

LWM Consultants Ltd

Volatility Measurements

| | |
|----------------------------|--------|
| 3-Yr Std Dev (volatility) | 15.53% |
| 3-Yr Mean Return (average) | -0.67% |

Investment Style Details

| | |
|--------|---|
| Giant | - |
| Large | - |
| Medium | - |
| Small | - |
| Micro | - |

Top 5 Holdings

| | | |
|---|---|-------|
| NORD/LB Luxembourg S.A. Covered Bond Bank 2.88% | - | 7.93% |
| Bank of America Corporation 3.5% | - | 4.94% |
| Industrial And Commercial Bank Of China Ltd Dubai (DIFC) Branch 2.64% | - | 4.83% |
| Skandinaviska Enskilda Banken AB (publ) 2.62% | - | 3.49% |

Top 5 Sectors

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Top 5 Regions

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

UPDATE....

This was our first introduction to the strategy. In doing the background research the first thing to note is that this fund is very hard to find and obtain any information about. It is domiciled in Luxembourg and therefore may not be accessible to UK investors.

However, we can access some performance information and some information on the fund from ft.com. The performance against the global index is poor but that reflects an asset class that is out of favour.

They believe that is about to change and we are entering a cyclical bull market for commodities. With the desire to weaken the dollar this only strengthens the case as a weak dollar supports higher commodity returns.

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In terms of oil the price has been driven down by factors caused by the global shut down and with the opening of air travel there will be a greater demand for jet fuel. They believe this will push oil prices up to \$75 a barrel.

ESG is also a significant driver for commodities and an example of this would be copper which is used across the sustainable market and therefore demand will increase at a time that supply is shrinking.

Another area of potential value is soyabean where inventories are tight and therefore there is the potential for prices to be pushed higher.

The fund is a mix of automated process and input from the managers with ESG screening being part of the overall outcome. So instead of palm oil they would favour soyabean oil. They are overweight energy and the grain sector but underweight soft sectors like sugar.

Where the fund is difficult to judge is within the holdings. They do not appear to invest directly into commodities but use futures. There also appears to be a large weighting to cash. In summary, we are not sure that investors can access this in the UK, but two things flag as concerns: firstly this appears to be cyclical i.e., investors would need to time when to buy and when to sell. The second is transparency of holdings. This does not appear to invest directly in the commodity companies and uses futures, and therefore for those looking to invest directly in commodities this might not appeal to potential investors

The source of information in this note has been provided by Vontobel and is correct as at March 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.