

JUNE 2024

Marketing communication

INVESTMENT OBJECTIVE

To achieve capital appreciation on an absolute and relative basis over the medium to long-term horizon through investment in Swiss equities with a focus on innovative companies that are leaders in their markets.

PORTFOLIO REVIEW

After last month's strong rebound, and against a backdrop of political turmoil in Europe and sharp Swiss franc appreciation, the Swiss market lost some steam in June, shedding 0.5%. It nonetheless closed the first half of the year with a more than respectable performance of 9.3%. Small- and mid-caps continue, meanwhile, to lag, having gained just 4.5% over the same period.

A number of key parameters for a recovery in small- and mid-caps have been in place for several months now, but this asset class, both in Switzerland and abroad, continues to underperform the broader market. The correlation between the smallest listed companies and PMI datapoints, for instance, is significant. And even though the latter's current levels still indicate a contraction, the manufacturing situation has improved markedly over the past year, which should in theory support small- and mid-caps. Their valuation premium also stands well below the historical average, which is another important factor for future outperformance. What is more, since the lows of last October, small- and mid-caps have not even rebounded more strongly, despite a 6-year performance delta between their index (SPI Extra) and that of large caps (SMI adjusted for dividends) of more than 50% in favour of the SMI. Never before in the history of the Swiss equity market has there been such a differential in performance to the detriment of secondary stocks. Even the depreciation of the Swiss franc at the onset of this year provided no help, despite the fact that small- and mid-cap earnings are generally more sensitive to currency fluctuations. What is missing for their performance to pick up, if even two rate cuts by the SNB have had no impact? The answer would seem to lie on the other side of the Atlantic, with Swiss small- and mid-caps reacting more strongly to US interest rate moves (chart 2). As long as there are no clearer indications regarding a rate cut by the Federal Reserve (Fed), it is a safe bet that this asset class will not gain investor favour. But beware of a backlash, since expected earnings growth for this year (as well as 2025 and 2026) is much higher for the SPI Extra than for the SMI. In fact, based on 2026 earnings, both indices are trading on the same multiple (P/E of 15x), whereas small- and mid-caps typically command a premium!

The Bruellan Dynamic Swiss fund recorded a very slight 0.1% gain in June, bringing its half-year performance to 7.1%.

Among the fund's top monthly performers figure Roche (+8%), Belimo (+7%), Also (+6%), Swiss Life (+5%) and VAT (+4%).

Conversely, the biggest decliners were Adecco (-13%), Georg Fischer (-8%), Tecan (-6%), Sika (-6%) and Straumann (-5%).

RISK & REWARD



FUND FACTS

Domicile	Switzerland
Inception date	19 January 2015
Currency	CHF
Lead Manager	Anick Baud
Co-Manager	Florian Marini CFA, CMT
Fund size*	CHF 29 Millions
Liquidity (sub./red.)	Daily
Min. Investment	Retail: 1000 CHF Instit.: 1 million CHF

Entry/exit fees	0.0% / 0.0%
Management fees	1.2%-0.8%
Performance fees	20%
High Water Mark	Yes
Benchmark	SPI Index
ISIN	Retail: CH0253810144 Instit.: CH0253810169

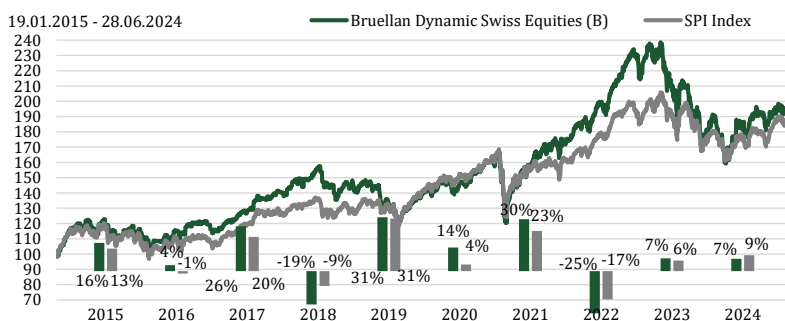
Bloomberg	Retail: BDFSECA SW Instit.: BDFSECB SW
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NAV	Retail: 2018.34 Instit.: 2051.46
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* the total strategy size is CHF 56 millions

Not all the costs are presented, further information can be found in the prospectus or equivalent.

NET PERFORMANCE AND ANNUAL PERFORMANCE IN CHF



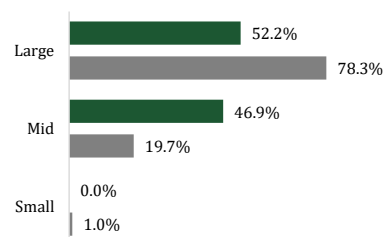
	Fund	SPI Index	+/-
1 Month	0.1%	-0.5%	0.6%
3 Months	1.9%	3.1%	-1.2%
YTD	7.1%	9.3%	-2.1%
Since inception	105.1%	98.0%	7.2%

Source: All data and graphs throughout the document from Bruellan.
Past performance may not be a reliable guide to future performance. All forms of investment involve risk.
The benchmark index is the SPI Index.
Please refer to the end of the document mentioned for performance comparison purposes.

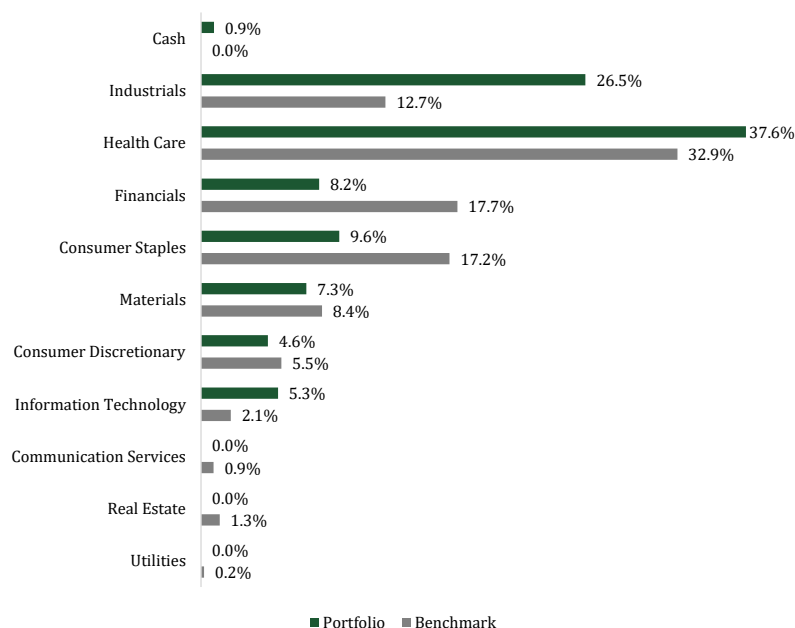
STATISTICS

	Fund	SPI Index
Leading PE	22.4	16.1
EV/EBITDA	19.1	12.1
P/Book	5.5	1.8
Dividend Yield	2.2%	2.7%
ROE	21.2%	9.7%
Debt/Equity	56.2%	57.7%
Interest Coverage	12.3	8.0
Beta	1.1	1.0
Volatility	14.3%	12.4%

ALLOCATION BY MARKET CAP



ALLOCATION BY SECTOR



FUND COMPLEMENTARY DETAILS

Administrator	CACEIS (Switzerland) SA, Rte de Signy 35, CH-1260 Nyon
Investment Manager	Bruellan SA
Custodian	CACEIS (Switzerland) SA, Rte de Signy 35, CH-1260 Nyon
Auditor	KPMG

TOP 10 HOLDINGS

	Sector	Weight
ROCHE HOLDING AG-GENUSSCHEIN	Health Care	10.4%
NESTLE SA-REG	Consumer Staples	9.6%
NOVARTIS AG-REG	Health Care	9.2%
CIE FINANCIERE RICHEMO-A REG	Consumer Discretionary	4.6%
SANDOZ GROUP AG	Health Care	4.0%
VAT GROUP AG	Industrials	3.9%
GIVAUDAN-REG	Materials	3.7%
SIKA AG-REG	Materials	3.6%
LONZA GROUP AG-REG	Health Care	3.4%
SWISS LIFE HOLDING AG-REG	Financials	3.2%
Total		55.5%
Total number of Holdings		27

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<https://www.pictet.com/content/dam/www/documents/legal-and-notes/fundpartner-solutions/fps-summary-of-Investors-rights.pdf>. The decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in its prospectus. Information on sustainability-related aspects provided in relation to the promoted fund could be found on the following link:

<https://assetservices.group.pictet/asset-services/esg-disclosures?isin=LU1118008553>. Incorporation of extra-financial risks into the investment decision process may result in underweighting of profitable investments from the sub-fund's investment universe and may also lead the management of the sub-fund to underweight investments that will continue to perform. The Fund has been classified as a financial product subject to Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (the "SFDR"). The Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. Performance disclosures: the published performance represents past data. Past performance may not be a reliable guide to future performance. There is no guarantee that the same yields will be obtained in the future. The value and income of any of your investments may fluctuate with market conditions and may lose some or all its value. The fund may be affected by changes in currency exchange rates, which can have an adverse effect on the value or income of the fund. Future performance is also subject to taxation which depends on the personal situation of each investor and which may change in the future. : All performance data are based on net performance and take no account of commissions, fees or other costs charged when units are issued and redeemed.