

## Investment Objectives

Abaris Stable Equity (ASE) is a defensive equity fund for investors, who are sensitive to short-term price fluctuations and drawdowns. ASE targets steady price appreciation with low drawdowns, short underwater periods and positive returns on a calendar year basis.

ASE is designed as a conservative base 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 creation<sup>1</sup>, is broadly diversified across sectors, subsectors and investment styles, is aligned with current investor preferences and takes into account the macroeconomic growth and inflation outlook.

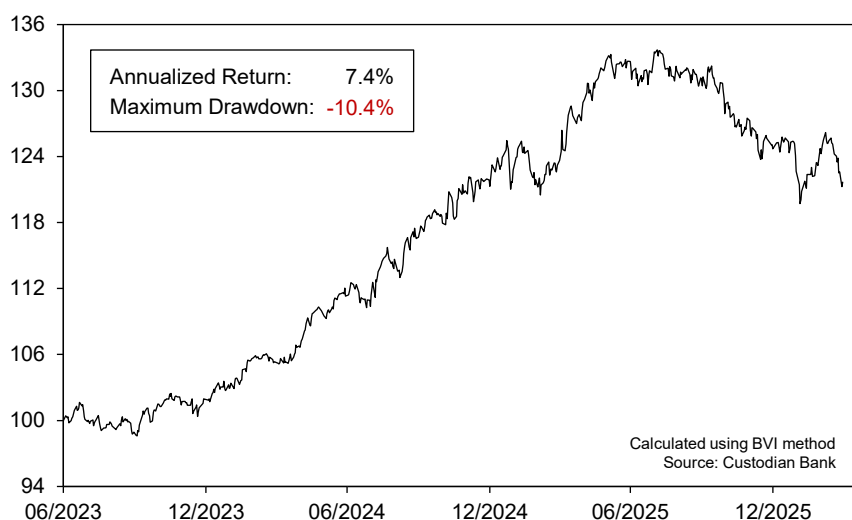
ASE usually maintains a beta-adjusted net long exposure of 0-20%<sup>2</sup> (market risk) and factor exposures, which are attractive in terms of risk-adjusted performance and diversification benefits (factor risks). In the long run, market and factor risks are expected to make similar risk contributions (risk parity approach to maximize diversification).

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

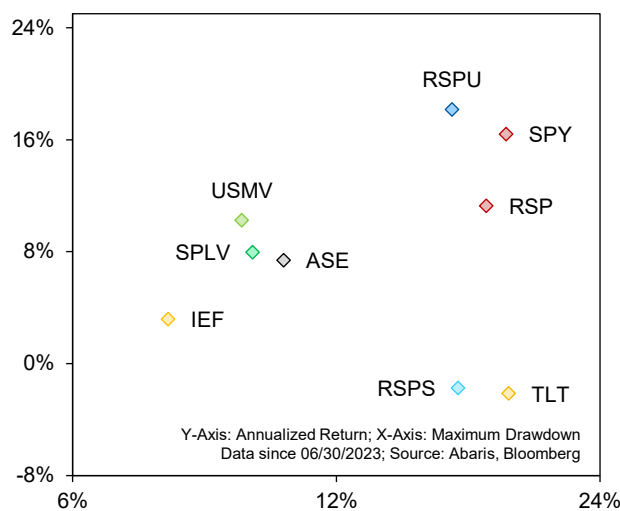
## Fund Details

Inception	30.06.2023
Structure	UCITS V
Type	Kollektivtreuhänderschaft
Domicile	Liechtenstein
Fund Assets	USD 23.9m
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 (LI1267774423)

## Track Record A USD



## Risk/Return Diagram<sup>3</sup>



## Monthly Returns A USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023							-0.1%	-0.2%	-0.7%	2.6%	0.3%	0.2%	1.9%
2024	1.0%	2.6%	-0.3%	1.3%	2.7%	1.6%	0.1%	2.9%	1.8%	1.1%	2.5%	0.3%	19.0%
2025	1.4%	-0.9%	1.5%	4.3%	2.9%	0.0%	0.6%	-1.3%	-0.6%	-1.7%	-1.0%	-2.2%	2.8%
2026	-1.6%	0.4%	-1.2%										-2.4%

## Asset Allocation<sup>4</sup>

Cash, Equivalents & Other	1.7%
Equities (222)	98.3%
Hedge (4)	-78.9%

## Value Creator Breakdown<sup>5,6</sup>

Defensive Value Creators I	15.4%
Defensive Value Creators II	20.4%
Inflation-Resistant Value Creators	23.4%
Large Value Creators	22.9%
Exceptional Value Creators	17.9%

## Important Sensitivities<sup>7</sup>

Market Risk	0.08
Factor Exposures	
Mega/Large Caps	0.32
Small Cap Value	-0.06
Generative AI	0.17

## Geographic Breakdown<sup>5</sup>

North America	91.2%
Europe & Middle East	5.0%
Latin America	1.4%
Asia Pacific	2.4%

## Sector Breakdown<sup>5</sup>

Consumer Staples	10.0%
Utilities	10.4%
Real Estate	1.8%
Healthcare	8.5%
Financials	14.9%
Industrials	14.7%
Materials	2.6%
Energy	4.6%
Consumer Discretionary	2.8%
Communication Services	5.9%
Information Technology	24.0%

## Top Equity Positions<sup>8</sup>

Amazon	2.5%
American States Water	2.1%
American Water Works	2.0%
Alphabet	1.9%
Microsoft	1.5%
Siemens Energy	1.3%
Palantir	1.3%
Atmos Energy	1.2%
Celestica	1.2%
Palomar	1.2%
Nebius	1.2%

## Market Cap Breakdown<sup>5</sup>

Mega Caps (>\$100B)	23.2%
Large Caps (\$20-100B)	36.0%
Mid Caps (\$5-20B)	23.5%
Small Caps (\$1-5B)	14.7%
Micro Caps (<\$1B)	2.6%

## Diversification Benefit in Multi-Asset Portfolios

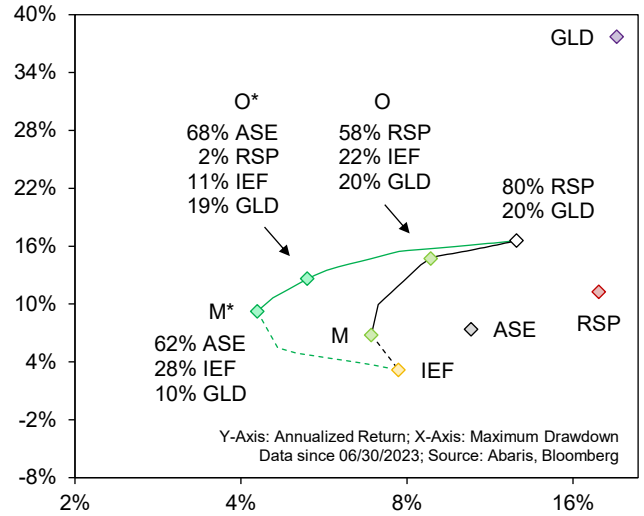
ASE offers investors a unique combination of equity market exposures, which perform well in difficult market environments, when traditional multi-asset portfolios suffer losses. While ASE usually maintains net long equity exposure, the direction of the equity market is not its dominant return driver. Instead, ASE's defensive factor exposures and broad portfolio of uncorrelated idiosyncratic risks become increasingly important over time, providing strong diversification benefits to traditional wealth management portfolios.

The risk/return diagram illustrates the efficient frontier of optimal multi-asset portfolios consisting of equities (RSP: S&P 500 Equal Weight ETF), treasuries (IEF: 7-10 Year Treasury Bond ETF) and gold (GLD: Gold ETF). The allocation to GLD is capped at a maximum of 20%.

The black line shows the efficient frontier of optimal RSP/IEF/GLD portfolios with M denoting the Minimum Drawdown Portfolio and O denoting the Optimal Portfolio with the highest risk-adjusted return.<sup>9</sup> The green line shows the efficient frontier of optimal ASE/RSP/IEF/GLD portfolios with M\* denoting the Minimum Drawdown Portfolio and O\* denoting the Optimal Portfolio with the highest risk-adjusted return.

The simulation illustrates that ASE significantly improves the efficient frontier of RSP/IEF/GLD portfolios, demonstrating its strong diversification benefits. With an allocation of 62% in M\* and 68% in O\*, ASE turns out to be the most valuable asset to achieve both minimum risk (M\*) and the highest risk-adjusted return (O\*).

In conclusion, ASE improves multi-asset portfolios significantly.



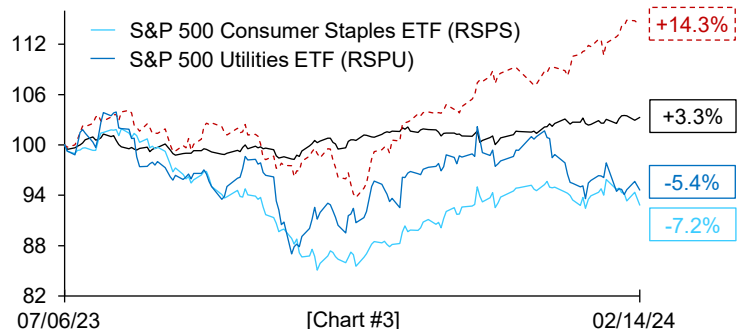
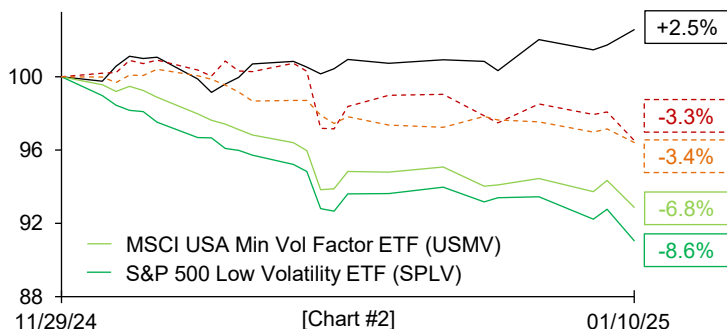
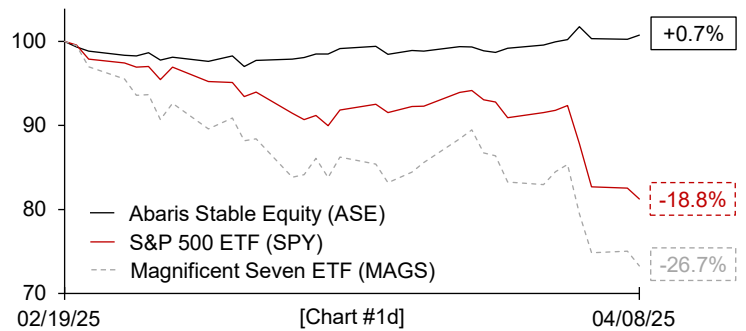
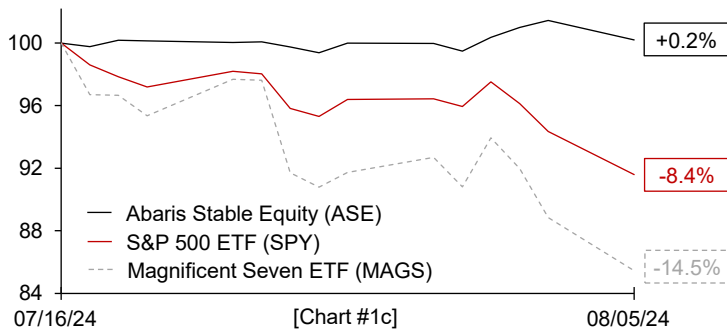
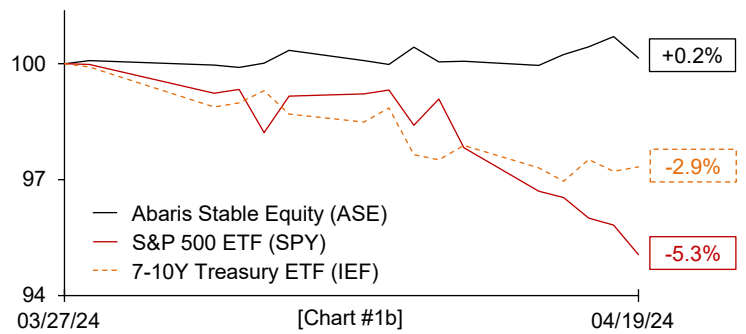
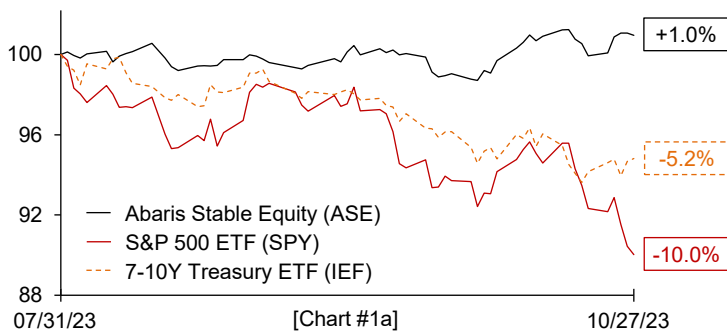
## Track Record in Stress Periods

ASE is neither dependent on the direction of the overall equity market (ASE vs SPY) nor is ASE similar to other defensive equity strategies (ASE vs USMV/SPLV) nor can ASE be replicated by investing in defensive equity sectors combined with a market hedge (ASE vs RSPS/RSPU/SPY).

Chart(s) #1: Largest peak-to-valley equity drawdown periods in SPY, driven by rising interest rates or losses in megacap technology stocks

Chart(s) #2: Period in which the most defensive passive equity strategies (USMV, SPLV) performed poorly on both an absolute and relative basis

Chart(s) #3: Period in which the two most defensive equity sectors (RSPS, RSPU) suffered losses, while the overall market (SPY) rose significantly



## Adverse Market Scenarios

The fund's performance results from the sum of market risk, various factor risks and idiosyncratic contributions from more than 100 individual stocks. Most return contributions are small and uncorrelated. However, there are some market scenarios that are expected to lead to short-term drawdowns. These market scenarios result primarily from the fund's structural overweight positions in defensive, high-quality market segments (factor risks). Investors can track these adverse market scenarios based on the returns of passive ETFs that represent specific market segments.

Significant underperformance of the S&P 100 ETF (mega/large caps with secular growth) relative to the Russell 2000 Value ETF (more risky, cyclical small caps) can be expected to lead to short-term losses, especially if the correlation structure breaks and these ETFs move in opposite directions.

The S&P 500 Low Volatility ETF (SPLV) and the S&P 500 High Beta ETF (SPHB) represent lower and higher risk companies across sectors. In dynamic "risk on" reversals, these market segments can move in opposite directions, resulting in negative ASE performance.

The S&P 500 Consumer Staples ETF (RSPS) and the S&P 500 Utilities ETF (RSPU) represent the market's two most defensive sectors, which include many attractive, crisis-resistant companies that ASE is invested in. These companies usually outperform significantly in difficult market environments. There are two scenarios, which provide short-term headwinds to ASE: Unexpected underperformance of RSPS and/or RSPU, while the overall market (RSP) corrects. Corrections in RSPS and/or RSPU, while the overall market (RSP) is flat or slightly positive, indicating rotation into more cyclical areas of the market.

	07/25/2023 10/02/2023	07/05/2024 07/25/2024	01/24/2025 01/27/2025	08/07/2025 09/16/2025	10/14/2025 10/31/2025	10/29/2025 12/17/2025
Abaris Stable Equity (ASE)	-2.75%	-2.00%	-2.92% <sup>10</sup>	-2.21%	-2.05%	-3.67%
S&P 100 ETF (OEF)		-4.42%	-1.73%			-3.43%
Russell 2000 Value ETF (IWN)		12.34%	0.21%			3.77%
S&P 500 Low Volatility ETF (SPLV)				-1.39%	-3.08%	
S&P 500 High Beta ETF (SPHB)				7.29%	3.96%	
S&P 500 Equal Weight ETF (RSP)	-9.02%		0.07%	2.94%	-0.29%	1.83%
S&P 500 Consumer Staples ETF (RSPS)	-12.68%			-3.86%	-3.05%	
S&P 500 Utilities ETF (RSPU)	-16.18%		-1.42%	-2.72%	-2.50%	-4.10%

For clarity and simplicity, only the most relevant driver(s) of the respective periods are shown; Source: Abaris, Bloomberg

## 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 10% ± 20% with an expected longer-term average of 0-20%. Portfolio characteristics and exposure ranges are indications, not investment restrictions.
- [3] Risk/return comparison of ASE to major equity indices (red), treasury bonds (yellow) and defensive equity investments (green, blue)  
ASE: Abaris Stable Equity A USD; SPY: S&P 500 ETF; RSP: S&P 500 Equal Weight ETF; USMV: MSCI USA Min Vol Factor ETF;  
SPLV: S&P 500 Low Volatility ETF; RSPS: S&P 500 Equal Weight Consumer Staples ETF; RSPU: S&P 500 Equal Weight Utilities ETF  
IEL: 3-7 Year Treasury Bond ETF; IEF: 7-10 Year Treasury Bond ETF; TLT: 20+ Year Treasury Bond 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] Includes equity option exposures in highly liquid, exchange-traded derivatives
- [9] Risk-adjusted return is defined as the ratio of annualized return divided by the return required to recover the maximum drawdown.
- [10] In addition to megacap technology stocks, the fund had a 13.4% allocation diversified across 4 sectors (34% technology, 33% industrials, 24% utilities, 9% energy) and 23 individual stocks with exposure to artificial intelligence and data centers, which lost an average of -23.5% in a single day ("DeepSeek AI Crash") resulting in a negative return attribution of -315 bps (one third of which would have been expected in a severe AI selloff).

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