

Investment Objectives

Abaris Core Equity (ACE) is a diversified equity fund for investors, who seek to maximize long-term returns subject to a short-term risk profile, which is comparable to large cap equity indices (e.g. S&P 500 Index).

ACE is designed as a core equity allocation in wealth management portfolios.

Investment Concept

Based on a risk management framework that decomposes risk into market risk, a broad range of factor risks and idiosyncratic risks, the investment process seeks to construct a portfolio, which consists of fundamentally uncorrelated high-quality companies with superior risk-adjusted value creation¹, is diversified across sectors, subsectors and investment styles, is aligned with current investor preferences and takes into account the macroeconomic growth and inflation outlook.

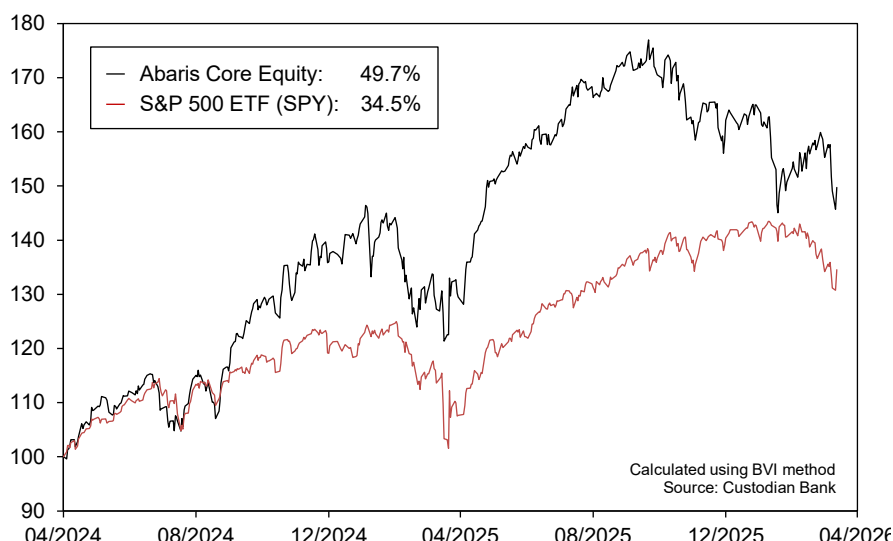
ACE usually maintains a beta-adjusted net long exposure of Ø 80-100%² (market risk). Factor and idiosyncratic risks vary based on market opportunities and can cause short-term deviations from benchmark equity index returns. With increasing time horizon, ACE is expected to move in the same direction as large cap equity indices.

Market and factor risks are actively managed, as judged by the respective earnings outlook, sentiment and valuation as well as macroeconomic and monetary factors.

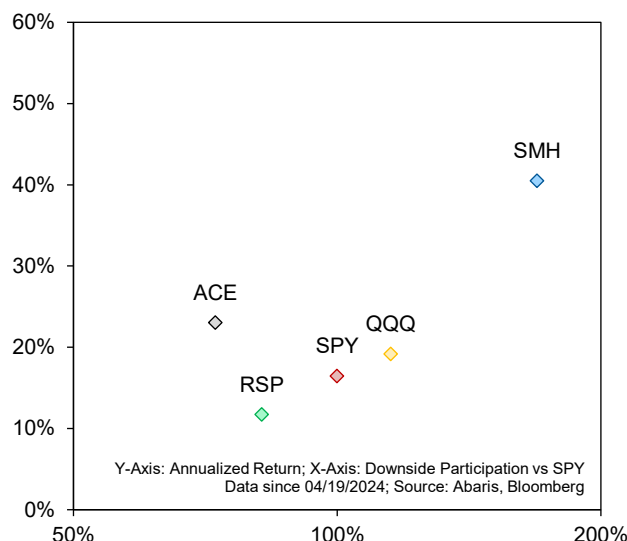
Fund Details

Inception	19.04.2024
Structure	UCITS V
Type	Kollektivtreuhänderschaft
Domicile	Liechtenstein
Fund Assets	USD 20.5m
Umbrella Assets	USD 82.7m
Liquidity	Daily
Cut-Off Time	Daily, 1200 (CET)
Settlement	T+2
Fund Manager	Abaris Investment Management AG
Management Company	LLB Fund Services AG
Custodian Bank	Liechtensteinische Landesbank AG
Auditor	PricewaterhouseCoopers AG
Management Fee	1.50% p.a.
Administrative Fee	0.12% p.a.
Custodian Fee	0.04% p.a.
Performance Fee	10% (High Water Mark)
Reference Class	A USD (LI1324262669)

Track Record A USD



Risk/Return Diagram³



Monthly Returns A USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024				1.9%	6.2%	3.8%	-4.2%	5.7%	7.3%	3.7%	7.1%	0.1%	35.6%
2025	3.2%	-4.6%	-5.0%	7.8%	11.6%	5.5%	4.4%	-0.1%	2.7%	-0.6%	-3.7%	-3.0%	18.3%
2026	-3.2%	-1.6%	-2.0%										-6.7%

Asset Allocation⁴

Cash, Equivalents & Other	-3.0%
Equities (167)	103.0%
Hedge (3)	-48.4%

Value Creator Breakdown^{5,6}

Defensive Value Creators I	11.8%
Defensive Value Creators II	9.1%
Inflation-Resistant Value Creators	16.8%
Large Value Creators	25.2%
Exceptional Value Creators	37.1%

Important Sensitivities⁷

	ACE	[SPY]
Market Risk	0.83	[1.02]
Factor Exposures		
Mega/Large Caps	1.07	[0.76]
Small Cap Value	-0.15	[-0.25]
Generative AI	0.51	[0.14]

Geographic Breakdown⁵

North America	90.9%
Europe & Middle East	4.7%
Latin America	2.2%
Asia Pacific	2.2%

Sector Breakdown⁵

Consumer Staples	2.9%
Utilities	9.3%
Real Estate	1.2%
Health Care	6.0%
Financials	14.6%
Industrials	12.0%
Materials	1.1%
Energy	3.2%
Consumer Discretionary	2.6%
Communication Services	6.1%
Information Technology	40.9%

Top Over-/Underweights⁸

Utilities	6.7%
Industrials	2.9%
Health Care	-3.4%
Communication Services	-4.1%

Market Cap Breakdown⁵

Mega Caps (>\$100B)	20.3%
Large Caps (\$20-100B)	33.0%
Mid Caps (\$5-20B)	22.4%
Small Caps (\$1-5B)	18.2%
Micro Caps (<\$1B)	6.1%

Top Equity Positions⁹

Amazon	4.7%
Nebius	4.2%
Lumentum	3.4%
Skyward Specialty	3.1%
Palomar	2.9%

Improvement of Multi-Asset Portfolios

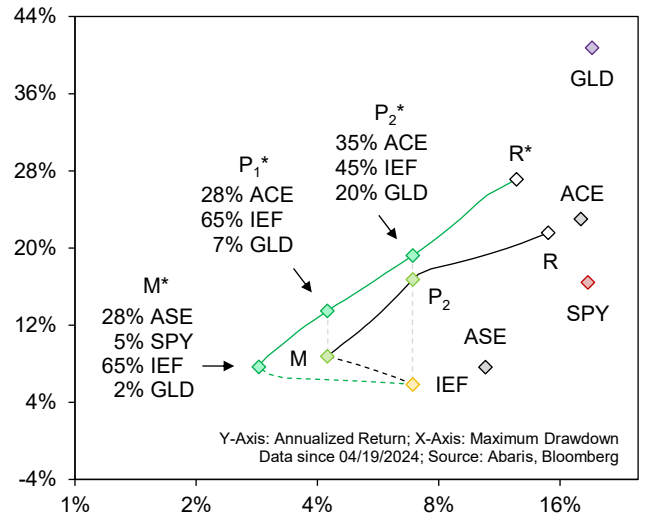
Abaris Stable Equity (ASE) and Abaris Core Equity (ACE) are based on the same investment approach but have different objectives: ASE targets steady returns with strong diversification benefits (focus on minimum risk), while ACE aims to achieve long-term outperformance (focus on maximum return).

The risk/return diagram illustrates the efficient frontier of optimal multi-asset portfolios, which start at the Minimum Drawdown Portfolio (M) and end at the Highest Return Portfolio (R). ASE seeks to improve M. ACE aims to improve R.

The black line shows the efficient frontier of optimal portfolios consisting of equities (SPY: S&P 500 ETF), treasuries (IEF: 7-10 Year Treasury Bond ETF) and gold (GLD: Gold ETF). The green line shows the efficient frontier of optimal ASE/ACE/SPY/IEF/GLD portfolios. The allocation to GLD is capped at 20%.

ASE significantly improves the Minimum Drawdown Portfolio from M to M*.

P₁* and P₂* illustrate two possible portfolios on the improved efficient frontier, which have the same risk as the lowest risk SPY/IEF/GLD portfolio (M) and treasuries (IEF), respectively, but achieve significantly higher annualized returns (P₁*: 13.5% vs M: 8.8%; P₂*: 19.2% vs P₂: 16.7% vs IEF: 5.9%).



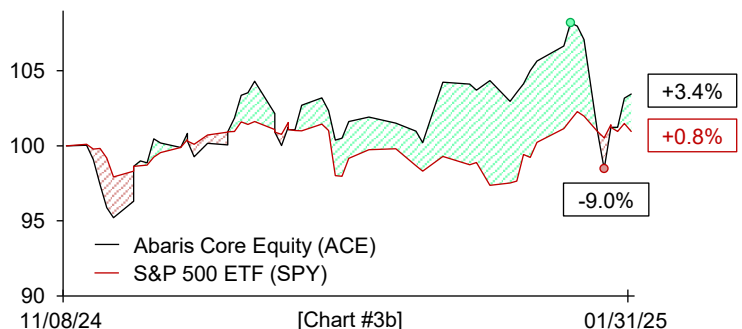
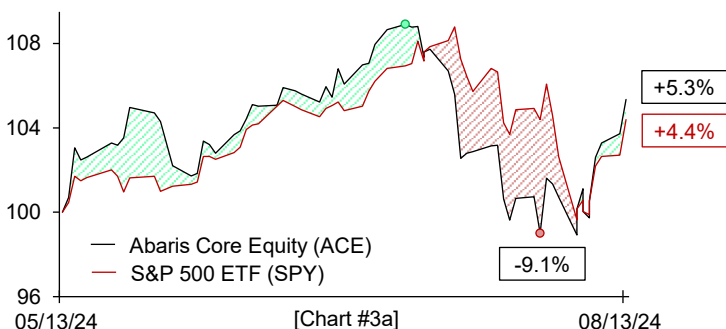
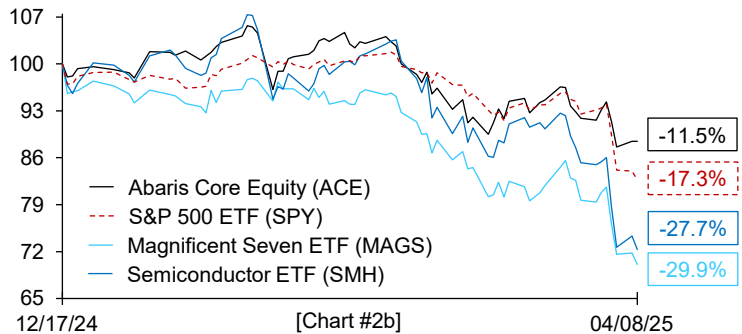
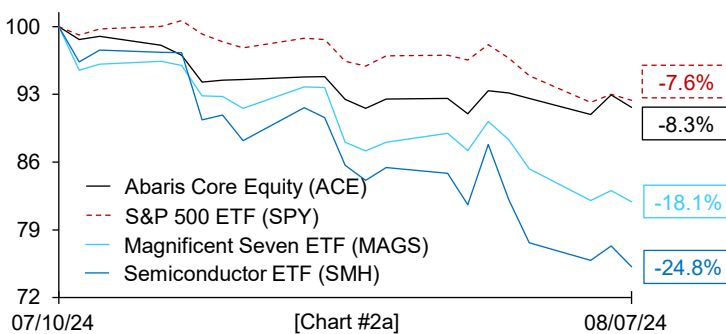
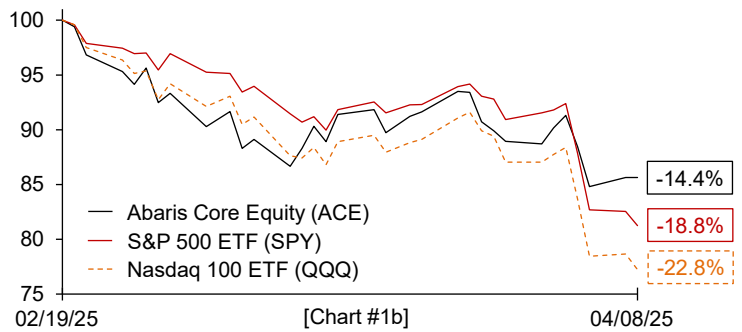
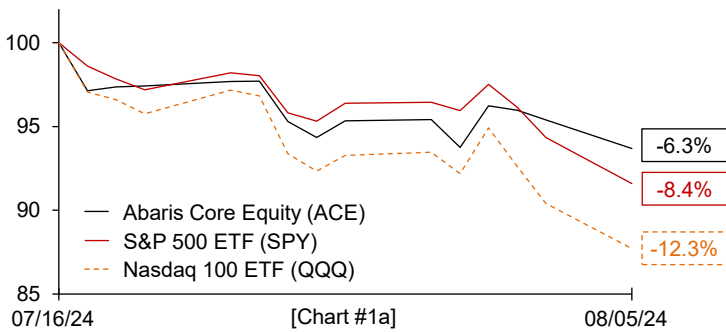
Track Record in Stress Periods

While ACE's aggregate risk is comparable to large cap equity indices, its risk composition differs: ACE is often less exposed to market risk (RSP) and common factor risks (e.g. QQQ, MAGS) but more exposed to uncommon factor risks and idiosyncratic risks. As a result, ACE is not only able to generate significant long-term outperformance (primarily achieved by stock selection) but can also surprise positively when common equity investments perform poorly (achieved by a different risk composition and active management of the hedging allocation). This highly attractive payout profile comes at the expense of short-term deviations from SPY, when ACE's uncommon factor risks and idiosyncratic risks cause unexpected drawdowns.

Chart(s) #1: Largest selloffs in SPY, both driven by losses in technology stocks (QQQ)

Chart(s) #2: Largest selloffs in megacap technology stocks (MAGS), accompanied by poor performance of semiconductor stocks (SMH)

Chart(s) #3: Short-term corrections in ACE's uncommon factor and idiosyncratic risks reverse previous outperformance to temporary underperformance



Investment Framework

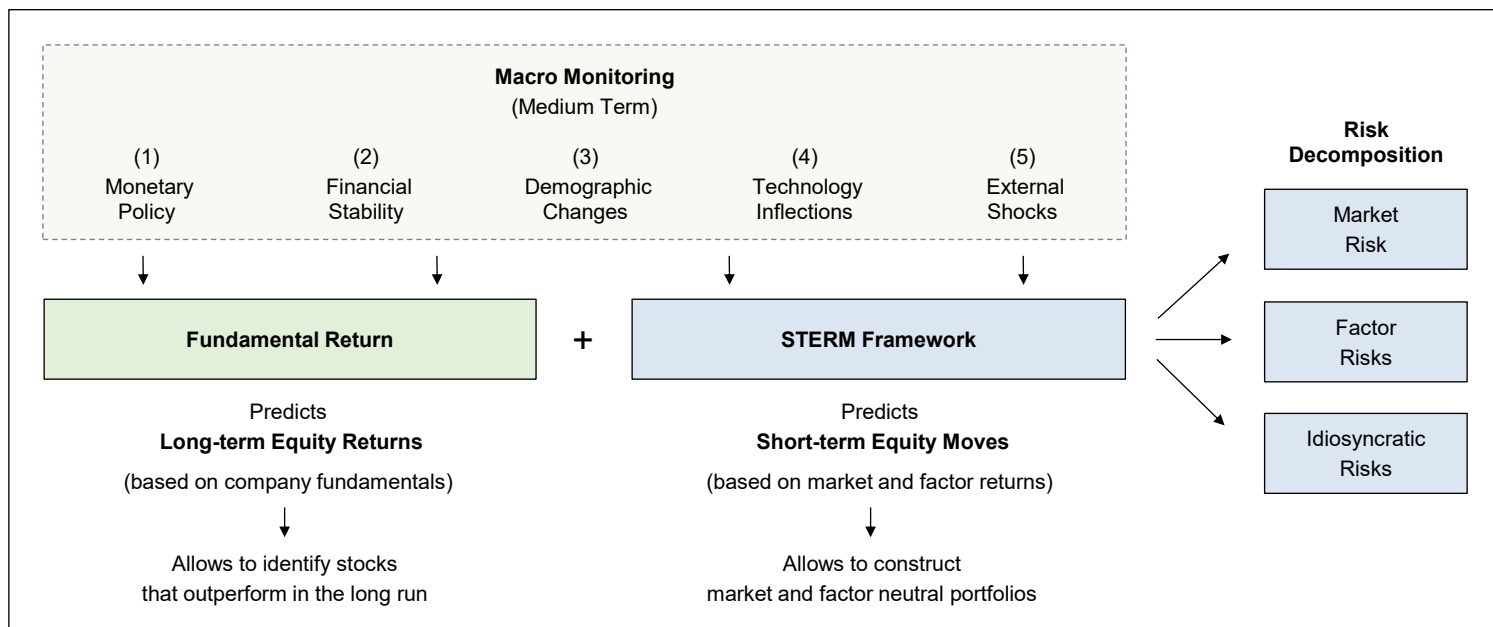
Abaris Stable Equity (ASE) and Abaris Core Equity (ACE) are based on an investment framework, which analyzes three complementary time frames:

In the long term, equity returns are driven by fundamental value creation, with total returns converging towards fundamental returns with increasing time horizon.¹ Companies with the highest long-term value creation potential usually have a scalable business model with high organic growth rates, target a large addressable market with limited economic sensitivity, possess durable competitive advantages and strong pricing power and re-invest cash flows wisely.

In the medium term, equity markets can experience significant disruptions caused by monetary policy mistakes, financial instability, demographic changes, technological innovations or external shocks. Every major equity market disruption in the past could be traced to at least one of these five categories.

In the short term, the majority of equity volatility can be explained by market risk and factor risks. Our proprietary Short-Term Equity Risk Management ("STERM") methodology generates reliable sensitivity estimates for large, unexpected market moves and stress periods.

Analysis of long-term value creation ("Fundamental Return") and short-term equity fluctuations ("STERM Framework") are core components, while research of potential medium-term return disruptions ("Macro Monitoring") provides an additional safety layer.



Footnotes

- [1] Stock selection is based on the fundamental return concept, which decomposes a stock's total return in a fundamentally relevant metric (e.g. earnings per share) and a valuation multiple (e.g. price/earnings ratio). The appropriate metric is chosen based on a company's business model, leverage and growth stage. The part of a stock's total return, which cannot be attributed to changes in the valuation multiple, is called fundamental return, value creation (if positive) or value destruction (if negative). For most companies, fundamental return equals growth in earnings per share plus dividend yield. As valuation multiples fluctuate sideways over long time horizons, total return converges towards fundamental return, making fundamental return the best predictor of long-term stock returns.
- [2] Market risk usually varies in a range of $80\% \pm 30\%$ with an expected longer-term average of 80-100%. Portfolio characteristics and exposure ranges are indications, not investment restrictions.
- [3] Risk calculated as the median value of the downside participation (ratio of log returns) on the worst 10 loss days of SPY
 SPY: S&P 500 ETF; RSP: S&P 500 Equal Weight ETF; QQQ: Nasdaq 100 ETF; SMH: Semiconductor ETF
- [4] Cash, Equivalents & Other: Cash, accrued interest, accrued dividends, fee provisions and the net value of all option positions
 Equities: Physical stock allocation (with number of equity positions in brackets); equity option exposures are included in the net derivative exposure
 Hedge: Net derivative exposure of all option and future positions (with number of index positions in brackets)
- [5] Expressed as a percentage of total equity long exposure
- [6] DVCs I: Negative sensitivity to interest rates (beneficiaries of falling rates); DVCs II: No sensitivity to interest rate changes (interest rate resistant)
- [7] Sensitivity estimates based on proprietary STERM risk management methodology
 Market Risk: Beta-adjusted net exposure to the S&P 500 Equal Weight Index
 Mega/Large Caps: Beta-adjusted performance of the S&P 100 Index relative to the S&P 500 Equal Weight Index
 Small Cap Value: Beta-adjusted performance of the Russell 2000 Value Index relative to the S&P 500 Equal Weight Index
 Generative AI: Beta-adjusted performance of an equally weighted pure play AI basket relative to the S&P 500 Equal Weight Index
- [8] Largest weight differences in the sector breakdown between ACE and SPY; AMZN/TSLA classified as information technology
- [9] Includes equity option exposures in highly liquid, exchange-traded derivatives

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