UBB ExpertEase Dynamic Tolerant (EUR)

UBB ExpertEase Dynamic Tolerant (EUR) is a global mixed "balanced" investment sub-fund of the umbrella mutual fund UBB ExpertEase, which is a feeder collective investment scheme within the meaning of Article 67 of the Law on the Activity of Collective Investment Schemes and Other Collective Investment Enterprises (LACISOCIE). The investment objective of the sub-fund is to invest at least 85% of its assets in the main sub-fund and up to 15% of its assets in cash and derivatives. The main fund **Horizon ExpertEase Dynamic Tolerant** follow a multi-signal strategy which investment objective is to generate the highest possible return for its shareholders in accordance with its investment policy. The main fund Horizon KBC ExpertEase Dynamic Tolerant folows multi-signal strategy in which the target allocation is **55% equities and 45% bonds**.

FUND INFORMATION	as of 31.03.2022
Launch date	05 March 2021
Last confirmed NAV	19 571 159.66
Last confirmed NAV per unit	10.2210
Lowest - Highest NAV per unit for the last year	9.9996-10.9248
Standard deviation for the last year	-

RETURN	
Year to date /not annualized/	-5.95%
For the last 12 months /not annualized/	-
For the last 3 years /annualized/	-
Since inception /annualized/	-

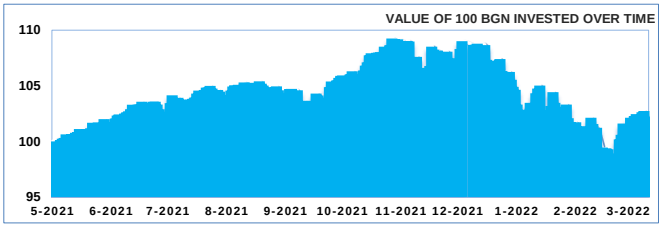
PORTFOLIO	
HORIZON KBC EXPERTEASE DYNAMIC TOLERANT EUR	SHARES
CASH	ASSETS
RECEIVABLES	ASSETS

4 Product rating

100 Minimum investment

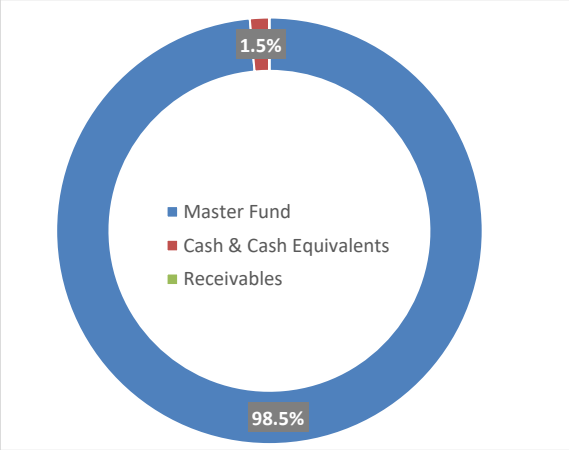
EUR Currency

VALUE OF 100 BGN INVESTED OVER TIME



ANNUAL RETURNS

As the sub-fund was established in 2021, there is insufficient data to give investors a useful indication of past performance.



MASTER FUND
Horizon KBC ExpertEase Dynamic Tolerant Institutional F share BG class in EUR

MASTER FUND CURRENCY
EUR

COUNTRY OF ORIGIN OF THE MASTER FUND
BELGIUM

STRATEGY OF THE MASTER FUND
MULTI-SIGNAL

TARGET WEIGHT OF THE MASTER FUND	
EQUITIES	55.00%
BONDS	45.00%

COMMENT

With the end of March, markets sent off a turbulent first quarter of 2022. The horrible financial and human cost of the escalating war between Russia and Ukraine trickled through the markets, with equities declining and bond yields rising (bond prices fell). Commodity prices soared, as Russia is a key producer of several important commodities worldwide. This fueled further inflation, as well as numerous supply chain disruptions. Concerns over the potential need for a faster pace of interest rate hikes to curb the higher inflation, weighed on both, bonds and stocks. As a background risk for the global economy is the slowdown of China's growth, which was further negatively affected by renewed Covid-19 outbreaks, leading to new lockdowns in several major cities.

Developed market equities recovered from their loses towards the end of the month – the S&P500 posted a 3.6% rise in March, but with nearly 5% decline for the first three months of 2022, the index marked its worst quarter since early 2020, when the Covid-19 pandemic began. Eurozone shares also fell sharply in the quarter – the region is close to the war in Ukraine, and relies heavily on Russian oil and gas. A wide range of strict sanctions were imposed on Russia – from import bans of vodka, caviar and diamonds to oil, gas and coal. The sanctions also struck the Russian financial system. Assets of the Russian central bank were frozen; the country was excluded from the global banking messaging service SWIFT; trading of Russian securities was stopped on international markets, while the Moscow Stock Exchange stayed closed for almost a month; a great number of major international corporations have withdrawn from the country. Russia is a major energy and commodity producer and the escalation of tensions pushed energy and commodity prices to extreme levels, exacerbating the surge in inflation. Energy prices spiked early in March – at one point the price per barrel of Brent oil reached almost $140, which was a 14-year peak – before falling back. With oil ending the month at $103 per barrel and European gas prices at €121 per megawatt hour, both are up 33% and 55% respectively for the last three months. For comparison, a year earlier, gas cost €17 in Europe.

Inflation pressures were strong everywhere. In the Eurozone, annual inflation reached 7.5% in March, up from 5.9% in February; UK consumer price inflation is expected to hit close to 9% later this year, and the annual US inflation rate, as measured by the consumer price index, hit 7.9%, and is growing at its fastest pace in the last 40 years. As a response, The Federal Reserve (Fed) raised interest rates by 0.25%, for the first time since 2018, thus ending the era of ultra-loose monetary policy. Further hikes are expected through the rest of 2022, as the American economy shows signs of resilience – corporate earnings growth is robust and unemployment (at 3,6%) is at one of its lowest levels since the Second World War. March was the 11th consecutive month in which more than 400,000 new jobs were added to the economy – the longest such period since 1939, when statistics for this began. Therefore, it is quite likely that we are going to see more hawkish Fed later this year, as inflation peaks in the upcoming months.

Energy and utility companies were amongst the strongest performers in relative terms over the month, outperforming a market modestly. Information Technology, communication services and consumer discretionary were amongst the weakest sectors. Worries over consumer spending led to declines for stocks such as retailers, while the war in Ukraine also exacerbated supply chain disruption, hitting the availability of parts for a wide range of products.

The Bulgarian market showed enviable vigor in March, with all local stock indices closing the month with rises of close to 6%. The best performer was First Investment Bank AD, which added more than 45% to its share price, and the worst was Telelink Business Group AD, which fell by 6%.