

# NXG Equity Risk Managed Fund



NAV: CHF 89.06

ISIN: JE00B3FGB112

October 2023

## 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	89.06
Share class currency	CHF
AUM (CHF Mn)	27.9
Manager	NextGen Wealth Managers SA
Administrator	Ocorian Fund Serv.
ISIN	JE00B3FGB112
Valor	48147580
Benchmark	Composite
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 suffered their 3rd consecutive month of decline in October. The tragic events that unfolded in the Middle East led to a flight to safety. The Bloomberg World index in CHF terms dropped by 3.6%. The Swiss market was one of the worst performers, shedding 5.2% over the month while the US market was more resilient, with the S&P conceding only 2.2%.

The fund dropped by 1.3% over the month. The exposure varied between 40% and 90% over the month, with an average exposure around 50%. Risk and trend indicators moved a lot in October given high geopolitical tensions and market expectations of higher for longer rates. During the month, we reduced our exposure to Swiss pharmaceuticals Novartis, Lonza and sold Sandoz. The healthcare sector was shaken by discussions on policies to control drug spending in the United States, the largest and most profitable market for Swiss pharmaceutical companies. We increased our exposure in ABB, Givaudan and Richemont stocks that show better relative prospects. In the US, we sold our stake in American Water Works, a US leader in water utilities, as it suffers from high interest rate environment.

Quarterly US earnings results and GDP data showed economic activities are robust, 70% of companies beating earnings estimates. Profit growth is expected to reach 3.7% for the quarter, the first positive figure in a year. However, the season was not strong enough to divert attention from concerns about the Fed and geopolitical tensions.

## Performance graph



## Performance table (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	-1.7	1.6	-1.2	0.8	1.5	-0.6	1.2	-0.5	-1.1	-1.9	-1.3	
2022	-18.0	-6.1	-4.4	0.2	-1.9	-1.5	-5.0	0.5	-1.1	-2.4	3.8	1.6
2021	9.7	-1.5	0.5	4.4	1.5	1.1	2.7	1.3	2.1	-5.4	2.4	-1.2
2020	3.7	0.7	-2.5	-3.2	2.0	2.6	0.4	0.6	2.7	-0.7	-3.6	4.2

## Statistics

	PTF	PTF	Index*
Perf. since inception (%)	-8.3	P/E fwd 12m	17.8
Standard deviation p.a. (%)	6.3	P/B fwd 12m	12.7
Max drawdown (%)	-5.7	Return on equity	31.6
<b>Net equity exposure (%)</b>	<b>40</b>	Debt/equity	73
Gross equity exposure (%)	81	Number of positions	35
Equity exposure (%)	61	Avg. market cap. (CHF Bn)	344
Equity hedging (%)	21	ESG rating (Conser)	A
			C

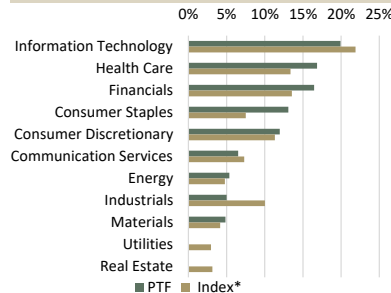
## Top positions

Name	Sector	Country	Weight
1 Roche Holding AG	Health Care	Switzerland	3.1%
2 Nestle SA	Consumer Staples	Switzerland	2.8%
3 Novartis AG	Health Care	Switzerland	2.8%
4 Microsoft Corp	Information Technology	United States	2.7%
5 Visa Inc	Financials	United States	2.7%
6 Apple Inc	Information Technology	United States	2.5%
7 Alphabet Inc	Communication Services	United States	2.3%
8 JPMorgan Chase & Co	Financials	United States	2.2%
9 Accenture PLC	Information Technology	Ireland	2.1%
10 Merck & Co Inc	Health Care	United States	2.1%

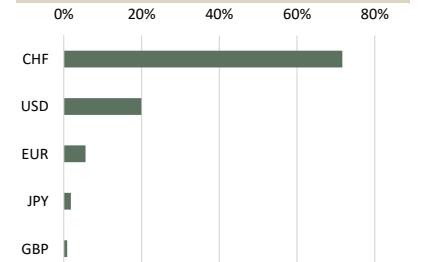
## Contributors

Top contributors	Rel. Contribution	Worst contributors	Rel. contribution
Microsoft Corp	0.2%	Roche Holding AG	-0.4%
Spotify Technology SA	0.1%	Novartis AG	-0.2%
NIKE Inc	0.1%	Nestle SA	-0.2%
Procter & Gamble Co/The	0.1%	Apple Inc	-0.2%
Visa Inc	0.1%	Schneider Electric SE	-0.1%

## Sectors



## Currencies



## Allocation

Gross exposure	Cash 60%	Futures 21%	Equity 61%
Top ten concentration	Top ten 25%	Rest 75%	