FUND REPORTING

The perfect storm

When Russia launched a war of aggression against Ukraine at the end of February, the international financial markets had been under heavy pressure for some time. The extreme war-related price increases of important raw materials such as oil, gas or wheat also boosted inflation. Anyone who now thought that further price declines across the board were essential was amazed to see the resilience of the stock markets. In the interplay of war, fear of recession and inflation, companies that generate predictably strong cash earnings stabilized the stock exchanges. Under these conditions, the American stock market (S&P 500) rose by +5.46% and the European stock market (Euro Stoxx 50) by +3.63%. Emerging market equities (MSCI EM -2.71%), on the other hand, had to face some challenges in the last few weeks: the important segment China (MSCI China), for example, corrected by -8.45% and Russia was de-listed at a price of zero and reclassified to “Standalone Markets”. On the bond side, the risk premiums for both government and corporate bonds continued to increase, with negative effects on prices. Most recently, the Fed was open to a larger rate hike of +50bp in May, which should put additional pressure on bonds.

BlackPoint Evolution Fund

The **BlackPoint Evolution Fund** gained between +1.66% and +1.75% depending on the share class. The largest contribution came from the equity portfolio. The focus was primarily on high profitable established companies such as Apple, Thermo Fisher, Pfizer and Alphabet. On the other hand, there were price losses for growth stocks from the technology sector such as Upstart or Trade Desk, but also for companies that constantly suffer from supply chain problems such as BMW. Only a few titles such as Clarios Global, Avis or UniCredit were able to assert themselves positively in the bond portfolio.

The perfect storm of war, inflation, fears of recession and then renewed hope must not lead to erratic action, but requires a cool head coupled with the consistent implementation of the defined strategy. Aiming for a slightly more defensive equity portfolio, we followed our contrarian investment philosophy and took advantage of the combination of cheap prices and positive momentum to selectively add to stocks in Apple, LVMH, Microsoft, Intuit, Coca-Cola, Unilever, Marriott and Alphabet. On the bond side, we only invested some cash in short-dated US government bonds. The fund allocation is thus around 57% equities and 36% bonds (including 2.5% CAT bonds and 6% short-dated US government bonds as a cash substitute).

	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, 03/31/2022
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..