

Arfina Selection Swiss Small & Mid Cap ESG Fund - C

ISIN: CH1113759190

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

A short summary of the month:

In December, market activity once again revolved around the Central Banks meetings regarding interest rates (FED, ECB and SNB). The decision was a unanimous one at all three meetings namely to raise the key interest rates by 0.5%. Central bankers have also indicated that they intend to resolutely continue their fight against high inflation and that investors should expect further rate hikes in 2023. Renewed concerns about the economy resulting from the restrictive monetary policy measures caused stock markets to extend their losses for the year in December. Market participants who had hoped for a year-end rally were disappointed.

The SPI Extra lost 1.50% in December, while the Arfina Selection Swiss Small & Mid Cap ESG Fund declined by 1.96%. The target of outperformance after costs versus the benchmark index was again achieved over the full year 2022. Since the beginning of the year, the fund has lost 21.3%, while the SPI Extra has given up 24.0%.

TX-Group Investor Day - Real estate portfolio holds great Some Of The Parts value potential:

At the beginning of December, TX-Group (second largest position in the fund) held its second Investor Day. The aim of the event was to report on the strategic direction of the two divisions Goldbach and JobCloud, as well as on the Real Estate portfolio. Due to the high hidden reserves in the valuation of the Real Estate, we had a particular interest in news about this portfolio, which will be reported as a separate division within the Group from 2023. TX Group currently carries in its accounts the entire Real Estate portfolio with a valuation of CHF 185.6 million. Land accounts for CHF 65.9 million whereas buildings and installations for a further CHF 119.7 million. The portfolio consists of three printing centers (Zurich, Bern and Bussigny) and four office buildings (in Zurich at Werdstrasse 21, Werdstrasse 25/29, Stauffacherquai 8 and in Bern at Dammweg).

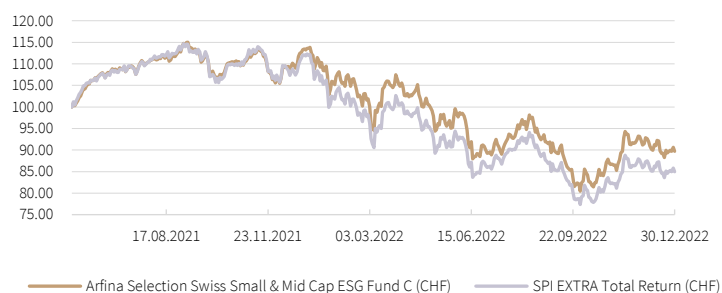
While the office buildings, apart from the location Werdstrasse 25/29, are needed for the company's own use, TX-Group will need fewer printing centers in the future due to the constantly decreasing print volume. The greatest potential lies in the development of these industrial properties, such as the print center in Zurich, where an estimated 37,000 m2 could be developed for commercial, office and residential purposes. Used in this way, the intrinsic value of the property was valued by an independent real estate company at more than CHF 215 million, while this property is currently carried on the balance sheet at CHF 36.5 million. Of course, management has not yet made any statement as to which sites will be redeveloped. However, we assume that TX-Group is planning in the long term only with the printing center in Berne, since a conversion of the printing centers in Zurich (37,000 m2 estimated usable area) and Bussigny (30,000 m2) would be the most attractive financially and Berne is suitable as a central location for operations. The analysis shows how much additional value potential there is in their Real Estate. We estimate the added value compared with the book value in the balance sheet to be at least CHF 320 million (CHF 30 per share of additional value).

Risk level*



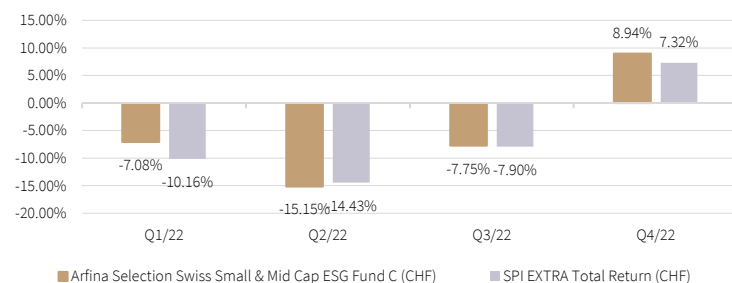
* as per current KIID dated 31.03.2022

Indexed Performance



Data source: PVB Pernet von Ballmoos

Quarterly Performance



Performance % in CHF

	Arfina Selection cumulative	SPI Extra cumulative
YTD	-20.77%	-24.02%
1 month	-1.93%	-1.50%
3 months	8.94%	7.32%
1 year	-20.77%	-24.02%
3 years	n.a.	n.a.
5 years	n.a.	n.a.
Since inception (17.05.2021)	-10.29%	-15.04%

Arfina Selection (yearly)

Year	Arfina Selection (yearly)
2021	(as from 17.05.2021) 13.23%
2020	-
2019	-
2018	-
2017	-

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

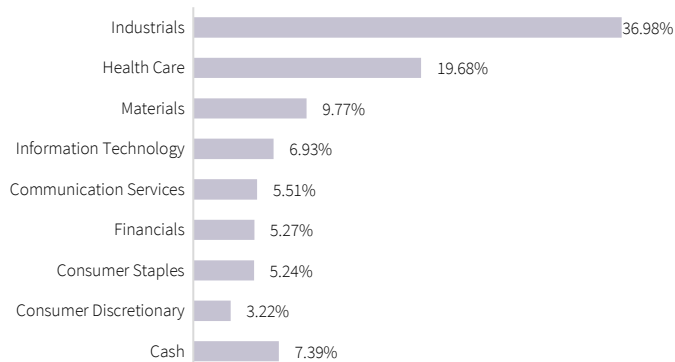
NAV CHF	89.71	Dividend	reinvested
AuM (CHF mio.)	28.76	in the benchmark (SPIEX)	89.68%
Volatility p.a.*	17.96%	in the ESG index (SPIT)	94.05%
# of positions	43		

* as per current KIID dated 31.03.2022

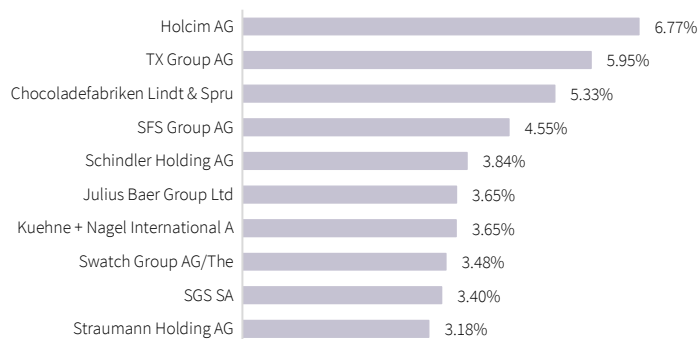
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Sector breakdown



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	17.05.2021
NAV valuation	daily
Management fee	0.50%
Performance Fee	5% (High Watermark)
TER per 31.03.2022*	1.17%
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	CH1113759190
Valor	111375919
Bloomberg	ARFINAC SW
Reuters	68656526
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 31.03.2022 and are subject to annual fluctuations.

Monthly development

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	Share class C	-5.49%	-3.65%	2.05%	-2.99%	-3.61%	-9.26%	7.35%	-4.13%	-10.36%	5.32%	5.48%	-1.93%	-20.77%
	SPIEX Index	-7.50%	-4.01%	1.19%	-3.51%	-3.80%	-7.81%	7.21%	-5.43%	-9.17%	4.07%	4.69%	-1.50%	-24.02%
2021	Share class C	-	-	-	-	-	4.05%	1.98%	1.99%	-3.95%	1.28%	-3.75%	7.26%	13.23%
	SPIEX Index	-	-	-	-	-	2.92%	2.30%	2.49%	-5.00%	2.12%	-3.30%	5.30%	11.82%

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