

## Quarterly report March 2024

### Markets

And the train move on as expected ( see December 2023 report). While the last quarter of 2023 was good, the first of 2024 was even better. And yes the Magnificent Seven in the US led the way. The AI theme is not extinguished and was taking all IT stocks on board. But digging a bit deeper shows that actually cyclicals did even better. Which is most evident in EuroStoxx index outperforming Nasdaq. Industrials, Financials and Energy stocks did the magnificent job. The realization that ISM numbers in the US and in Europe are improving instead of worsening, broadened the rally and gave reason to invest in other sectors and continents than just US IT. Besides Japan as the only alternative to US IT, Europe came back into the spotlights. A huge valuation cap to US equities and improving economic momentum was the recipe, as Japan looked topy and China's economy still not accelerating. Covid, Ukraine, recession fear and Gaza, kept international investors away from Europe and years of underinvestment followed. Therefore it is not surprising to see European markets doing that well, given the amount of money that needs to be invested.

### Portfolios

Late last quarter we took some chips of the table in order to see which way the wind would blow after a fine quarter. Some kind of a correction was not unthinkable. At somewhat lower prices the raised cash was reinvested. And as anticipated, in the second half of January, markets resumed the rally. The word was out that ECB and FED would start lowering rates. That combined with improving leading indicators of economic growth vested the idea that the worst had behind and the only way was up. The whole IA theme went ballistic as investors got overconfident. Although we have argued in favor of the pro's for this market, it felt a bit too fast and too easy. As our returns blossomed and better to be safe than sorry, we slowly started to buy out of the money puts and lowered some of the long exposure towards the end of the quarter. Still profiting, but in a slower pace. As the rally progressed we also started to buy more into shorts and hedged via index overlays. The end of the quarter finished with no net exposure. We will just wait and see for second how things develop.

### Outlook

Different opposite scenarios could apply. For now it looks that there is no landing at all in the US and for Europe it shapes up as soft landing. After the huge surge in consumption until mid / late 2022 globally, ignited by Covid financial aid programs, destocking followed in 2023. And it seems that a bit of restocking is happening right now. But no huge moves. Economies are just trying to find their equilibrium. It won't be a surprise to see softness later on in the year. Europe is missing any real stimulus as balancing budgets are back on the agenda and in the US the fiscal stimulus is ending and lagging effects of the higher rates could be expected. But softer inflation leading to lower yields will keep supporting equity markets, led by growth/ defensive stocks. But there is also a case to be made that growth momentum in Europe picks up further and inflation will moderate but stay elevated in historical context. Ongoing salary rises, asset inflation, reallocation of overseas investments and the 'Green Deal' will support economic growth. Just similar as Europe took over the lead from US in performance returns, in such a scenario one would expect small caps to better than large caps. And again years of underinvestment versus low valuation in that segment could lead to great returns. That said all things being equal, as geopolitical instabilities could ruin everything up and illiquid parts of the marketplace than need to be avoided. At the moment equities have both ways. And we should enjoy it while it last. Lower inflation via lower yields support valuations. And stable economic growth in US, improving momentum in Europe opens the window for a broadening of the rally. That will change over time and one way or the other will bite, either high growth/ higher yields or lower yields, but no growth. Only the fine line in middle of the road will do good. Years like 1995/ 2000 and 2003/ 2007 comes to mind. But not to forget that undoubtedly parabolic rises in IT in US will end in tears, but at what level it will brake is a million dollar question. And while that counts for IT ( US) and therefore for a major part of the their market, it doesn't count for the vast majority of stocks. And especially not in for European stocks. But now that everyone is falling in love with European markets, it makes you wonder what will break the euphoria. Cause Europe always had issues... structurally and the only difference now is that ... we don't speak about it.

### Performance Directional Share Class Long Only

|                                     |        |
|-------------------------------------|--------|
| Net Asset Value March               | 230.5  |
| Long Only Return                    | 17.2%  |
| Europe Total Return                 | 10.0%  |
| YTD Return Long Only                | 17.2%  |
| YTD Europe Total Return             | 10.0%  |
| Best monthly return last 12 months  | 15.3%  |
| Worst monthly return last 12 months | -7.7%  |
| 12 month return                     | 37.3%  |
| 3 year return                       | 68.2%  |
| 5 year return                       | 127.7% |
| 10 year return                      | 149.7% |
| Since Inception                     | 212.5% |
| Since Inception Europe Total Return | 87.7%  |

### Performance Share Class LongShort

|                                     |        |
|-------------------------------------|--------|
| Net Asset Value December            | 221.1  |
| Net Asset Value December            | 197.0  |
| Fund Return                         | 12.2%  |
| YTD Fund Return                     | 12.2%  |
| YTD Europe Total Return             | 10.0%  |
| Best monthly return last 12 months  | 9.7%   |
| Worst monthly return last 12 months | -5.2%  |
| 12 month return                     | 24.6%  |
| 3 year return                       | 45.6%  |
| 10 year return                      | 49.8%  |
| Since Inception Total Return        | 121.1% |

### Risk ( 12m) Long Only

|                          |      |
|--------------------------|------|
| Number of Longs          | 32   |
| Top 5 Longs as % Equity  | 48%  |
| Top 10 Longs as % Equity | 73%  |
| Delta                    | 102% |
| Beta forward             | 124% |
| Beta realised            | 117% |
| Volatility realised 3Y   | 14%  |
| factor momentum          | 7%   |
| factor value             | -7%  |
| factor quality           | 21%  |
| factor growth            | 32%  |

### Risk ( 12m) LongShort

|                           |      |
|---------------------------|------|
| Gross Exposure/Leverage   | 263% |
| Long                      | 114% |
| Short                     | 149% |
| Net Exposure              | -35% |
| Number of Longs           | 32   |
| Number of Shorts          | 25   |
| Top 5 Shorts as % Equity  | 20%  |
| Top 10 Shorts as % Equity | 35%  |
| Beta forward              | -22% |
| VAR/monthly/ 95%conf.     | 6.1% |





### Performance TradeWind Long Only in %

| Year | Position         | JAN    | FEB    | MAR    | APR   | MAY    | JUN    | JUL   | AUG    | SEP    | OCT    | NOV   | DEC   | YEAR   |
|------|------------------|--------|--------|--------|-------|--------|--------|-------|--------|--------|--------|-------|-------|--------|
| 2007 | TWC Long Only    |        |        |        |       |        |        |       |        | 1.5%   | 0.7%   | -5.4% | -0.9% | -4.2%  |
|      | Euro Stoxx index |        |        |        |       |        |        |       |        | 0.1%   | 3.0%   | -3.3% | -0.5% | -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% |
|      | 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% |
| 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%  |
|      | 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%  |
| 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%  |
|      | 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%   |
| 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%   |
|      | 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% |
| 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%  |
|      | 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%  |
| 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%  |
|      | 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%  |
| 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%   |
|      | 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%   |
| 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%  |
|      | 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%  |
| 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%   |
|      | 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%   |
| 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%   |
|      | 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%  |
| 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% |
|      | 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% |
| 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%  |
|      | 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%  |
| 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%   |
|      | 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%   |
| 2021 | TWC Long Only    | 2.5%   | 4.7%   | 7.0%   | 0.3%  | 3.5%   | -1.6%  | 0.2%  | 4.1%   | 1.2%   | 2.2%   | -6.8% | 8.8%  | 28.6%  |
|      | Euro Stoxx index | -1.4%  | 3.6%   | 6.6%   | 2.2%  | 2.5%   | 1.0%   | 1.5%  | 2.6%   | -3.4%  | 4.2%   | -3.2% | 3.9%  | 21.8%  |
| 2022 | TWC Long Only    | 4.7%   | -5.0%  | 2.2%   | -0.6% | 4.7%   | -18.4% | 8.9%  | -4.8%  | -8.4%  | 9.8%   | 13.9% | -7.9% | -4.9%  |
|      | Euro Stoxx index | -2.8%  | -5.2%  | -0.2%  | -1.7% | 0.4%   | -9.4%  | 7.3%  | -5.0%  | -6.2%  | 8.0%   | 8.1%  | -3.5% | -11.4% |
| 2023 | TWC Long Only    | 13.1%  | 1.1%   | -1.4%  | 1.6%  | -1.8%  | 5.3%   | 5.2%  | -7.7%  | -3.8%  | -4.7%  | 15.3% | 6.2%  | 26.1%  |
|      | Euro Stoxx index | 9.3%   | 1.9%   | 0.4%   | 1.4%  | -2.5%  | 3.8%   | 2.0%  | -3.1%  | -3.1%  | -3.3%  | 8.0%  | 3.2%  | 18.6%  |
| 2024 | TWC Long Only    | 4.1%   | 6.6%   | 5.6%   |       |        |        |       |        |        |        |       |       | 17.2%  |
|      | Euro Stoxx index | 1.9%   | 3.3%   | 4.5%   |       |        |        |       |        |        |        |       |       | 10.0%  |

### 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%  | 2.3%  | -2.0% | 5.3%  | -2.3%  | 0.1%  | 5.3%  | 1.2%   | 0.8%   | -4.8% | 8.0%  | 27.4%  | 68.9%  |
| 2022 | 6.4%  | -2.6% | 2.7%  | 0.9%  | 2.2%  | -11.8% | 3.5%  | -1.3% | -5.5%  | 8.6%   | 7.9%  | -6.8% | 2.0%   | 70.7%  |
| 2023 | 6.9%  | 0.3%  | -3.0% | 2.5%  | 0.2%  | 3.5%   | 3.3%  | -5.2% | -1.3%  | -1.0%  | 9.7%  | 2.7%  | 15.4%  | 97.0%  |
| 2024 | 5.7%  | 4.5%  | 1.6%  |       |       |        |       |       |        |        |       |       | 12.2%  | 121.1% |