

NXG Equity Risk Managed Fund



NAV: CHF 91.78

ISIN: JE00B3FGB112

October 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	91.78
Share class currency	CHF
AUM (CHF Mn)	29.3
Manager	NextGen Wealth Managers SA
Administrator	Ocorian Fund Serv.
ISIN	JE00B3FGB112
Valor	48147580
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 rose in October, with the MSCI World in dollars gaining 6.0%. Much of this optimism is due to the expectation that the Federal Reserve will begin to slow the pace of its interest rate hikes in December. But with core inflation at 6.6% and consumer inflation expectations still rising, we think it is still too early to expect Powell to signal an end to the tightening. The abandonment of fiscal expansion plans in the UK, which had raised concerns about the country's financial stability, by the new Chancellor of the Exchequer, Jeremy Hunt, also reassured the markets.

The combination of high inflation and strong labour markets continued to support central bank actions. The European Central Bank announced a further 0.75% rate hike on 27 October and the US Federal Reserve followed suit at its early November meeting.

The fund gained 3.8% over the month. The exposure has been raised from 25% to 50% in early October as momentum indicators rebounded amid a high volatility regime. The exposure stayed at 50% since then. There was no change in our stock selection, we still prefer quality names over cyclicals.

In that context, we keep a defensive positioning. The global economy faces significant challenges from three persistent forces: Russia's invasion of Ukraine, a cost-of-living crisis driven by a persistent inflation, and a slowdown in China. While investor sentiment has improved, we believe that economic conditions and the risk/reward trade-off are not conducive to a sustainable recovery in equities.

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	-2.4	3.8			-16.9
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	PTF	MSCI
Perf. since inception (%)	-5.5	P/E fwd 12m	14.1 15.1
Standard deviation p.a. (%)	9.2	P/B fwd 12m	5.2 2.6
Max drawdown (%)	-22.3	Return on equity	34.6 15.9
Net equity exposure (%)	52	Debt/equity	109 136
Gross equity exposure (%)	99	Number of positions	43 1 542
Equity exposure (%)	76	Avg. market cap. (CHF Bn)	228 33
Equity hedging (%)	24	ESG rating (Conser)	A- C

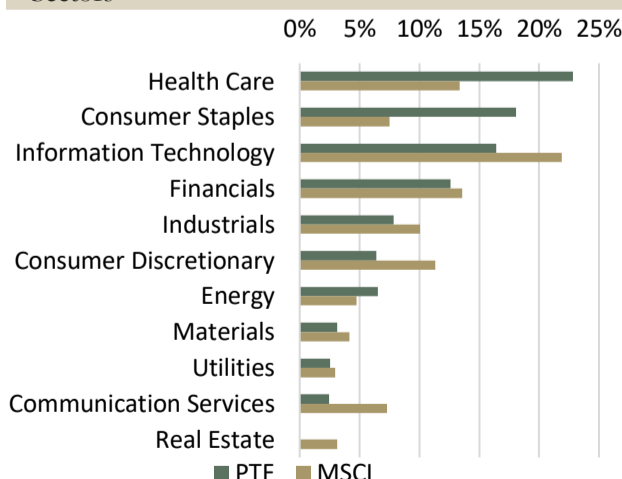
Top positions

	Name	Sector	Country	Weight
1	Roche Holding AG	Health Care	Switzerland	5.8%
2	Novartis AG	Health Care	Switzerland	5.4%
3	Nestle SA	Consumer Staples	Switzerland	4.8%
4	Merck & Co Inc	Health Care	United States	2.6%
5	Microsoft Corp	Information Technology	United States	2.5%
6	Coca-Cola Co/The	Consumer Staples	United States	2.5%
7	Visa Inc	Information Technology	United States	2.5%
8	Kellogg Co	Consumer Staples	United States	2.4%
9	Apple Inc	Information Technology	United States	2.4%
10	Procter & Gamble Co/The	Consumer Staples	United States	2.3%

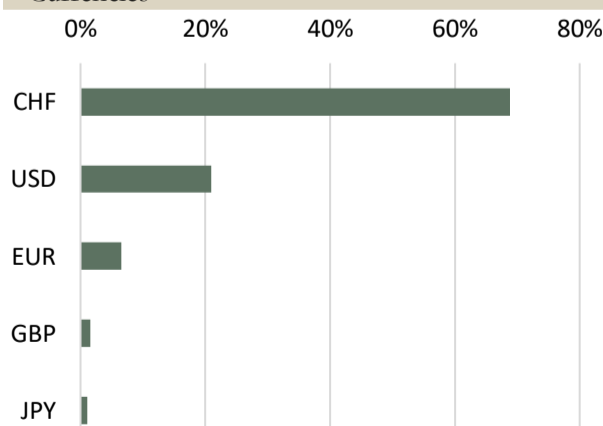
Contributors

Top contributors	Rel. contribution	Worst contributors	Rel. contribution
Cheniere Energy Inc	0.5%	Lonza Group AG	-0.7%
Equinor ASA	0.4%	Givaudan SA	-0.7%
Merck & Co Inc	0.3%	NIKE Inc	-0.6%
Kellogg Co	0.3%	Nestle SA	-0.5%
Zurich Insurance Group AG	0.3%	Alphabet Inc	-0.5%

Sectors



Currencies



le rapport rendement/risque ne favorise pas une reprise

Allocation

Gross exposure	Cash 42%	Futures 24%	Equity 76%	SP 7%
Top ten concentration	Top ten 33%	Rest 67%		
Fund's ESG rtg. (MSCI)	AAA 32%	AA 38%	A 27%	BBB 2%
MSCI World ESG rtg. (MSCI)	AAA 13%	AA 24%	A 30%	BBB 2% BB 9% B 3%