

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:

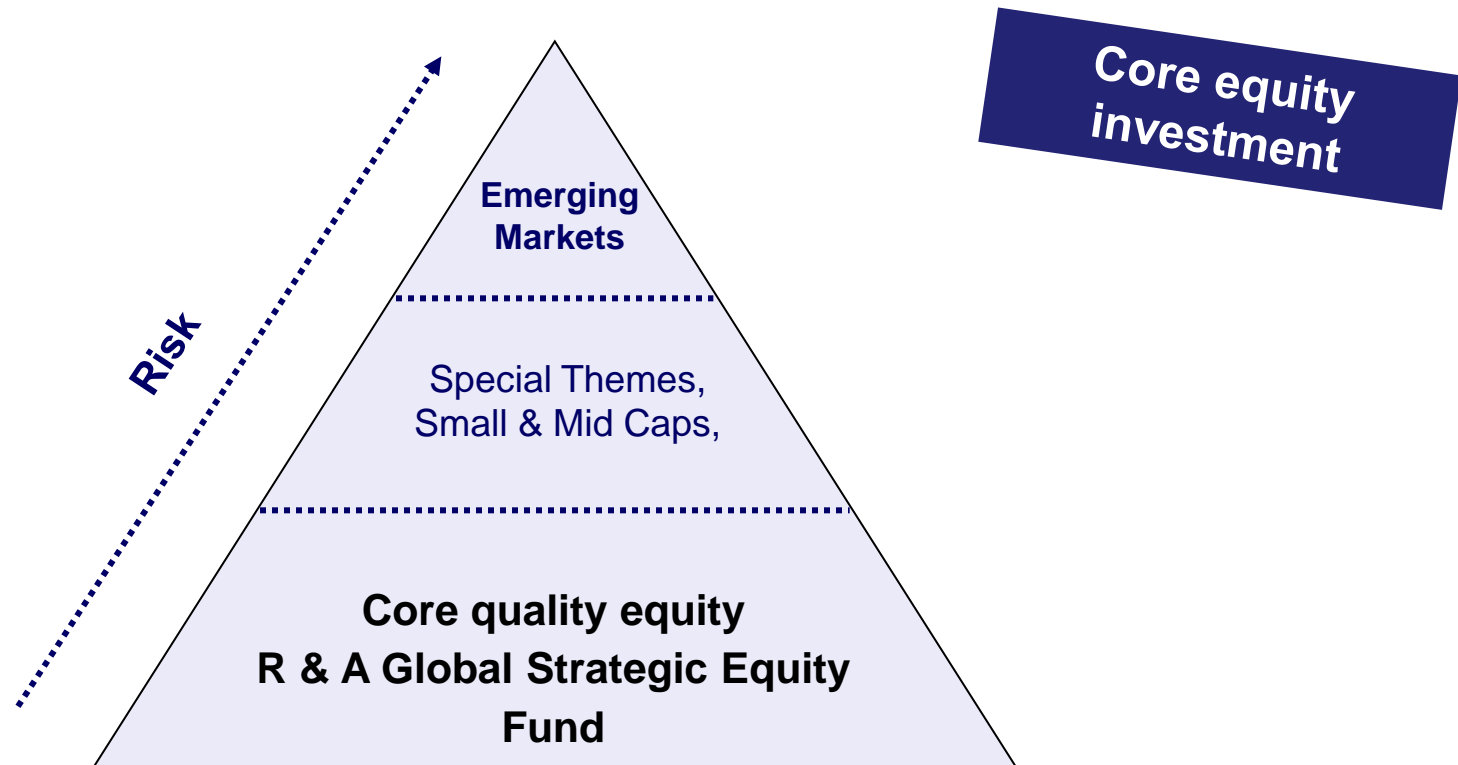
- Attractively valued world leaders with potential and positive fundamental outlook

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	89	57%	97%
Thereof Europe	95	86%	100%
Thereof US	86	38%	95%
Weighted benchmark	79	51%	88%
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

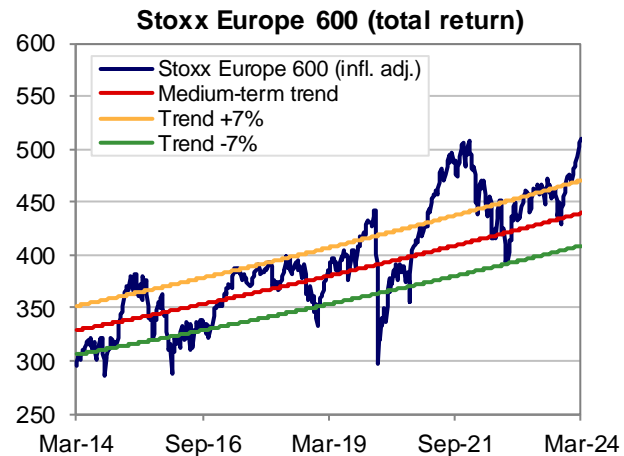
Equity market outlook

Equity markets: Now in line with fundamentals

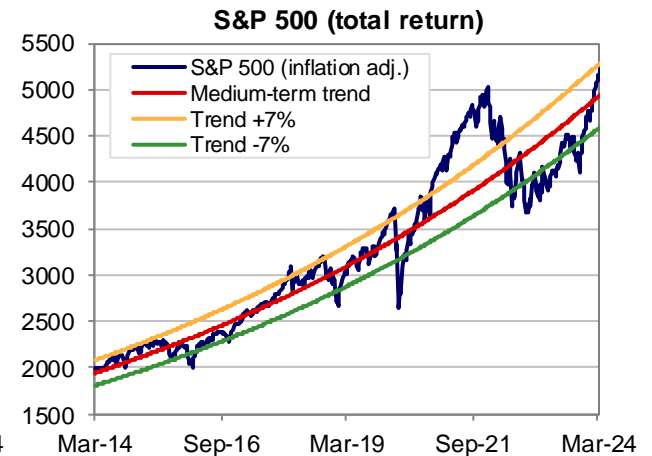
Equity markets have risen significantly since the end of last October. The rally has been driven by a slight improvement in the global economy, comparatively favourable valuations and an improving mood among many investors.

The improved economy is reflected in the 12-month change in the PMIs (purchasing managers indices, see charts). Stock market performance in both Europe and the USA is strongly correlated with the economic momentum.

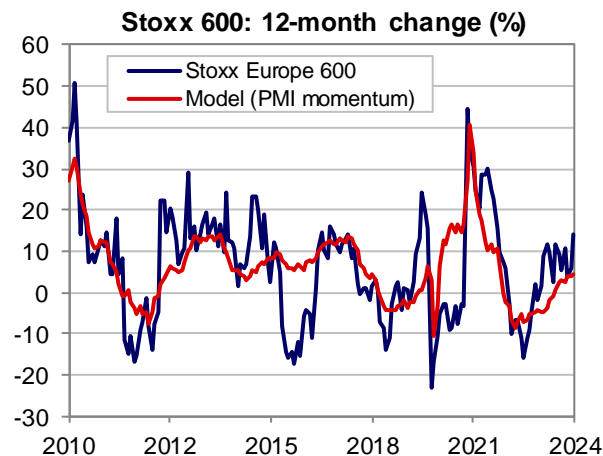
All in all, the slight improvement in the economic and corporate earnings environment now appears largely priced in. The market outlook thus is becoming more symmetrical, after opportunities quite clearly outweighed risks a few months ago.



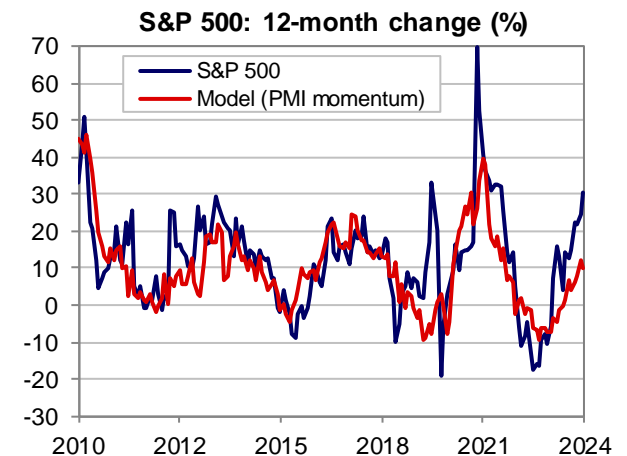
Source: Stoxx, Eurostat, own calculations



Source: S&P, BEA, own calculations



Source: S&P Global, Stoxx Europe 600, own calc.



Source: ISM, S&P 500

Equity market scenarios for the medium term

The most likely scenario in the medium term (i.e. in about 3-5 years) is non-inflationary growth (similar to pre-pandemic trends). A very positive scenario would be characterised by stable and above-average employment (i.e. unemployment rates would be 1.0-1.5% below current full employment levels), with this scenario within reach in the US before the pandemic.

The scenarios can be simulated in our stock market model, whereby we assume that profit margins in the medium term are similar to those before the pandemic. The returns in the table are made up of the change in valuation and the underlying earnings growth, but do not include dividends (yield of around 2% in the USA). The forecast for the total return of the Stoxx Europe 600 is similar to the S&P 500 in the US, with slightly lower earnings growth in Europe offset by a higher dividend yield.

Medium-term equity market scenarios

Scenario	Horizon	Unempl. rate (USA)	Inflation expect.	Adjusted PE		Earnings growth p.a.	Return p.a.
				Model	Model vs. current*		
Goldilocks	5 years	2.5	1.5	40.2	16%	5%	8%
Non-innflationary growth	5 years	3.5	2.0	30.9	-11%	4%	2%
Volatile environment	5 years	4.0	2.5	26.3	-24%	2%	-3%

Data as per 20-Mar-24. Note: Adjusted price/earnings (PE) ratio based on 10-year average of real corporate earnings (S&P 500). Returns exclude dividends. Current PE = 34.7. Source: Own model and forecasts

Equity sectors: Slightly cyclical

After a strong 2023, technology stocks – especially those in Europe, following good results from SAP (enterprise software) and ASML (machines used to build semiconductors and a beneficiary of AI-driven demand) – continued to post solid gains in the first quarter of the year.

We remain positive for the healthcare sector this year. For a number of companies, 2023 was a transition year as the high sales during the pandemic (especially for Covid-19 tests and vaccines) collapsed. In 2024, these companies are likely to face normal demand trends, attracting renewed investor interest.

Equity sectors

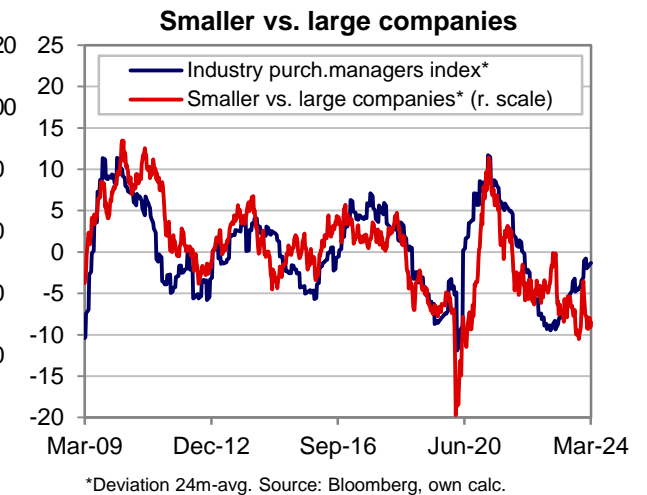
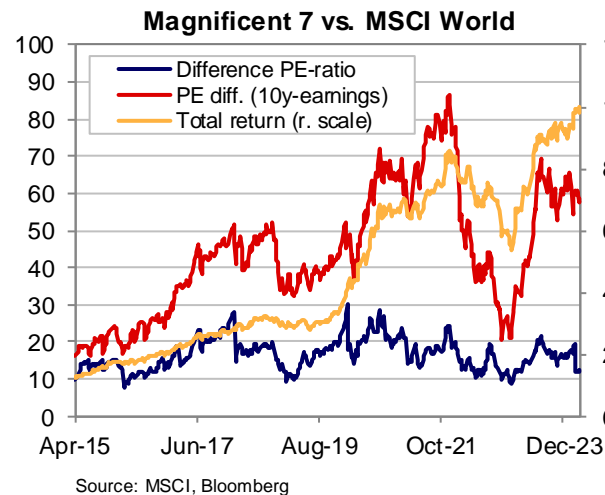
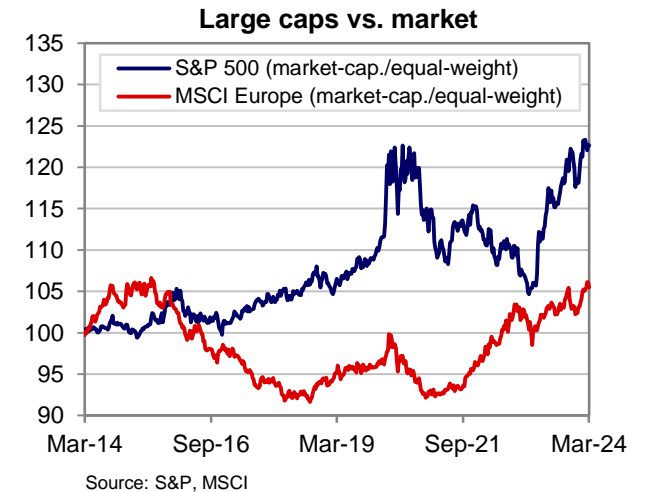
	Europe (Stoxx Europe 600)							USA (S&P 500)						
	Yield		Index weight	Performance				Yield		Index weight	Performance			
	Divid.	FCF		Mar-24.*	1Q24*	2023	5 years*	Divid.	FCF		Mar-24.*	1Q24*	2023	5 years*
Stable demand sectors	3.3	5.8	30.7	1.5%	2.0%	3.7%	21.4%	2.3	3.3	21.2	1.3%	5.7%	-1.6%	45.6%
Consumer staples	3.7	6.8	8.2	-0.3%	-2.3%	-4.2%	-5.1%	2.6	4.2	5.9	2.2%	5.8%	-2.2%	39.1%
Healthcare	2.3	4.2	16.2	2.2%	6.3%	6.4%	42.7%	1.7	4.0	12.3	0.6%	6.7%	0.3%	59.7%
Telecommunications	5.2	16.3	2.6	0.5%	0.3%	3.8%	-20.5%	5.5	12.1	0.9	0.1%	3.5%	-2.5%	-21.1%
Utilities	5.4	3.8	3.7	3.3%	-6.2%	9.1%	16.5%	3.6	-7.0	2.2	3.4%	0.8%	-10.2%	9.9%
Financials	5.6	-	21.1	5.7%	8.6%	17.9%	34.8%	2.0	-	15.2	2.3%	8.1%	9.7%	53.6%
Cyclical sectors	2.6	5.6	48.2	2.8%	8.4%	19.4%	56.3%	0.9	3.3	63.6	3.0%	11.4%	45.8%	121.6%
Cyclical consumption	2.6	5.5	13.4	0.3%	9.0%	18.3%	51.1%	0.6	3.6	18.5	2.1%	10.2%	51.9%	84.2%
Industrial companies	2.4	5.2	19.1	3.5%	10.2%	23.6%	66.4%	1.5	3.5	8.8	3.7%	9.9%	16.0%	67.7%
Technology	1.1	2.5	6.4	1.3%	13.3%	31.7%	88.2%	0.7	2.4	30.1	3.2%	13.9%	56.4%	197.9%
Energy	4.8	12.0	4.6	6.0%	1.8%	3.4%	8.1%	3.2	7.4	3.9	8.0%	10.3%	-4.8%	44.2%
Basic industries	3.4	5.7	4.7	5.6%	-0.7%	4.1%	34.1%	1.8	3.4	2.3	4.5%	6.7%	10.2%	65.8%
Market	3.4	5.7	100.0	3.0%	6.4%	12.7%	34.4%	1.4	3.3	100.0	2.7%	9.7%	24.2%	84.7%

*Data as per 25-Mar-24. FCF = free cash flow. Source: Stoxx, Standard & Poor's, own calculations

Large, very large and smaller companies

Large-cap companies have been outperforming smaller companies (see the relative performance of market-capitalised vs. equally weighted indices).

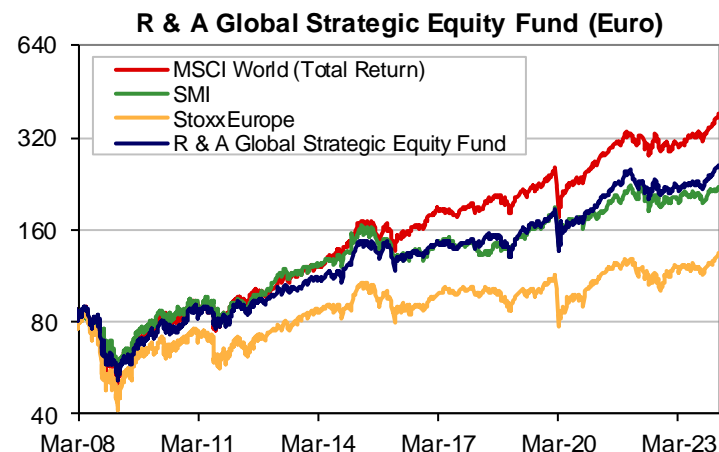
In the US, this phenomenon can be attributed in particular to the very strong performance of the "Magnificent 7" (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla).



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	7.11	158.81
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	11.28	285.18
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	10.87	177.26
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	7.24	34.63
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	1.93	117.20
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	12.62	353.51

*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

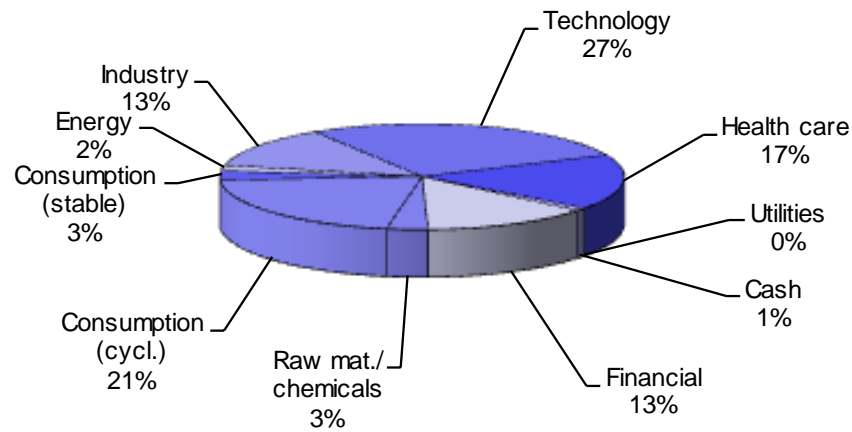
Performance (%)

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	11.48	53.43
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	15.83	128.35
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	11.61	-20.19
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	17.21	168.85
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	6.09	28.76

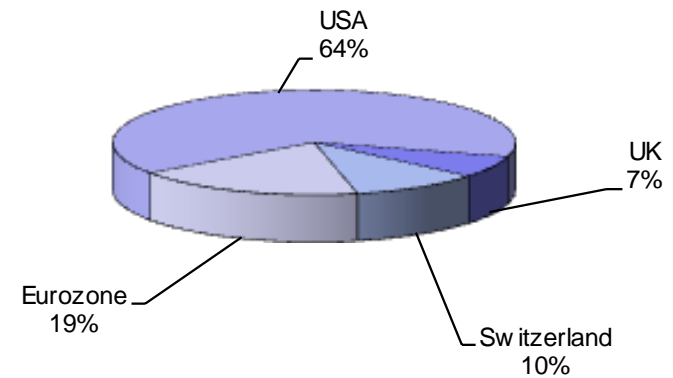
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Country and sector breakdown as per 31st December, 2023

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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