

ACATIS FAIR VALUE SPECIAL

02/2024

Adjustments in the ACATIS Fair Value Modulor Vermögensverwaltungsfonds

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Investors were not satisfied with last year's performance of the ACATIS Fair Value Modulor Vermögensverwaltungsfonds, and neither were we. There were particular concerns about the high volatility in the fund.

Therefore we want to use the beginning of the year to make proactive adjustments in the portfolio, which will return the focus on the asset-managing character of the fund without negatively affecting the popular fund concept. The main goal in this respect is to reduce volatility and limit large draw-downs in the fund.

In the current market environment, fund management is taking several steps to reduce volatility:

- (1) Established companies, which usually have lower volatility, are assigned a higher weighting overall. To increase diversity, thematically similar companies are added to existing portfolio companies.
- (2) Small but very innovative companies remain in the fund but make up no more than 10% of the fund, in order to mitigate the sometimes significant price fluctuations.
- (3) As interest rates have increased, we can once again invest more heavily in bonds that meet our yield and sustainability requirements. Therefore the bond ratio will increase significantly. It is approximately 16% today and is supposed to increase to around 20%. The use of sustainable bonds strengthens our sustainable investment rate of at least 80% for Art. 9 funds.
- (4) The use of put options can be

reduced again, specifically for situations in which selective hedging makes sense. Besides saving costs for derivatives (approx. 3% p.a.), we also generate higher interest income, which is good for steady distributions.

The annual distributions are secured with more frequent profit-taking and higher yields for bonds. Speaking of distributions: This year, the fund will once again pay out 4%. The distribution will be made for all distributing tranches on 15 March 2024. The distribution amount is calculated from the last redemption price of the previous year (29 December 2023).

In addition, Dr. Leber will also be increasingly supported by David Houdek, who has extensive experience in managing sustainable mandates.

The ACATIS Fair Value Modulor Vermögensverwaltungsfonds is an important part of the ACATIS fund family and focuses on sustainable objectives using a fund concept that is unique in the industry.

We anticipate that the aforementioned and already initiated changes will reduce the fund's volatility and stabilise performance. Please give us some time to work through the various items in portfolio management and allow the fund to develop. Naturally, we will keep you up to date.

Your Team of
ACATIS Investment KVG mbH

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