

# Cape Equity Fund

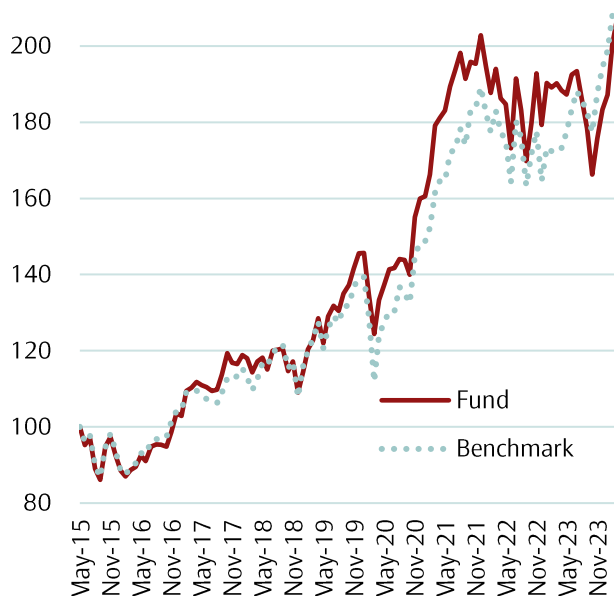
Cape Capital SICAV-UCITS



## FUND STRATEGY

The objective of the Cape Equity Fund is to create long-term capital appreciation by investing in a global portfolio of equity securities. The Fund holds 20-30 large-cap global quality firms which are leaders in their industries, hold strong franchises, have moderate debt, and generate solid cash flows that can be distributed through dividends or share buybacks on a sustainable basis. ESG considerations are integrated into the investment process.

## PERFORMANCE (%)



	Current month	YTD 2024	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
Fund <sup>1</sup>	3.68	13.38	9.27	5.09	11.09	107.86
Benchmark <sup>2</sup>	3.34	10.67	23.95	10.01	11.78	115.03

## FUND INFORMATION

Date	31 March 2024
Fund AUM	EUR 478MM
Fund Type	SICAV-UCITS
Fund Inception <sup>3</sup>	01 June 2015
Minimum Investment	5,000 EUR
Available Currency	EUR, CHF
Benchmark	MSCI ACWI NTR EUR Index
Redemption	Daily by 3pm CET
Fund Domicile	Luxembourg
Mgmt Company	MultiConcept Fund Management
Central Administration	Credit Suisse Fund Services
Auditor	PwC (Luxembourg)
Legal Advisor	Arendt & Medernach
Depository Bank	Credit Suisse (Luxembourg) S.A.

Please see page 2 for detailed share class information.

## FUND STATISTICS

	Benchmark <sup>2</sup>	Fund <sup>1</sup>
Return (%), annualized since inception)	9.05	8.64
Volatility (%), annualized) <sup>4</sup>	13.77	14.24
Max Drawdown (%), since inception)	-19.69	-18.05
Sharpe ratio	0.64	0.59
Risk free rate <sup>5</sup>	0.26	0.26
Alpha (annualized, in %) <sup>6</sup>		-0.06
Beta <sup>6</sup>		0.97
Upside Capture		1.02
Downside Capture		1.06
Upside/Downside Capture		0.96

Note: Past performance is not a reliable indicator of future results.

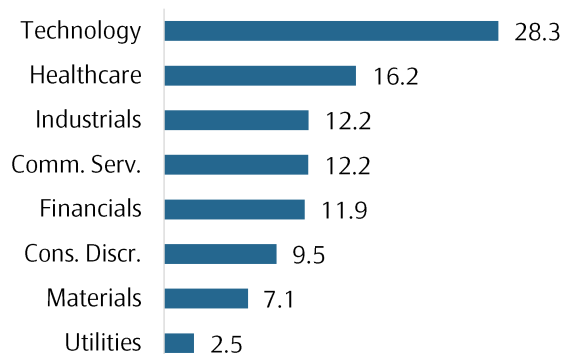
1. Fund performance is shown based on the NAV (net of fees) of the share class Internal A EUR, inception 01 June 2015.
2. Benchmark is the MSCI ACWI Net Total Return EUR Index (NDEEWN Index).
3. Fund inception in June 2015 as Cape Capital SICAV-SIF. Converted to Cape Capital SICAV-UCITS in July 2017.
4. Annualized standard deviation using monthly return since inception.
5. Risk free return is calculated as the annualized return of EURIBOR 3 month since the inception of the Fund.
6. Alpha and Beta are calculated by regressing the monthly excess return of the fund on the excess return of the benchmark.

# Equity Comments

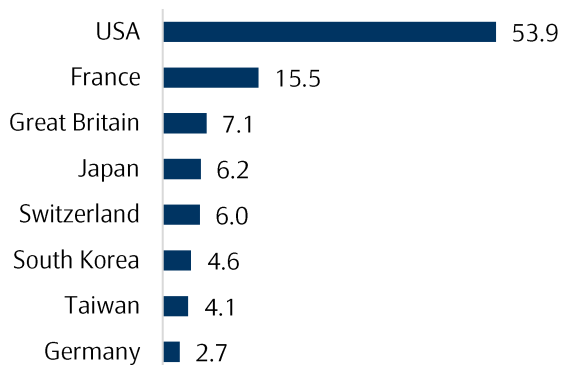
## TOP HOLDINGS

Company	Country	Weight (%)
SK Hynix	South Korea	4.58
Trimble	USA	4.47
Caterpillar	USA	4.46
Hitachi	Japan	4.35
Qualcomm	USA	4.27
No. of positions		27

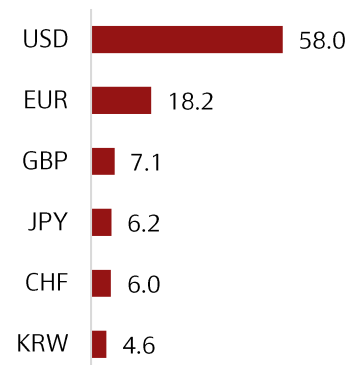
## SECTOR ALLOCATION (%)



## GEOGRAPHIC DISTRIBUTION (%)



## CURRENCY EXPOSURE (%)



All allocations are calculated based on notional exposure (excl. cash).

FX exposure refers to the currency denomination of the security.

The Total Expense Ratio (TER) presented in this document reflects final TER for the previous year.

## SHARE CLASS INFORMATION

Share class	Bloomberg	ISIN	Inception	Fee p.a. (%)	TER (bp)	Current NAV
Internal A EUR Acc.	CSCVEII LX Equity	LU1200255203	01/06/2015	0.50	71.9	207.86
Institutional B EUR Acc.	CACEIBE LX Equity	LU1200254495	31/01/2020	1.00	118.4	138.28
Internal A CHF Acc.	CCSCEAC LX Equity	LU1200255385	08/07/2023	0.50	74.0	109.73

## INVESTMENT RETURNS<sup>1</sup>

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015						-4.74	1.96	-8.31	-3.31	10.07	2.71	-4.91	-7.43
2016	-4.36	-1.69	1.91	0.94	3.26	-1.53	4.17	0.62	-0.12	-0.52	4.00	5.05	11.89
2017	-0.65	6.37	0.76	1.36	-0.75	-0.44	-0.91	0.26	3.61	4.99	-2.14	-0.27	12.50
2018	2.01	-0.74	-3.14	2.55	0.87	-2.65	4.28	0.26	0.27	-4.94	2.16	-6.96	-6.46
2019	5.06	5.11	2.06	4.62	-5.08	5.80	2.15	-1.01	3.43	1.71	3.09	2.84	33.53
2020	0.10	-7.38	-7.83	7.20	2.96	2.97	0.25	1.67	-0.17	-2.70	10.83	3.15	9.91
2021	0.38	3.52	7.73	1.15	1.05	3.44	2.27	2.35	-3.41	2.31	-0.27	3.85	26.81
2022	-4.03	-3.58	3.35	-3.97	-0.84	-6.25	10.58	-4.35	-7.29	5.79	7.31	-7.00	-11.61
2023	6.13	-0.63	0.59	-0.98	-0.57	2.76	0.51	-3.92	-4.03	-6.79	5.71	4.32	2.24
2024	2.13	7.08	3.68										13.38

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MONTHLY COMMENT – MARCH 2024

Thomas Williams: thomas@capecapital.com

## A tale of the Fabulous Four & the Trailing Three from tech titans to diverse horizons

### Equity markets

In March, global stock indices continued their winning streak, achieving their fifth straight month of gains and concluding the best first quarter since 2019. This surge was fuelled by a potent combination of optimism about a robust economy, interest rate cuts, and excitement surrounding business opportunities in artificial intelligence.

What started out as a US tech-driven rally gradually broadened out across the quarter, with equities in Europe and Japan beginning to outpace the US as sectors beyond technology started to perform. The broadening out was also evident in the US where the equal-weighted S&P 500 outperformed the traditional S&P 500 by one percentage point in March. The mag7 which have been the dominant trade of the year have started to fizzle out. While all "magnificent seven" tech stocks experienced significant gains in 2023, their trajectories began to diverge in 2024, as tech dominance is showing signs of exhaustion. The top performers, Nvidia, Meta, Microsoft, and Amazon, got a new name, the "fabulous four." Meanwhile, the other tech giants, namely Tesla, Apple, and Alphabet, have not performed as strongly, though Alphabet has begun to catch up in recent weeks.

At the latest FOMC meeting, rates were held steady, a move that was readily anticipated by markets. Comments delivered by Chairman Jerome Powell were on the dovish side and policy makers continued to see three rate cuts for 2024. However, markets are leaning towards two, as consistently robust economic indicators have potentially reduced the necessity for rate cuts, especially with the hotter inflation readings as of late.

None the less, Chairman Powell reiterated his dovish comments throughout the month, arguing that recent data did not fundamentally change the disinflation narrative. This shift in market sentiment will have implications for high-duration assets such as big tech stocks, which are more sensitive to the interest rate path. Conversely, cyclical sectors like financials and industrials stand to benefit from the strong macroeconomic readings, further broadening the market rally.

European stock markets were higher for the fifth consecutive month and outperformed the US markets as focus is shifting from US to European equities amidst concern about a valuation gap. Moreover, central bank rate cut expectations provided a tailwind for equity markets after ECB officials appeared increasingly comfortable with a June rate cut.

What is more, China factory activity expanded for the first time in six months. Non-manufacturing PMI also proved that companies were relative confident on future business activity. A recovery in the world's second largest economy could put further attention on European activity and provide a further uplift in sentiment for their equity markets.

### Fund performance

The Fund returned +3.68% in March. The fund has continued its strong performance which started back in late 2023. Technology stocks have continued to perform well with Qualcomm (+7.5%), SK Hynix (+16.7%), TSMC (+12.0%) all benefitted from the AI build-out narrative. Alphabet, which has lagged its Magnificent seven counterparts since the start of the year and seemed to be left out of the fabulous four conversation, has shown signs of catching up returning +9.2% in March. Tech names were not the only performers of the month as cyclical names such as Trimble (+5.4%), Ball (+5.4%), and Caterpillar (+9.9%) have performed well amidst strong economic read outs and GDP forecast upgrades for the year.

### Portfolio activity

Holdings in Asia have performed well since the beginning of the year; thus, to return to a more equal weighted portfolio, the team has trimmed some of its positions to add Booking (Booking.com). This company, with its leading online presence across multiple regions and along all online travel verticals from accommodation, airline tickets, car rentals, restaurant reservations, and attractions and will continue to gain share in travel spend across its core business.

In the past, Booking provided disjointed services but has since adjusted its focus towards combining its products into one

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horizontal and holistic offering. While accommodation was the main driving component for the group, this new value proposition should enhance volume growth for air ticketing, car rentals, attractions, etc., and bring incremental value per customer, driving top-line growth.

The rise of GenAI tools in online travel continues to be a key theme as these new tools enhance customer engagement and conversion rates. While still in early stages, 2023 provided a glimpse of the demand potential for these novel solutions, and surveys reflected the importance traveller place on these preferences. Once again, Booking has taken centre stage and understood the importance of this key trend by developing two

AI travel assistants: AI trip planner (discovery tool) and Penny (answering questions at check-out).

Finally, with an industry-leading bottom- and top-line growth profile for relatively attractive valuations, the company is well positioned to benefit from traffic gains and the China outbound travel recovery. Also, the sales and marketing efficiencies as a result of its AI initiatives, potential for top-line growth for its connected trip-generating service, and ongoing friendly shareholder buy back practices makes Booking a compelling investment case.

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### DISCLAIMER

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