

Monthly Commentary

Investment Objective

Index outperformance through fundamental deep-dive equity research and subsequent investment in quality companies with widening business moats and earnings power. Alpha generation through time-arbitrage by taking a private buyer approach to public companies, low portfolio turnover, and average portfolio concentration to minimize drawdown. No market timing to enable stable participation in broader market returns.

As of February 28, 2023, the Net Asset Value (NAV) of the USD Institutional share class, net of fees, of the FAM US Long Only stood at USD 1,287.0. This represents a decrease of 1.36% for the month.

During the month, some new data points confirmed further relief in US inflation, while the overall market sentiment returned rather cautious into the middle of the quarter. Many companies reported encouraging earnings numbers, with guidance for the new year appearing resilient. The conflict in Ukraine continues in the background, while the re-opening of China is providing some support to those sectors more exposed. Volatility among rates remains above historical values, with a prolonged re-rating of credit yields likely to become a topic for global market participants.

Equity markets were negative, with the S&P 500 TR Index losing 2.44%, and the MSCI ACWI Index losing 2.83%. Fixed income markets were negative for the month, with the Barclays Global Aggregate Index down 1.60%.

Last month's top contribution came from Fiserv (+29bps for the portfolio). The combo of accelerating organic growth despite slower end-market, coupled with a strong EPS guide on continued revenue strength and healthy margin expansion, drive the company to a very attractive spot. We view the revenue mix and model to be especially durable in the wake of economic weakness, as mission-critical nature of core processing makes customer relationships very sticky. We remain convinced buyer of the investment case.

The largest detractor came from Estee Lauder Companies (-40bps for the portfolio). The company published relatively strong quarterly results. However, FY23 outlook was reduced, hit by a more protracted recovery in China/travel retail and corresponding tight inventory management by retailers. Despite the challenges posed to travel retail and bricks mortar distribution, we believe the efforts to pivot to e-commerce are yielding great potential.

Month-to-Date
February **-1.36%**
(NAV: \$1,287.0)

Year to Date	2.24%
Last 3 months	1.76%
Last 12 months	-8.36%
2022	-20.35%
Since Inception	28.70%
Sharpe Ratio	0.47
Volatility	19.0%
Max Monthly Drawdown	-10.55%

Expected Dividend Yield p.a	1.20%
Weighted Market Cap.	229.02 Bln
Portfolio RoE	20.7%
P/E Weighted Avg.	21x
Gross Margin	40.7%
Alpha (ITD Annual) to S&P 500	1.15
Beta (ITD Annual) to S&P 500	0.96

Top Equity Holdings

Starbucks	4.0%
Motorola Solutions	3.8%
Microsoft	3.8%
Fiserv	3.6%
Estee Lauder Companies	3.4%
Abbott Laboratories	3.1%

Top Sectors

Sector	Net
Information Technology	20.8%
Health Care	19.5%
Financials	19.2%
Consumer Discretionary	11.7%
Industrials	8.8%

Monthly NAV Change in % (incl. Distributions)

NAV Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	3.66%	-1.36%											2.24%
S&P 500 TR Index	6.28%	-2.44%											3.69%
2022	-10.55%	-0.66%	4.06%	-7.87%	-3.66%	-6.45%	7.58%	-2.94%	-7.74%	5.41%	2.64%	-0.48%	-20.35%
S&P 500 TR Index	-5.17%	-2.99%	3.71%	-8.72%	0.18%	-8.25%	9.22%	-4.08%	-9.21%	8.10%	5.59%	-5.76%	-18.32%
2021	-0.35%	0.54%	2.17%	7.36%	-0.80%	2.42%	3.11%	3.25%	-3.40%	5.74%	0.64%	2.16%	24.84%
S&P 500 TR Index	-1.01%	2.76%	4.38%	5.34%	0.70%	2.33%	2.38%	3.04%	-4.65%	7.01%	-0.69%	4.75%	29.88%
2020	-	-	-	-	5.90%	-0.54%	7.12%	7.35%	-3.78%	-0.90%	7.49%	1.98%	26.60%
S&P 500 TR Index	-	-	-	-	4.76%	1.99%	5.64%	7.19%	-3.80%	-2.66%	10.95%	3.71%	32.84%

Fund Facts

Fund Domicile	Austria
Fund Type	UCITS
Fund Manager	Fairway Asset Management AG
Fund Management Co.	LLB Invest KAG
Custodian	Liechtensteinische Landesbank AG
Representation Switzerland	LLB Swiss Investment AG
Paying Agent	Bank Linth LLB AG
Auditor	Ernst & Young
Trading Frequency	Daily
Redemption Notice	None
Share Class A (Min. USD 50,000)	AT0000A2EKM2
Share Class B (Inst. – Min. USD 500,000)	AT0000A2EKN0
Fund Assets	USD 36.2 Mln
Reference Currency	USD
Launch Date	04.05.2020

Fee Structure

Institutional (capped at 100m)

Management Fee

Institutional 0.8%; Retail 1.0%

Hurdle Rate

S&P 500 Index

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