

Investment Objective

Index outperformance through fundamental deep-dive equity research and subsequent investment in quality companies with widening business moats and earnings power. Alpha generation through time-arbitrage by taking a private buyer approach to public companies, low portfolio turnover, and average portfolio concentration to minimize drawdown. No market timing to enable stable participation in broader market returns.

Monthly Commentary

As of May 31, 2022, the Net Asset Value (NAV) of the USD Institutional share class, net of fees, of the FAM US Long Only stood at USD 1,297.2. This represents a decrease of 3.66% for the month. During this “special” macro-economic environment, the volatility of our portfolio has been unusually high, affected by the severe correction in high growth stocks, one we would characterize as a great depression. In the meantime, the fundamentals of quality stocks during the past earnings season have remained firm on aggregate, which means that valuations have gotten substantially more attractive. As a result, we feel that we are now reaching a point where pessimism is reaching “consensus” status, with many market participants choosing to find “shelter” to defensive Staples, ignoring the fact that rising cost of capital and anemic margins give little to no space for these companies to respond to higher inflationary pressures across the supply chain, especially when consumers’ purchasing power is expected to decline. Defensives are already priced as if we are at the worst point of past recessions. Last month’s top contribution came from JP Morgan (32Bps for the portfolio) who had a strong investor day on the 23rd of May, providing positive outlooks on Net Interest Income and Trading. These tailwinds were modestly offset by an expected increase reserve build, higher 2023 operating expenses and lower-than-expected 2Q22 IB expectations. The worst contribution in our portfolio came from Costco (-34Bps) which sold-off affected by poor results from Walmart and other low cost retailers. Costco continues to be a core holding for us given its unrivaled value proposition (11% gross margins), a fiercely loyal customer base (~90% renewal rate) and global growth opportunity (2-3% annually and likely double the current store base from here) are a rare combination in retail and consumer staples.

Month-to-Date May	-3.66% (NAV: \$1,297.2)
Year to Date	-17.92%
Last 3 months	-7.64%
Last 12 months	-6.01%
2021	24.84%
Since Inception	29.72%
Sharpe Ratio	0.70
Volatility	17.8%
Max Monthly Drawdown	-10.55%

Expected Dividend Yield p.a	1.05%
Weighted Market Cap.	242.72 Bln
Portfolio RoE	31%
P/E Weighted Avg.	21x
Gross Margin	41.3%
Alpha (ITD Annual) to S&P 500	-3.88
Beta (ITD Annual) to S&P 500	1.00

Top Equity Holdings

Microsoft	6.6%
Alphabet	4.2%
Unitedhealth	3.8%
NextEra Energy	3.4%
JP Morgan	3.1%
Motorola Solutions	3.0%

Top Sectors

Sector	Net
Information Technology	25.3%
Financials	22.2%
Health Care	16.0%
Consumer Discretionary	8.9%
Communication Services	8.0%

Monthly NAV Change in % (incl. Distributions)

Monthly NAV Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-10.55%	-0.66%	4.06%	-7.87%	-3.66%								-17.92%
S&P 500 TR Index	-5.17%	-2.99%	3.71%	-8.72%	0.18%								-12.98%
2021	-0.35%	0.54%	2.17%	7.36%	-0.80%	2.42%	3.11%	3.25%	-3.40%	5.74%	0.64%	2.16%	24.84%
S&P 500 TR Index	-1.01%	2.76%	4.38%	5.34%	0.70%	2.33%	2.38%	3.04%	-4.65%	7.01%	-0.69%	4.75%	29.88%
2020	-	-	-	-	5.90%	-0.54%	7.12%	7.35%	-3.78%	-0.90%	7.49%	1.98%	26.60%
S&P 500 TR Index	-0.4%	-8.23%	-12.35%	12.82%	4.76%	1.99%	5.64%	7.19%	-3.80%	-2.66%	10.95%	3.71%	16.26%

Fund Facts

Fund Domicile	Austria
Fund Type	UCITS
Fund Management Co.	LLB Invest KAG
Fund Advisor	Fairway Asset Management AG
Custodian	Liechtensteinische Landesbank AG
Auditor	Ernst & Young
Trading Frequency	Daily
Redemption Notice	None
Share Class A (Min. USD 50,000)	AT0000A2EKM2
Share Class B (Inst. – Min. USD 500,000)	AT0000A2EKN0
Fund Assets	USD 54.2 Mln
Reference Currency	USD
Launch Date	4 May 2020

Fee Structure

Institutional (capped at 100m)

Management Fee

Institutional 0.8%; Retail 1.0%

Hurdle Rate

S&P 500 Index

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