

# Virtuoso UCITS Fund

## Equity L/S

March 2022

### The Manager



#### Aimone Beretta

Portfolio Manager

Business Administration Degree - Cattolica University, Milan  
 Master of Business Administration - Imperial College of Science, Technology and Medicine, London  
 Equity sales trader at UBS London and Merrill Lynch London  
 Partner with Alberto at Farema Capital  
 Head of Asset Management and fund manager at Crossinvest SA Lugano

Aimone has been developing a resilient equity investment approach based on fundamental bottom up stock appraisal with particular attention to stock specific catalysts. The strategy is continuously evolving adopting factors and alternative data analysis

#### Alberto Matuozzo

Senior Analyst / Portfolio Manager

Business Administration Degree - Bocconi University, Milan  
 Sales Trader at Goldman Sachs International  
 Extensive career in investment management: Analyst/Portfolio Manager at Millennium, Assistant Fund manager/trader at Farema, advisor on European research at Gabelli Asset Management  
 Alberto and Aimone worked together at Farema for 4 years

Alberto has gained solid experience in the investment sector in London (UK) since 1998. He is responsible for the setup and the definition of quantitative analysis and risk management process. Alberto has a strong analytical background.

### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Valuation	Daily
Liquidity	Daily
Inception	July 2020

Share Class	Institutional Class / Pooled
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	20.00%
Min Init. Sub.	1,000,000

ISIN Codes	EUR: IE00BLDGJG65 / IE00BLDGJM63
	USD: IE00BLDGJD72 / IE00BLDGJN70
	CHF: IE00BLDGJG04 / IE00BLDGJQ02
	GBP: IE00BLDGJF96 / IE00BLDGJP94

Share Class	Retail Class Pooled
Currency	EUR/USD/CHF/GBP
Mgt. Fee	2.00%
Perf. Fee	20.00%
Min Init. Sub.	10,000

ISIN Codes	EUR: IE00BLDGJW61
	USD: IE00BLDGJX78
	CHF: IE00BLDGJZ92
	GBP: IE00BLDGJY85

### Performance Returns

The Virtuoso UCITS Fund returned -2.18% for the month of March (EUR Institutional Class).

### Investment Objective & Strategy

The Investment Manager employs an actively managed, three stage investment process based on qualitative and quantitative analysis of those companies within its available investment universe. Environmental, Social and Governance factor ("ESG") are part of the assessment of the companies in which the fund is invested. The manager aims to adopt a scientific approach, based on testing hypotheses and evidence-based decision making. Therefore, the investment process has been designed to be repeatable, driven by the Fund's mandate of producing consistent levels of alpha across the broader market cycle.

### Monthly Commentary

#### Review & Outlook

Talking about war in Europe in 2022 seems nonsense. The indiscriminate aggression of a country towards a neighbour has to be denounced and our thoughts go with the victims of this war.

Our job is to focus on the market: the surface seems just fine with most of the indices recovering from the lows seen on the 9th of March, the cracks are deep and dispersion has been the dominant outcome across regions, sectors and companies. The S&P 500 was able to close the dramatic month of March up 3.57% but 10 underlying sectors reported negative monthly double digits returns. Food Retail was the best group up 22.58% versus Leisure products, the worst group, down 15.59%. In Europe the situation was no different, with the Europe 600 index closing slightly up 0.60% but the gap between the best sector, Basic Material +6.30%, and the worst, Retail -15.42% was 21.72%. There were nine sectors in positive territory led by Basic Material, Healthcare, Financials and Energy, eleven sectors were bleeding high single to double digit losses with Retail, Automotive and Travel & Leisure suffering the most. We discern the dispersion will continue with supply side constraints, inflationary pressures and interest rate rises. A bottom-up approach will contribute to a better navigation of more volatile investment environment.

#### Portfolio Analysis and Strategy

Our portfolio sector exposure was not aligned with the winners for the month of March. After the market lows of early March our fund managed to recover in the second part of the month closing down 2.18%. Our portfolio holdings are positioned to outperform in an economic environment where rising interest rates and demanding valuations leaves expensive stocks skewed to the downside, particularly if the FED and ECB get things wrong and if the Ukraine-Russian War triggers European recession. Our Chinese holdings were showing weakness, with the reference market index down 7.84% due to geopolitical risks. China's risks relate to nonconformity to US sanctions against Russia and company valuation transparency with the US SEC, the ongoing scrutiny doesn't allow us to increase our exposure to China but we certainly see value pockets in the region.

In the macroeconomic landscape we'd point to the US 10-year rate, the 10-year rate hit 2.33%, increased from 1.5% at the start of 2022, other macro indicators weakening such as the PMI. In this environment opportunistically we see a fertile environment to look for short opportunities.

Following conversations with one of our early investors we confirm we are engineering a new quantitative reporting metrics layout to provide more details about our strategy. As a preview we are happy to disclose as since inception average Net and Gross Exposures being around 60% and 147% respectively.

### Virtuoso UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2022	-1.48%	-2.34	-2.18										-5.90%
2021	1.71%	0.76%	-0.19%	1.40	-0.74	0.80	-2.29	0.39	-0.64	1.00	-1.36	1.44	2.32%
2020							-1.50%	2.23%	-3.31%	-1.01%	9.97%	2.91%	8.93%

The performance figures quoted above represent the performance of the Virtuoso UCITS Fund, EUR Inst. Class since share class launch on 9 July 2020. These performance figures refer to the past and past performance is not a reliable guide to future performance.

This is a marketing communication.

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### Technology, Media and Telecom

Our TMT bucket performed in line with the underlying index led by Nvidia +11.90%, Amazon +6.46% and STMicroelectronics +4.35. Major disappointment came from ITV down 25.96% for the month due to investment increase above expectation in ITVX initiative, to build its streaming service. Free Ad Supported TV Services (FAST) will launch in Q4 2022 and will represent a compelling offering for the UK media company. This is a case where market participants, with a shorter and shorter time frame, have no patience to stay invested in a company with a 5 years investment plan. We remain exposed to the stock and will monitor advertising revenues, given they are the main source of funding for the company's nascent streaming platform. In the same space our Chinese exposure was the second major drag for the group in the portfolio. We will follow closely the China's rule on offshore listings and SEC response to potentially gain confidence and take advantage of the relative cheap valuation.

### Industrials

Our industrial picks performed substantially better than the peer group led by an outstanding monthly performance for Infrastrutture Wireless. Infrastrutture an Italian company was up 11.56% for March after posting a Q4 update. Technip Energie had a solid performance up 9.51% followed by Schneider up 8.85%. Rieter even with a compelling valuation triggered a stop loss and we decided to close our position in Rieter the Swiss machinery & equipment producer, lack of business visibility was the main reason behind our decision to close our long position in the stock.

### Consumer Non-Cyclical

Our portfolio second best group was supported by the strong monthly performance contribution from three of our pharmaceutical names. Bayer up 20.55% for the month confirming the positive momentum after nearly two years of underperformance. Regeneron our high conviction in the space was up 12.94% and Abbvie +9.70%. Among our short positions in the space Carlsberg -14% in March was among our main positive performance contributors. The Danish brewery suffered major losses due to its Russian market exposure and lower business quality versus its peer group.

### Consumer Cyclical

Cyclicals reported severe market pullback due to the generalized selloffs triggered by deteriorating macro environment and tightening in central banks' monetary policies on top of the geopolitical events in Europe. The sector holds more than 50% of our monthly negative returns. Particularly weak were our automotive and luxury stocks. Should the market pullback accelerate in the upcoming weeks we see pockets of opportunities in this sector once consensus estimate will decrease and price meltdown materialize. It may be still a bit early but we remain very vigilant.

During this market turbulent time we are learning how ESG can add deeper dimensions to our analysis and decisions. We will be happy to meet with our investors and share more information on the topic.

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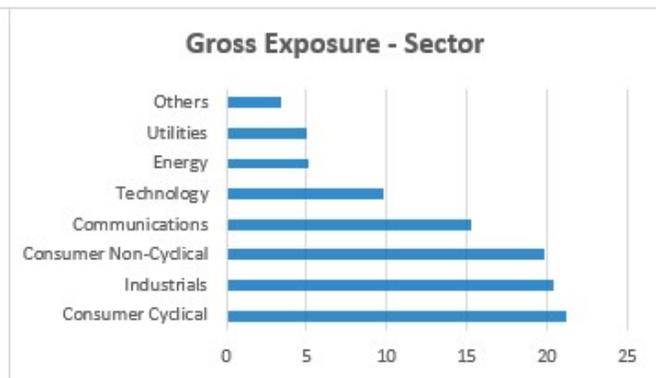
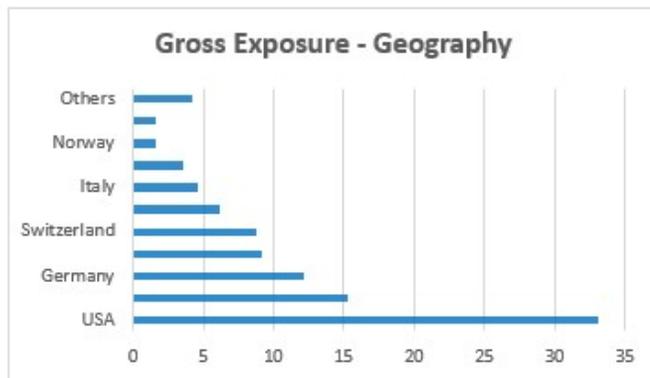
### Exposure & Attribution Report

#### P&L Attribution

Breakdown	Attribution
Long	-73.20
Short	-104.00
<b>Total</b>	<b>-2.18</b>

Best stocks	Worst stocks
Subsea 7 SA	ITV Plc
Bayer AG	Capri Hldg.
Infrastrutture W.	Renault SA

Best sectors	Worst sectors
Energy	Communications
Consumer Non-Cycl.	Consumer Cycl.
Industrials	Basic Material



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