

Portfolio Management Quarterly Report.

Q3 2023



Gutmann
PRIVATE BANKERS



Focus on individual companies.

In the third quarter, we saw a sideways movement on the financial markets overall. Bonds and stocks continue to battle the headwinds of rising interest rates. Artificial intelligence and a handful of technology stocks are all the talk. Regardless, concentrating the portfolio in just a few names is out of the question for our portfolio management mandates. We remain solidly positioned.

Only 7 stocks are responsible for the price increases on the stock exchanges worldwide this year! This or similar excited headlines clamour for our attention. Let's take a look at the Gutmann equity strategy portfolio. There we find 5 of these companies: Google-parent Alphabet, Amazon.com, Apple, Microsoft, and the chip-design company NVIDIA. This corporation is likely be the biggest media star among The Magnificent 7. The promises of artificial intelligence (AI) have catapulted the high-tech company's share price sharply upward since the beginning of the year.

At Gutmann, our highest priorities are the protection of your assets and the performance. Exactly in that order. Now, after the recent run-ups, do we have a huge NVIDIA position? No. Our practice of countercyclically reducing the weighting of winners several times per year and increasing that of weaker stocks prevents this. NVIDIA is no short-term hype stock in the Gutmann portfolio. We have held shares since April 2018. Admittedly, this investment has been a wild ride over the past few years. The share price fell by more than half in the difficult year of 2022 before more than tripling this year. Our approach in retrospect: In 2022 we increased the position of the stock on 3 occasions, while we have already reduced it 3 times this year. In 2023, sticking to the position would have brought maximum profit. But discipline is discipline, and in the long run, our approach benefits.

Robert Karas
Chief Investment Officer
Partner



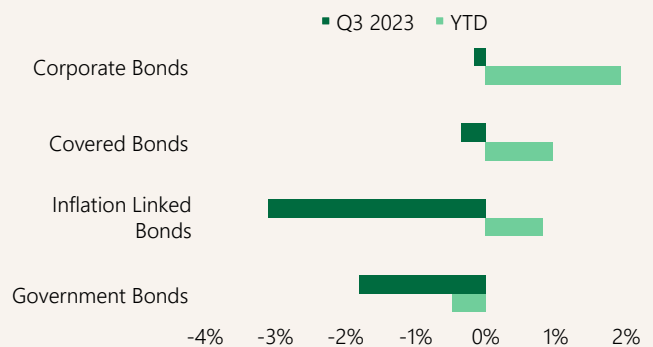
Interest rate headwinds.

Bond yields have been climbing since spring 2022. Regardless in Europe or the USA. We have often heard in the last 12 months that rising interest rates are poison for the stock market and that caution remains warranted. We understand this argument and certainly share the view that future cash flows of listed companies have different present values in an interest rate environment of 1% compared to 5%. The higher the interest rates, the lower today's value of future cash flows. This is an undisputed fundamental mechanism. Perhaps it was precisely this development that had such a negative impact on share prices last year. The market anticipated the rise in interest rates. Even at the end of the third quarter, every mixed portfolio still suffers from the massive shift in the interest rate environment. We have not yet fully recovered the setbacks of 2022. However, we are convinced that the Gutmann portfolios are well positioned and will reach new highs again.

The companies that we've selected are operating soundly and have adapted to the new environment. With bonds, we "lend" the money to solid companies and governments at higher interest rates.

Performance of the most important segments of the Gutmann Bonds Strategy

Past performance is not indicative of future returns.



The most important themes in the bond strategy continued to face headwinds from rising interest rates in Q3.

Performance Gutmann Global Bonds Strategy 10 years: 2013 0.15%, 2014 6.58%, 2015 0.35%, 2016 2.31%, 2017 0.44%, 2018 -1.87%, 2019 3.02%, 2020 0.70%, 2021 -0.60%, 2022 -9.85%.

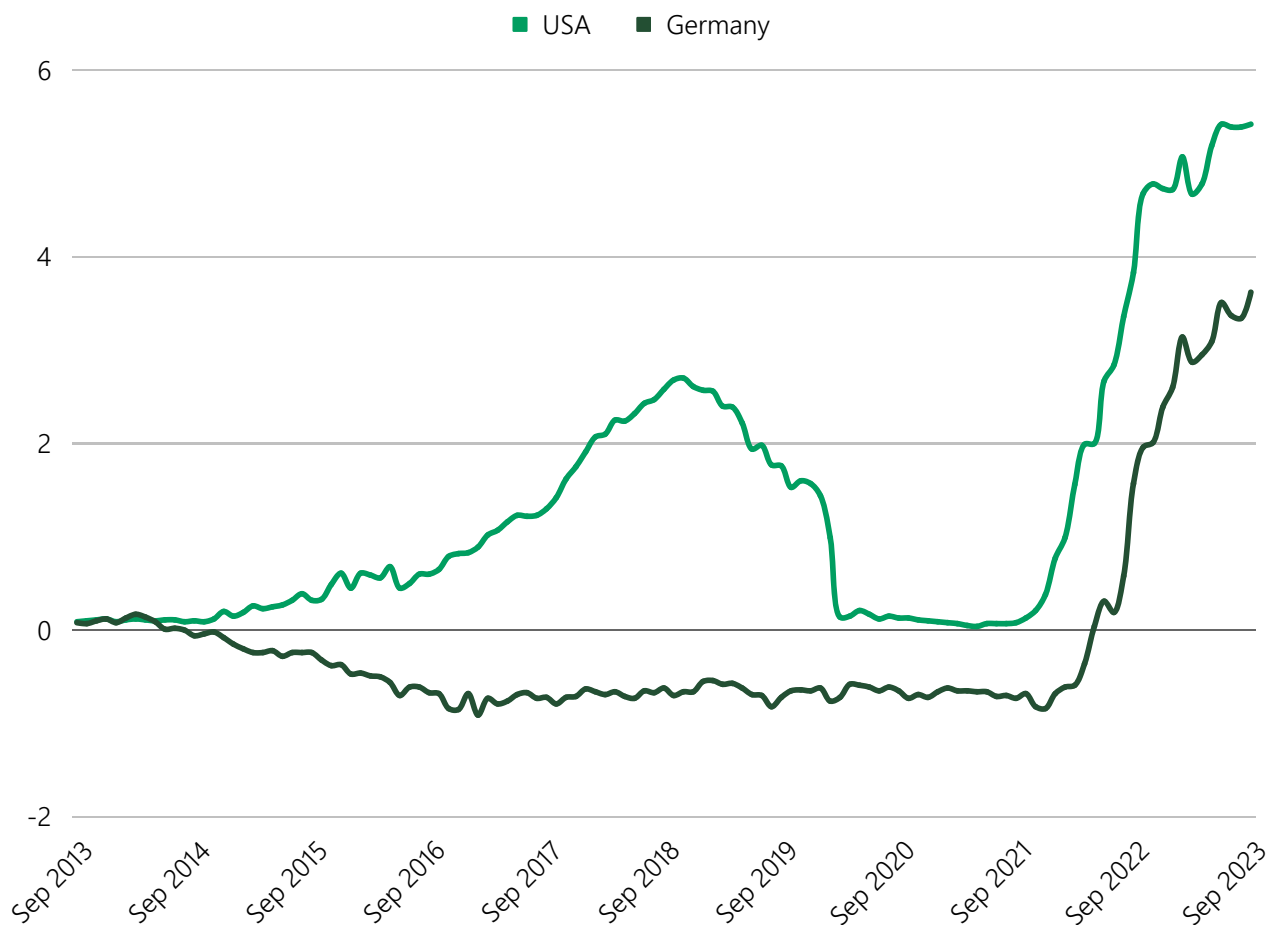
Front end load up to 3% is not included in the performance figures. The performance is shown in EUR. Due to currency fluctuations the return for investors with a different reference currency may rise or fall. Past performance is not indicative of future returns.

Performance calculation of Gutmann KAG, data as at 30.09.2023.



1-Year Government Bond Yields.

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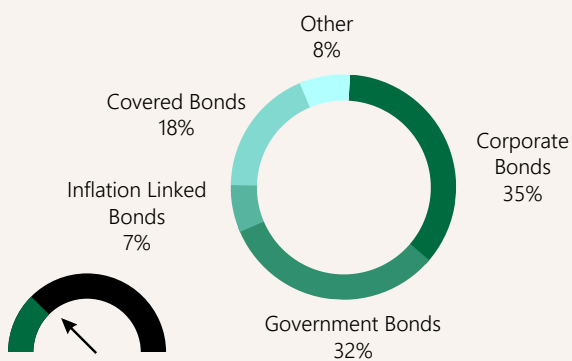


For more than 10 years, euro investors had to live with returns of zero percent or less. In both America and Europe, a phase of sharp increases began in the fall of 2021. Now, 1-year government bonds yield 3.6% in Germany and 5.4% in the USA.

Source: FactSet.

Opportunistic yet defensive.

Gutmann Global Bonds Strategy



For more than 10 years, investors had to endure bond yields of zero percent and below. Now, 1-year government bonds yield 3.6% in Germany and 5.4% in the USA.

It's understandable that these interest rates seem tempting, as they are higher than longer-dated ones. The question remains how long these levels will persist. Central banks may soon have to cut key interest rates again if the economy cools. On the other hand, interest rates could continue to rise if inflation remains stubbornly high.

We extended the fixed interest period in 2022 but have been more cautious this year. Our duration of around 4.5 years secures higher interest rates for a longer period. Still, it remains short enough to be able to react flexibly to different scenarios. The bond portfolio is broadly diversified. Of course, we do not exclusively hold bonds that mature in just under 5 years. It is a nuanced blend of short-term and long-term bonds from various issuers. When we see opportunities in certain segments, we will take noticeable steps. But for now, we remain sufficiently defensive to be able to cushion the headwinds in the bond sector.

AI elevates expectations.

In the past two years, NVIDIA's data center sales have multiplied. The two competitors Intel and AMD have fallen back significantly.

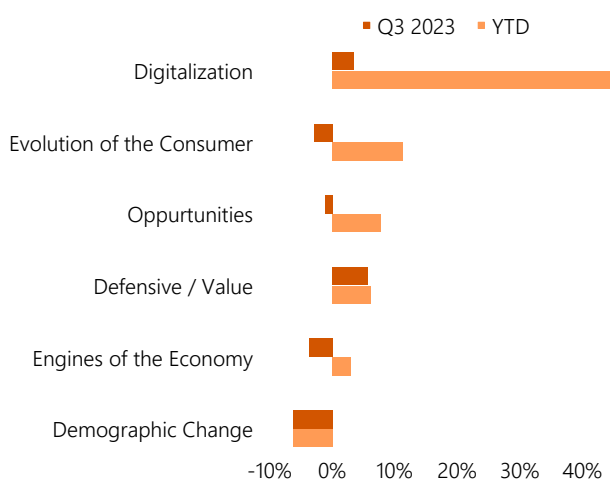
Digitalization remained the dominant theme of Gutmann's equity strategy in the third quarter. All eyes were on chip design company NVIDIA. Expectations were high before the publication of its latest quarterly figures. Surprisingly, NVIDIA even exceeded them. Total revenue for the second quarter topped the already optimistic analyst projections. The key driver was the extremely strong growth in sales of the H100 and A100 accelerator chips. These chips are used primarily in the field of artificial intelligence (AI). The major cloud providers Microsoft, Amazon and Google are working feverishly to expand their AI training capacities. They are buying virtually all of NVIDIA's production volumes. The fact that almost half of its revenue is left as net profit shows how amazing the company's business model is.

We have not ignored NVIDIA's rich valuation either. The equity team regularly discusses the company's fundamental outlook and reviews how much of the optimism is already reflected in the share price. Importantly, our disciplined approach led us to reduce the stock position 3 times already this year. So profits have already been taken.

NVIDIA's steepest growth phase may be over, but data center transformation is still in early innings. Servers will be built differently in the future and most will include accelerator chips from NVIDIA. That's why we remain invested.

Themes of the Gutmann Core Equities Strategy

Past performance is not indicative of future returns.



In the mixed third quarter, defensive stocks made a positive contribution to performance. Since the beginning of the year, digitalization remains the most profitable segment.

Performance Gutmann Core Equities 10 years: 2013 13.34%, 2014 11.62%, 2015 9.61%, 2016 8.94%, 2017 4.52%, 2018 -9.36%, 2019 29.11%, 2020 4.34%, 2021 26.35%, 2022 -12.23%.

Front end load up to 4% is not included in the performance figures. The performance is shown in EUR. Due to currency fluctuations the return for investors with a different reference currency may rise or fall. Past performance is not indicative of future returns.

Performance calculation of Gutmann KAG, data as at 30.09.2023.

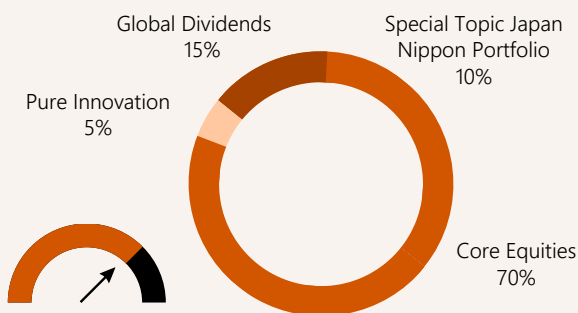
Slimming agents: a ray of hope.

The second dominant theme in the past quarter comes from the healthcare sector. This is the success of the GLP-1 drugs from Eli Lilly and Novo Nordisk. These weight-loss drugs give great hope to type 2 diabetes patients in particular, fueling the share prices of both companies. In turn, Insulet and DexCom suffered with their insulin management systems.

Important for portfolio management mandates: Each of the stocks is included in the portfolios in different weightings. This creates balance in the current situation of potential upheaval.

Our equity team tracks developments closely and learns continuously through expert discussions. The balanced allocation offers investments in promising and attractive themes without the enormous fluctuations of individual stocks having an outsized impact on the overall portfolio.

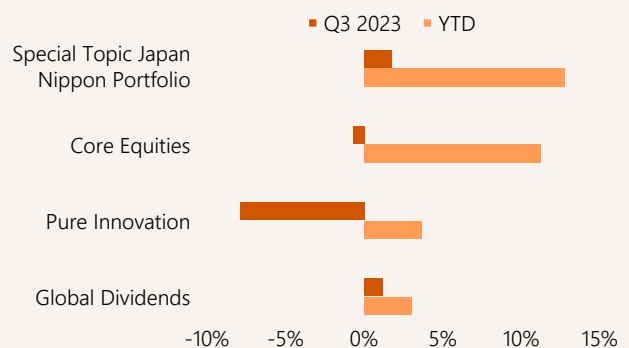
Gutmann Equity Strategy



The speedometer displays our current equity positioning: overweight. The Gutmann equity strategy assembles the world's best companies in your portfolio.

Performance Gutmann Equity Strategy

Past performance is not indicative of future returns.



Japanese equities made the best contribution to performance in the third quarter. Pure Innovation stocks came under pressure.

Performance 10 years:

Gutmann Core Equities: 2013 13.34%, 2014 11.62%, 2015 9.61%, 2016 8.94%, 2017 4.52%, 2018 -9.36%, 2019 29.11%, 2020 4.34%, 2021 26.35%, 2022 -12.23%.

Gutmann Global Dividends: 2013 17.08%, 2014 16.55%, 2015 10.20%, 2016 7.58%, 2017 4.31%, 2018 -5.15%, 2019 22.95%, 2020 -8.25%, 2021 25.85%, 2022 1.46%

Gutmann Pure Innovation: 2022 -13.42% (since start in March 2022)

Nippon Portfolio (EUR): 2013 17.00%, 2014 7.83%, 2015 18.05%, 2016 6.01%, 2017 4.53%, 2018 -18.95%, 2019 20.85%, 2020 10.36%, 2021 5.74%, 2022 -15.95%

Front end load up to 5% is not included in the performance figures. The performance is shown in EUR. Due to currency fluctuations the return for investors with a different reference currency may rise or fall. Past performance is not indicative of future returns.

Performance calculation of Gutmann KAG, data as at 30.09.2023.



Equities remain overweight.

September and October are traditionally difficult months for the stock markets. The course of events on the financial markets can develop according to a very unique pattern year after year. Nevertheless, there is seasonality. In particular, periods of weakness when the stock markets correct can worry us as investors. The question arises, whether this is just a short-term setback in a bull market or if the next bear market is already looming. Clearly, this can only be answered with certainty in retrospect.

Corrections are part of the life of stock market participants. Those who do not want to or cannot bear them must already take this into account in the strategic allocation of the portfolio. If you invest only half of your portfolio in stocks, you will have to endure only half the setback. Over the decades, it has been shown that setbacks of 15% are normal on the stock markets. It's true there are always a few years in a row where we are spared major downward movements. However, this does not at all mean that we have entered a new era sans corrections. But we have not had this "problem" in recent years anyway. Rather, investors remain nervous and suspect the next bear market behind every dip.

It doesn't take much to find reasons for this. Rising interest rates and an inverse yield curve are just two. We do not close our eyes to these facts. But we think that all this information is known and reflected in traded share prices. We keep a close eye on the indicators and react quickly when necessary. For now though, we remain optimistic and overweight in our equities allocation.

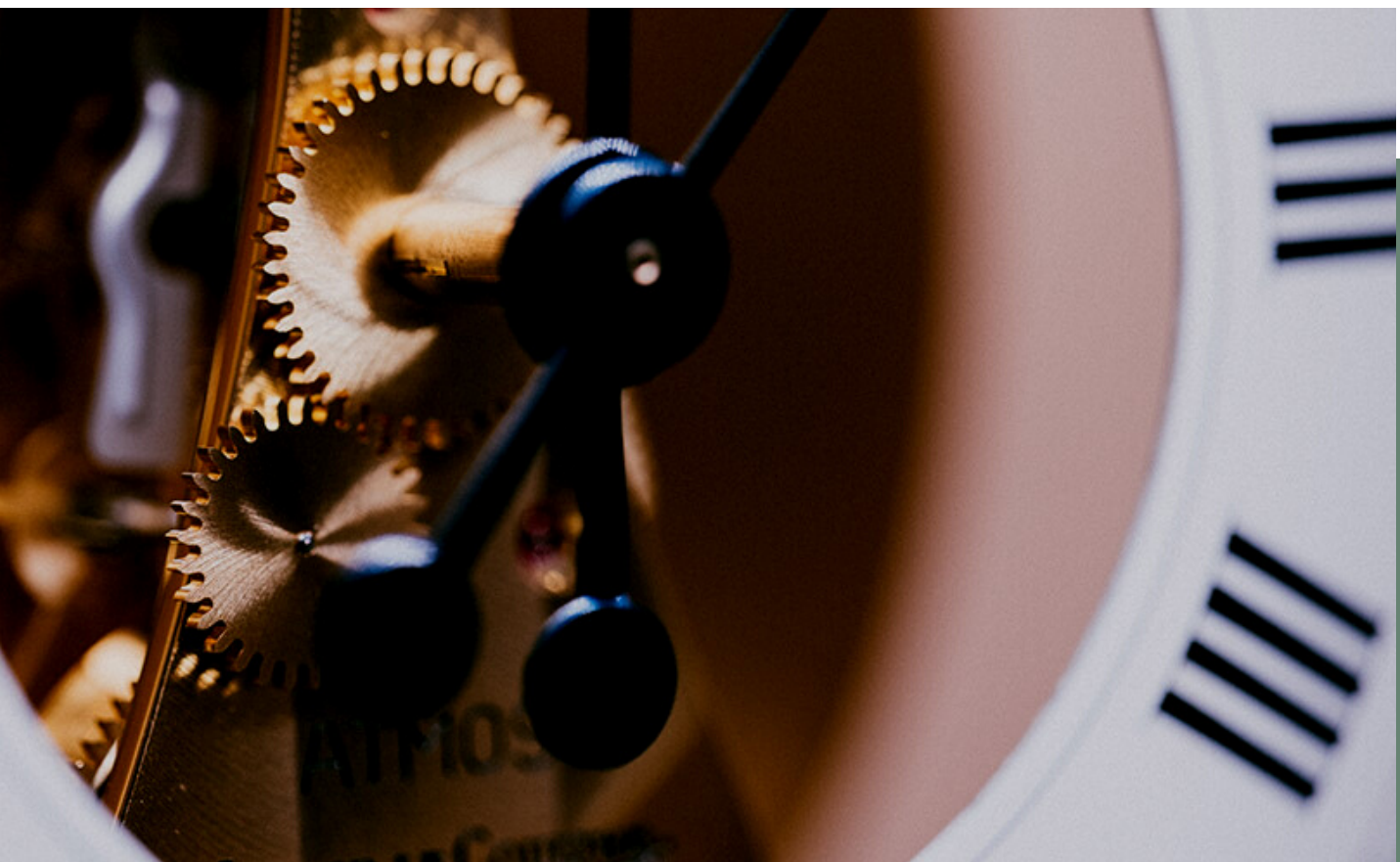
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Gutmann Global Bonds Strategy may invest mainly in categories of assets other than securities or money market instruments.

Due to the composition of the portfolio and the used portfolio management techniques the Gutmann Core Equities, Gutmann Global Dividends, Gutmann Pure Innovation and the Nippon Portfolio under certain circumstances can show an increased volatility, i.e. the value of units may be exposed to high up- and downturns within short periods of time.

Further Information on the main risks of the Fund can be found in the Key Information Document ("PRIIPs-KID") as well as the prospectus or the information for investors pursuant to Article 21 German Act on Alternative Investment Fund Managers (AIFMG - Alternatives Investmentfonds Manager-Gesetz) under the item "Risk profile of the Fund".

The Funds pursue an active management strategy without reference to a benchmark.

All figures made without guarantees. Errors and omissions excepted.

For interested parties the Key Information Document ("PRIIPs KID") in accordance with the Regulation (EU) No 1286/2014 for Nippon Portfolio, Gutmann Global Bonds Strategy, Gutmann Core Equities, Gutmann Global Dividends and Gutmann Pure Innovation respectively the prospectus in accordance with section 131 InvFG for Nippon Portfolio, Gutmann Core Equities, Gutmann Global Dividends and Gutmann Pure Innovation respectively the Information for investors according to section 21 AIFMG for

Gutmann Global Bonds Strategy in their current versions are provided in German language free of charge at Gutmann KAG and Bank Gutmann AG, both Schwarzenbergplatz 16, 1010 Vienna, Austria and on the Website www.gutmannfonds.at as well as for Nippon Portfolio, Gutmann Core Equities and Gutmann Global Dividends at the German information center Dkfm. Christian Ebner, Attorney at Law, Theresienhöhe 6a, 80339 Munich as well as for Nippon Portfolio at the Dreyfus Söhne & Cie AG, Aeschenvorstadt 14-16, 4002 Basel. The distribution of fund units was notified to the German Federal Financial Supervisory Authority (BaFin). Gutmann KAG may de-notify the distribution of funds in Germany as far the conditions according to Art 93a of Regulation 2009/65/EG are fulfilled.

Further information on the sustainability-relevant aspects of the Fund can be found at www.gutmannfonds.at/gfs.

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