

## H.A.T – Healthcare & Applied Technologies Fund

### Fund Description & Objective

The Fund seeks to achieve long-term capital appreciation through worldwide investments in different securities in the healthcare sector. Equities, Bonds and Alternatives (ETFs) composing the Fund are selected according to the concomitant analysis of qualitative and financial principles. Cash reserves are maintained to respond efficiently to market changes.



Investment  
Universe  
**USA**



Portfolio  
Benchmark  
**SPXHC**



Base  
Currency  
**USD**



Time  
Horizon  
**5 YEARS**



Inception  
Date  
**01/03/2022**

#### Avg. Market Cap

USD 75B

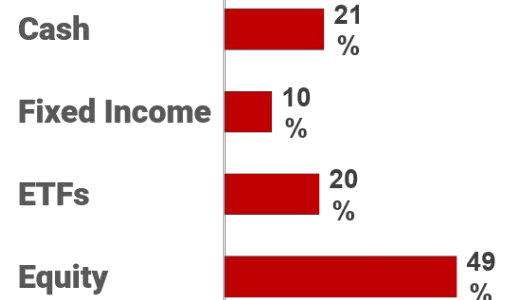
#### Beta

0.81

#### Currency

100% USD

#### Asset Allocation



#### Fund Performance

	1M	2M	3M
<b>HAT</b>	+2.9%	+0.7%	+3.8%
<b>SPXHC</b>	+6.8%	-7.7%	-1.1%

#### Risk & Reward Profile

- Historically low risk profile associated with healthcare as a defensive sector but higher risk in unproven technologies
- Threat of new entrants: low market share for each company and lower returns
- High incidence of R&D costs and long clinical trials before obtaining patents
- Currency and geographical risk entirely linked to United States

Lower risk

Potentially lower reward

Higher risk

Potentially higher reward



#### Factor Investing Strategy

VALUE

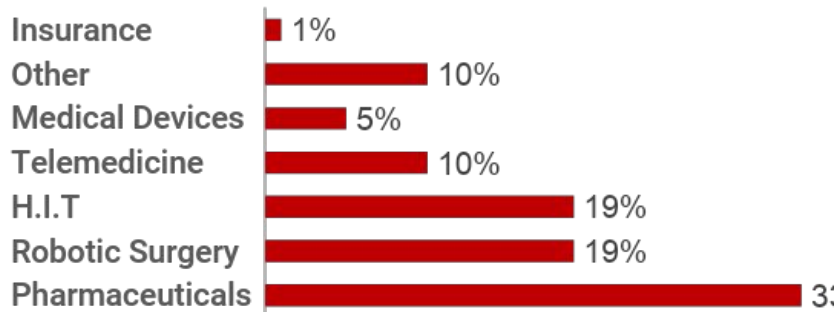
**GROWTH**

MOMENTUM

**THEMATIC**

VOLATILITY

## Sector Breakdown



## Top Holdings

Pfizer 2024-Bond	7.6%
Stryker	7.2%
Intuitive Surgical	6.4%
IQVIA	5.6%
iShares IHF	4.4%
iShares HEAL	4.4%

## Market Review

The main theme of the first quarter of the year has been volatility, driven mainly by inflation worries, a tightening in financial conditions and geopolitical risk. While major equity indexes declined during the quarter, bond yields rose (causing a sharp decrease in bond prices). Commodities have also continued to rise sharply (i.e. US commodities indexes rose by more than +20% in early March). Russia's invasion of Ukraine has caused a global supply chain shock, with disruptions for key commodities such as gas, oil, and wheat (top exports for Russia). Regarding the US market specifically, previous inflation estimates were already reporting an alarming situation, and the current geopolitical scenario raises serious uncertainty and further pressure on prices globally. Stagflation is now the baseline scenario while a recession is gaining traction as a tail risk. Taming inflation while also maintaining positive, at-trend growth will be challenging and the room for a potential policy error has increased considerably.

## Portfolio Comments

Accordingly with December's forecasts, the Portfolio performance benefitted from the low beta (0.81) of the equity proportion, limiting the losses caused by the current market volatility. In particular, the Portfolio registered a +3.8% variation during the first quarter of 2022, outperforming the benchmark (S&P 500 Health Care Index) by almost 500 basis points.

These variations were led by strong performances in the Equity and ETFs holdings, which registered significant returns, while the Fixed Income proportion (10% of the total capital) reported a -2.6% during Q1. A noteworthy case is the one of Intuitive Surgical (ISRG), one of the top-holdings of the portfolio which reported an increase of +12.1% between January and April.

The current portfolio performance, also compared to the benchmark, resulted in minor changes to the portfolio structure, which will be subject to smaller adjustments also during the second quarter of 2022.

## Market Outlook

The global health care sector continues to develop in accordance with the new challenges presented by the ongoing pandemic, which continues to dominate health care systems' attention and resources. The current situation is shifting the paradigm of where care is provided, rapidly scaling virtual health services and promoting partnerships to produce the required vaccines and treatments. Breakthrough innovation in the biopharma industry, particularly in oncology, immunology, and certain rare disorders, is generating massive opportunities for investors. The increase in chronic diseases, such as arthritis, liver inflammation, cancer, renal pathologies, diabetes, chronic pain and other nervous disorders is pulling the demand for medical devices with clear consequences on the relevant market. In this respect, we believe the healthcare sector is well positioned to weather the short-term uncertainty and benefit from the long-term structural growth.