

# PROTEA FUND BAM US EQUITIES

## AUGUST 2020



### PORTFOLIO REVIEW

The Protea BAM US fund underperformed its benchmark slightly in August, up 6.7% compared to 7.2% for the index. Information Technology (+3.3%) and Industrials (+1.0%) were the best performing sectors, while Financials trailed the sector ranking, with a positive contribution of 0.2%. During the month we initiated a position in Sysco, a company active in wholesale food distribution.

### MARKET OUTLOOK

The US economy has continued to stabilise, although at a somewhat slower pace than during the phase of immediate post-lockdown recovery. At -31.7%, the second estimate of 2nd quarter annualised GDP growth was slightly better than the first estimate of -32.9%. Still, the lockdowns clearly had a devastating effect on economic activity. For the following quarters, growth will be positive, assuming no further lockdowns. Indeed, at this point, the threat of a "second wave" of Covid-19 infections that requires nationwide lockdowns seems low. More extensive testing has increased the number of reported cases, but the overall mortality rate has remained very low, making it unlikely that state officials take drastic measures during the coming months.

Purchasing manager indices (PMI) are pointing to expansion going forward. The ISM manufacturing PMI came in at 53.1 for August, a little lower than the prior month's 53.6. The employment subcomponent stood at 46.4, slightly better than July's 44.3. The labour market recovery continues, but not as fast as one would expect. Lockdowns obviously had a huge impact on small businesses, especially in the hospitality sector where many enterprises, such as family-owned restaurants, have closed permanently. Also, ongoing rioting in some major US cities has destroyed local small business operations - undoubtedly impacting the willingness to hire. The outlook for jobs is currently somewhat bleak, as the unrest can be expected to continue at least until the elections in early November.

The extremely tense political environment adds to economic uncertainty. The trend is positive, and the recovery is certainly proceeding but, until the elections are over, visibility will be low. We remain confident that the US economy will return to a strong growth path once these short-term issues are dealt with.

### INVESTMENT OBJECTIVE

Fund aims to achieve capital appreciation through investing in US equity markets with a long term investment horizon, fully focusing on fundamental value of sustainable high quality businesses, without speculation, hedging or market timing.

### RISK & REWARD



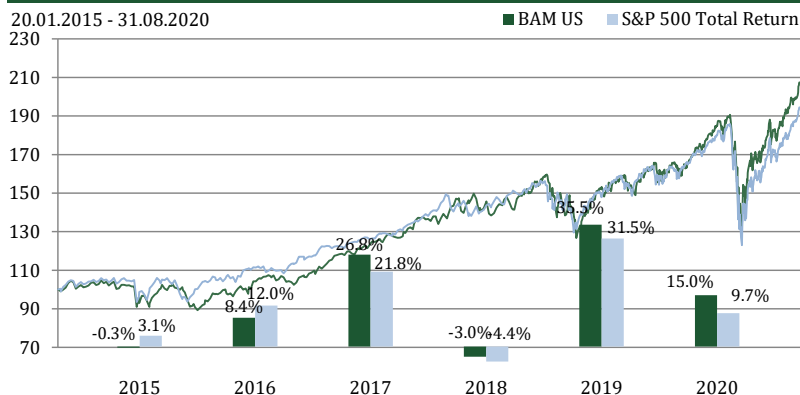
### FUND FACTS

Domicile	Luxembourg/UCITS IV
Inception date	20 January 2015
Currency	USD
Fund Managers	Petteri Pihlaja BAM Team
Fund size	USD 34 million
Liquidity (sub./red.)	Daily
Min. Investment	Retail: 1000 USD Instit: 1 million USD
Management fees	0.8%-1.2%
Performance fees	20 %
High Water Mark	Yes
Benchmark	S&P 500 Total Return
ISIN	Retail: LU1118007233 Instit: LU1118007159
Bloomberg	Retail: PRBAMRU LX Instit: PRBAMIU LX
NAV	Retail: 202.74 Instit: 206.96

### STATISTICS

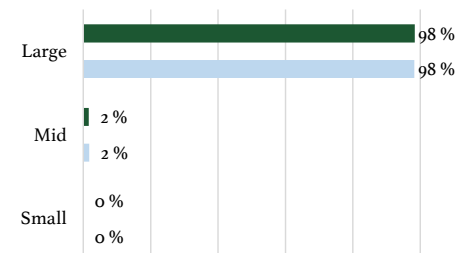
	Fund	Bench
Leading PE	27.4	19.8
EV/EBITDA	21.3	15.0
P/Book	7.8	3.3
Dividend Yield	1.5%	2.2%
ROE	24.2%	13.7%
Debt/Equity	70.9%	90.3%
Interest Coverage	10.9	6.6
Beta	0.9	1.1
Volatility	31.6%	33.7%

### NET PERFORMANCE AND ANNUAL PERFORMANCE IN USD

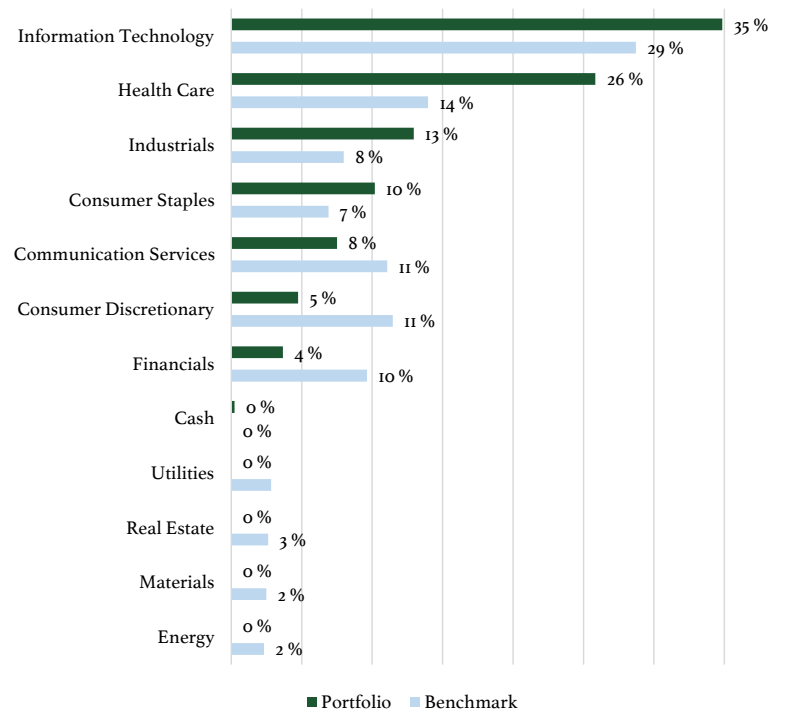


	Fund	Bench.	+/-
1 Month	6.7%	7.2%	-0.5%
3 Months	15.8%	15.5%	0.3%
YTD	15.0%	9.7%	5.2%
Since inception	107.0%	94.1%	12.9%

### ALLOCATION BY MARKET CAP



### ALLOCATION BY SECTOR



### TOP 10 HOLDINGS

	Sector	Weight
MICROSOFT CORP	Information Technology	5.1%
ADVANCED MICRO DEVICES	Information Technology	4.8%
ACCENTURE PLC-CL A	Information Technology	3.9%
SALESFORCE.COM INC	Information Technology	3.7%
MOODY'S CORP	Financials	3.7%
THERMO FISHER SCIENTIFIC INC	Health Care	3.6%
ILLUMINA INC	Health Care	3.5%
MEDTRONIC PLC	Health Care	3.4%
AGILENT TECHNOLOGIES INC	Health Care	3.3%
WALT DISNEY CO/THE	Communication Services	3.3%
<b>Total</b>		<b>38.2%</b>
Number of holdings		39

### FUND COMPLEMENTARY DETAILS

Administrator	FundPartner Solutions SA
Representative in Switzerland	FundPartner Solutions (Suisse) SA
Investment Manager	Bruellan SA
Custodian	Pictet & Cie (Europe) SA
Paying agent in Switzerland	Banque Pictet & Cie SA
Auditor	Deloitte Audit S.à r.l

### CONTACT DETAILS

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