

Arfina Selection Swiss Small & Mid Cap ESG Fund - I

ISIN: CH1101348691

Investment objective

The Fund seeks to achieve long-term capital appreciation by investing in a diversified portfolio of equities of small and mid-cap companies domiciled in Switzerland or exercising the predominant part of their economic activity in Switzerland.

Investment policy

Arfina is committed to an active investment approach with a focus on bottom-up stock selection. Investment decisions are based on fundamental company analysis. Our investment philosophy is to identify undervalued, high-quality companies with sustainable development properties. We invest in companies taking into account the economic cycle and industry-specific factors, with a long-term time horizon. Due to our investment philosophy, we are flexible with regard to "style investing".

Market comment

The month in brief

The equity markets got off to a lively start to the year. However, the upward trend came to a halt in April. One important reason for this is the sticky inflation in the USA. As a result, investors are expecting fewer interest rate cuts from the Fed in the near future. On the futures markets, the first rate cut is now not expected until September (the carrot in front of the donkey has moved forward). As a result, the yield on ten-year US government bonds climbed to its highest level since November. The US dollar strengthened, as the US interest rate advantage remains intact because other central banks, such as the Swiss National Bank or the European Central Bank - which is expected to cut interest rates in June - are loosening their monetary policy before the Fed. Tensions in the Middle East represent a further uncertainty factor. Against this backdrop, the stock markets are vulnerable to setbacks. That is why we are currently holding a little more cash.

On balance, the SPI Extra lost 1.5% in April, while the Arfina Selection Swiss Small & Mid Cap ESG Fund closed the month down 2.3%. The relative performance was weighed down in particular by the weak performance of Bachem, Holcim, Schweiter and SIG.

Arbonia: The value of the "Doors" division is significantly higher

At the end of February, Arbonia announced that it was in advanced negotiations to sell the "Climate" division. The share price reacted with an initial jump. In mid of April, Arbonia announced that the sale had been finalized for EUR 760 million. The achieved sale price is even more pleasing as the non-operating real estate worth around EUR 40 million will remain with Arbonia.

Arbonia intends to return EUR 400 million (approx. CHF 5.60 per share) to shareholders by tax-neutral nominal value reduction (CHF 4.00), dividends and a share buyback. In addition, debt is to be reduced and, above all, the remaining "Doors" division is to be strengthened. In a video conference, Alexander von Witzleben, Executive Chairman of the Board of Directors, held out the prospect of corresponding news in the coming weeks. Two acquisitions are planned, the first in Southern Europe and another in Eastern Europe. We expect the acquisitions to generate triple-digit million sales with double-digit margins (we are convinced that Arbonia will not consider diluting existing margins). The synergies will mainly come from the purchase of chipboards, in contrast to the local door business, a pan-European business. Last year, this business segment was exposed to the perfect storm, particularly in Germany, the largest market. Nevertheless, the "Doors" division was able to generate margins in the double-digit range. With higher capacity utilization of the highly automated systems, classic economies of scale will drive margins, and the medium-term target of 15% will come much closer. Looking to this future, we continue to see substantial upside potential in the shares and have further increased our existing position.

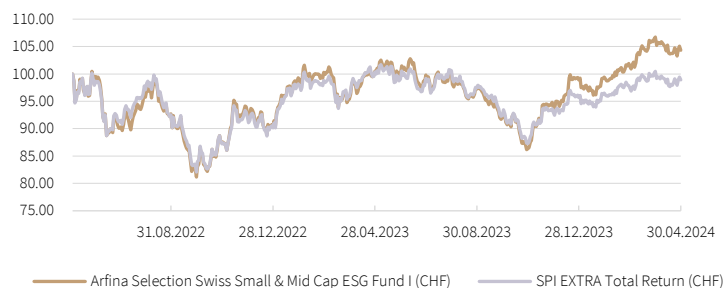
With an enterprise value (market capitalization + net debt) of currently CHF 1.04 billion and sales proceeds from the "Climate" division of CHF 745 million, the "Doors" division (less non-operating properties) is valued at just under CHF 3.00 per share. Without applying aggressive valuations, we see the value for the "Doors" division of at least CHF 7.00 per share.

Risk level*



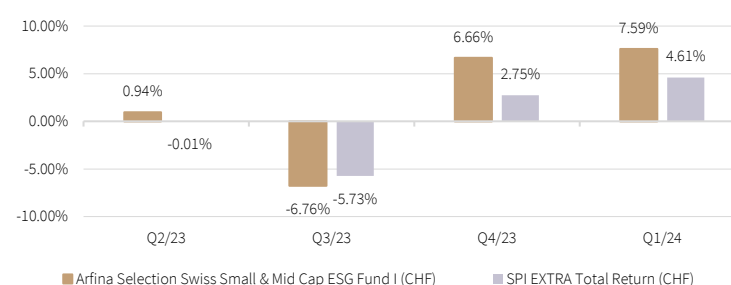
* as per current BIB dated 02.02.2024

Indexed Performance



Data source: PVB Pernet von Ballmoos

Quarterly Performance



Performance % in CHF

	Arfina Selection cumulative	SPI Extra cumulative
YTD	5.17%	3.00%
1 month	-2.25%	-1.54%
3 months	5.35%	2.91%
1 year	3.83%	-1.40%
3 years	n.a.	n.a.
5 years	n.a.	n.a.
Since inception (05.05.2022)	4.33%	-1.08%

	Arfina Selection (yearly)
2023	9.58%
2022	(as from 05.05.2022) -9.47%
2021	-
2020	-
2019	-

Past performance is shown net of fees and commissions. Past performance is not a reliable indicator of future performance. Investors may lose their invested capital.

Technical information

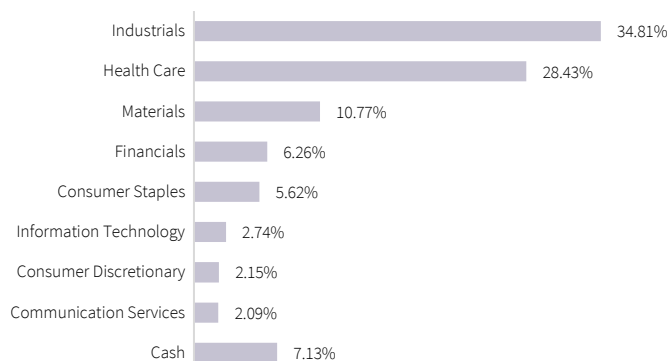
NAV CHF	104.33	Dividend	reinvested
AuM (CHF mio.)	34.62	in the benchmark (SPIEX)	93.92%
Volatility p.a.*	17.16%	in the ESG index (SPIT)	86.65%
# of positions	40		

* as per current BIB dated 02.02.2024

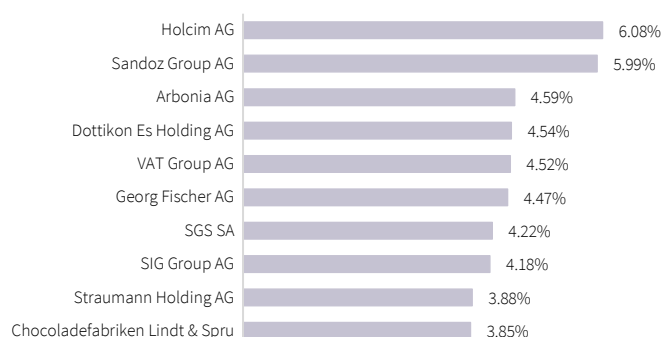
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Sector breakdown



Top 10 equities



General information

Fund manager	Arfina Capital SA
Management company	PvB Pernet von Ballmoos AG
Auditors	Deloitte AG
Custodian bank	Credit Suisse (Schweiz) AG
Legal Status	Contractual investment fund "securities fund"
Domicile	Switzerland
Base currency	CHF
Inception date	05.05.2022
NAV valuation	daily
Management fee	0.50%
Performance Fee	-
TER per 31.03.2023*	0.87%
Max. subscription fee	3.00% to the benefit of the intermediaries
Max. redemption fee	0.00% to the benefit of the intermediaries
Subscription	daily
Redemption	daily
Min. initial subscription	1 Unit
ISIN	CH1101348691
Valor	110134869
Bloomberg	ARFINAI SW
Reuters	68651468
Website for documents	www.pvb.swiss, www.fundinfo.com
Tax transparency	Germany / Austria
Distribution authorisation	Switzerland

*Current expenses are based on an estimate as per 31.03.2023 and are subject to annual fluctuations.

Monthly development

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	Share class I	-0.17%	1.88%	5.79%	-2.25%	-	-	-	-	-	-	-	-	5.17%
	SPIEX Index	0.09%	0.74%	3.74%	-1.54%	-	-	-	-	-	-	-	-	3.00%

Annual performance

	2022*	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Share class I	-9.47%	9.58%	-	-	-	-	-	-	-	-	-	-	-
SPIEX Index	-9.85%	6.53%	-	-	-	-	-	-	-	-	-	-	-

* Since inception (05.05.2022)

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