

NXG Equity Risk Managed Fund



NAV: CHF 90.63

ISIN: JE00B3FGB112

August 2022

Investment objective

NXG Equity Risk Managed 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 Investment Manager has the discretion to apply a hedging equity policy that is rule-based depending on a proprietary model.

Key features

- Net equity exposure varies from 25% to 100%
- Global Equity fund investing in large cap quality stocks
- Consideration of ESG factors in the investment process

Fund data

Quote	90.63
Share class currency	CHF
AUM (CHF Mn)	30.8
Manager	NextGen Wealth Managers SA
Administrator	Ocorian Fund Serv.
ISIN	JE00B3FGB112
Valor	48174580
Benchmark	Composite (MSCI)
Issue date	31.12.2019
Management fees	1.50%
Administration fees	0.30%
Performance fees	20%
Quotation	Daily
Subscription/redemption	Daily (cut off 15:00 CET)
Minimum investment	1 Unit
Registration	Jersey
Domicile	Jersey
Dividend distribution	Capitalized

Monthly comment

Equity markets retreated in August, as hopes faded of an imminent dovish pivot in Federal Reserve policy. Global stocks returned -3.2% over the month. That was a marked reversal from a positive July.

Leading economic indicators have now moved into contraction territory, symbolising the synchronised deterioration in economic conditions. The US economy is still relatively resilient with solid retail sales and a tight labour market. Only the housing sector is clearly showing signs of slowing.

In Europe, an inflection of price increases is not on the agenda. Gas and electricity prices have reached new highs, making it very difficult for the ECB to deal with a severe economic slowdown and record high inflation.

Central banks reminded us at the Jackson Hole symposium that fighting inflation is their sole objective now. The combination of the inflationary shock, the tightening of financial conditions and this economic deterioration is leading us into a situation of stagflation.

The fund dropped by 1% in August. The equity exposure has been the same over the month at around 50%. Our macro, trend and risk indicators are all going south but are not reaching extreme levels yet.

In late month, we took profit in energy stocks after a remarkable performance in 2022. We believe oil prices are under pressure from a slowing demand linked to economic deterioration. We therefore continue to recommend a cautious approach in portfolios. Equities are likely to suffer from lower earnings expectations, without attractive valuations yet.

Performance graph



Performance table (%)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	PTF	-6.1	-4.4	0.2	-1.9	-1.5	-5.0	0.5	-1.1					-18.0
2021	PTF	-1.5	0.5	4.4	1.5	1.1	2.7	1.3	2.1	-5.4	2.4	-1.2	1.6	9.7
2020	PTF	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

Statistics

	PTF
Perf. since inception (%)	-6.7
Standard deviation p.a. (%)	9.6
Max drawdown (%)	-20.8
Sharpe ratio (1Y)	-1.9
P/E fwd 12m	13.8
P/CF fwd 12m	16.2
Debt/equity	108.2

Positioning

	PTF
Net equity exposure (%)	50
Gross equity exposure (%)	93
Equity exposure (%)	71
Equity hedging (%)	22
Number of positions	42
Avg. market cap. (CHF Bn)	336
ESG rating (Conser)	A-

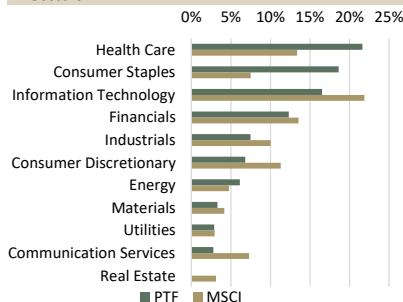
Top positions

Name	Sector	Country	Weight
1 Roche Holding AG	Health Care	Switzerland	5.3%
2 Novartis AG	Health Care	Switzerland	5.1%
3 Nestle SA	Consumer Staples	Switzerland	4.9%
4 Microsoft Corp	Information Technology	United States	2.7%
5 Coca-Cola Co/The	Consumer Staples	United States	2.4%
6 Apple Inc	Information Technology	United States	2.3%
7 Visa Inc	Information Technology	United States	2.2%
8 Procter & Gamble Co/The	Consumer Staples	United States	2.2%
9 Kellogg Co	Consumer Staples	United States	2.2%
10 Merck & Co Inc	Health Care	United States	2.1%

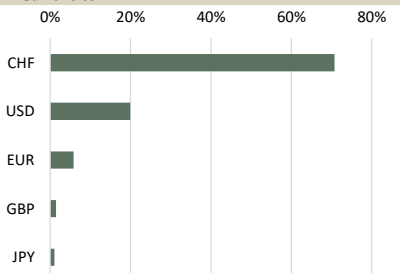
Contributors

Top contributors	Rel. contribution	Worst contributors	Rel. contribution
Cheniere Energy Inc	0.3%	3M Co	-0.2%
Deere & Co	0.2%	ASML Holding NV	-0.2%
Equinor ASA	0.1%	Novartis AG	-0.2%
TotalEnergies SE	0.1%	Microsoft Corp	-0.1%
Zurich Insurance Group AG	0.1%	Lonza Group AG	-0.1%

Sectors



Currencies



Allocation

Gross exposure	Cash 44%	Futures 22%	Equity 71%	SP 7%
Top ten concentration	Top ten 31%	Rest 69%		
Fund's ESG rtg. (MSCI)	AAA 29%	AA 39%	A 29%	BBB 3%
MSCI World ESG rtg. (MSCI)	AAA 13%	AA 24%	A 30%	BBB 3% BB 9% B 3%