VARIANZA

Cervino World Investments (R)

Date: 30/10/2026

Signatory of: PRI Principles for Responsible Investment

NAV	Total AUMs (Eur mm)
155,14	122

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.

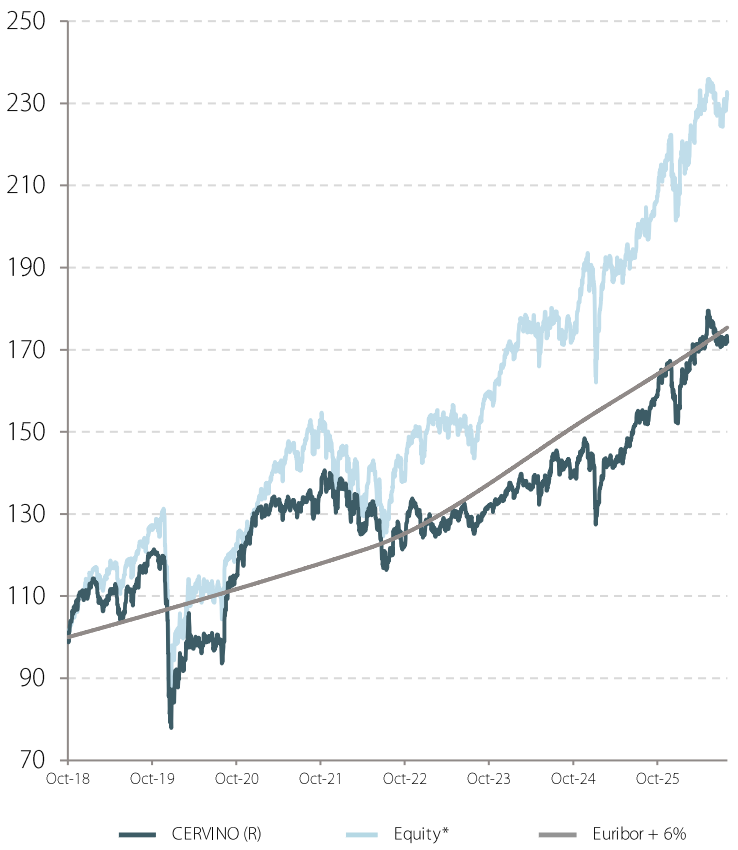
Portfolio Managers: Alberto Spagnolo, CFA. Founder and CEO of Varianza. He holds more than 30 years of experience in investment and wealth management. Previously, he held positions as CEO and CIO at Merrill Lynch Gestión SGIIC, partner at M&B Capital and PM at BBVA AM. Pelayo Gil-Turner. CIO. He holds 21 years of experience in asset management. Before he was CEO and CIO of Julius Baer Gestión SGIIC Spain and PM at Banco Urquijo

02 Returns

	CERVINO (R)**	Equities*	Euribor + 6%
Cumulative since 31/12/2018	71,8%	132,1%	75,4%
Annualized since 31/12/2018	7,2%	11,3%	7,4%
Historical Returns			
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	5,6%	8,6%	10,1%
2025	13,7%	19,4%	8,5%
2026 (30/10/2026)	8,2%	12,0%	6,9%
Last month	0,3%	2,1%	0,7%
Recent Available Data			
3 years annualized	11,1%	17,2%	9,1%
5 years annualized	5,3%	9,4%	8,5%
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.



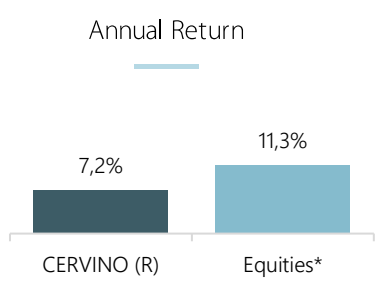
03 Risk

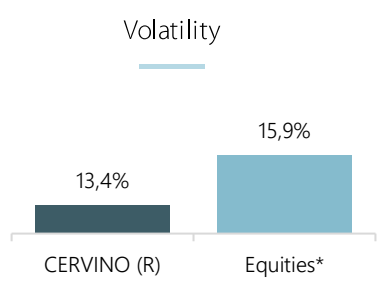
Risk adjusted return since 31/12/2018	CERVINO (R)	Equities*
Annual Return	7,2%	11,3%
Volatility	13,4%	15,9%
Sharpe Ratio	0,53	0,71

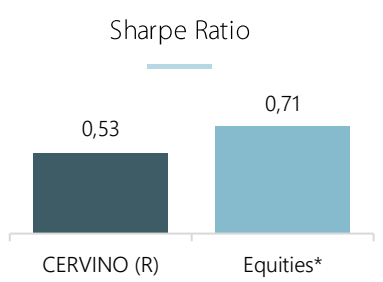
Best Returns	CERVINO (R)	Equities*
1 Month	20,8%	19,4%
6 Months	39,4%	32,1%
12 Months	65,9%	53,5%

Worst Returns	CERVINO (R)	Equities*
1 Month	-34,4%	-35,0%
6 Month	-29,9%	-28,6%
12 Month	-29,5%	-24,3%

*MSCI Daily Net TR Europe Index







04 Main Data

Institutional Share Class (I)	
ISIN	LU0907323314
Bloomberg ID	PACWIEP LX
Min. Investment	2.000.000 €
Mngmt Fee	0,55%
Performance Fee	10% on annual return with High Water Mark

Retail Share Class (R)	
ISIN	LU1860979399
Bloomberg ID	PACWIRB LX
Min. Investment	10 €
Mngmt Fee	1,50%
Performance Fee	Not applicable

Others	
Investment Manager	Varianza Gestión SGIIC SA
CNMV Registry	250
Custodian / TA	BNP Securities Services
Administrative Agent	BNP Fund Services
Auditor	Deloitte Luxembourg
SFDR	Article 8 + 5% Taxonomy

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, the 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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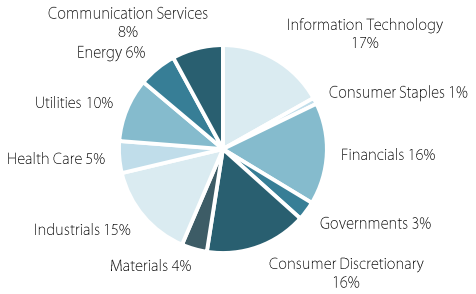
05 Asset Allocation

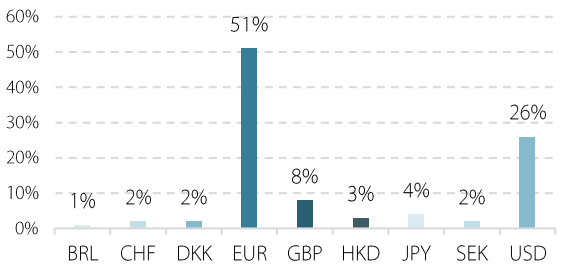
Asset Allocation	
Equities*	**79,5%**
North America	25,3%
Japan	2,4%
Europe	43,1%
Emerging Markets	8,7%
Asia ex-Japan	-
Fixed Income	**8,6%**
Goverment	2,1%
High Credit Quality	3,8%
High Yield	1,9%
Convertibles	-
Emerging	0,7%
Inflation Linked	-
Alternative Investments	**-**
Real Estate	-
Cash and Equivalents	**15,9%**

*Net weight exposure including hedges

Sector



Currency*



Top equity holdings	
VEOLIA ENVIRO...	2,9%
TAIWAN SEMICO...	2,8%
CISCO SYSTEMS...	2,8%
INDUSTRIA DE ...	2,6%
ALPHABET INC-...	2,2%

Top fixed income holdings	
MCGLN 4 1/4 PERP	2,0%
ACAFP 4 3/4 PERP	1,0%
EIB 11 07/03/30	0,9%
INTNED 7 ½ PERP	0,8%
VETCN 6 7/8 0...	0,7%

06 Portfolio Overview

Equities overview			
Positions	53	Ebit/EV	6,1
Currency	EUR	FCF Yield (%)	4,7
Average P/E	14,7	ROE 5y average (%)	17,0
Dividend Yield	2,2%	ROCE	22,0

Fixed Income overview			
Positions	9	Average Coupon (%)	6.5
Currency	EUR	Maturity (years)	17.3
Yield to worst (%)	12.5	Duration	2.7
Average Rating	BB-	Coupons (%)	6.9

VARIANZA Score*			
Total CERVINO	81,7%	Positions with score >50	95,1%

External Sustainability Ratings			
MSCI:	A	Morningstar:	Low risk

*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

07 Monthly Summary

The NAV of CERVINO (R) went up by 0.3% during October (share class R). In 2026 the accumulated return is 8.2% which represents 71,8% since inception, and a CAGR of 7,2%.

The MSCI World declined 0.8%, weighed down by US equities, and particularly the technology sector. The Nasdaq fell 5.3%, dragging down Asian and emerging markets as well (MSCI Emerging Markets -8.1%). Europe, with its lower exposure to technology, proved more resilient, gaining 1.9% (MSCI Europe). Once again, AI dominated market sentiment, although the focus has shifted: investors are no longer questioning demand, but rather the returns on investment and how the spending will be financed. Results from key suppliers have been excellent (TSMC, ASML reporting record revenues and raising guidance, Schneider lifting its targets for the second time, and Corning accelerating growth), yet their shares have suffered sharp declines. Alphabet recorded its worst trading session on record (-12.6%) after reporting negative free cash flow of $9.1 billion and projecting capital expenditure of more than $300 billion in 2027, even as its cloud business grows at over 100%. Performance dispersion within technology has been significant: the sell-off has been concentrated in infrastructure, while software stocks, which had come under pressure in previous months, have rebounded. Two electoral events have also weighed on investor sentiment. First, the approaching US midterm elections on 3 November. Second, in Brazil, Lula's victory in the 25 October runoff caught markets off guard, with investors positioned for the opposite outcome following Flávio Bolsonaro's lead in the first round. The Ibovespa plunged 13.9% in a single session, while the Brazilian real depreciated by nearly 9%.

On the monetary policy front, the Fed held rates at 3.75%–4.00% on 28 October, with markets continuing to price in another hike in December. The ECB kept its deposit rate unchanged at 2.50%, following two increases earlier this year, in a meeting overshadowed by the announcement that Lagarde will step down in February 2027. Longer-dated government bond yields, meanwhile, experienced a volatile month. The US 10-year Treasury yield reached 5.36% on 7 October, its highest level since 2002, while French yields moved above 5% and the spread over Bunds widened to its highest level since 2011, amid civil unrest and fiscal concerns. The trend subsequently reversed sharply: the technology sell-off triggered a flight to quality, pushing the US 10-year yield down to 4.93% by month-end. Oil prices, meanwhile, rose by 10%–15%, with Brent trading above $100 per barrel, while inflation remained at 3.7% in the US and 3.8% in the euro area, with little indication of a resolution to the situation in the Middle East.

We maintain a constructive outlook. Corporate earnings have once again been solid, and we view the AI-related correction as the beginning of greater differentiation between companies with strong balance sheets and those facing questions over how they will fund their investments, rather than as a deterioration in underlying fundamentals. With the S&P 500's P/E multiple having compressed from around 22x to 19x and earnings growth exceeding 20%, we see limited scope for a major market correction at this stage.

During the month, more than twelve portfolio holdings delivered returns in excess of 10%, led by Mobico's perpetual bond (+54%, following a take-private offer at 46 pence per share), Roche (+19%, supported by positive Phase III trial data and 7% quarterly sales growth), Zoetis (+17%), Cellnex (+15%, benefiting from share buybacks and cash flow generation) and L'Oréal (+15%, with third-quarter sales growth of 7.7%, ahead of the 5.9% expected, and a recovery in China). Other notable performers included Assa Abloy (+14%), SAP (+14%) and SLB (+12%). On the downside, Schneider Electric fell 18.7% (dragged by its €22.6 billion acquisition of PTC), followed by Corning (-18.4%), Alphabet (-16.9%), Oxford Instruments (-12.6%), Disco (-12.5%), ASML (-11.4%), and Baidu (-10.2%).

In terms of portfolio activity, we purchased Brazilian real-denominated bonds issued by the European Investment Bank (EIB), offering a yield of 12%. We believe the sharp depreciation of the real and the abrupt rise in interest rates have created an attractive investment opportunity. We also increased our position in Oxford Instruments following the sharp correction in June. At current valuations, the market appears to be assigning virtually no value to the company's potential in photonics, offering what we consider an attractive entry point. We also initiated a position in Halma, a market leader in highly regulated niches across safety, environmental protection and healthcare, characterized by high returns on capital, strong pricing power and a successful track record of bolt-on acquisitions. On the sell side, we exited our positions in Microsoft and Puig after both reached our target prices.

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