

Cervino World Investments (I)

Date: 30/09/2024



Signatory of:



NAV
254,48

Total AUMs (Eur mm)
119

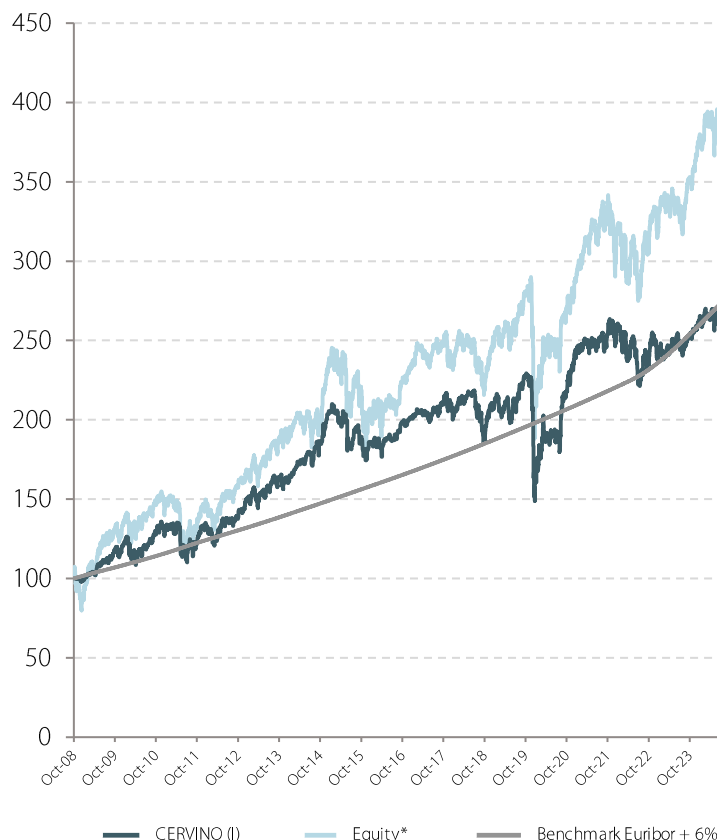
01 Investment Strategy

The fund's objective is to provide investors with long-term capital appreciation, similar to global equities over a long-term horizon but with significant less risk. Dynamic asset allocation with no predetermined benchmark. Cervino seeks to achieve a long-term return of Euribor + 6%. 40% to 100% exposure to Equities. No limitation regarding category, rating, or duration for Fixed Income. Security Selection based on value and contrarian approach. Search for low correlated assets and use of derivatives to control volatility. Article 8 fund, 5% Taxonomy Alignment. Promotes strategies to improve climate footprint, Human Rights and ESG improvers.

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

	CERVINO (I)**	Equities*	Benchmark Euribor + 6%
Cumulative since 31/12/2008	177,6%	294,1%	173,3%
Annualized since 31/12/2008	6,7%	9,1%	6,6%
Historical Returns			
2014	13,6%	6,8%	6,3%
2015	1,5%	8,2%	6,1%
2016	5,1%	2,6%	5,8%
2017	5,3%	10,2%	5,8%
2018	-9,9%	-10,6%	5,8%
2019	20,7%	26,0%	5,7%
2020	-4,2%	-3,3%	5,6%
2021	16,5%	25,1%	5,6%
2022	-8,3%	-9,5%	6,2%
2023	9,1%	15,8%	9,6%
2024 (30/09/2024)	9,2%	11,6%	7,6%
Last month	2,8%	-0,4%	0,8%
Recent Available Data			
3 years annualized	3,9%	8,0%	8,3%
5 years annualized	5,5%	8,4%	7,2%
10 years annualized	4,5%	6,9%	6,5%



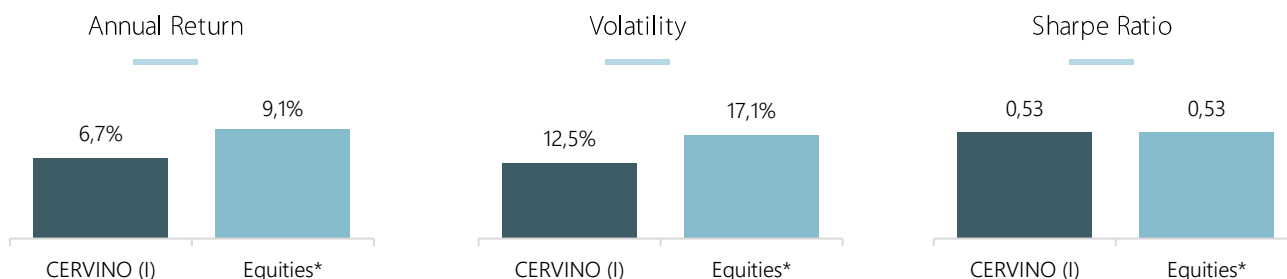
*MSCI Daily Net TR Europe Index

**Cervino's strategy begins on 10/22/2008 with Class I. The data shown in this document starts on 31/12/2008 to disclose full calendar years.

03 Risk

Risk adjusted return since 31/12/2008	CERVINO (I)	Equities*	Best Returns	CERVINO (I)	Equities*	Worst Returns	CERVINO (I)	Equities*
Annual Return	6,7%	9,1%	1 Month	19,1%	19,4%	1 Month	-33,9%	-35,0%
Volatility	12,5%	17,1%	6 Months	36,1%	51,0%	6 Month	-29,5%	-28,6%
Sharpe Ratio	0,53	0,53	12 Months	62,9%	64,5%	12 Month	-28,8%	-24,3%

*MSCI Daily Net TR Europe Index



04 Main Data

Institutional Share Class (I)		Retail Share Class (R)		Others	
ISIN	LU0907323314	ISIN	LU1860979399	Investment Manager	Varianza Gestión SGIC SA
Bloomberg ID	PACWIEP LX	Bloomberg ID	PACWIRB LX	CNMV Registry	250
Min. Investment	2.000.000 €	Min. Investment	10 €	Custodian / TA	BNP Securities Services
Mngmt Fee	0,55%	Mngmt Fee	1,50%	Administrative Agent	BNP Fund Services
Success Fee	10% over annual profit if greater than Euribor + 6%	Success Fee	Not applicable	Auditor	Deloitte Luxembourg
				SFDR	Article 8 + 5% Taxonomy

DISCLAIMER

Pareturn Cervino World Investments was launched on 3rd March 2014. Return and risk data shown from inception (22-oct-2008) to 3rd March 2014 belong to a proforma analysis of returns for Abarcapital Inversiones SICAV, a Spanish registered collective investment scheme that was merged into Pareturn Cervino and whose investment policy, strategy and team was the same as the current one. Performance is based on NAV calculations and hence, net of any fees. This document has been prepared by Varianza Gestión S.G.I.C., S.A. ("VARIANZA") The information contained in this document is generic and is provided for information purposes only. It cannot be considered as financial analysis of any sort nor a personalized recommendation to buy, sell or implement any specific investment strategy. Consequently, there is no investment advisory services being provided, no legal, fiscal advisory or financial analysis is being provided, and should not be interpreted as such. The information presented herein has been obtained from public sources, and VARIANZA has not carried out a verification, validation or auditing regarding the accuracy and authenticity of the information. Therefore, VARIANZA does not offer any guarantee and/or does not assume any responsibility for any omission or error. Past performance may not be indicative of future results. It should be taken into consideration that investments imply risks and that the value of the investment and all related income may change under market conditions and depend on the applicable tax regime, and investors might not be able to recover the initial investment. This document is strictly private, confidential and personal to its recipients and should not be copied, distributed or reproduced in whole or in part, nor passed to any third party.

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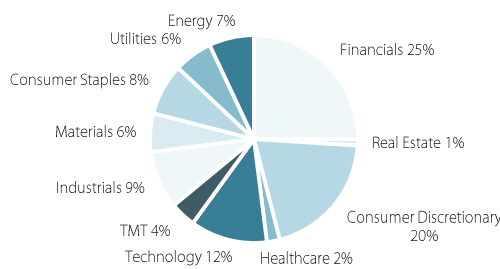
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Asset Allocation

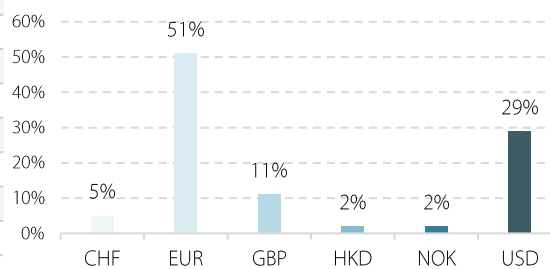
Asset Allocation	
Equities*	77,8%
North America	28,2%
Japan	1,7%
Europe	41,5%
Emerging Markets	6,3%
Asia ex-Japan	-
Fixed Income	17,5%
Government	-
High Credit Quality	6,4%
High Yield	11,1%
Convertibles	-
Emerging	-
Inflation Linked	-
Alternative Investments	-
Real Estate	-
Cash and Equivalents	1,8%

*Net weight exposure including hedges

Sector



Currency*



Top equity holdings

BERKSHIRE HAT...	4,0%
ISHARES MSCI ...	3,7%
BANK OF AMERI...	2,7%
AGNICO EAGLE ...	2,5%
MICHELIN	2,4%

Top fixed income holdings

CABKSM 5 1/4 ...	2,3%
ISPIM 4 1/8 PERP	2,1%
MCGLN 4 1/4 PERP	2,0%
ENQLN 9 10/27/27	1,4%
BBVASM 6 PERP	1,2%

Portfolio Overview

Equities overview			
Positions	50	Ebit/EV	6,4
Currency	EUR	FCF Yield (%)	5,3
Average P/E	14,5	ROE 5y average (%)	11,9
Dividend Yield	5,5%	ROCE	7,4

Fixed Income overview			
Positions	15	Average Coupon (%)	5,3
Currency	EUR	Maturity (years)	17,6
Yield to worst (%)	8,2	Duration	2,0
Average Rating	B+	Coupons (%)	5,4

VARIANZA Score*

Total CERVINO	76,7%	Positions with score >50	90,6%
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*Commitment of internal ESG rating: Total Cervino > 50 and more than 50% of holdings having a Score >50: overall invested companies are above average vs their comparable universe

External Sustainability Ratings

MSCI:	A	Morningstar:	Average
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Monthly Summary

The NAV of CERVINO (I) went up by 2.8% during September (share class I). In 2024 the accumulated return is 9.2% which represents 177,6% since inception, and a CAGR of 6,7%.

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.

During the month, our positions in China and Hong Kong rebounded strongly, with Alibaba leading the gains at 35%, followed by Baidu at 27%, Prosus at 17%, and the local Chinese equity ETF at 21%. In total, 20 positions saw increases of more than 3% during the month. Capri also stood out with an 18% rise. On the other hand, 21 positions ended the month in negative territory, led by Mercedes Benz (-7%) amid weakness in the European automotive sector and Chinese luxury consumption, Roche (-6%), and the Antolin bond (-6%).

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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