

R & A Global Strategic Equity Fund

- ❑ Investing in the most successful market leaders
- ❑ A focus on attractive valuations enhances the performance
- ❑ Quality equity fund for long term wealth creation, tailored to the needs of private and selected institutional investors

Basic: Quality core investment

Quality core
investment

R & A Global Strategic Equity Fund:

- Quality core investment for an equity portfolio

Systematic equity-selection process:

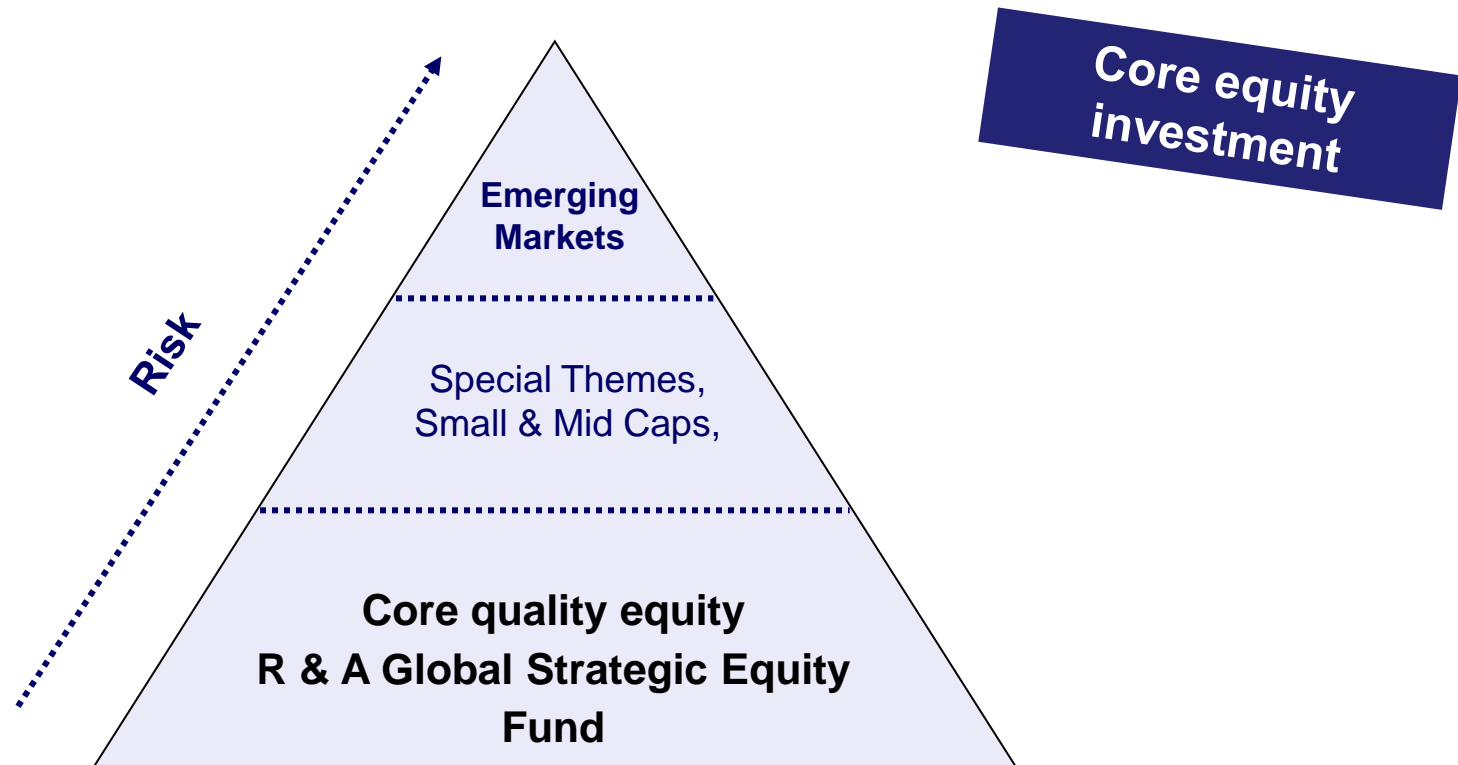
- Attractively valued world leaders with potential and positive fundamental outlook

Tailor made for the needs of private and institutional investors

Not index based

- ❑ R & A Global Strategic Equity Fund is a tailor made quality equity fund for private investors.
- ❑ R & A Group does **not follow an index based nor market-capitalised** approach but chooses companies with the most **successful business models and highest upside potential**.
- ❑ The goal of the R & A Global Strategic Equity Fund isn't spectacular single performance but to build a steady basis of wealth creation based on solid, internal and independent analysis.

R & A Global Strategic Equity Fund: Core equity investment



➔ The R & A Global Strategic Equity Fund is an ideal quality core investment for a diversified equity portfolio

R & A Group equity-selection-matrix

| | Other companies | Leading Quality Companies |
|-----------------------------|---|--|
| Attractive upside potential | The universe of the typical value-Investor (ex. turnaround situations, very cyclical companies) | R & A Global Strategic Equity Fund |
| Not sufficient potential | Other companies with premium (ex. cyclical overvaluation, too high market expectations and turnaround situation, etc.) | Quality firms with a premium („Buy-and-Hold“) |

Focus on attractive valuation enhances the performance

Focus
valuation

- ❑ In a first step, R & A Group analyses around 1,500 companies on a quantitative basis. R & A Group developed specific financial parameters to separate the good from the average companies. A quality selection is done and a first quality portfolio built.
- ❑ 300-400 firms are fundamentally analysed in a second step. Finally, a selection of the best companies are bought in the R & A Global Strategic Equity Fund. When the companies are reaching the fair value target, the equities are strictly sold.
- ❑ Thus, investors in the R & A Global Strategic Equity Fund hold the most attractive equities at any one time.

R & A Global Strategic Equity Fund:

Why invest globally?

- ❑ The world's best companies work on a global basis. Often, the headquarter of a company, due to historical reason, is at a certain location even if the majority of sales are elsewhere. (Ex. Nestlé, less than 2% of sales are in Switzerland).
- ❑ Only a clear global investment focus enables to invest in market leaders.
- ❑ Global also means: To invest in a broad selection of themes and trends, without artificial boundaries.

R & A Global Strategic Equity Fund:

Meaning of “Strategic”

“Strategic“ means only to invest in companies who have a solid company strategy
With this approach, the fund provides a solid core investment for equity investors

Equity selection: Examples qualitative factors

| Qualitative Factors | Example |
|--------------------------------------|---|
| World leader | Ex. Market leader in which kind of markets or products |
| How is the company positioned | Competitive analysis: What are they doing better than the competitors (client base, concentration etc.) |
| Growth drivers | Organic growth or acquisition based Pricing, Growth of market |
| Margin development | Current margin situation Can the margins be expanded |
| Company targets (3-5 years) | Clear strategy and comprehensive? Product, Markets, develop new markets |
| Management | Ex. CEO how long with the company, track-record management |
| Innovation | Product life cycle: How is the company positioned? |
| Equity structure | Equity majority owned or broad based investors |
| SWOT-Analysis | Strengths/Weaknesses – Opportunities/Risks Analysis |

ESG criteria in stock selection

In investment practice, in the context of ESG (environment/social/governance/corporate governance), a mixture of absolute criteria (attributable to virtue and duty ethics) and a relative, consequentialist best-in-class approach is applied.

As a rule, companies that violate the principles of the UN Global Compact (such as Volkswagen in the wake of the diesel scandal) or are active in the areas of controversial weapons, tobacco products or coal are excluded in absolute terms (see among others the sustainable index family ESG-X of the index provider Stoxx).

In the best-in-class approach, on the other hand, the ESG best performers are selected in each sector, with the idea that this can motivate companies to adapt their behaviour even in sectors that are weak in terms of ESG criteria (such as the energy sector). In doing so, we take advantage of the fact that many companies strive for a top position in terms of ESG assessment and that even the cost of capital can be influenced by means of ESG rankings.

Within the framework of our quality select approach, we strive to compile lists of stocks that clearly outperform in terms of ESG criteria. Depending on the analysis universe, it must be taken into account that the average is already high (e.g. Europe), while it is lower in other universes (e.g. USA, but also for smaller and younger companies). We take into account both absolute criteria (such as signing the UN Global Compact, violation of Global Compact guidelines) and the assessment in cross-comparison (best-in-class). It is possible that we classify a violation of UN Global Compact rules as temporary, which does not have to lead to exclusion from the fund, but is taken into account accordingly. Similarly, we tend to weight a company's future prospects (for example, if a utility is pursuing a credible strategy towards renewable energies) higher than current circumstances (or even the past).

Sustainability indicators (ESG criteria)

The table shows various sustainability indicators for the Global Strategic Equity Fund (GSEF).

The GSEF Sustainability Index includes companies that are either among the leaders in their category in terms of sustainability (RobecoSAM/Sustainalytics rank, MSCI ESG rating) or have signed the UN Global Compact. The company must also not be explicitly excluded from the Stoxx ESG-X indices.

Global Strategic Equity Fund and ESG

The GSEF's equities perform very well in terms of ESG criteria, especially when compared to the overall market indices.

The European equities almost completely fulfil the criteria. The US equities are clearly ahead of the S&P 500. The fund outperforms the weighted benchmark in terms of ESG criteria.

Sustainability: Global Strategic Equity Fund (GSEF)

| | Robeco-SAM rank* | UN Global Compact signed** | GSEF Sustainability Index** |
|---------------------------|------------------|----------------------------|-----------------------------|
| Fund | 92 | 51% | 91% |
| Thereof Europe | 97 | 75% | 81% |
| Thereof US | 88 | 32% | 100% |
| Weighted benchmark | 78 | 49% | 87% |
| Stoxx Europe 600 | 81 | 71% | 93% |
| S&P 500 | 75 | 22% | 81% |

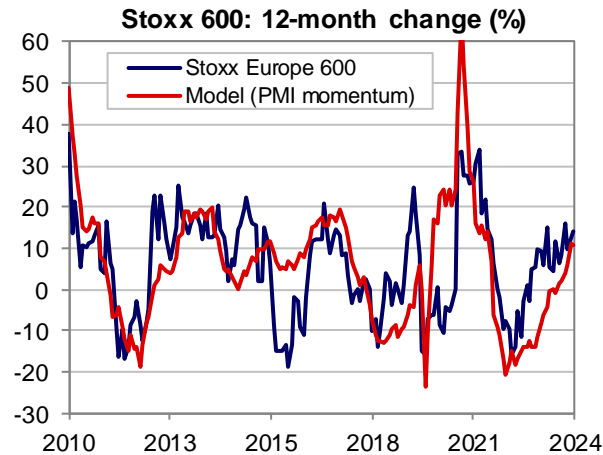
Note: *Median (Max. = 100). **share of companies. GSEF Sustainability Index: RobecoSAM > 60 or MSCI-ESG-Rating A/AA/AAA or UN Global Compact signed (and not excluded in the Stoxx-ESG-X). Source: RobecoSAM, MSCI, UN Global Compact, index provider, own calculations

Equity market outlook

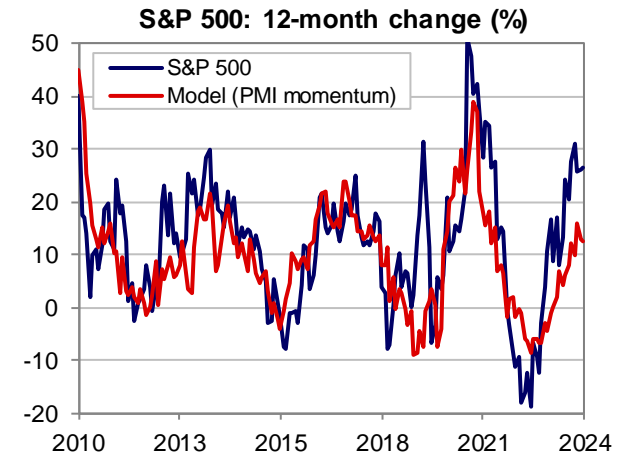
Equity markets: Economic momentum key factor

In the wake of the improved economy (see the charts), stock markets have performed well for nearly two years, especially in comparison to bonds.

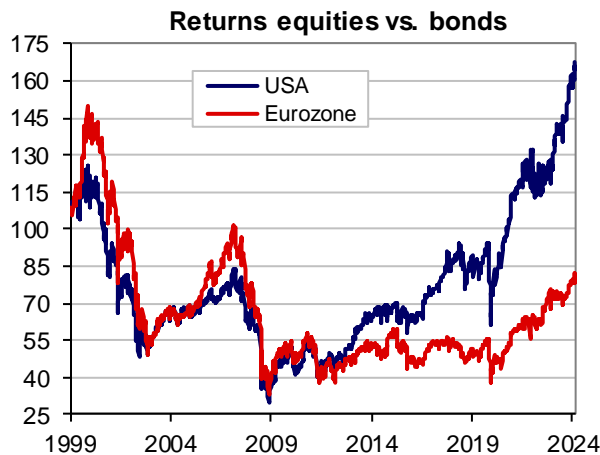
In a mature bull market, there is always a certain susceptibility to corrections, notably in the often comparatively weak summer months. The news flow regarding the economy and inflation, however, has remained modestly supportive in June.



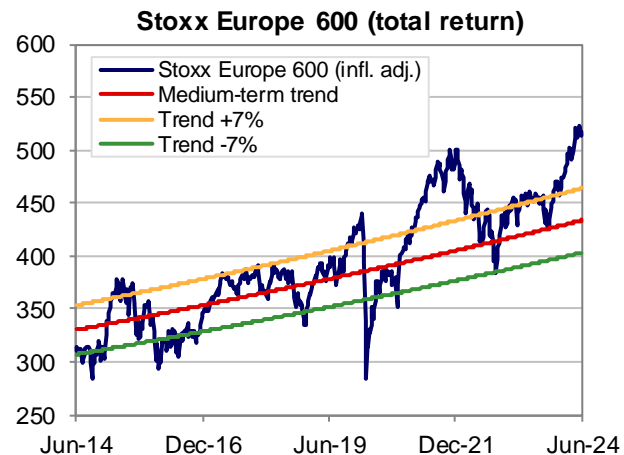
Source: S&P Global, Stoxx, own calculations



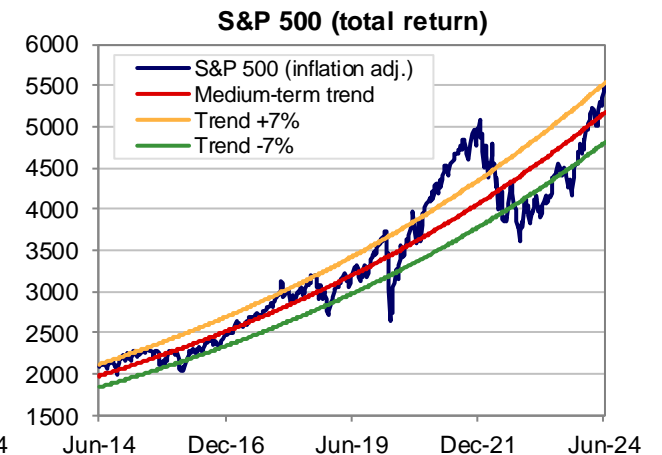
Source: ISM, S&P Global, own calculations



Source: S&P Global, STOXX, Bloomberg, own calculations



Source: Stoxx, Eurostat, own calculations

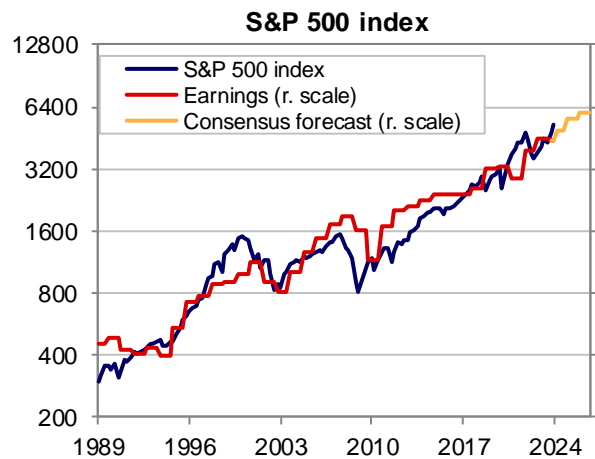


Source: S&P Global, BEA, own calculations

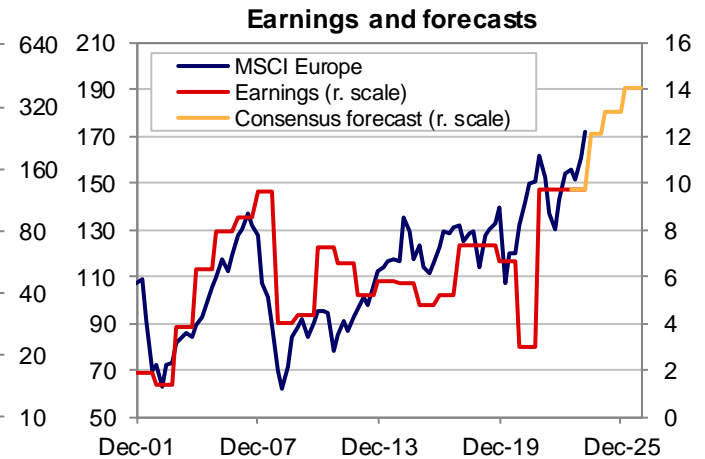
Stock markets, earnings and valuations

The charts show equity indices and the aggregated profits of the companies represented in the indices. The charts show that the stock markets in general largely follow corporate profits in the medium term.

The earnings forecasts reflect analysts' expectations (consensus estimates). The assumption of rising profits is justified as long as global economic growth is positive. The same assumption underlies the interpretation of the price/earnings ratios, which are currently at normal to cheap levels based on consensus earnings forecasts.



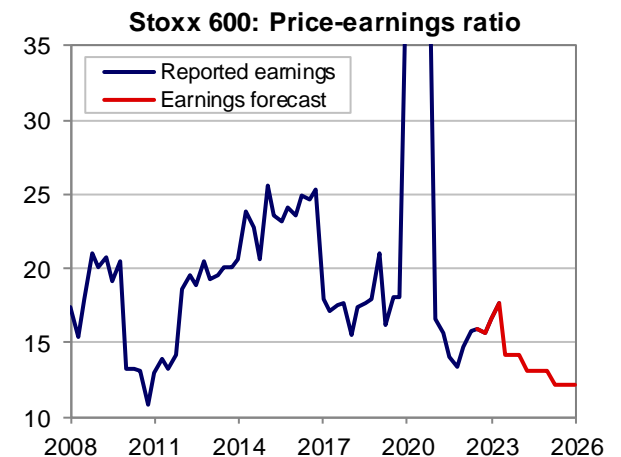
Source: Standard & Poor's



Source: MSCI



Source: Standard & Poor's



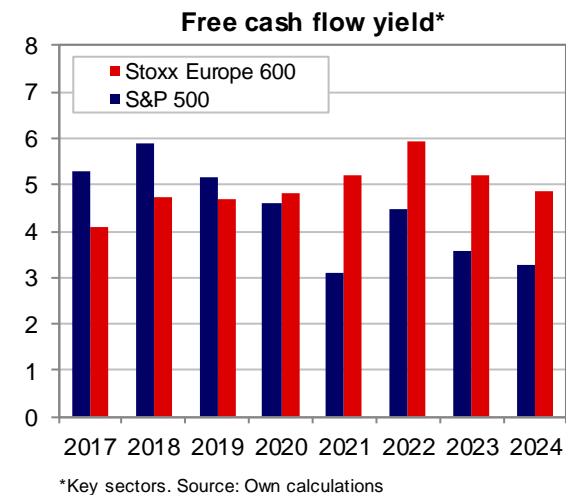
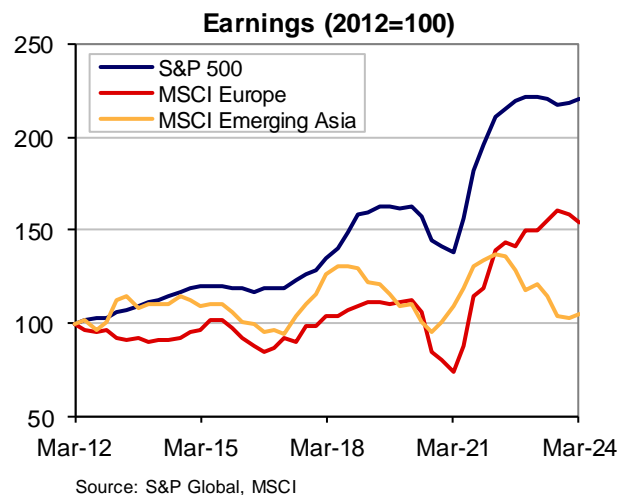
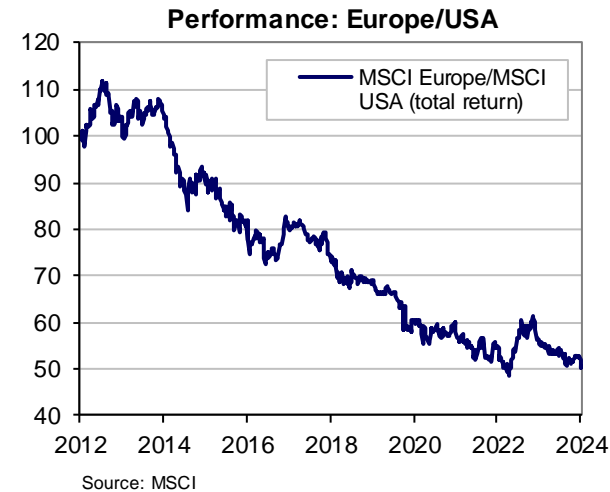
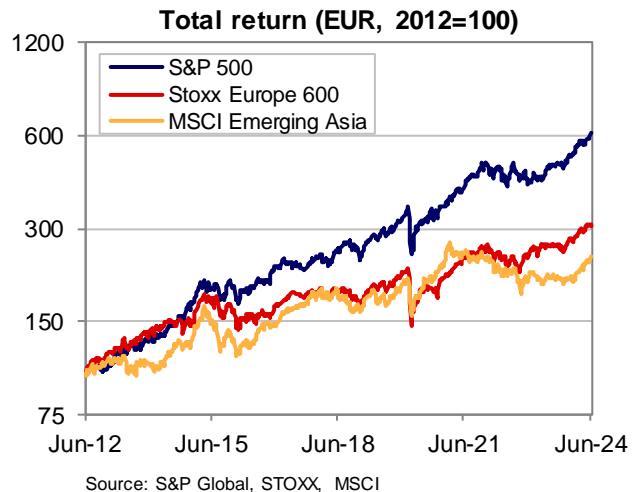
Source: MSCI

Regional trends: Technology weighting is key

The US stock market (S&P 500) outperforms Europe and the Asian emerging markets in terms of corporate earnings and returns over the long term. The US market is more defensive than Europe (e.g. a lower weighting of financial companies). When technology stocks and technology-related sectors outperform, the US market has a clear advantage (weighting of around 40%, compared to less than 10% in Europe).

The conditions for outperformance in Europe, where value stocks are over-represented, include a good global economy, high bond yields (positive for financials) and rising commodity prices.

Based on free cash flows, Europe has been valued more favourably than the US since 2022. However, a favourable valuation alone is unlikely to be enough for outperformance.



Equity sectors: AI drives technology

The US technology sector continues to be characterised by the enormously strong business performance of Nvidia (the leading semiconductor company in the field of artificial intelligence, or AI) and other AI-related companies. The high share of the market capitalisation of the US mega caps (“Magnificent Seven”) has become a decisive performance factor in the technology sector and the overall US market.

Outside of the technology sector (with technology companies Apple and Alphabet, the parent company of Google, part of cyclical consumption in the US), sector performance was fairly balanced. In Europe, the healthcare sector and financials also outperformed. With technology momentum slowing somewhat, we expect a fairly balanced sector performance for the rest of the year, with continued potential for healthcare stocks within the group of stable demand sectors.

Equity sectors

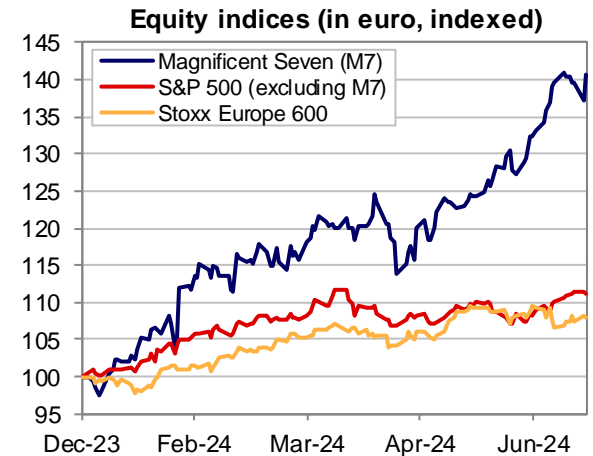
| | Europe (Stoxx Europe 600) | | | | | | | USA (S&P 500) | | | | | | |
|------------------------------|---------------------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|--------------|--------------|--------------|--------------|---------------|
| | Yield | | Index weight | Performance | | | | Yield | | Index weight | Performance | | | |
| | Divid. | FCF | | Jun-24.* | 2Q24* | 2024* | 5 years* | Divid. | FCF | | Jun-24.* | 2Q24* | 2024* | 5 years* |
| Stable demand sectors | 3.2 | 5.5 | 32.1 | 0.4% | 2.9% | 6.3% | 26.4% | 2.3 | 2.9 | 20.6 | 0.3% | 0.0% | 7.3% | 44.5% |
| Consumer staples | 3.7 | 6.7 | 8.2 | -2.4% | -1.9% | -2.9% | -5.6% | 2.7 | 4.1 | 5.8 | -0.5% | 0.7% | 7.5% | 37.3% |
| Healthcare | 2.2 | 3.9 | 17.4 | 2.8% | 6.1% | 13.7% | 50.1% | 1.7 | 3.5 | 11.7 | 1.8% | -1.4% | 6.9% | 58.5% |
| Telecommunications | 4.9 | 16.4 | 2.6 | -0.5% | 2.0% | 4.3% | -14.7% | 5.2 | 11.8 | 0.9 | 1.9% | 3.8% | 11.0% | -16.7% |
| Utilities | 5.3 | 3.0 | 3.9 | -3.5% | -0.7% | -6.1% | 15.5% | 3.3 | -6.5 | 2.3 | -5.8% | 3.9% | 7.6% | 14.3% |
| Financials | 5.6 | - | 21.2 | -2.7% | 0.2% | 10.0% | 36.2% | 2.0 | - | 14.6 | -0.7% | -2.5% | 7.3% | 42.7% |
| Cyclical sectors | 2.7 | 5.6 | 46.7 | -2.3% | -2.4% | 5.9% | 46.2% | 0.9 | 3.2 | 64.8 | 5.5% | 6.8% | 18.9% | 131.1% |
| Cyclical consumption | 2.8 | 5.7 | 12.5 | -3.1% | -7.2% | 2.3% | 36.6% | 0.6 | 3.7 | 18.4 | 4.9% | 4.7% | 15.6% | 85.1% |
| Industrial companies | 2.5 | 5.3 | 18.0 | -3.9% | -2.8% | 7.0% | 52.7% | 1.6 | 3.6 | 8.1 | -1.0% | -3.3% | 7.0% | 58.4% |
| Technology | 1.0 | 2.6 | 6.7 | 5.0% | 3.9% | 16.9% | 81.9% | 0.7 | 2.3 | 32.4 | 9.3% | 13.6% | 27.8% | 216.3% |
| Energy | 4.9 | 10.6 | 4.7 | -2.6% | 1.2% | 3.3% | 13.4% | 3.2 | 6.8 | 3.6 | -1.4% | -3.2% | 9.1% | 48.2% |
| Basic industries | 3.5 | 5.7 | 4.8 | -3.9% | -0.9% | -1.9% | 29.3% | 1.9 | 3.2 | 2.2 | -3.3% | -4.9% | 3.1% | 51.6% |
| Market | 3.4 | 5.5 | 100.0 | -1.3% | -0.2% | 6.8% | 32.9% | 1.4 | 3.2 | 100.0 | 3.5% | 3.9% | 14.5% | 85.6% |

*Data as per 28-Jun-24. FCF = free cash flow . Source: Stoxx, S&P Global, own calculations

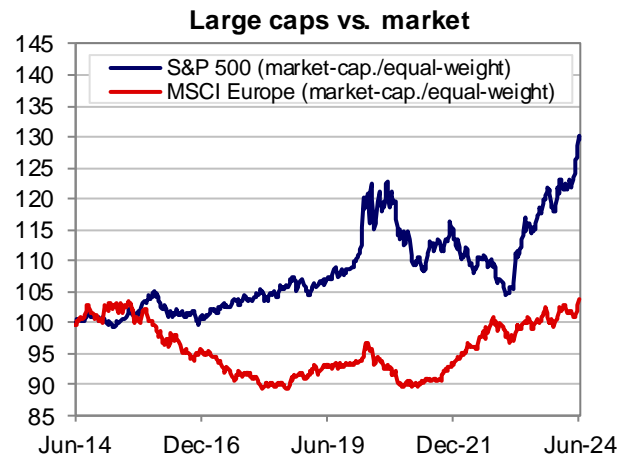
US market: Magnificent Seven still key driver

In the US, the performance of the Magnificent Seven (the M7 are Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla) has a very strong influence on the overall market. After a very good performance in recent years, these few companies now account for around a quarter of the market capitalisation of the S&P 500.

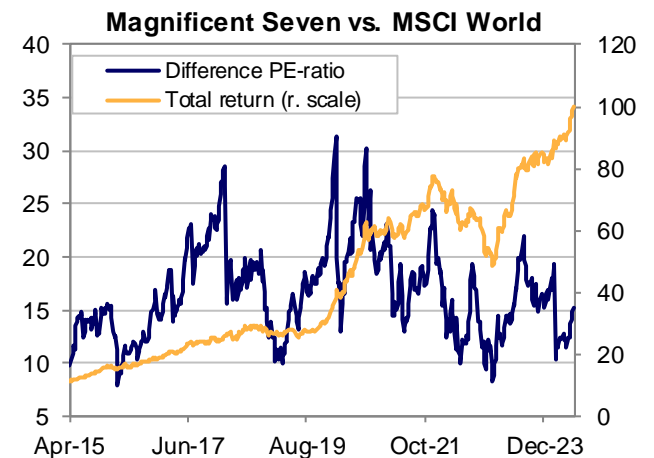
While it remains unclear in the medium term whether the M7 will remain fundamentally as successful as in recent years, the valuation premium based on current earnings is not particularly elevated, which does not argue against these US mega caps.



Source: S&P Global, Stoxx, Bloomberg



Source: S&P Global, MSCI

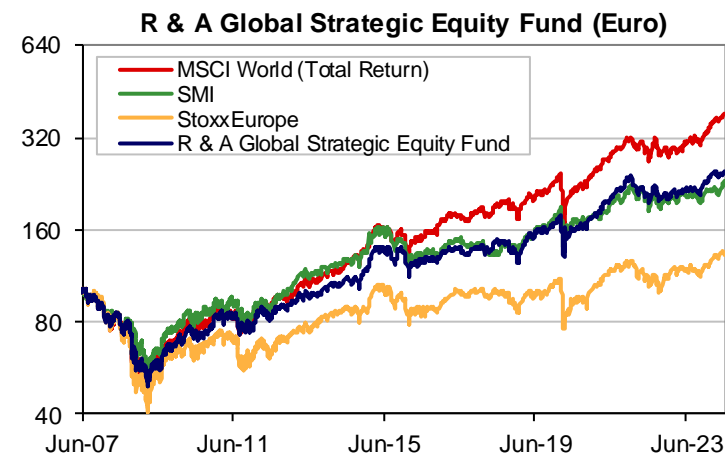


Source: MSCI, Bloomberg

Global Strategic Equity Fund

Performance

With a focus on Europe (and most often not a U.S. exposure that matches that of the MSCI World), the R & A Global Strategic Equity Fund has performed markedly better than European equities (Stoxx Europe) in recent years.



Performance (%)

| in EURO | 2007* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Total* |
|---|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|---------------|--------------|-------------|---------------|
| R&A Global Strategic Equity Fund | -5.35 | -36.21 | 21.32 | 18.29 | -6.52 | 17.64 | 15.60 | 12.48 | 13.89 | -0.38 | 2.93 | -8.35 | 31.88 | 5.39 | 36.25 | -16.23 | 14.84 | 7.09 | 158.77 |
| MSCI-World (Total Return) | -3.96 | -38.09 | 26.81 | 19.59 | -2.46 | 13.79 | 21.61 | 19.21 | 10.41 | 11.04 | 7.23 | -4.43 | 30.56 | 6.39 | 30.88 | -13.06 | 20.14 | 15.06 | 298.24 |
| MSCI-World (price index) | -5.22 | -39.52 | 23.87 | 17.22 | -4.60 | 11.19 | 19.13 | 16.92 | 8.33 | 8.77 | 5.23 | -6.24 | 28.03 | 4.69 | 29.08 | -14.46 | 18.18 | 14.09 | 185.32 |
| Stoxx Europe | -4.24 | -45.60 | 27.99 | 8.63 | -11.34 | 14.37 | 17.37 | 4.35 | 6.79 | -1.20 | 7.68 | -13.24 | 23.16 | -4.04 | 22.25 | -12.90 | 12.52 | 6.97 | 34.30 |
| SMI | -7.91 | -27.74 | 19.02 | 16.63 | -5.20 | 15.79 | 18.31 | 11.74 | 8.51 | -5.38 | 4.56 | -6.58 | 30.59 | 1.22 | 25.36 | -12.63 | 9.12 | 5.29 | 124.36 |
| S&P 500 | -6.28 | -35.76 | 20.44 | 20.68 | 3.26 | 11.41 | 24.41 | 26.54 | 10.57 | 13.13 | 4.62 | -1.84 | 31.80 | 6.71 | 36.33 | -14.44 | 20.57 | 17.86 | 374.64 |

*since launch as of 12/4/2007 (past performance is no guarantee for future performance. The performance does not take account of any commissions and costs charged when subscribing and redeeming units). Source: Index provider, own calculations

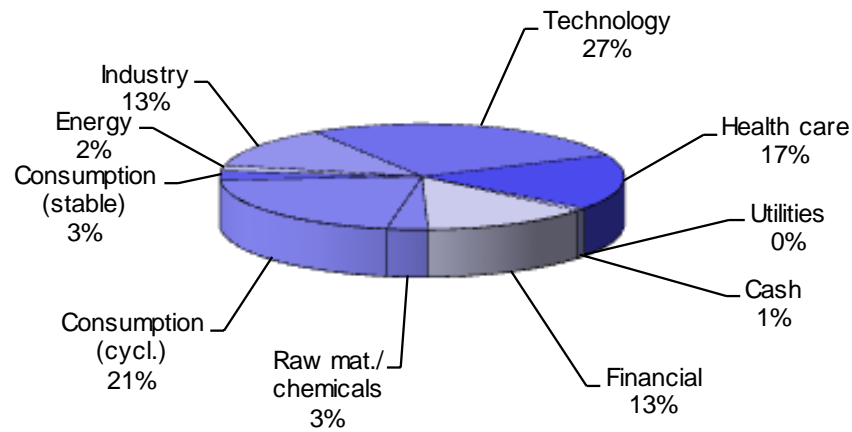
Performance (%)

| in CHF | 2007* | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Total* |
|---|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|--------------|-------------|--------------|---------------|-------------|--------------|--------------|
| R&A Global Strategic Equity Fund | -4.62 | -40.17 | 16.35 | -0.28 | -9.05 | 16.77 | 17.49 | 10.24 | 3.03 | -1.86 | 12.36 | -11.85 | 27.20 | 4.97 | 30.75 | -20.10 | 8.46 | 10.33 | 51.85 |
| MSCI-World (Total Return) | -3.22 | -44.11 | 26.02 | 0.81 | -5.10 | 12.94 | 23.59 | 16.83 | -0.12 | 9.39 | 17.05 | -8.08 | 25.93 | 5.96 | 25.59 | -17.08 | 13.46 | 18.53 | 133.69 |
| Stoxx Europe | -3.48 | -50.89 | 27.20 | -8.42 | -13.74 | 13.52 | 19.28 | 2.27 | -3.39 | -2.66 | 17.54 | -16.56 | 18.79 | -4.43 | 17.31 | -16.92 | 6.27 | 10.21 | -21.19 |
| S&P 500 | 12.94 | -42.01 | 19.69 | 1.73 | 0.46 | 10.58 | 26.44 | 24.02 | 0.02 | 11.45 | 14.20 | -5.59 | 27.12 | 6.28 | 30.83 | -18.39 | 13.87 | 21.43 | 178.52 |
| SMI | -7.20 | -34.77 | 18.27 | -1.68 | -7.77 | 14.93 | 20.24 | 9.51 | -1.84 | -6.78 | 14.14 | -10.15 | 25.95 | 0.82 | 20.29 | -16.67 | 3.06 | 8.47 | 31.65 |

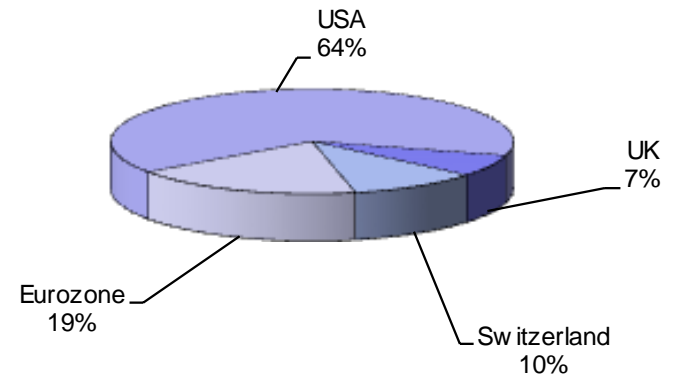
*since launch as of 12/4/2007 (past performance is no guarantee for future performance. The performance does not take account of any commissions and costs charged when subscribing and redeeming units). Source: Index provider, own calculations

Country and sector breakdown as per 30th of June, 2024

Segmentation by Sectors



Segmentation by Countries



Technical Data: R & A Global Strategic Equity Fund

| | |
|----------------------------------|---|
| Depository Bank | Bank Frick & Co. AG, Balzers |
| Fondsleitung | Ahead Wealth Solutions AG, Vaduz |
| Securities- and ISIN-Nr.: | Securities Nr. 2854869, ISIN-Nr. LI0028548696 |
| Fund Currency: | Euro |
| Minimal Investment: | 1 share (EUR0 100.– at issuance) |
| NAV: | Weekly emission/redemption of fund shares |
| Distribution Admittance: | Liechtenstein, Austria |
| Hedging: | Hedging of currency risks possible, hedging of equity possible in exceptional cases |
| Fees: | 1.6% all-in management fee max. (no performance fee), issue surcharge: 0% (5% max.) |

Purchase of shares

Shares of R & A Global Strategic Equity Fund can be purchased in every bank subsidiary stating the Securities- or ISIN Number. **Securities-Nr. 2854869, ISIN-Nr. LI0028548696**

Summary R & A Global Strategic Equity Fund

- ❑ Core quality investment for a diversified equity portfolio
- ❑ Systematic clearly defined 4-step equity selection process
- ❑ Concentration on leading quality companies with price target
- ❑ Fundamental analysis and attractive valuation
- ❑ Independent equity research
- ❑ First class service

R & A Group is an independent investment research and asset management company. R & A Group has a comprehensive investment research offering with a focus on investment strategies and global stock selection.

Founded in 2001, R A & Group is a joint stock company domiciled in Zurich and a member of the leading independent asset manager organization VSV (Swiss Association of Asset Managers).

***Investment-
Research at Work™***

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