

NXG Swiss Excellence

NAV: CHF 95.60

ISIN: CH0382913793

October 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 thematic
- Actively managed portfolio

AMC data

Quote	95.60
Share class currency	CHF
AUM (CHF Mn)	7.6
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

The SLI had its worst monthly performance for a year, with -5.1%. This weakness is partly due to the strength of the Swiss franc, which makes exports more expensive. In addition, the healthcare sector has been shaken by discussions on policies to control spending on medicines in the United States, the largest and most profitable market for Swiss pharmaceutical companies, notably Novartis. Also, Market participants began to realize that the central banks would stick to their restrictive monetary policy for longer than planned. That weighed on stock performances.

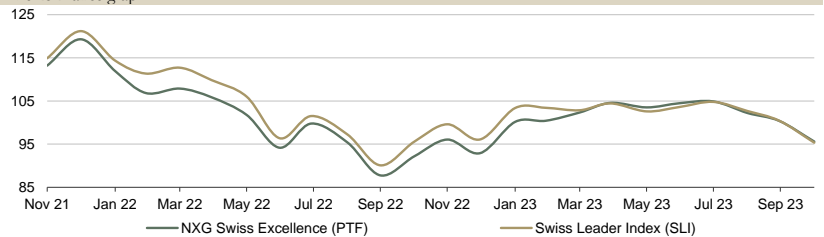
The portfolio ended September with a performance of -4.8% bringing year-to-date performance to 2.9%. The slight outperformance against the index was due to our overweight in information technology as well as our underweight in health care. Our selection of industrial and material companies were negative contributors in October. The 8% cash position continued to help during the month, limiting the downside risk. Top monthly contributors were Zurich (2.5%), Swiss Re (5.1%) and Swissquote (3.8%), whereas the main detractors were Novartis (-5.0%), Lonza (-25.6%) and Roche (-6.6%). We sold Sandoz, the spin-off of Novartis as we are not confident about their position in the generic segment.

The effects of rate rises remaining to be seen on the economy, equity performances could have cloudy next few months. Thus, we maintain our preference for quality stocks and established leaders in their fields. These companies can absorb harder financial conditions as they got high free cash flow yields and sane balance sheet.

Allocation

Excellence thematic	World Champions 68%	Born Specialists 21%	Tomorrow's Winners 11%
Market capitalization	Large 82%	Mid 4%	Small 13%
Top ten concentration	Top ten 49%	Rest 51%	

Performance graph



Performance table (%)

		Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023	PTF	2.9	7.8	0.3	1.9	2.2	-1.0	0.9	0.4	-2.6	-1.8	-4.8		
	SLI	-0.8	7.6	0.0	-0.5	1.5	-1.8	1.0	1.1	-2.0	-2.2	-5.1		
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
	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
	SLI	2.7									-6.1	3.9	-0.2	5.5

Statistics

	PTF	SLI	PTF	SLI
Perf. since inception (%)	-19.0	-19.2	Dividend yield %	3.0 3.2
Standard deviation p.a. (%)	12.8	13.5	P/E fwd 12m	16.7 17.0
Max drawdown (%)	-28.6	-27.4	P/CF fwd 12m	12.8 13.7
Sharpe ratio	0.4	17.0	P/B fwd 12m	3.2 3.0
Information ratio	0.80		Debt/equity	64 150
Beta (ex-post)	1.00		Return on Equity	15.5 20.7
Correlation	0.97		Avg. market cap. (CHF Bn)	43 52
Number of positions	30	30		

Top positions

Name	Sector	Mkt. cap.	Weight
1 Zurich Insurance Group AG	Financials	Large	7.1%
2 Novartis AG	Health Care	Large	7.0%
3 Nestle SA	Consumer Staples	Large	6.9%
4 Roche Holding AG	Health Care	Large	6.4%
5 Cie Financiere Richemont SA	Consumer Discretionary	Large	4.8%
6 Swiss Re AG	Financials	Large	3.5%
7 Holcim AG	Materials	Large	3.3%
8 Partners Group Holding AG	Financials	Large	3.3%
9 ABB Ltd	Industrials	Large	3.2%
10 Givaudan SA	Materials	Large	3.2%

Contributors

Top contributors	Rel. contribution	Worst contributors	Rel. contribution
Zurich Insurance Group AG	0.2%	Novartis AG	-0.7%
Swiss Re AG	0.2%	Lonza Group AG	-0.6%
Swissquote Group Holding SA	0.1%	Roche Holding AG	-0.4%
Swiss Life Holding AG	0.0%	Nestle SA	-0.4%
Givaudan SA	0.0%	Sulzer AG	-0.3%

Sectors

