FUND REPORTING

The US stock market had its worst start to the year since the global financial crisis

In general, the "health" of the financial markets can be measured with the intensity of the fluctuations in stock market prices. In the past few months, the pandemic has repeatedly undermined the substance. Despite increased inflation, the US economy recorded its strongest growth since 1984 in 2021. The US Federal Reserve now sees sufficient scope in the strong economic development to raise interest rates several times this year without jeopardizing progress, e.g., on the labour market. In such a restrictive monetary policy, investors tend to see the risk of slowing down growth and a headwind for high valuation levels.

As a result, the US stock market had its worst start to the year since the global financial crisis (S&P 500: -5.26%, Nasdaq -8.98%). The threat of rising interest rates, a possible slowdown in corporate earnings growth and geopolitical tensions first sent American growth stocks down the hill, followed later by European stock markets (Stoxx Europe 600: -3.88%). In an environment of rising interest rates, the bond markets could only contribute to the stability of mixed portfolios to a limited extent. Towards the end of January, it was again the American tech stocks that heralded a partial recovery.

The “patient” financial market is likely to be accompanied by bouts of fever (volatility) again and again over a longer period but can continue to rely on the robust overall constitution. It remains to be seen whether the Fed will be so aggressive in fighting inflation with several interest rate hikes and at the same time curbing its bond purchases more quickly. The portfolio should continue to be positioned slightly defensively for the coming weeks, but higher volatility should be used to increase the equity exposure to attractive levels. The fund's equity exposure will though remain below 60% in the short term.

Growth and tech stocks were reduced in the portfolio, so the equity exposure has meanwhile been reduced from around 63% to around 45%. Towards the end of the month, Vodafone, among others, was bought, and some previously sold stocks were re-allocated at favourable levels. Investments were also made in financials via ETFs. The equity exposure (including ETFs) was around 50% at the end of the month.

The fund lost between -6.12% and -6.19% depending on the share class. Positive contributions came from defensive stocks such as Visa and Coca Cola as well as cyclical European stocks such as Bayer, Allianz and BMW. On the other hand, disruptive, dynamic growth companies with digital business models such as Upstart, Shopify, Lemonade, Block or Trade Desk suffered price losses. On the bond side, titles from UniCredit, the aviation group IAG and the battery manufacturer Clarios scored well. Due to the rise in interest rates - especially in the USA - bonds with medium and longer terms in particular suffered price losses. In the area of alternative investment instruments, commodity investments and the portfolio of insurance and reinsurance risks (CAT bonds) shone.

	BlackPoint Evolution Fund		Morningstar Peer Group**	
	Return*	Volatility	Return*	Volatility
1 month	--	--	--	--
3 months	--	--	--	--
6 months	--	--	--	--
1 year	--	--	--	--
since inception**	--	--	--	--

* The MIFID legislation prohibits the disclosure of performance data for funds with a track record of less than 12 months.
** Morningstar EAA EUR moderate allocation - global
*** 10/18/2021

Source: Morningstar, 01/31/2022
Calculation based on monthly values. The specified performance* is the calculated net asset value in% in the fund currency after costs and without taking into account any subscription fees. The information is historical and does not represent a guarantee for future developments..