

Investment objective and strategy

- DZ Equity Risk Managed Sustainable fund's objective is to capture a significant part of the equity markets' positive performance while reducing drawdowns during adverse market conditions with equity hedging strategies. The net equity exposure varies from 25% to 100%. The fund invests in listed global equities, bonds, and cash. The Fund is an equity fund with defensive features. The fund mostly invests in developed market equities. Consideration of Environmental, Social and Governance (ESG) factors are incorporated in the investment process. To deliver a lower volatility and avoid large market drawdowns, the Investment Manager has the discretion to apply a hedging equity policy that is rule-based depending on a proprietary model.

Key Facts

NAV (29.10)	110.03
Monthly performance	2.4%
Year-to-date	9.3%

Information

Currency	CHF
Assets (Mio)	44.2
Launch	January 2020
Liquidity	Daily
ISIN	JE00B3FGB112
Bloomberg	DZGLOBS JY
Telekurs	48147580
Manager	Nextgen WM
Administrator	Ocorian Fund Serv.
Fund domicile	Jersey

Statistics

No. positions	36
Beta	0.52
Volatility	8.2%
Max. Drawdown	-7.1%
Max. monthly return	4.4%
Min. monthly return	-5.4%



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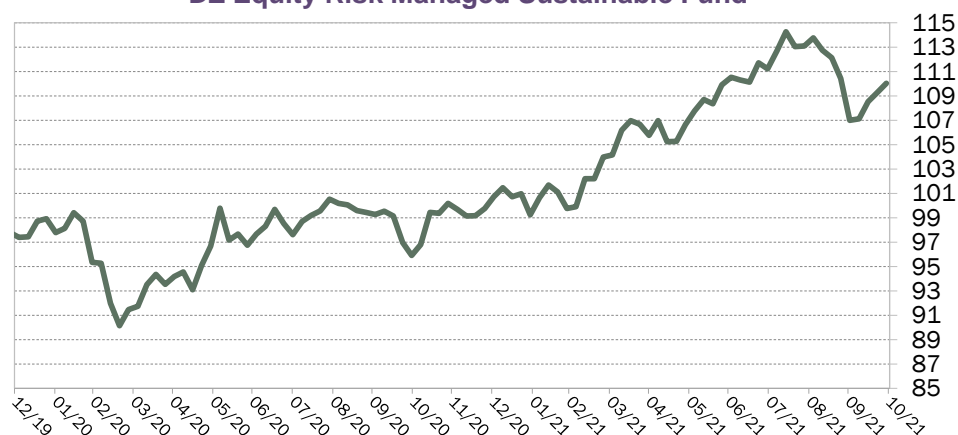
Market & Fund Commentary

After a weak start, stocks rebounded in October with many equity indices making new highs during the month. The MSCI World in CHF gained 4.8%. Strong earnings have overshadowed recent worries over stagflation. Equities were also resilient in the face of volatility in the bond market and rising yields. US stocks were supported by a strong start to the Q3 earnings season, with more than 80% of companies beating earnings expectations, which helped to drive the S&P 500 to a new record high. The strength was widespread, with all major markets rising except Japan. The SMI index was up 4% in October, while the Eurostoxx 50 gained 5%. The Japanese Nikkei 225 was down -1.9% after its large outperformance in September.

From a growth perspective, the recovery remains solid. Progress in vaccination campaigns is broadly limiting risks of new mobility restrictions, although notable exceptions exist in emerging countries like China. Overall, the economic growth/inflation mix is becoming less favourable. US GDP growth of 2.0% y/y for the third quarter disappointed, hurt by a combination of negative effects from Hurricane Ida and persistent supply-side distortions. In contrast, the US consumer price Index remains elevated at 5.4% year on year. Euro area inflation rose to 3.4% y/y in September, the highest level in 13 years, while inflation in Germany pushed above 4%. Consequently, it appears likely that central banks should declare the withdrawal of their extraordinary bond purchases. The ECB already started last month; the Bank of Canada completely ended its bond purchases. The US Fed is expected to start to reduce its program in November. A gradual hiking cycle could then begin in late 2022, early 2023.

The fund gained 2.4% over the month rebounding after a difficult September. We started the month with a global equity exposure of 25% as our risk indicators were at elevated levels. As volatility receded the exposure has been increased to 75%. Short term momentum indicators signalled that equity markets were in a trading range such that we did not get fully exposed until equity indices broke out the trading range during the third week of October. The fund's exposure has been back to 98% since October 21st. Equity markets remain supported by strong economic fundamentals and earnings. Policy tightening by the central banks, particularly the Fed, should provide some volatility episodes especially if inflation pressures do not fade. As usual, we will navigate these markets using the fund's substantial flexibility in equity allocation to avoid large drawdowns.

DZ Equity Risk Managed Sustainable Fund



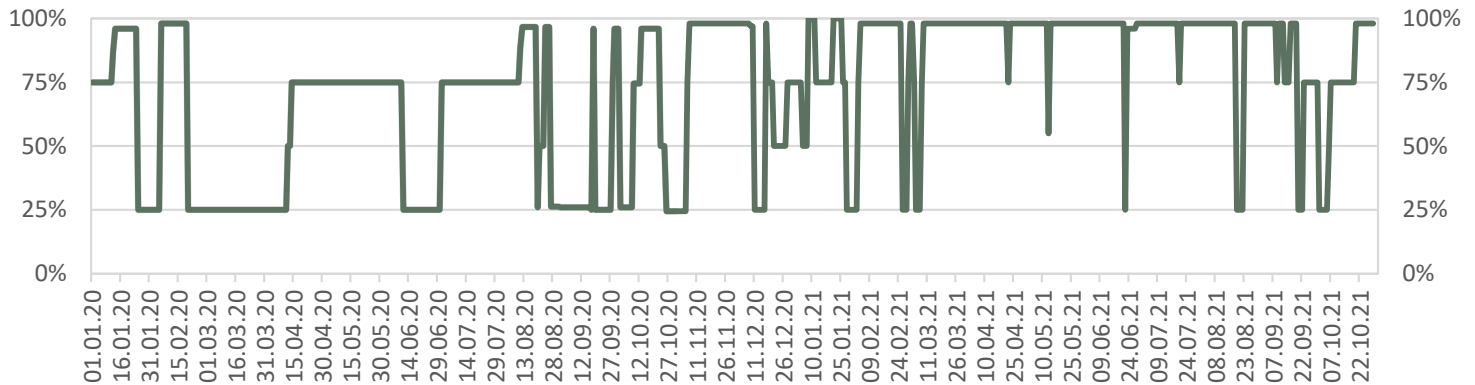
DZ Equity Risk Managed Sustainable Fund

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2021	-1.5%	0.5%	4.4%	1.5%	1.1%	2.7%	1.3%	2.1%	-5.4%	2.4%			9.3%
2020	0.7%	-2.5%	-3.2%	2.0%	2.6%	0.4%	0.6%	2.7%	-0.7%	-3.6%	4.2%	0.8%	3.7%

Fund Allocation (in %)

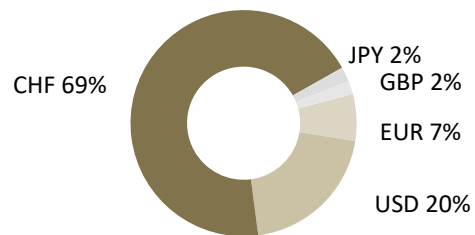
Net Equity Exposure



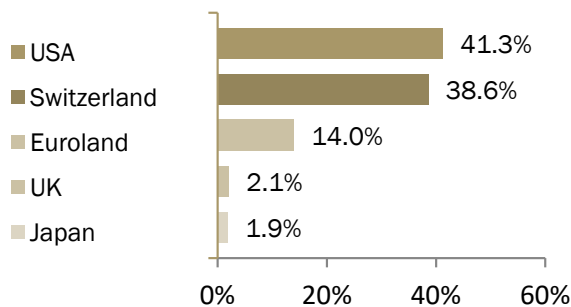
Portfolio Breakdown

Portfolio Exposure	Exposure %
Long Equity exposure	98%
Equity Hedging:	0%
Net Equity Exposure	98%
Gross Fund exposure	98%

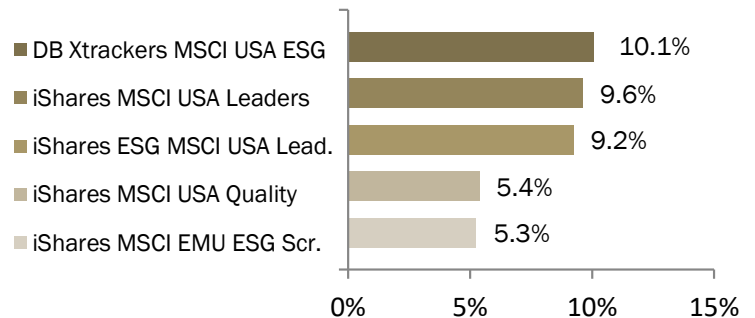
Currency Breakdown



Equity geographical breakdown - Net



Top 5 positions



Subscription Information

ISIN Code: JE00B3FGB112 Share Class Type: Accumulating Daily Subscription

Management Fee: 1.5% p.a

Performance Fee: 20% of the relative outperformance compared to its benchmark; subject to a relative high water mark. Benchmark: 30% MSCI World ex Swiss. ESG; 20% MSCI Switzerland ; 10% MSCI World Hedged to CHF; 40% FTSE 3M CHF Eurodep.

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