



INVESTMENT OBJECTIVE

To achieve capital appreciation on an absolute and relative basis over the medium to long-term horizon through investment in European Family-owned companies in a concentrated and diversified portfolio, with high liquidity.

PORTFOLIO REVIEW

While the 2023 vintage began under very pessimistic auspices for financial markets, it closed with a bang! Long have been gone recession expectations for both the US and Europe, ditto for the prediction of a housing market crash or indeed a failure of the entire financial system. Praise to the soon-to-come pivot, the dovish central banker comments and the victory lap!

To be fair, however, it was only in the ultimate weeks of the year, when the bell lap was rung, that the market finally proved the majority view wrong. One should remember that less than 8 weeks ago, a large part of equity markets was under serious pressure, engulfed in poor macro indicators and a major geopolitical crisis. In the end, it took only a drop in inflation, some innuendo from Jerome Powell and a pinch of complacency to post very decent 2023 returns: in local currency terms, the S&P500 ended the year up 24.2%, the Stoxx600 up 15.8% and global bonds up more than 8%. We will refrain from a more detailed discussion of the year, others having done that much better than us. Rather, we take the opportunity in these lines to comment on what we have done appropriately in the fund – and also our less rewarding moves.

For the first year focusing on "family enterprises", we did outperform the European equity index by a fair margin, achieving a 20.6% return vs. 15.8% for the benchmark. The fund did better than both the value and growth segments, up respectively 15.6% and 16.1%. We did so despite owning 40% of small- and mid-caps in the portfolio, which lagged for a second consecutive year, posting respective returns of "only" 12.7% and 14.2%.

Our portfolio construction, based on a majority of growth/quality stocks, tactically complemented by value names, proved adequate to navigate the past year. More importantly, we avoided the traps of being overly defensive or invested in bond proxies (staples, utilities, telecom), sectors that were out of favour all year long.

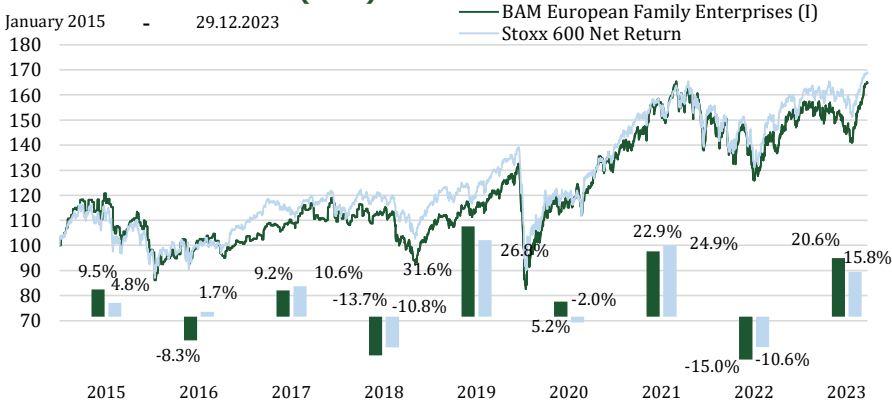
In term of stock-picking, a few themes that we selected worked out well: runaway growth in obesity drugs (Novo Nordisk), the need for Europe and NATO to beef up their defence capacities (Saab), exposure to ultimate luxury as a great hedge against inflation (Hermes, Ferrari through Exor), top notch industrial companies in niche markets that are critical for major trends such as digitalisation, automation and sustainability (Atlas Copco, Inficon, Kardex, Alfa Laval, Inficon). We also managed adequate stock picking in sectors that were expected to suffer and finally managed a very decent landing, such as coffee maker De Longhi. Though we did miss a few opportunities in this last category, particularly within the construction sector.

As such, we must underline with lucidity our fair share of misjudgement, like in all other years since we began investing. We suffered from our exposure to China (Barco, Carl Zeiss, Bureau Veritas) and clearly underestimated the extent of destocking and wobbles at healthcare suppliers, a sector into which we were too prompt to enter (Coloplast, Carl Zeiss). It is worth noting in this regard that Straumann was a good exception, having managed to deliver despite being exposed to both issues! Finally, although we benefited from our technology overweight, and had good stock picks in the larger cap space (SAP, Dassault Systemes), we suffered from our exposure to mid-cap names (Alten, Melexis, Barco) where some opportunities in software were missed.

Along the year, we stayed true to our investment philosophy of investing, throughout the market cap spectrum, in European family-owned champions, focused on their long-term strategy and innovation capabilities. All told, we strongly believe that this results in strong economic and financial returns.

As regards 2024, we would like to avoid being carried away. Although we are confident in central bankers' ability to bring back the inflation ship home to 2%, the waters remain choppy. In fact, we are rather surprised by the recent lack of geopolitically-driven volatility. The new year will, once again, be filled with surprises of all sorts, and as such we remain vigilant. For anyone interested, we provide more details about our outlook for Europe in 2024, in our Quarterly publication "Panorama".

FUND PERFORMANCE (EUR)



	Fund	Bench.	+/-
1 Month	5.6%	3.8%	1.7%
3 Months	11.7%	6.7%	5.0%
YTD*	20.6%	15.8%	4.8%
Since inception	64.9%	69.0%	-4.1%

Source: Bruellan. Past performance may not be a reliable guide to future performance. All forms of investment involve risk. The benchmark index is Stoxx 600 Total Return Index EUR (SXXR Index). Please refer to the end of the document mentioned for performance comparison purposes.

RISK & REWARD



FUND FACTS

Domicile	Luxembourg/UCITS IV
SFDR	Article 8
Inception date	21 January 2015
Focus on Fam. Co.*	01 January 2023
Currency	EUR
Fund Managers	Malek Dahmani Florian Marini, CFA
Fund size	EUR 53.4 Millions
Liquidity (sub./red.)	Daily
Min. Investment	Retail: 1000 EUR Instit.: 1 million EUR
Management fees	0.8%-1.2%
Performance fees	20%
High Water Mark	Yes
Benchmark	SXXR Index

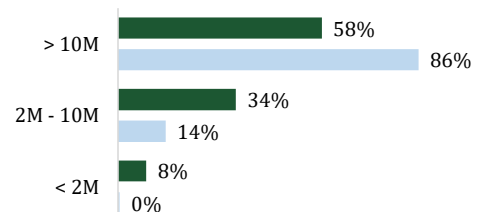
Class	Bloomberg	ISIN	NAV
Inst: EUR	PROBEEI	LU1118008397	164.9
Ret: EUR	PROBEER	LU1118008553	158.5

*Initiation date of the current strategy focusing on European family-owned companies

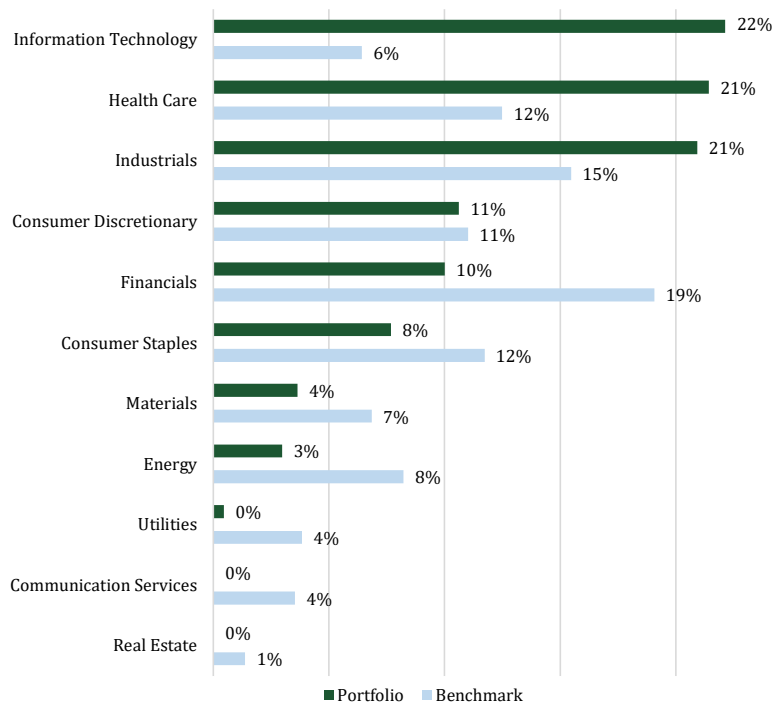
STATISTICS

	Fund	Bench.
Leading PE	23.3	15.8
EV/EBITDA	15.8	10.9
Median P/Book	4.1	2.1
Dividend Yield	2.0%	3.6%
Median ROE	20%	14%
Median Debt/Equity	41%	70%
Beta	1.0	1.0
Volatility (Daily, 1Y)	15%	12%

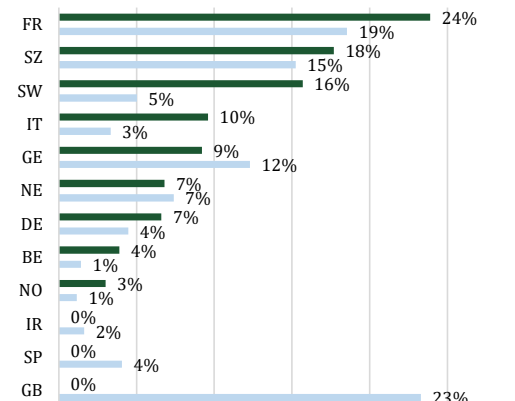
ALLOCATION BY MARKET CAP



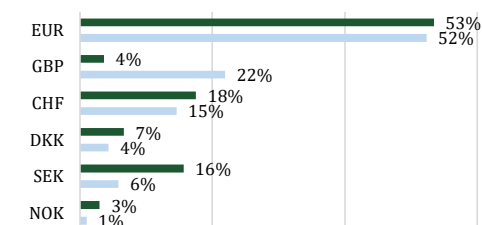
ALLOCATION BY SECTOR



ALLOCATION BY REGION



ALLOCATION BY CURRENCY



TOP 10 HOLDINGS

	Sector	Country	Weight
INFICON-REG	Information Technology	SZ	4.6%
NOVO NORDISK-B	Health Care	DE	4.4%
L'OREAL	Consumer Staples	FR	4.4%
SWEDISH ORPHAN B	Health Care	SW	4.2%
SAAB AB-B	Industrials	SW	4.2%
ATLAS COPCO-A	Industrials	SW	4.0%
EXOR NV	Financials	NE	4.0%
STRAUMANN HLDG-R	Health Care	SZ	3.8%
ALTEN	Information Technology	FR	3.8%
DASSAULT SYSTEME	Information Technology	FR	3.6%
Total			40.9%
Total number of Holdings			32

FUND COMPLEMENTARY DETAILS

Administrator	FundPartner Solutions (Europe) SA
Representative in Switzerland	FundPartner Solutions (Suisse) SA
Investment Manager	Bruellan SA
Custodian	Pictet & Cie (Europe) SA
Paying agent in Switzerland	Banque Pictet & Cie SA
Auditor	Deloitte Audit SARL

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