

BRUELLAN DYNAMIC SWISS EQUITIES

AUGUST 2020



PORTFOLIO REVIEW

During August, the Swiss market was marked by a strong outperformance of small- and mid-cap stocks, compared to their larger peers. While the SMI gained 1.3%, the SPI Extra rose by a much larger 5.5%. This trend in favour of secondary stocks began already earlier in the summer, in sync with improving PMI indices in both Switzerland and Europe. Indeed, periods of improving purchasing manager morale and confidence tend to see small- and mid-caps lead the market.

The month saw the publication of half-yearly results for all the companies that make up the SPI. Unsurprisingly, sales and, to an even greater extent, earnings dropped markedly compared with the same period last year. Still, the market seems to have been relieved by these "less bad" than feared results and analyst estimates did not move down sharply. In their comments, managements were somewhat reassuring but still cautious with respect to the rest of the year, the many remaining uncertainties making projections difficult.

The **Bruellan Dynamic Swiss Equity** fund strongly outperformed its benchmark in August, gaining 3.8% versus 2% for the SPI. Its year-to-date performance now stands at 5.6%, while the SPI is not yet back to its beginning of the year level (-1.4%).

Among the month's top performers figure Emmi (+13%), Interroll (+13%), Stadler Rail (+11%) and Sensirion (+11%). Dairy specialist **Emmi** posted the best performance of our selection in August. After a period of relative underperformance since the end of April, the market seems to have remembered, in the wake of the half-year results, the strength of the Lucerne-based group's business model and its good management. Moreover, these defensive qualities make it a particularly attractive investment in a still uncertain environment. The same goes for rolling stock manufacturer **Stadler Rail**, which had suffered investor mistrust during recent months. Its results, although not exceptional, nonetheless proved reassuring as regards the company's ability to generate strong growth even amid major investments. Remember that, mid-July, the stock was trading below its issue price. As for **Interroll** and **Sensirion**, their strong recent rebound, backed by solid results, puts them among the largest year-to-date gainers of our selection. Since their March lows, these two industrial mid-caps have posted an exceptional performance, climbing 86% and 52% respectively.

At the bottom of the ranking are, unsurprisingly, the two stars of the past few months, **Lonza** (-1%) and **Straumann** (-1%), which logically suffered profit-taking. **Nestlé** and **Roche**, with a flat share price, also figure among August's worst performers, as investors moved away from the largest capitalisations and into smaller companies.

INVESTMENT OBJECTIVE

To achieve capital appreciation on an absolute and relative basis over the medium to long-term horizon through investment in Swiss equity markets in a concentrated but diversified portfolio, with high liquidity.

RISK & REWARD



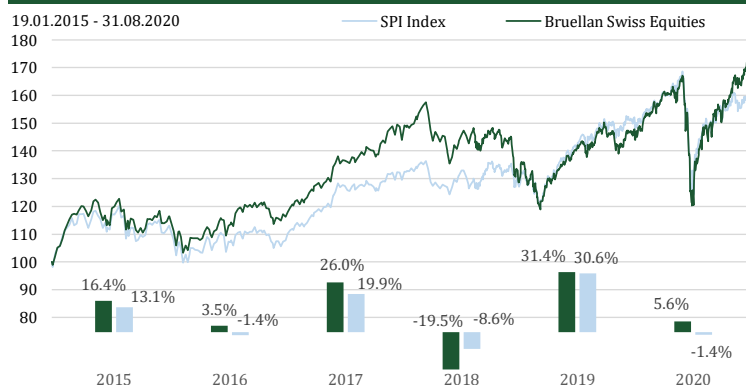
FUND FACTS

Domicile	Switzerland
Inception date	19 January 2015
Currency	CHF
Fund Managers	Florian Marini, CFA, CMT Anick Baud
Fund size	CHF 41.2 Millions
Liquidity (sub./red.)	Daily
Min. Investment	Retail: 1000 CHF Instit.: 1 million CHF
Management fees	0.8%-1.2%
Performance fees	20%
High Water Mark	Yes
Benchmark	SPI Index
ISIN	Retail: CH0253810144 Instit.: CH0253810169
Bloomberg	Retail: BDFSECA SW Instit.: BDFSECB SW
NAV	Retail: 1669.79 Instit.: 1689.35

STATISTICS

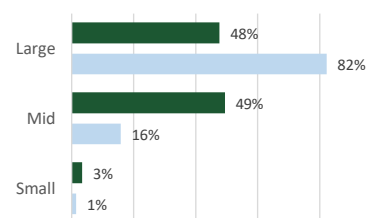
	Fund	Bench
Leading PE	26.2	22.2
EV/EBITDA	20.5	13.7
P/Book	6.7	1.8
Dividend Yield	1.6%	2.3%
ROE	20.8%	6.6%
Debt/Equity	44.1%	54.6%
Interest Coverage	25.0	10.8
Beta	1.0	1.0
Volatility	22.3%	22.3%

NET PERFORMANCE AND ANNUAL PERFORMANCE IN USD



	Fund	Bench.	+/-
1 Month	3.8%	2.0%	1.8%
3 Months	9.3%	3.4%	5.9%
YTD	5.6%	-1.4%	6.9%
Since inception	68.9%	57.4%	11.5%

ALLOCATION BY MARKET CAP

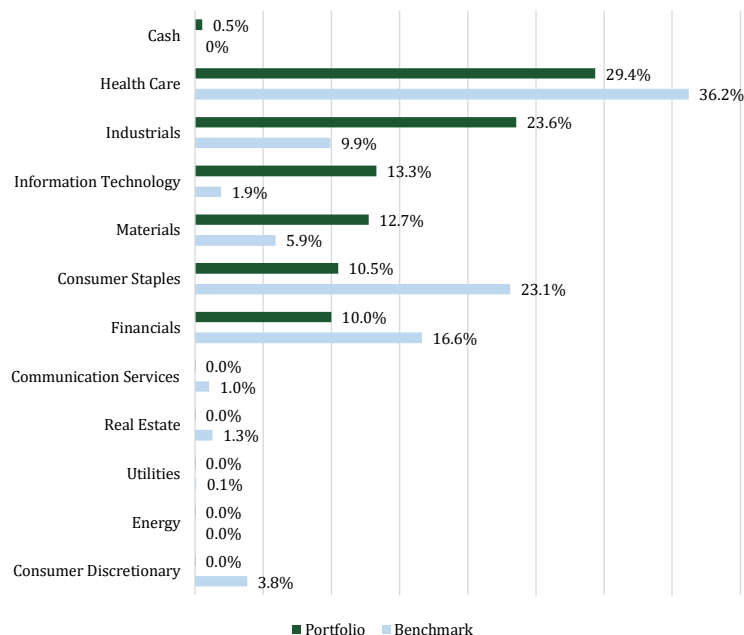


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ALLOCATION BY SECTOR



TOP 10 HOLDINGS

	Sector	Weight
NESTLE SA-REG	Consumer Staples	8.0%
ROCHE HOLDING AG-GENUSSCHEIN	Health Care	7.1%
LONZA GROUP AG-REG	Health Care	5.9%
PARTNERS GROUP HOLDING AG	Financials	5.1%
NOVARTIS AG-REG	Health Care	5.0%
GEBERIT AG-REG	Industrials	4.9%
SIKA AG-REG	Materials	4.8%
GURIT HOLDING AG-BR	Materials	4.3%
VAT GROUP AG	Industrials	4.2%
BELIMO HOLDING AG-REG	Industrials	4.2%
Total		53.5%
Total number of Holdings		25

FUND COMPLEMENTARY DETAILS

Administrator	CACEIS (Switzerland) SA, Rte de Signy 35, CH-1260 Nyon
Investment Manager	Bruellan SA
Custodian	CACEIS (Switzerland) SA, Rte de Signy 35, CH-1260 Nyon
Auditor	KPMG

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