



CHANDLER

INVESTMENT CONSULTANCIES

# EFG Chandler Growth Portfolio AMC

July 2022 Factsheet

## Investment Approach

The investment objective of the fund is to achieve capital appreciation and yield performance through a conservative strategy, by regularly changing its components in adequation with market conditions. The Index invests in a large scope of asset classes and industries, through global diversification. The fund components will mainly be Equities, Bonds, Funds and Structured Products. The fund aims to:

- Anticipate changing market conditions and tactically allocating the fund's assets to stocks, fixed income products or cash equivalents in response to these changes.
- Ensuring that the portfolio is well diversified.
- Not limiting investment to any asset classes or sectors, subject to investment restrictions.

Growth Portfolio



YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2019	-	-	↓ -0.01%	↓ -1.99%	↓ -5.09%	↑ 2.48%	↓ -0.68%	↓ -2.43%	↓ -1.54%	↓ -0.12%	↓ -2.24%	↑ 3.47%	↓ -8.11%
2020	↓ -1.56%	↓ -1.86%	↓ -1.15%	↑ 1.55%	↑ 0.04%	↑ 0.31%	↑ 9.89%	↑ 3.73%	↓ -4.99%	↓ -2.44%	↑ 14.46%	↑ 7.72%	↑ 26.79%
2021	↑ 12.53%	↑ 6.14%	↑ 0.91%	↑ 5.62%	↓ -4.24%	↓ -0.92%	↓ -4.10%	↑ 4.74%	↓ -8.18%	↑ 13.36%	↓ -4.87%	↓ -2.40%	↑ 17.24%
2022	↓ -6.09%	↓ -2.94%	↓ -1.33%	↓ -10.92%	↓ -6.08%	↓ -18.60%	↑ 6.34%						↓ -34.87%

Past performance is not a reliable indicator of future results

## Fund Facts

Issuer	EFG International Finance
Advisor	Chandler Investment Consultancies FZE
Currency	USD
ISIN	CH0461379254
Latest NAV (29 July 2022)	88.96%

## Charges

Ongoing Charges	1.75%
Performance Fee	10.00%

## Fund Statistics

Average Yearly Return	-3.33%
Volatility p.a	20.36%
Max Drawdown	-49.34%
Return Since Inception	-11.04%



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## Manager's Comments

### Market Comments

#### **US**

US equity markets advanced in July, with the S&P 500 outperforming the world, raising by 9.2% during the month. Inflation remained at a 40-year high, with year-on-year headline CPI coming in at 9.1%. The Fed continued to commit to fighting rising costs by raising interest rates by 75 basis points, making it +225 basis points in 2022 so far. However, Powell subsequently commented that the pace of policy tightening is likely to relent from here. US GDP contracted 0.9% on an annualised basis in Q2 following a decline of 1.6% in Q1, qualifying the US into a technical recession. However, the robust labour market helped the mood as unemployment rate maintains a low standing of 3.6% and the non-farm payrolls surprised by increasing, with 372,000 new jobs created in June.

#### **Euro area**

European shares ended higher in July as upbeat earnings pushed shares to their best monthly performance of 2022. The Euro Stoxx 50, CAC 40 index, FTSE 100 and DAX rose by 7.33%, 8.87%, 3.54% and 5.48% respectively. Eurozone GDP grew by 0.7% in the second quarter beating estimates of 0.1%. In the UK, after days of turmoil and mass resignations from his government, Boris Johnson announced his resignation as Conservative leader. He will remain as UK prime minister until his successor is chosen. On the economic data front, Eurozone inflation hit another new record of 8.9% in July, driven by energy and food prices. This has increased the likelihood of further interest rate rises. The ECB has raised interest rates by half a percentage point, the first time in more than a decade. It ends eight years of negative rates and raises the ECB's deposit rate to zero. The flash purchasing managers' composite index (PMI) for the eurozone fell to 49.4, below consensus estimates and a 17-month low. This has raised recession fears in the region as companies are hit by falling orders and rising prices.

#### **Emerging Markets**

Emerging markets equities fell in value over the month, significantly underperforming developed markets. The MSCI Emerging Market was mostly flat in July, falling by 0.2%. Most losses took place in the first half of the month, dragged down by an underperforming Chinese market. There was a partial recovery in the second half of July, as the Chinese central bank pledged greater support. China was the worst index performer. Chinese Economic data released in the month was mixed. While the economy expanded at its slowest rate since the beginning of 2020, at 0.4% year-on-year in Q2, June's exports grew 17.9% compared to the same month last year. Meanwhile, problems in the property market continued to spread and new Covid lockdown measures were imposed in several cities in response to the spread of the Omicron variant.



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## Manager's Comments

### Fund Comments

Following and abysmal first half of negative performances, July offered a small respite in the market depression as our fund bounced by +6%.

We have not sold any of our positions during that month.

Our main medium-term investment themes are:

- Oil; actual production does not cover current and future needs; Petrobras, Exxon, Chevron, Western, Conoco
- The necessary diversification of sources, but also of storage and transport of new energies; Baker Hughes, Fluence Energy, Air Products, Wartsila, Vallourec
- The resumption of post-covid and intra-national air traffic: American Airlines, Delta Airlines, United airlines
- China's exit from its long Covid-related confinement
- The resilience of Luxury companies, still able to increase their prices and volumes despite the economic situation: Hermes, Richemont, Estee Lauder.
- A gold exposure as a traditional safe haven, but this has not worked as planned.

Like all, our mind wanders between inflation, recession, and rate hikes, but we are on the optimist side and believe that there will be little to no recession, another 75bps hike increase (mostly priced in), and that the supply side inflation will subside. Our only concern remains inflation linked to higher wages as a result of a shortage of available and willing labor market.