

# VARIANZA Altum Faith-Consistent, FI

Date: 30/09/2024



NAV  
10,22

Total AUMs (Eur mm)  
16

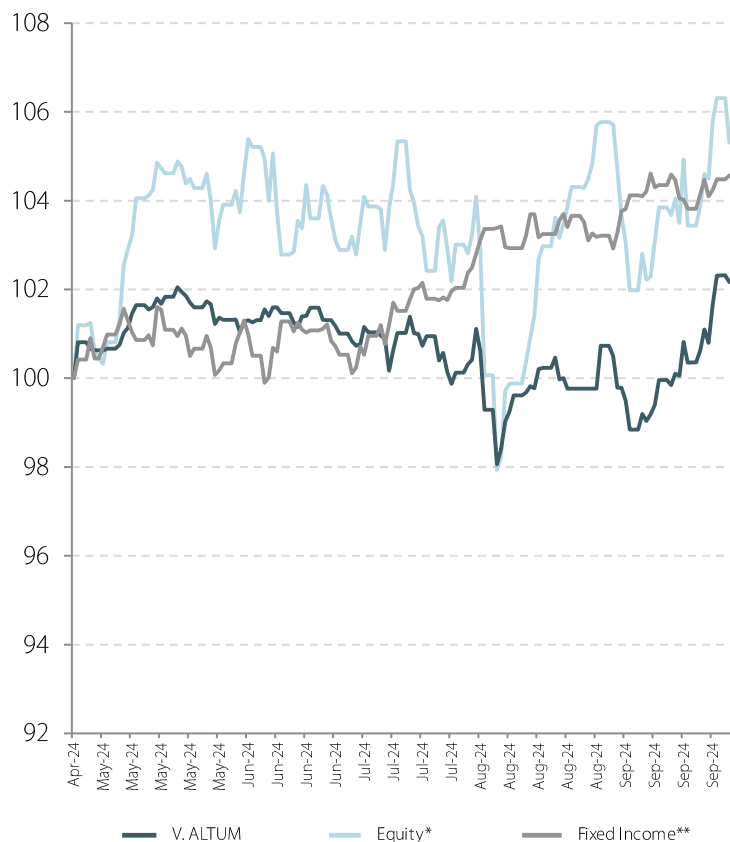
## 01 Investment Strategy

It is an open-end fund incorporated in Spain, that seeks to offer its investors attractive long-term capital appreciation, aligning financial investments with the social doctrine of the Catholic Church. To achieve this, the fund invests in various markets and asset types, with a balance of investment between equities and fixed income, where exposure to equities will vary between 30% and 75%. Likewise, investments will comply with Altum Faithful Investing's Investment Guidelines regarding alignment with the Social Doctrine of the Catholic Church. The fund falls under Article 8 of SFDR Regulation.

Portfolio Managers: Alberto Spagnolo, CFA. Founder and CEO of Varianza. He holds more than 28 years of experience in investment and wealth management. Previously, he held positions as CEO and CIO at Merrill Lynch Gestión SGIC, partner at M&B Capital and PM at BBVA AM. Pelayo Gil-Turner. CIO. He holds 19 years of experience in asset management. Before he was CEO and CIO of Julius Baer Gestión SGIC Spain and PM at Banco Urquijo

## 02 Returns

	V. ALTUM	Equities*	Fixed Income**
Cumulative since inception 25/04/2024	2,2%	5,3%	4,6%
Annualized since inception 25/04/2024	5,1%	12,7%	10,9%
<b>Historical Returns</b>			
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024 (30/09/2024)	2,2%	5,3%	4,6%
Last month	1,4%	-0,4%	1,3%
<b>Recent Available Data</b>			
3 years annualized	-	-	-
5 years annualized	-	-	-
10 years annualized	-	-	-

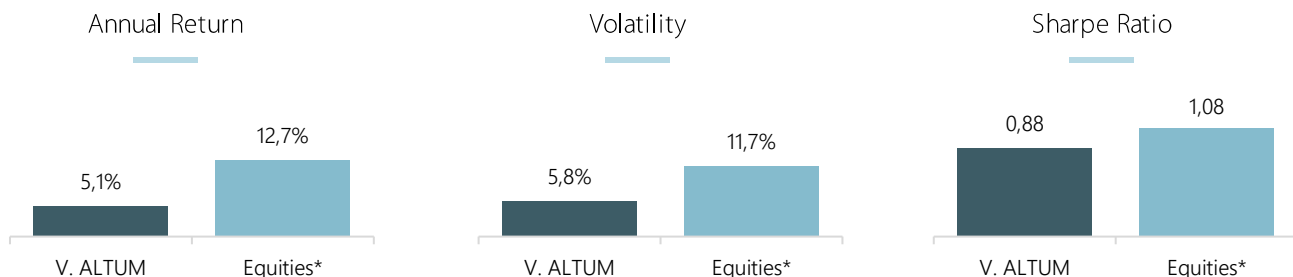


\*MSCI Daily Net TR Europe Index \*\*Bloomberg Euro Aggregate Index

## 03 Risk

Risk adjusted return since inception 25/04/2024	V. ALTUM	Equities*	Best Returns since inception	V. ALTUM	Equities*	Worst Returns since inception	V. ALTUM	Equities*
Annual Return	5,1%	12,7%	1 Month	2,6%	5,8%	1 Month	-2,9%	-5,7%
Volatility	5,8%	11,7%	6 Months	0,0%	0,0%	6 Month	0,0%	0,0%
Sharpe Ratio	0,88	1,08	12 Months	0,0%	0,0%	12 Month	0,0%	0,0%

\*MSCI Daily Net TR Europe Index



## 04 Main Data

Description	Details		Others		
Name	VARIANZA Altum F-C, FI	Success Fee	Not applicable	CNMV Registry	250
ISIN	ES0167937004	Category	Intl. Mix Allocation	Custodian	CACEIS Bank Spain SA
Bloomberg ID	VAFCFEU SM	Traspaso Elegible	Yes	Transfer Agent	CACEIS Bank Spain SA
Min. Investment	10 €	SFDR	Article 8	Admin. Agent	CACEIS Fund Admin. SA
Mngmt Fee	0,65%	Invest. Manager	Varianza Gestión SGIC	Auditor	BDO A. Auditores SLP

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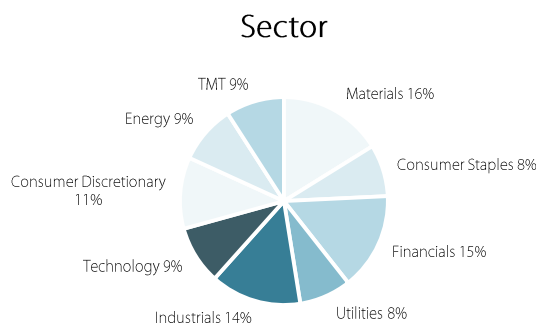
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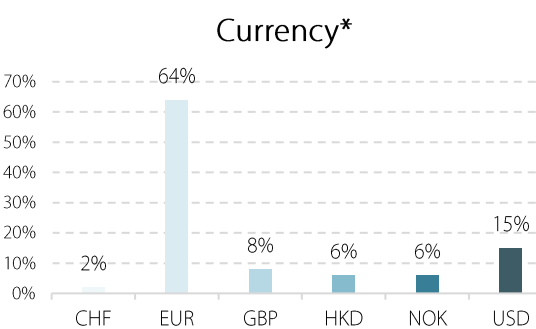
## 05 Asset Allocation

Asset Allocation	
<b>Equities*</b>	<b>48,2%</b>
North America	9,0%
Japan	-
Europe	32,6%
Emerging Markets	6,6%
Asia ex-Japan	-
<b>Fixed Income</b>	<b>40,9%</b>
Government	4,2%
High Credit Quality	25,8%
High Yield	3,9%
Convertibles	-
Emerging	6,9%
Inflation Linked	-
<b>Alternative Investments</b>	<b>-</b>
Real Estate	-
<b>Cash and Equivalents</b>	<b>10,9%</b>

\*Net weight exposure including hedges



Top equity holdings	
TAIWAN SEMICO...	3,4%
PROSUS NV	3,0%
CELLNEX TELECOM	2,5%
VEOLIA ENVIRO...	2,4%
SYENSCO SA	2,3%



Top fixed income holdings	
ATHORA 7 PERP...	1,9%
IMP BRANDS FI...	1,6%
HAMMERSON PLC...	1,6%
ESM 4 3/4 09/...	1,5%
ICO 1.3 10/31...	1,4%

## 06 Portfolio Overview

Equities overview			
Positions	28	Ebit/EV	6,3
Currency	EUR	FCF Yield (%)	5,3
Average P/E	13,3	ROE 5y average (%)	10,3
Dividend Yield	4,1%	ROCE	8,4

Fixed Income overview			
Positions	38	Average Coupon (%)	3,9
Currency	EUR	Maturity (years)	5,8
Yield to worst (%)	5,0	Duration	2,3
Average Rating	BBB	Coupons (%)	3,8

VARIANZA Score*			
Total V. Altum	76,9%	Positions with score >50	91,0%

\*Commitment of internal ESG rating: Total V. Altum > 50 and more than 50% of holdings having a Score >50: overall invested companies are above average vs their comparable universe

External Ratings		
Altum: Platinum*	MSCI: -	Morningstar: -

\*The Platinum classification implies a 100% compliance level of the fund's investments with the Altum Investment Guidelines

## 07 Monthly Summary

The NAV of V. ALTUM went up by 1.4% during September. In 2024 the accumulated return is 2.2% which represents 2,2% since inception, and a CAGR of 5,1%.

The month closed with positive stock market returns (MSCI World up 1.9%), marking a shift in dynamics from previous months. This time, China led the charge with a staggering 23% return (MSCI China), all of which came in the final five days of the month—a move not seen in years.

The catalyst was the Chinese government's announcement of a fresh monetary and fiscal stimulus package aimed at stabilizing the economy and markets. This marks another 180-degree policy shift (the last being their abrupt reversal on COVID policies), signaling the government's growing concern over the weakness in China's economy and the poor performance of its markets. This news has reignited interest from international investors, who were notably underweight, as well as Chinese institutional investors, who have been encouraged to buy back their own shares. Given the previously low international interest and attractive valuations, we believe this rally could continue, especially if more fiscal measures are rolled out.

Elsewhere, a key highlight this month was the significant interest rate cuts from both the Federal Reserve and the European Central Bank. The Fed's 50 basis point cut was particularly bold, with a clear message: inflation is under control, the focus has shifted to the broader economy, and despite its strength, there's room for preemptive rate cuts. This move also quashes concerns that growth may be slowing and that the rate cuts could be coming too late. We are now in an era where the world's two largest economies are openly stimulating growth through monetary easing.

Our China and Hong Kong positions performed exceptionally well this month, with Value Partners leading the pack with a 38% return, followed by Xinyi Solar at 37%, Baidu at 26%, and Prosus at 17%. In total, 48 positions ended the month in positive territory. On the downside, 19 positions closed in the red, led by Aker BP (-11%) amid sector weakness, followed by SoftwareOne (-5.2%) and Vermilion (-5%).

In terms of portfolio activity, we made three new investments in defensive sectors: Veolia, a leader in environmental services with an expected 10% annual EPS growth through 2027; EDP, focused on renewables and electricity distribution, with expansion opportunities in the U.S.; and Elia, a transmission network operator in Belgium and Germany, positioned for growth due to network investment and electrification needs. We also increased our position in Mercedes, taking advantage of market weakness. On the other hand, we took profits in British American Tobacco, which has delivered a 31% return this year, and partially trimmed our exposure to Berkshire Hathaway after a 34% gain in 2024.

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