

# NXG Swiss Excellence

NAV: CHF 100.42

ISIN: CH0382913793

February 2023

## Investment objective

The NXG Swiss Excellence Strategy focuses on shares of Swiss companies that reflect "Swiss Excellence" worldwide as well as Swiss companies that are or are expected to become Swiss leaders. The portfolio will be rebalanced according to the global views of NextGen Wealth Managers' investment committees and daily meetings between analysts and portfolio managers.

## Key features

- Concentrated portfolio of around 30 companies
- Swiss Excellence played through three thematics
- Actively managed portfolio

## AMC data

Quote	100.42
Share class currency	CHF
AUM (CHF Mn)	8.3
Advisor	NextGen Wealth Managers SA
Calculation Agent	Bank Vontobel AG, Zurich
ISIN	CH0382913793
Valor	50670284
Benchmark	Swiss Leader Index (SLI)
Issue date	31.08.2021
Management fees	0.65%
Administration fees	0.30%
Performance fees	-
Quotation	Daily
Subscription/redemption	Daily/daily
Minimum investment	1 Certificate
Registration	Switzerland
Domicile	Switzerland
Dividend distribution	Capitalized

## Monthly comment

After a strong start of the year, Swiss equities were flat in February amid renewed concerns about high inflation and central bank tightening. Mid-size companies, which rose +1.7%, reacted positively, followed by small (+0.8%) and large (-2.0%) companies. Year-to-date, middle cap companies are flirting with the +10% performance mark, whereas large companies, dragged by Novartis and Roche, performed +3%.

In February, the portfolio's performance was slightly positive at +0.3% while the SLI index remained flat. Performances since inception are now at -14.9% and -12.4% respectively. The monthly outperformance came from the selection effect, especially among industrials, consumer staples and information technology companies, while the allocation effect was a drag. Top monthly contributors were Kuehne + Nagel (+10.8%), Lonza (+7.9%) and Swissquote (+9.8%). Worst contributors were Nestle (-4.8%), Roche (-4.7%) and Novartis (-3.9%).

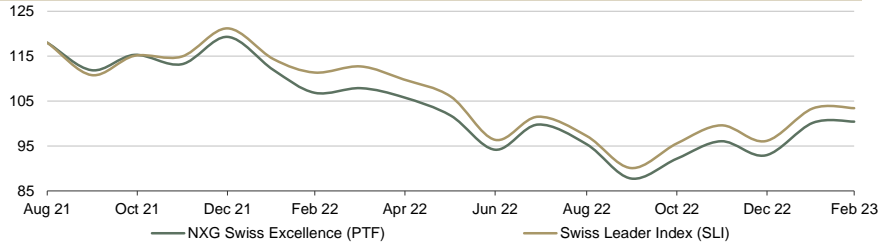
During the month, we adjusted the portfolio as we removed Idorsia and took some profits on Lonza, Temenos and Swissquote. We also initiated a position in VAT Group and raised our three biggest positions that are Nestlé, Roche and Novartis to 6% each. These operations allowed us to increase our cash pocket from 5.5% to 7.5% as we remain cautious in our allocation.

We still believe that a defensive positioning remains appropriate. In a global context of slowing growth, high inflation and tightening monetary policies, Swiss equities still offer a relatively resilient earnings and attractive dividend yields of around 3%.

## Allocation

Excellence thematics	World Champions 62%	Born Specialists 28%	Tomorrow's Winners 9%
Market capitalization	Large 74%	Mid 13%	Small 12%
Top ten concentration	Top ten 42%	Rest 58%	

## Performance graph



## Performance table (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2023 PTF	8.1	7.8	0.3										
2023 SLI	7.6	7.6	0.0										
2022 PTF	-22.1	-6.2	-4.6	1.0	-1.9	-3.9	-7.5	5.9	-4.4	-8.0	5.0	4.2	-3.3
2022 SLI	-20.7	-5.6	-2.6	1.2	-2.6	-3.5	-9.1	5.3	-4.2	-7.4	6.1	4.2	-3.5
2021 PTF	1.1									-5.2	3.1	-1.8	5.4
2021 SLI	2.7									-6.1	3.9	-0.2	5.5

## Statistics

	PTF	SLI		PTF	SLI
Perf. since inception (%)	-14.9	-12.4	Dividend yield %	2.6	3.2
Standard deviation p.a. (%)	18.3	17.9	P/E fwd 12m	20.7	17.8
Max drawdown (%)	-28.5	-27.4	P/CF fwd 12m	16.0	12.3
Sharpe ratio	-0.3	-0.1	P/B fwd 12m	3.7	2.5
Information ratio	-0.72		Debt/equity	68	176
Beta (ex-post)	0.98		Return on Equity	14.5	9.8
Correlation	0.96		Avg. market cap. (CHF Bn)	46	48
Number of positions	29	30			

## Top positions

Name	Sector	Mkt. cap.	Weight
1 Novartis AG	Health Care	Large	6.0%
2 Roche Holding AG	Health Care	Large	5.9%
3 Nestle SA	Consumer Staples	Large	5.9%
4 Zurich Insurance Group AG	Financials	Large	4.6%
5 Cie Financiere Richemont SA	Consumer Discretionary	Large	3.4%
6 Geberit AG	Industrials	Large	3.3%
7 Sika AG	Materials	Large	3.2%
8 Straumann Holding AG	Health Care	Large	3.2%
9 Swiss Re AG	Financials	Large	3.2%
10 Kuehne + Nagel International A	Industrials	Large	3.2%

## Contributors

Top contributors	Rel. contribution	Worst contributors	Rel. contribution
Kuehne + Nagel International A	0.5%	Nestle SA	-0.4%
Lonza Group AG	0.5%	Roche Holding AG	-0.4%
Swissquote Group Holding SA	0.4%	Novartis AG	-0.3%
Temenos AG	0.4%	Alcon Inc	-0.3%
Holcim AG	0.3%	Givaudan SA	-0.2%

## Sectors

