

Reichmuth Bottom Fishing - P

H2 2023

YTD **+10.4%**

2023 - A Good Year

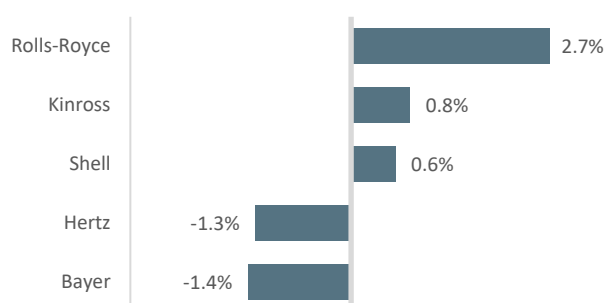
After a strong first half, Bottom Fishing traded sideways in the second half before picking up momentum in the year-end rally. By the end of the year, the fund achieved a pleasing performance of +10.4%. In the second half, despite persistent economic concerns from macroeconomists and declining interest rates, value stocks were able to keep pace with growth stocks.

Big Winners and Buying Opportunities

Stocks in the portfolio exhibited varying performances. Rolls Royce emerged as the biggest winner, gaining over 200% this year. Strong operational performance and a successful turnaround led to buy recommendations from other banks, attracting new investors. We began realizing profits. Other notable winners include ING, a European bank benefiting from the new interest rate landscape, and Holcim, where the shift towards higher-margin business segments is bearing fruit.

We recently acquired Hertz, the car rental company, and continued to build on its weakness in the second half. The car rental industry historically faced intense competition, resulting in an irrational price war. The COVID-19 crisis reduced market capacity, leading companies to restructure. Since then, the competitive environment has become more rational, rental prices have increased, and Hertz has initiated new growth initiatives. Hertz now generates attractive cash flows and aggressively buys back its own shares, leading to profit consolidation. After restructuring, there is technical selling pressure from credit investors who became shareholders during the restructuring, and temporary headwinds in investments in the electric vehicle fleet. We anticipate a price recovery in 2024.

The five largest positions in Reichmuth Bottom Fishing at the end of the quarter are Shell, Rolls Royce, Chevron, Roche, and Anheuser Busch, comprising approximately 22% of the portfolio.



(largest contributions in H2 2023)

Profit Lies in Purchasing

The portfolio is diversified across regions and sectors. Amid economic slowdown, we increasingly see opportunities in defensive sectors such as basic consumption and health, as well as in Asia—a region that investors have avoided in recent years, with very favorable valuations. The portfolio currently trades at an estimated Price/Earnings ratio of 9x for 2024, a dividend yield of 4.5%, and an estimated profit growth of 8%. These are historically attractive entry prices that have historically resulted in appealing returns. We look positively towards the future. Thank you for your trust, and here's to a good start to the new year.

Silvan Betschart
Portfoliomanager



Legal notice and disclaimer

This publication is a communication addressed to investors which draws their attention to certain financial services and financial instruments and is therefore deemed to be advertising within the meaning of Art. 68 FinSA (Financial Services Act) and Art. 95 FinSO (Financial Services Ordinance).

Only the binding documents of the investment and the third-party provider are authoritative for the assessment of the suitability and appropriateness of the described investment for the client. These generally comprise the current prospectus (or equivalent document), the applicable subscription form, the basic information sheet (or equivalent document) and other documents where applicable. Reichmuth & Co. (hereinafter referred to as the "Bank") provides these documents for the client before the investment decision is made. The fact sheet assists in assessing the suitability and appropriateness of an investment for the client. The information that it contains is for information purposes only. They do not constitute an offer or a solicitation to buy or sell products, nor a recommendation to engage in other transactions or to conclude any legal transaction. It is expressly stated that no advice is given in this fact sheet. The information is also not intended as an aid to making decisions about legal, tax, economic or other questions. Before making a decision based on the information in this fact sheet, please consult a qualified specialist at the Bank. Investments are subject to risks, including the potential loss of the invested capital. The price, value and returns of investments are subject to fluctuations, i.e. they can fall as well as rise. Investments in foreign currencies are subject to additional currency risk, i.e. the performance of such investments depends on the volatility of the foreign currency. The risks are described in detail in the current product documents, which must be read carefully before investing in products. Neither the Bank nor its contractual partners accept liability for any losses. Positive performance in the past is no guarantee of positive performance in the future. This means that there is no guarantee that the value of the fund units held will equal the originally invested capital when withdrawn. The information does not take into account either the specific or future investment objectives, the fiscal or financial situation or the individual needs of the particular recipient. It does not replace expert advice needed prior to making any investment decision, particularly in respect of all the associated risks. The information in this fact sheet is provided without any guarantee or commitment whatsoever and is made available to the recipient for informational purposes only and solely for his or her personal use. The Bank accepts no responsibility and provides no guarantee that the information in this document is error-free.

