



CHANDLER

INVESTMENT CONSULTANCIES

# EFG Chandler Growth Portfolio AMC

August 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.



## Fund Facts

Issuer	EFG International Finance
Advisor	Chandler Investment Consultancies FZE
Currency	USD
ISIN	CH0461379254
Latest NAV (31 August 2022)	86.08%

## Charges

Ongoing Charges	1.75%
Performance Fee	10.00%

## Fund Statistics

Average Yearly Return	-4.15%
Volatility p.a	20.62%
Max Drawdown	-49.34%
Return Since Inception	-13.92%

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%	↓ -3.24%					↓ -36.98%

Past performance is not a reliable indicator of future results



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## Manager's Comments

### Market Comments

#### **US**

US equities fell in the month of August after the FED chairman, Jerome Powell, said that the Central Bank would need to keep monetary policy tight “for some time” in order to tackle soaring inflation. This trampled hopes that further interest rate hikes would be less severe which led to sharp falls in share prices and volatiles trading throughout the month. The S&P 500, the Dow Jones Industrial Average and the Nasdaq Composite Index declined by 4.2%, 4.1% and 4.6% respectively in August. US employment data was surprisingly strong with non-farm payrolls growing 528k jobs created in July compared to market expectations of only 250k. At the same time, inflation seems to have passed its peak as CPI increased 8.5% year on year in July, down from 9.1% in June. Tighter monetary policy can be seen on its impact in housing market activity, with existing and new homes sales falling 5.9% and 12.6% respectively in July as the 30-year fixed mortgage rate reached nearly 6%.

#### **Europe**

European shares fell in August amid ongoing worries over inflation, particularly in the form of high gas and electricity prices. The Euro Stoxx 50, the CAC 40, the FTSE 100 and the DAX index fell by 5.2%, 5.0%, 1.9% and 4.8% respectively. The energy crisis across Europe intensified amid worries over supply and high costs. Russia said it would halt the Nord Stream 1 pipeline, which supplies natural gas to Germany, for three days from 31 August. Inflation continued to rise in the eurozone with annual CPI inflation estimated to be up 9.1% in August. Industrial producer prices for June were up 35.8% in the eurozone compared with June 2021. In the UK, the Bank of England raised its policy rate by 0.5% to 1.75% at the start of the month. Even though the UK central bank now expects a recession to start in the fourth quarter, it warned of further tightening to contain inflation, which it expects to rise further to 13%. The August UK CPI report didn't ease the Bank of England's concerns, as inflation reached 10.1% year on year in July, its highest level in 40 years.

#### **Emerging Markets**

Emerging market equities posted a marginally positive return in August, significantly outperforming developed markets. Turkey was the best performing market in the EM index, delivering double-digit returns. The central bank issued a surprise interest rate cut during the month, despite inflation near 80%. Brazil outperformed as opinion polls narrowed ahead of October's presidential election. Thailand and Chile also finished ahead of the index, as did India which benefited from improved macroeconomic data releases, including an easing in inflationary pressure. However, Asia ex Japan equities were weaker in August with declines in Hong Kong and South Korea. Hong Kong was the weakest market in the MSCI AC Asia ex Japan index in August amid losses among Chinese carmakers. The CSI 300 and the Hang Seng Index fell by 2.2% and 1.0% respectively.



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### Fund Comments

Our Growth fund managed to outperform its various benchmarks this past month with a negative performance of 3.2% vs -5% for the MSCI World, -5.8% for the Nasdaq & -3.8% for the Eurostoxx 50. It is obviously a meagre consolation.

Our strategy hasn't really changed; we are still staying away from bonds and emerging markets.

As for stocks, we prefer to abandon cyclicals, which will continue to suffer, as well as the most indebted companies – for which the rise in rates will be difficult. We favor growth stocks that have "pricing power", such as luxury goods, technology, and the UK which benefit from the fall in the euro and Pound for export. Oil stocks are also attractive in the short term, but beware of a possible backlash. What must above all be taken into account is that we will never return to the energy price levels that we knew before the crisis. This is a real paradigm shift: it will require new supply policies, substitutes, and of course renewable energy, the sector of investment that we recommend in the long term. The development of these sectors is costly, but it goes in the direction of history.