2020 all arguments were in place for a cyclical recovery. Covid whipsawed that recovery, but now all arguments are stronger and more pronounced than before. And still economies haven't accelerated month on month. Up till now, again and again lockdowns are necessary to keep virus spreading in control. That said, broad vaccination will diminish that necessity and most likely we are at the beginning of an economic boom. As in the meantime, the size of monetary aid has only increased. Not only the Corona aid Fund in Europa(1000 bln euro) was launched, or the US Corona aid program (2000 bln \$), but now also a US infrastructure plan of 2000 bln \$. And in between most governments still have kept a safety net in place, maintained output structures, and therefore kept employment and income numbers up. As spending had nowhere to go, saving numbers went through the roof. And now with vaccination programs in full force, not only consumers are on the edge of a spending spree, also entrepreneurs are on the brink of investing and corporates will increase their capital expenditure to profit from the foreseen boom. Soon people will feel "it is in the air". What they call, 'animal spirits'. With that said, changes for an uprise in inflation have never been that big in the last 20 years as well. Against a background of very, very defensive positioning in bonds, growth and quality stocks, one can imagine what that will do to the landscape. Recently, blunt speculation in SPAC's, crypto currencies, and anything that moved (up) by "Robin Hood" traders give an idea how one sighted the scope is these days.

Since November last year we have seen the first cracks in the performance of momentum, tech and growth stocks. But all short lived. The mass amount of money which apparently needed to be invested in risky assets (general equities) overcame any valuation obstacle so far. Driven by a need to rotate from bonds into equities. But the signs in the meantime have only grown. Yield curves have steepened al lot. Commodities prices have found their way up again and look to go in a similar trend as in 2009/10. But for now, it looks like central banks put a cap on higher yields, which will drive growth over value, US over Europe/Asia and also markets as a whole higher. Investors will await first quarter earnings of cyclical companies to see in what shape they are and if they see a robust order intake before increasing weight in value sectors. But all things being equal, it is just a matter of time that the faltering trends as of lately get more foothold deeper into 2021 and then the scenery will become quite different from what we observed last years. The differentiation will resume and we will see more rotation from bonds into equities around the world. Especially the more cyclical markets as Asia and Europe will profit versus the much more growth/ tech driven US market.

Performance Directional Share Class Long Only

Net Asset Value March	137.1
Long Only Return	16.5%
Europe Total Return	9.2%
YTD Return Long Only	16.5%
YTD Europe Total Return	9.2%
Best monthly return last 12 months	21.0%
Worst monthly return last 12 months	-4.4%
12 month return	54.3%
3 year return	20.6%
5 year return	35.7%
10 year return	101.5%
Since Inception	125.1%
Since Inception Europe Total Return	45.7%

Performance Share Class LongShort

Net Asset Value March	145.7
Net Asset Value Decembr	133.8
Fund Return	17.0%
YTD Fund Return	17.0%
YTD Europe Total Return	9.2%
Best monthly return last 12 months	13.9%
Worst monthly return last 12 months	-2.1%
12 month return	42.8%
10 year return	28.5%
Since Inception Europe Total Return	45.7%

Risk (12m) Long Only

Number of Longs	37
Top 5 Longs as % Equity	38%
Top 10 Longs as % Equity	57%
Delta	108%
Beta forward	108%
Beta realised	34%
Volatility realised	13%
factor momentum	11%
factor value	9%
factor quality	-4%
factor growth	-23%

Risk (12m) LongShort

Gross Exposure/Leverage	199%
Long	108%
Short	86%
Net Exposure	22%
Number of Longs	37
Number of Shorts	13
Top 5 Longs as % Equity	38%
Top 5 Shorts as % Equity	24%
Beta forward	30%
VAR/3monthly/ 95%conf.	5.1%



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%	-4.4%	21.0%	1.7%	0.4%	93.9%
	Euro Stoxx index	-1.7%	-7.9%	-16.9%	6.5%	5.2%	4.9%	-0.9%	3.5%	-1.8%	-5.7%	17.0%	2.1%	0.3%	33.8%
2021	TWC Long Only	2.5%	4.7%	8.2%										16.5%	125.1%
	Euro Stoxx index	-1.4%	3.6%	6.6%										9.2%	45.7%

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%	-2.1%	13.9%	1.2%	14.6%	33.8%
2021	6.5%	5.1%	4.5%										17.0%	56.4%