



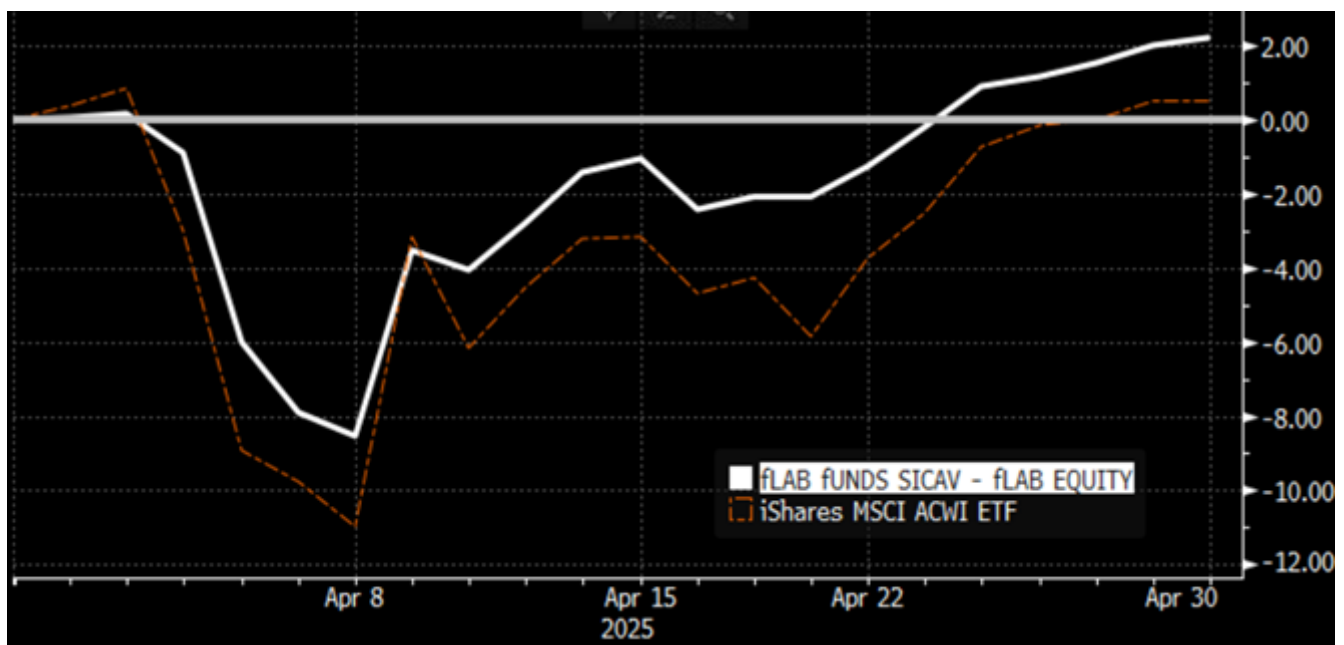
It's All About Asset Allocation

May 2025, Newsletter#103

The truth is, we couldn't have launched our world equity fund at a more difficult time... March 31st, just a few days before Liberation Day, which unleashed one of the most intense stock market downturn in recent years.

But **fLAB Equity's performance has brilliantly met our expectations, ending the month of April... positively (+2.21%) and clearly beating the Benchmark (MSCI ACWI)** by more than 1.5 points.

For example, the Clean USD class:



If the fund has performed so well in a difficult situation... what does its future hold? Hope you add it to your portfolio of pure Global Equity funds, replacing some old favorites or general ETFs. It's worth it.

The fund is already in MAS List of Restricted Schemes and is available on the usual fund platforms.

		share	NAV	ytd	ISIN	Mg.Fee	inception	bloomberg
	Clean USD	CL USD	102.21	2.21%	LU2972959261	0.66%	mar'25	FLSFEC LX
	C-USD	C USD	102.14	2.14%	LU2972959691	1.50%	mar'25	FLSFEC LX
	Clean EUR	CI EUR	101.77	1.77%	LU2972959345	0.66%	mar'25	FLSFEC LX
	H-EUR	H EUR	101.69	1.69%	LU2972959774	1.50%	mar'25	FLSFEC LX

Why is fLAB Equity the ideal fund for global stock market exposure right now?

fLAB Equity is a product that aims to outperform MSCI ACWI through an advanced and innovative methodology. On the one hand, its geographic and sector composition is almost identical to that of the index it aims to outperform, but the fLAB Equity portfolio is made up of a **group of stocks that maximizes the factors with the highest probability of success at all times** (without unwanted overexposure).

The four determining factors, the true drivers of Equity, are Quality, Value, Momentum, and Low Volatility. At fLAB Equity, we tactically use factors based on three variables: Macro Cycle (40%), Momentum of the Factors Themselves (40%), and Market Risk On/Off (20%).

In parallel, fLAB Equity monitors all S&P 500, Europe 350, and Nikkei 300 stocks, ranks them by their strength relative to each of the four factors, and preselects a first investable universe, 25% of the total stocks: those that show the greatest factor strength depending on how we weight each factor based on the three aforementioned variables.

Thus, in April, we favored those stocks with the best relationship with the Low Vol and Momentum factors in the US, while Value was the factor we favored the most in both Europe and Japan:

	<i>March 2025</i>	Quality	Momentum	Value	Low Vol	
	MACRO	35	30	15	20	
	MOMENTUM	10	30	25	35	
	MKT SENTIMENT	20	20	30	30	
		22,00	28,00	22,00	28,00	USA
						fLAB Factor

	<i>March 2025</i>	Quality	Momentum	Value	Low Vol	
	MACRO	35	35	20	10	
	MOMENTUM	10	30	40	20	
	MKT SENTIMENT	30	10	30	30	
		24,00	28,00	30,00	18,00	Europe
						fLAB Factor

	<i>March 2025</i>	Quality	Momentum	Value	Low Vol	
	MACRO	25	35	25	15	
	MOMENTUM	10	30	40	20	
	MKT SENTIMENT	20	30	40	10	
		18,00	32,00	34,00	16,00	Japan
						fLAB Factor

Subsequently, this 25% of stocks that make up the initial investable universes passed the demanding filter of the Bloomberg optimizer, where the final stocks that make up our final portfolio are selected, attempting to adjust the sector composition and Tracking Error/Active Risk.

The drivers from March 31st to April 30th have been diverse, with the following stocks standing out:

Where should Alpha come from? Our biggest bets vs ACWI

Contribution to fLAB Equity from the TOP 20 Over & Under Weights vs ACWI (March 31st -April 30th 2025)

Total above/below ACWI =				+0.76			
TOP 20 overweights vs ACWI		April perf. Contribution		TOP 20 underweights vs ACWI		April perf. Contribution	
Ameriprise Financial Inc	1,62%	-2,70	-0,04	Amazon.com Inc	-2,69%	-3,07	0,08
Motorola Solutions Inc	1,36%	0,59	0,01	Apple Inc	-1,64%	-4,34	0,07
Boston Scientific Corp	1,33%	1,97	0,03	Alphabet Inc	-1,34%	2,69	-0,04
NetApp Inc	1,25%	2,87	0,04	Broadcom Inc	-1,30%	14,96	-0,19
Republic Services Inc	1,23%	3,79	0,05	Tesla Inc	-1,20%	8,87	-0,11
Cencora Inc	1,20%	5,24	0,06	Alphabet Inc	-1,15%	2,98	-0,03
Vinci SA	1,15%	8,73	0,10	Taiwan Semiconductor Manufac	-1,02%	-0,22	0,00
Cognizant Technology Solutions	1,15%	-3,83	-0,04	Eli Lilly & Co	-0,88%	8,84	-0,08
Danone SA	1,15%	7,23	0,08	Berkshire Hathaway Inc	-0,77%	0,13	0,00
Allianz SE	1,13%	3,40	0,04	Visa Inc	-0,73%	-1,42	0,01
Netflix Inc	1,10%	21,36	0,23	Meta Platforms Inc	-0,73%	-4,75	0,03
Raymond James Financial Inc	1,04%	-0,99	-0,01	UnitedHealth Group Inc	-0,60%	-21,44	0,13
Autodesk Inc	1,03%	4,76	0,05	Mastercard Inc	-0,57%	0,14	0,00
Geberit AG	1,03%	6,13	0,06	Walmart Inc	-0,57%	10,78	-0,06
Deere & Co	0,94%	-1,23	-0,01	Procter & Gamble Co/The	-0,49%	-4,00	0,02
NVIDIA Corp	0,90%	0,50	0,00	Tencent Holdings Ltd	-0,47%	-3,98	0,02
Deutsche Boerse AG	0,90%	3,51	0,03	Johnson & Johnson	-0,46%	-5,75	0,03
Discover Financial Services	0,87%	7,01	0,06	AbbVie Inc	-0,42%	-6,02	0,03
Cie de Saint-Gobain SA	0,86%	4,14	0,04	Bank of America Corp	-0,40%	-4,43	0,02
Microsoft Corp	0,85%	5,29	0,05	ASML Holding NV	-0,37%	-3,58	0,01
22,10%		0,82		-17,80%		-0,06	

In short: we're very happy with our first month performance

We look forward to working with you again in the future.

Sincerely,