

# Cervino World Investments (R)

Date: 31/12/2024



Signatory of:



NAV  
126,02

Total AUMs (Eur mm)  
113

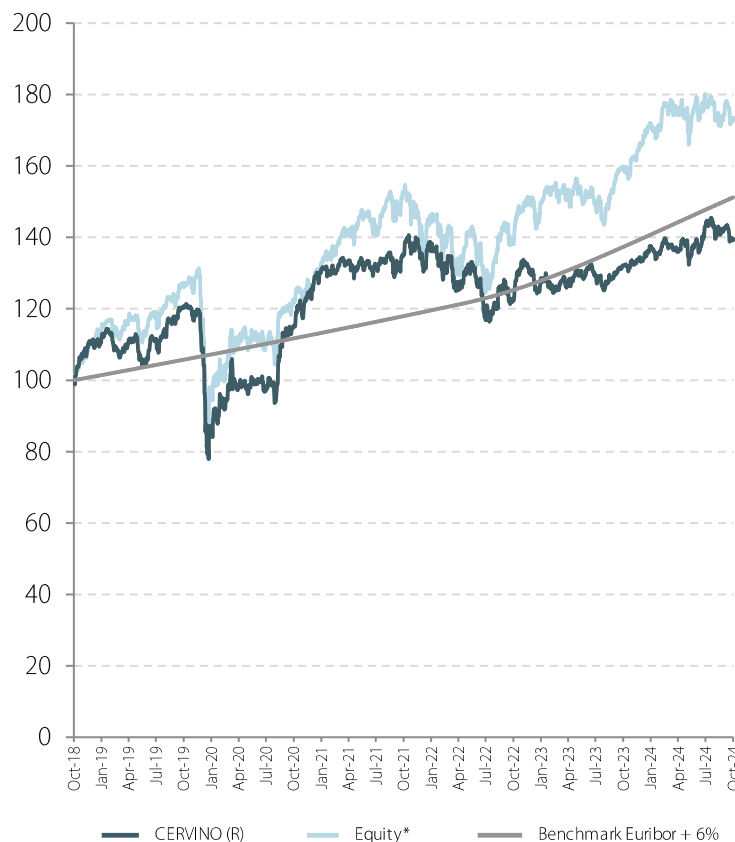
## 01 Investment Strategy

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 20 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 (R)**	Equities*	Benchmark Euribor + 6%
Cumulative since 31/12/2018	39,6%	73,6%	51,2%
Annualized since 31/12/2018	5,7%	9,6%	7,1%
<b>Historical Returns</b>			
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	20,4%	26,0%	5,7%
2020	-4,3%	-3,3%	5,6%
2021	17,2%	25,1%	5,6%
2022	-9,5%	-9,5%	6,2%
2023	8,1%	15,8%	9,6%
2024 (31/12/2024)	5,6%	8,6%	10,1%
Last month	-1,8%	-0,5%	0,8%
<b>Recent Available Data</b>			
3 years annualized	1,1%	4,4%	8,6%
5 years annualized	3,0%	6,6%	7,4%
10 years annualized	-	-	-



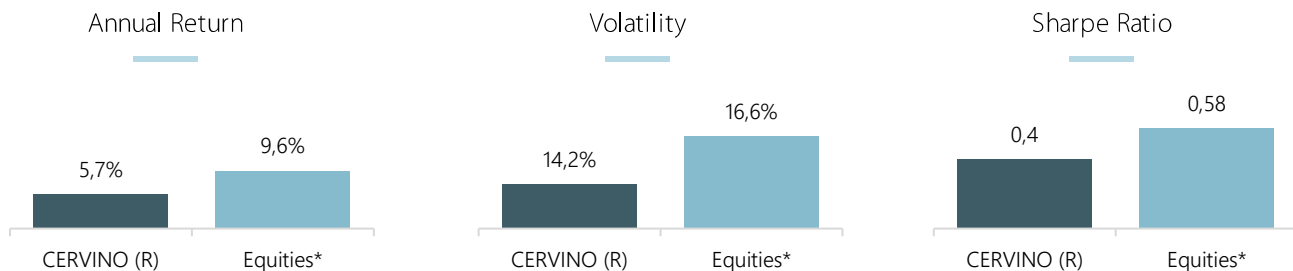
\*MSCI Daily Net TR Europe Index

\*\*Although Retail Class (R) started on 10/19/2018, Cervino's strategy began on 10/22/2008 with Class I. The data shown in this document starts on 31/12/2018 to disclose full calendar years.

## 03 Risk

Risk adjusted return since 31/12/2018	CERVINO (R)	Equities*	Best Returns	CERVINO (R)	Equities*	Worst Returns	CERVINO (R)	Equities*
Annual Return	5,7%	9,6%	1 Month	20,8%	19,4%	1 Month	-34,4%	-35,0%
Volatility	14,2%	16,6%	6 Months	39,4%	32,1%	6 Month	-29,9%	-28,6%
Sharpe Ratio	0,40	0,58	12 Months	65,9%	53,5%	12 Month	-29,5%	-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.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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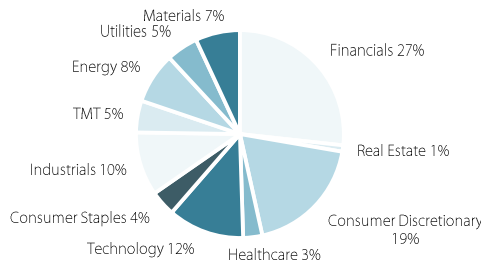
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## Asset Allocation

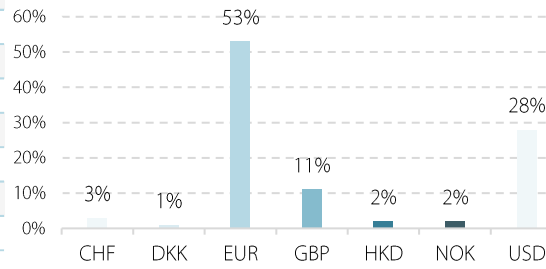
Asset Allocation	
<b>Equities*</b>	<b>80,0%</b>
North America	32,9%
Japan	2,2%
Europe	37,9%
Emerging Markets	7,0%
Asia ex-Japan	-
<b>Fixed Income</b>	<b>16,7%</b>
Government	-
High Credit Quality	7,0%
High Yield	9,8%
Convertibles	-
Emerging	-
Inflation Linked	-
<b>Alternative Investments</b>	<b>-</b>
Real Estate	-
<b>Cash and Equivalents</b>	<b>5,9%</b>

\*Net weight exposure including hedges

## Sector



## Currency\*



## Top equity holdings

BERKSHIRE HAT...	4,4%
ISHARES MSCI ...	3,9%
AGNICO EAGLE ...	2,8%
BANK OF AMERI...	2,8%
TAIWAN SEMICO...	2,5%

## Top fixed income holdings

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

## Portfolio Overview

Equities overview	
Positions	51
Currency	EUR
Average P/E	14,8
Dividend Yield	0,0%
Ebit/EV	5,7
FCF Yield (%)	5,0
ROE 5y average (%)	13,4
ROCE	9,0

Fixed Income overview	
Positions	13
Currency	EUR
Yield to worst (%)	8,7
Average Rating	B+
Average Coupon (%)	5,3
Maturity (years)	18,1
Duration	2,0
Coupons (%)	5,4

VARIANZA Score*	
Total CERVINO	77,3%
Positions with score >50	90,5%

External Sustainability Ratings	
MSCI:	AA
Morningstar:	Average

\*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

## Monthly Summary

The NAV of CERVINO (R) went down by -1.8% during December (share class R). In 2024 the accumulated return is 5.6% which represents 39,6% since inception, and a CAGR of 5,7%.

Following Trump's decisive victory in the November presidential election, December brought a bit of a hangover in the form of declines in the U.S. equity markets. The S&P 500 dropped 2.5% over the month, while the global stock market fell by 2.7%. Despite this pullback, 2024 closed as the second consecutive year of exceptional returns for the U.S. market, rising 25%, again driven by large tech companies, and significantly outperforming other markets such as Europe (9.5%) and emerging markets (9%).

Notably, for the first time in four years, the Chinese market posted a solid recovery, ending the year up 19% (MSCI China). In the fixed-income space, a clear dichotomy was observed between credit and sovereign bonds. For instance, global High Yield rose 9%, while a USD-denominated sovereign bond index finished the year virtually flat. In terms of long durations, U.S. sovereign bonds posted negative returns for the third consecutive year (ICE US Treasury 20+ Year Bond Index). This was due to moderating expectations for interest rate cuts, as inflation has proven resilient in reaching the 2% target. Additionally, the inflationary and deficit policies proposed by Trump seem to have raised concerns at the Federal Reserve, which has toned down its rhetoric and is considering a "pause" in rate cuts. Currently, the market anticipates only two additional 25 basis point cuts throughout 2025.

We expect 2025 to be marked by the unpredictability of Trump's actions and decisions, but with some common denominators: monetary stimulus in the three main economic areas (the U.S., China, and Europe), and fiscal stimulus in the first two. The probability of a recession remains very low, and there is a reasonable expectation of acceleration in corporate earnings, which should serve as the foundation for sustaining further equity market returns, rather than multiple expansions.

Throughout 2024, more than 15 positions in the portfolio delivered returns above 20%. Leading the pack were Taiwan Semiconductor (96% in local currency), Kinder Morgan (66%), Corning (63%), Grupo Lar (50%), Agnico Eagle Mines (48%), and Prosus (42%). On the downside, four companies weighed on portfolio performance: Intel (-61%), Software One (-62%), Capri (-61%), and Bayer (-40%).

In December 2024, we took advantage of significant pullbacks in some European stocks to invest in Assa Abloy, the global leader in entry systems, access control, and electronic locks, a sector with stable growth and consolidation opportunities through mergers and acquisitions (M&A). We also invested in Novo Nordisk, which, after a more than 30% drop from its peak, remains a leader in diabetes and obesity medications, with strong potential for expansion into other cardiovascular and renal conditions. Additionally, we increased our exposure to Carl Zeiss Meditec, a leader in equipment for ophthalmic surgeries and microsurgery, capitalizing on pullbacks of over 50% due to the temporary weakness in the Chinese market. On the other hand, we took partial profits in Kinder Morgan after a strong revaluation over the year.

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