

Quarterly Report

Conventum - Alluvium Global Fund

June 2023

Introduction

We continue to be amazed at the strength of the equity markets. Rising interest rates, war in Europe, heightened global tensions, colossal government and private debt levels, recent bank collapses... And yet the markets are near all time highs!

As strange as this may seem, perhaps some perspective is required. The “market” returns, to which we all refer, are actually index returns, with the 1,512 constituent weightings determined by company size. There has recently been a huge disparity of returns between the tech / artificial intelligence (AI) behemoths, and the remaining 99.5% (by number) of listed companies¹. The largest seven companies in the Index (Apple, Microsoft, Amazon, Nvidia, Tesla, Alphabet and Meta) now account for around 18.3% of it¹⁻². With the average return of these companies for the quarter being 26.0%, they provided the majority of the Index’s 6.8% return (in USD terms)³. Rightly or wrongly, we struggle to justify the value implied by current prices for most of these companies. Whilst their businesses are undoubtedly strong, they are not necessary impenetrable, and with some being priced at 60 plus earnings multiples, we view the investment risks quite differently to the broader market. It also begs the broader question; with such concentration at both the stock and industry level - how risky is the Index?

Of that bucket of stocks, the Fund only holds one - Alphabet, which was up 15.4%³. And so this helps to explain why although the Fund’s returns this quarter (of 2.5%, 2.9% and 3.6% in EUR, USD and AUD terms) are perfectly reasonable, they failed to keep pace with the “broader market” as defined by indexes⁴. For longer term returns, refer to Table 4 in the Profile section.

“The best way to measure your investing success is not by whether you’re beating the market but by whether you’ve put in place a financial plan and a behavioral discipline that are likely to get you where you want to go.” – Benjamin Graham

Snapshot

- Thor, the manufacturer of recreational vehicles, was the standout performer over the quarter. Management clearly surprised the market with impressive third quarter results. It returned 30.7%. We sold a little.
- The Fund has two large investments in the health sector and both performed well. McKesson, the drug distributor, was up 20.2%, and HCA Healthcare, the owner and operator of hospitals, returned 15.3%.
- As noted above, Alphabet (ie Google) was up 15.4%, presumably a beneficiary of the market’s recent AI euphoria. And perhaps that same exuberance drove the performance of Samsung (up 13.4%). We sold a little Alphabet.
- Ryanair, the European budget airline, continues its solid run from the last quarter after ruling off its full year figures. It returned 15.7% over the quarter to make it 41.0% over the last 6 months. We elaborate more on Ryanair later.
- Our worst performing investment was the fashion house, Capri Holdings, which was down 23.6%. And coming in second, Alibaba’s share price fell 19.1% - despite the positive news (in our view) of the Board’s approval to spin-off its Cloud business, and the possibility of further spin-offs to come. We bought more Capri and Alibaba.
- Walgreens was down 16.4%. As we did last quarter, we bought some more.
- Gold failed to raise the bar. Regis Resources was down 12.0%. Agnico Eagle and Northern Star fared better, but were still down 3.2% and 1.9%. Fortuitously, we sold some Regis and Northern Star into price strength early in the quarter.
- One of our recent portfolio additions performed poorly. Universal Music, which owns a valuable catalogue of music and monetises it via the streaming apps (like Spotify), was down 11.4%. We increased our position here too.
- We ended the quarter with the same 22 holdings that we started with, and 11.5% cash.

Contribution

Table 1: Contribution Details⁵

Stock	June 2023		Quarter		Last 12 Months		
	End Weight	Beg. Weight	Return	Contribution	Beg. Weight	Return	Contribution
Dick's Sporting	6.5%	7.1%	-6.4%	-0.5%	5.6%	78.2%	4.2%
HCA Healthcare	7.4%	7.1%	15.3%	1.0%	5.3%	81.8%	4.1%
Thor Industries	5.2%	5.0%	30.5%	1.3%	4.9%	41.1%	2.0%
Northern Star	2.1%	3.4%	-1.8%	0.2%	2.3%	81.4%	2.0%
McKesson	6.3%	5.4%	20.1%	1.1%	7.4%	31.7%	2.0%
Regis Resources	3.3%	4.5%	-12.0%	-0.4%	3.5%	42.6%	1.9%
Ryanair	4.1%	3.6%	15.7%	0.6%	2.6%	52.0%	1.5%
Alibaba	3.4%	3.5%	-18.8%	-0.6%	4.5%	-27.1%	-1.4%
Micron Technology	5.0%	5.9%	4.9%	0.5%	5.6%	15.1%	1.3%
Linamar	4.5%	4.2%	7.3%	0.3%	4.2%	28.8%	1.1%
Samsung Electronics	3.6%	3.3%	12.8%	0.4%	3.4%	28.6%	0.9%
LyondellBasell	5.5%	5.8%	-0.8%	-0.1%	5.7%	10.8%	0.7%
Subtotal Equities	56.9%	58.8%		3.8%	55.0%		20.3%
Other Equities	31.6%	31.7%		-1.0%	31.3%		0.9%
Cash, Currency & Fees	11.5%	9.5%		-0.3%	13.7%		-6.0%
Total (EUR)	100.0%	100.0%	2.5%	2.5%	100.0%	15.2%	15.2%

Source: Alluvium, Factset, Private Reporting Pty Ltd.

Activity

Table 2: Quarterly Purchases

Capri Holdings	Increase Position
Walgreens Boots	Increase Position
Alibaba	Increase Position
Universal Music	Increase Position

Table 3: Quarterly Sales

Northern Star	Decrease Position
Micron Technology	Decrease Position
Alphabet	Decrease Position
Thor Industries	Decrease Position

Ryanair - why we own it

We last provided some analysis and in-depth discussion about our airline holdings in the depth of the pandemic (our [March 2020 report](#)). At the time we wrote about the inevitability of airline consolidation in Europe, and noted that we foresaw an industry structure consisting of fewer but stronger participants and more rational pricing. After all, we had already seen the collapses of Flybe, the UK carrier (in early March 2020), and Germanwings (the Lufthansa subsidiary) in early April 2020. This has only continued. In January this year Flybe (which was relaunched in April 2022) collapsed again, as did Flyr (a Norwegian startup airline that commenced in June 2021). Meanwhile, after a three year search by the Italian government for an acquirer, it was announced in May that Lufthansa will buy a 41% stake in ITA Airways (the successor of Alitalia), and the Portuguese government is reportedly getting close (as at the end of June) to its partial privatisation of TAP, the country's major airline. It has always been the vision of Ryanair's management to offer a "no frills" product, operate at maximum efficiency, provide low everyday pricing and thereby force out inefficient operators. The pandemic seems to have fast tracked this endeavour.

And during all this, what has not been widely reported, is the General Court of the European Union ruling that the European Commission was wrong to approve the EUR 6b financial aid package given by the German government to Lufthansa and the EUR 130m package given by the Italian government to three airlines holding an Italian licence. The Court has annulled both Commission approvals. Ryanair, which did not receive any financial assistance, instigated these actions.

Ryanair is led by the "no-nonsense" Michael O'Leary:

"If you've had meetings with Michael O'Leary and he's been kind enough to tell you that you've asked a stupid question, I think you've done really well, because normally, such observations would be prefaced with huge amounts of obscenities... He holds himself, he holds his staff and he holds investors to a high level. He wants to focus on what matters right here right now. He doesn't want to waste any time."

- Andrew Hollingworth, Holland Advisors, February 2023⁶

Recent news for Ryanair has all been pretty positive. Let's start with the announcement of its confirmed order of 300 new Boeing 737-MAX-10 aircraft (150 firm and 150 options) for delivery between 2027 to 2033. At current list prices the deal (funded mainly by internal cash flows) is worth over USD 40b - although we are quite sure Ryanair did not pay that! Management expects half of these new planes to replace B737NG aircraft. With 20% more seats and much greater efficiency, they will widen its cost advantage, and facilitate capacity expansion to 300m passengers per year by March 2034 (a 5.4% annual growth rate).

Following this, management announced full year results (for the year ended March 2023). They exceeded our expectations (even after adjusting for the pull forward effect of fuel hedge gains), and they even surpassed our long term maintainable earnings estimates. Put simply, Ryanair experienced market share gains everywhere, and dominated short haul air travel in Europe. As the world becomes even more embracing of travel and experiences, we think there's more to come.

Of course it is not all positive. Ryanair's chief pilot of its main Irish-registered operations was recently dismissed for sexual misconduct. We are not privy to any details. From what we can tell, this is not indicative of Ryanair's broad culture, and by all accounts it seems management took decisive and quick action, which we applaud.

After reviewing the results, we increased our passenger number, revenue per passenger and profit margin assumptions (which were very conservative) and these led to a material increase in our valuation of the business. So much so that, even after the strong rally, we were questioning whether to buy more (we didn't). But with cash flow and earnings yields of around 10%, and trading at a discount to our revised valuation, we are very comfortable with the Fund's current 3.9% position.

Performance Review

Thor, the maker of recreational vehicles, was the Fund's best performer over the quarter, up 30.7%. It reported much stronger than expected third quarter sales and profits, and whilst management acknowledged this was partly due to a pull forward of its expected fourth quarter earnings, it nonetheless tightened and raised its full year guidance. The result affirmed management's comments in relation to: (1) its ability to adjust costs in times of weak demand; (2) the European operations, in that as the chassis supply increased they would perform strongly; and (3) its cash flow supporting the aggressive pay down of debt. There was no need for us to change our estimates of maintainable earnings nor our valuation. As a consequence of the strong share price response, we did trim our position a little over the quarter (to 5.2%).

McKesson, the drug distributor we wrote about [here](#), was up 20.2%, also after reporting better than expected full year earnings, providing positive commentary, and raising its growth targets - including long term revenue growth in the high single digits. As a result of our increased confidence (given the impressive FY23 results) we have upgraded our maintainable earnings estimates, which led to an increase of 17.5% in our valuation. With the increase in the stock price being similar, no action was warranted, we simply maintained our position, which is presently 6.3%.

Ryanair, as we just discussed, was up 15.7% - likely as a result of posting those impressive results and management's positive outlook. Although as we noted we did not buy more, others did, including a Board Director. And sticking with the airlines for a moment, **Southwest**, which was trading at prices lower than during the midst of the pandemic, rebounded by 11.9%. We bought a little more very cheaply at the end of May prior to the rebound. Consequently, it now represents 3.8% of the Fund.

Although we were not smart enough to own **Nvidia** (up 52.3%), perhaps we did at least benefit a little from the AI euphoria through our investments in **Alphabet** (ie, Google, up 15.4%), and the semiconductor manufacturers - **Samsung** (up 13.4%) and **Micron** (up 4.8%). Both Alphabet and Micron had grown to be significant holdings. For Alphabet, we certainly like the business (which we discussed [here](#)), but as foreshadowed in the earlier section, we are not convinced its risks are adequately reflected by current pricing, and we sold a little (from a 5.5% position to 4.3%). For Micron, well again we like the business (after all, little has changed since we wrote about it [here](#)), but it had grown to 7.4% of the Fund, and with price falls in some of the Fund's other positions, they became more compelling. We ended the quarter with a 5.0% position.

HCA Healthcare (up 15.3%) also reported strong results with solid growth in non-Covid related admissions, and benefiting from better staffing conditions (fewer contractors needed and lower turnover levels). Management increased its earnings guidance (3.5% at EBITDA level, 5% at EPS level). We wrote about our investment reasoning back in September 2023 (refer [here](#)), but with HCA's share price having more than doubled since, it came to represent 7.5% of the Fund. Although still not expensive, we did sell a little to make room for some other opportunities. At quarter's end, it accounted for 7.4% of the Fund.

Turning to the other side of the ledger, **Capri Holdings**, the fashion house, experienced a 23.6% decline in its share price after reporting its full year results. This follows an 18.0% fall from last quarter, to make 37.4% year to date. Its results weren't too bad - at least in our view. Management did adjust its FY24 guidance (for sales, it was lowered, largely due to the strong USD, but for EPS it was maintained at \$6.40). Our estimate of maintainable earnings of \$5.15 were almost unchanged (in fact, it slightly increased as a result of fewer shares outstanding after buybacks). We did however re-assess its risk profile, and increased the discount rate we apply to our estimated future earnings, and consequently our assessed business value fell by 16%. However, we viewed the shares already as being quite cheap, and after the market's abrupt reaction to the results and guidance (with a share price fall of 11.3% on the day) they only became cheaper. We still consider our analysis and valuation to be conservative and with it trading at a discount of over 20% our revised valuation, we bought more and ended the quarter with a 3.2% position.

Performance Review

For **Alibaba** (down 19.1%) - it reported full year results, and confirmed Board approval for the spin-off of its Cloud division and that it is looking to do the same for Cainiao (its logistics division) and Freshippo (its retail chain for groceries and fresh goods). We see Alibaba's core business as being remarkably cheap, trading at less than 10 times forward earnings. After reviewing its results, we did not make any changes to our maintainable earnings estimates (which continue to apply margin compression, and, for what it's worth, are significantly lower than analysts estimates). We also upped our long term risk premium in light of rising geopolitical concerns. With investors deserting the stock, and its price being at all time lows, Alibaba appears to us as remarkably cheap. So we battled uncomfortable feelings and bought more (to a 3.4% level). We were not alone - though the famous investor Michael Burry (of "The Big Short"), clearly has bigger balls than us with his 10% position.

Walgreens Boots, which has the strategy of evolving from a drugstore operator to a broader multi-channel healthcare provider, provided a third quarter update. Its core business was affected by lower than expected Covid vaccinations, a weaker flu season, and general spending reluctance given the economic environment. Meanwhile, the implementation of acquisitions that form part of its pivotal growth plans has been slower than expected. Understandably, the share price fell (by 16.4% over the quarter). We made no changes to our earnings estimates, but we did up our discount rate reflecting our view of greater risks associated with the investment. But with the share price at a discount of around 20% to our revised valuation, and at less than 7 times our maintainable earnings estimates, we bought a little and ended the quarter with a 2.7% weighting.

Universal Music, one of our more recent investments, fell by 11.4%. It reported first quarter earnings which were a little disappointing in that advertising revenue was down a little, but in our view there was no news that warranted its poor share price performance. Management did indicate though that there has been no let up in competition for catalog acquisitions and hence no pullback in values. We still expect margin expansion thanks to operational leverage gains, but our projections are below management's, because we do not incorporate the margin gains that will be driven by the recent changes to staff compensation from cash to equity. After all, just because they are not cash, does not mean they are not an expense, and unlike depreciation (which is offset by assumed maintenance capital) we do not allow any other provision for the cost to shareholders. Nevertheless, the likely forward margins in our view, provide for strong cash flow growth. Universal trades at very close to our assessed value. We bought a little during the quarter to maintain the Fund's position (at 4.8%).

Despite what we view to be a pretty perilous macro economic environment, and with tensions around the world increasing, there are little signs of risk aversion. Broad equity indexes are generally at or near all time highs, the VIX volatility index is at or near record lows, and the gold price has been pretty flat - even down this quarter. And so goes our gold mining companies. In fact, they generally performed poorly. All reported results during the quarter - **Regis Resources** was the worst. It reported both lower production volume and higher costs than guided, blaming poor weather. It (deservedly) sold off, and was down 12.0%. We share the market's disappointment, but with our long term outlook we feel the share price at these levels does not reflect its asset base and production potential, particularly considering the recently approved McPhillamys project, which will be one of the largest open pit gold mines in Australia. **Northern Star** (which was down 1.9%) also reported results and increased its cost guidance - pointing to maintenance issues at its main mine. The more important news however was management's approval of the mill expansion there. Costing AUD 1.5b, it is expected to ramp up to a capacity of 900 koz per annum by 2029, making it the fifth largest in world, and reducing costs by more than 10% to around AUD 1,425 per ounce. Finally, **Agnico Eagle** (down 3.2%) reported contrasting results that demonstrated restrained costs (coming in at below guidance), and slightly higher than expected production.

Despite us not entering into any new positions, nor completely selling any existing ones, our trading activity was a little higher than normal. We sold Northern Star and Regis Resources (thereby reducing our gold miner's from 11.3% to 8.6% of the Fund), and some Micron, Alphabet, Thor, HCA Healthcare and **Roche**. We bought Capri Holdings, Walgreens, Alibaba, Universal Music, **Liberty Broadband**, **H&R Block** and Southwest Airlines. Our cash position increased from 9.5% to 11.5%.

Closing Remarks

In the introduction we mentioned our surprise at frothy markets (well, to be more precise, index levels) and the concentration of stocks within the indexes. Each feeds upon the other, a self-perpetuating mechanism, with the result of extreme prices. And we question whether investing in these indexes at this point in time provides the diversification some “innocent” investors are relying on. Whilst the Fund, not having invested in those companies (with the exception of Alphabet), did not benefit from that exuberance, should that exuberance wane (or reverse), the saving grace may well be that the Fund is not so exposed to it.

And what about the price levels of the Fund’s investments? Referring to Table 5 in the next section, when we look at the progression of the Fund metrics over the last 3-4 years (the time period over which we have collected them), we can see that on face value our businesses have become more expensive. However, we would argue that such a conclusion fails to take into account the complete perspective. The table shows those metrics of the portfolio at particular points in time. And with the refinement in our processes over recent years (by incorporating more qualitative judgements and being less stringent on short term yield criteria), the holdings are quite different. In fact, of the 24 investments the Fund held in December 2019, we have since completely sold 13 of them and we have invested in 11 new businesses. Many of the businesses we sold operate in cyclical industries (airlines, automotive part production, for example), and for many of the businesses we bought, we were prepared to pay high (well, higher than we had historically) multiples of earnings to access better quality cash flows.

What complicates matters more, is that the improvement in quality is not reflected in the quantifiable metrics on display.

“Not everything that counts can be counted, and not everything that can be counted counts.”
- Purportedly Albert Einstein, but possibly William Bruce Cameron⁸

The important take-out is that, in our view the Fund’s basket of interests across a diverse set of businesses is not expensive.

And some other investors, many well regarded, seem to agree. Now although we like being contrarian, we cannot help but draw a little comfort when we learn of some investor activity over this recent quarter⁹; like Third Point establishing positions in Alphabet, HCA Healthcare, Alibaba and Micron; and Greenlight Capital increasing its stake in Capri; and Pershing Square Capital buying Alphabet; and Michael Burry’s Scion Asset Management’s buying Alibaba in huge size; and even Egerton Capital establishing a 3% position in Ryanair. It does not mean we are right, it just means some investors we respect see value in many of the same companies as we do.

One final point. We questioned back in March last year how many of today’s investor’s (particularly the Crypto and Web3 proponents) have lived through an environment of rising rates - after all, US 10-year bond yields have, until recently, generally been on a one way 40 year descent. An interesting paper written by someone far smarter than us provides an eloquent analysis¹⁰. It refers to the 30 year period prior to the pandemic, when the S&P 500’s real rate of return was 5.5%, and real GDP growth was 2.5%, and questioned whether that outperformance is sustainable. The clear conclusion is that it isn’t! The findings were that 40% of companies profit growth was the result of reductions in interest rates and corporate taxes, and that the expansion in price earnings multiples was solely explained by the decline in interest rates. The underlying message, which we wholeheartedly agree with - do not expect those types of returns from equity markets going forward.

Thank you as always for your interest.



Stuart Pearce
Principal



Alexis Delloye
Principal

11 July 2023

Profile

Table 4: Fund Returns ^{4,6}

	Quarter	Year to date	Year	3 Year (p.a)	Since Inception (p.a)
EUR	2.5%	6.6%	15.2%	13.1%	5.8%
USD	2.9%	9.0%	20.2%	12.0%	6.6%
AUD	3.6%	11.0%	24.1%	13.3%	4.6%

Table 5: Portfolio Pricing, Risk and Quality Metrics (weighted average) ^{11,12}

	31-Dec-2019	31-Dec-2020	31-Dec-2021	31-Dec-2022	30-Jun-2023
Enterprise level yield (EBIT/EV)	9.8%	6.0%	8.7%	8.8%	6.2%
Earnings yield (NPAT/mkt cap)	8.6%	3.4%	6.7%	8.0%	5.6%
Free cash flow yield (FCF/mkt cap)	6.1%	7.4%	5.6%	4.6%	2.8%
Fixed charge coverage (median)	8.6x	12.7x	8.7x	8.5x	9.7x
Sales growth (3 year average)	4.9%	7.4%	5.9%	10.2%	11.4%
ROIC (8 year average)	29.7%	26.9%	26.0%	21.9%	21.2%

Table 6: Fund Overview

Cash	11.5%
Top 10 holdings	53.6%
Number of holdings	22
Weighted avg. mkt cap (USDm)	131,845

Table 7: Regional Diversity

United States	49.1%
Continental Europe	10.8%
United Kingdom	8.6%
Canada	7.6%
Asia (ex-Japan)	7.0%
Australia / New Zealand	5.4%
Cash	11.5%

Table 8: Sector Diversity

Health	18.1%
Consumer Services	11.4%
Retail	9.7%
Manufacturing	9.7%
Technology - Hardware	8.7%
Gold Miners	8.6%
Airlines	7.8%
Technology - Platforms	7.7%
Other	6.8%
Cash	11.5%

Table 9: Top 10 Holdings

HCA Healthcare	7.4%
Dick's Sporting	6.5%
McKesson	6.3%
LyondellBasell	5.5%
Thor	5.2%
Micron Technology	5.0%
Universal Music	4.8%
Linamar	4.5%
Alphabet	4.3%
Ryanair	4.1%

Facts

Inception

31 January 2019

Size (EUR, as at 30 June 2023)

50.7m

Strategy

Unhedged, long only, value oriented global listed equities invested.

Objective

Generate attractive investment returns over the long term without regard to a specific benchmark and with an emphasis on capital preservation

Holdings

Typically around 20 positions

Investment Manager

Alluvium

Management Company

Conventum TPS

Administrator

European Fund Administration S.A.
Alluvium (Australian Fund)

Custodian

Banque de Luxembourg S.A.
Alluvium (Australian Fund)

Auditor

PricewaterhouseCoopers Société Coopérative

Unit Pricing & Liquidity

Bi-Monthly
Monthly (Australian Fund)

Fees

Management: 1.15% p.a.
Estimated other expenses: 0.30% p.a.

Bloomberg Identifiers

CONALGI:LX
AGF0911:AU (Australian Fund)

Investment Team

As Principals of Alluvium, our aim is to develop a leading funds management business that has a reputation for authenticity, fairness, honesty, transparency, and disciplined investing in accordance with our beliefs and values.



Stuart Pearce, CFA

Stuart has over 25 years experience across institutional asset management and corporate advisory. Prior to Alluvium, he was a Senior Portfolio Manager at Perennial Investments, where he was responsible for the analysis of European investment opportunities. Previously he was a Portfolio Manager at Colonial First State Investments and he spent four years with KPMG Corporate Finance.

Stuart is a CFA Charterholder. He also has a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia, a Master of Tourism from the James Cook University of North Queensland and a Bachelor of Business in Property (Valuation) from the University of South Australia.



Alexis Delloye, CFA

Alexis has 15 years experience in the wealth management industry. Prior to joining Alluvium, Alexis worked as an investment analyst at Eight Investment Partners. From 2006 to 2012 he was an executive director of Invelios International, a French family office. Alexis also founded Private Reporting, an online reporting platform to track assets and investment performance. He started his career in Sydney as a credit analyst at BNP Paribas (Corporate Finance) in 2004.

Alexis is a CFA Charterholder. He also holds an MBA from Lubin School of Business in New York, USA (major in Capital Markets), and has a Graduate Diploma from Neoma Business School in Rouen, France (with a major in Corporate Finance).

Definitions

General

Alluvium	Alluvium Asset Management Pty Ltd, ABN 69 143 914 390, AFSL 476067
Australian Fund	Alluvium Global Fund
Factset	Factset Research Systems, Inc.
Fund	Conventum - Alluvium Global Fund

Portfolio Metrics

Enterprise Value (EV)	The market value of equity plus the book value of debt
EBIT	Earnings before interest and tax
Earnings Yield	The most conservative result from four different calculations at the equity level
Free Cash Flow (FCF)	Cash flow from operations less capital expenditure
Mkt Cap	Market capitalisation
NPAT	Net profit after tax
Operating Assets	Total assets less total liabilities plus total debt (Alluvium adjusted)
Owner's Earnings	Operating cash flow, plus cash interest paid less assumed maintenance capital expenditure
Return on Invested Capital	Owner's Earnings as a percentage of Operating Assets

Footnotes

1. MSCI World Index (USD), Factsheet, June 2023, MSCI Inc
2. Company names have been abbreviated throughout this document in the interest of readability.
3. Source: Factset
4. Source: European Fund Administration S.A.
5. Returns are time weighted, include dividends, withholding tax, trading costs and are expressed in local currency. Therefore, they may differ from the stock returns quoted in the text.
6. Past performance is not indicative of future performance.
7. Business Breakdowns Podcast, 22 February 2023, Colossus, LLC.
8. <https://www.onestone.be/en/quotes/william-bruce-camerons/>
9. Regulatory filings (13F and 6K), Securities and Exchange Commission
10. Smolyansky, Michael (2023). "End of an era: The coming long-run slowdown in corporate profit growth and stock returns," Finance and Economics Discussion Series. Washington Board of Governors of the Federal Reserve System.
11. Based on the most recently reported last 12 months earnings and cash flow data.
12. This is not a constant portfolio, it represents the portfolio as at different points in time.

Disclaimer

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