I.O.E. – Impact Opportunities Equity Fund

Fund Description & Objective

The fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of global equity securities (or related instruments). The fund invests in companies which are well positioned to benefit from key sustainability related themes, including energy transition, digitalisation and infrastructure. The fund is actively managed and employs an ESG-weighted asset allocation strategy; investing a greater proportion of the portfolio in companies with high ESG ratings according to Refinitiv, MSCI as well as internally-developed methodologies in an effort to generate superior adjusted returns.

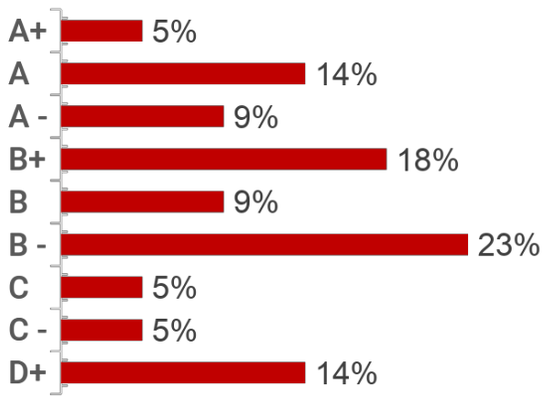
Investment Universe	Portfolio Benchmark	Base Currency	Time Horizon	Inception Date
GLOBAL	**MSCI World SRI**	**EUR**	**5 YEARS**	**01/03/2022**

Currencies	EUR	USD	GBP	Other
	6.8%	52.1%	12.7%	28.3%

Fund Performance (vs. Benchmark)

	1M	2M	3M
IOE	+9.4%	+8.4%	+8.5%
MSCI SRI	+4.9%	-0.9%	-3.7%

ESG Breakdown



Risk & Reward Profile

- Key ST risks: tighter financial conditions and the pace of policy normalisation will likely determine either a period of stagflation or recession.
- Key LT risks: geopolitical tensions and their second order effects as new winners and losers will likely emerge at country, sector and industry level.

Lower risk
Potentially lower reward

Higher risk
Potentially higher reward

Factor Investing Strategy

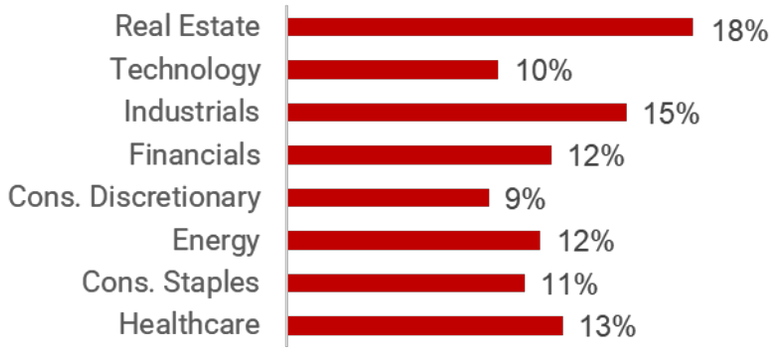
VALUE	GROWTH	MOMENTUM	THEMATIC	VOLATILITY

*The information contained in this document should not be considered in lieu of professional advice. The information contained in this document comes from various sources and any opinion expressed does not constitute an invitation to make an offer to buy, sell or subscribe to financial instruments of any kind.

Performance Report

April 2022

Sector Breakdown



Top Holdings

AstraZeneca	11.5%
Shell	9.1%
Mahindra&M	8.4%
Aviva	6.8%
Natura&Co	6.4%
Nordic Entr.	6.0%

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. This is the eleventh time since WW2 that both a 10% decline in key equity index values has been followed by a subsequent 10% rally. All major equity indices posted negative returns in Q1, with the S&P reporting a loss of 4.9% and the STOXX50 depreciating by 9.5%. At the sector level, energy was a clear outlier; benefitting from the oil & gas supply shock and price surge. Recent inversion of the yield-curve is also worrying investors on the probability of a recession, however its predictive ability is likely clouded by the recent spike in inflation. In the last quarter, the road was quite bumpy and it is likely to get bumpier in the coming months, with markets now pricing a 91% probability of a 50bps FED rate hike in May and the likelihood of a policy mistake becoming ever more tangible.

Portfolio Comments

In the first quarter, the Fund has gained 8.5%, significantly outperforming our benchmark. Despite unfavourable market conditions, the Fund showed considerable resilience thanks to strong geographic diversification and efficient currency hedging. Our exposure to Financials and Energy contributed positively to the performance of the Fund, in particular with investments in RBC and Shell. In contrast, our exposure to Technology (i.e. Nvidia and Adobe) weighted negatively.
During these 3 months, we made some modifications in our asset allocation. We have acted swiftly in exiting a position in Sberbank and overall began repositioning to be better protected for the tough conditions ahead. We remain confident that the Fund's exposure to Real Estate, Financials and Energy combined with its ESG-weighted asset allocation strategy will produce solid protection against short-term headwinds while also positioning us to benefit from long-term structural trends linked to sustainability and ESG.

Market Outlook

2022 started with rising interest rates, high inflation and an unanticipated war in Europe. Aside from the market fragility related to the Ukraine-Russia conflict, inflation will continue to be the key variable to monitor. The global economy seems to be into a period of permanent inflationary pressures, with CPI reaching its highest level in 30 years. Inflation data has been stronger than expected across the board and, particularly for Europe, we expect an accelerated path to policy normalization than what is currently priced in. Stagflation is now the baseline scenario while a recession is gaining traction as a tail risk, especially considering the late and sudden shift in tone by the FED and other CBs. In this respect, and considering the uncertain times, we continue to place a strong focus on the long-term potential of value-oriented strategies.

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