

# VAM FUNDS (LUX) - COMMENTARIES

September 2024

## VAM Funds (Lux) - US Micro Cap Growth Fund\*

Holdings in the health care and consumer discretionary sectors were the largest source of positive relative returns. The Fund's holdings assigned to the financials and energy sectors detracted from relative returns. At month end, the Fund was overweight the industrials and consumer discretionary sectors, and underweight the information technology and health care sectors.

The holding that contributed the most to the Fund's relative returns during the month was Vaxcyte, Inc. (Ticker: PCVX-US). Vaxcyte, Inc. engages in the development of vaccines for infectious diseases. PCVX was a top contributor for the month, as they reported positive results from their phase 1/2 study of VAX-31, a pneumococcal conjugate vaccine. PCVX shares surged following the release of this data.

The holding that detracted the most from the Fund's relative returns during the month was Sable Offshore Corp. (Ticker: SOC-US). Sable Offshore Corp is a pre-production exploration company that owns idled offshore production assets in California. SOC is engaged in a legal dispute with the state of California over these properties and during September, the company won a key portion of the case that knocks down a barrier to restarting production. As a result of the legal ruling, SOC's stock increased over 40% during September. Since SOC's stock was over 0.6% of the Russell Micro Growth benchmark, and the stock was not owned by the Fund, it was a top detractor during the month.

## VAM Funds (Lux) - US Small Cap Growth Fund

The Fund's holdings assigned to the industrials and health care sectors were the largest source of positive relative returns. Holdings in the real estate and information technology sectors detracted from relative returns. At month end, the Fund was overweight the industrials and consumer discretionary sectors, and underweight the health care and information technology sectors.

The holding that contributed the most to the Fund's relative returns during the month was Vaxcyte, Inc. (Ticker: PCVX-US). Vaxcyte, Inc. engages in the development of vaccines for infectious diseases. PCVX was a top contributor for the month as they reported positive results from their phase 1/2 study of VAX-31, a pneumococcal conjugate vaccine. PCVX shares surged following the release of this data.

The holding that detracted the most from the Fund's relative returns during the month was Credo Technology Group Holding Ltd. (Ticker: CRDO-US). Credo Technology Group Holding Ltd. develops connectivity solutions and products for the data infrastructure market. CRDO was a top detractor for the month, as the company reported earnings results that were inline versus consensus expectations but fell short of elevated investor expectations. The Manager trimmed the position in the Fund, as forward consensus estimates call for steep second half revenue ramp that present a high hurdle.

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### VAM Funds (Lux) - US Mid Cap Growth Fund

The Fund's holdings assigned to the health care and energy sectors were the largest source of positive relative returns. Holdings in the information technology and real estate sectors detracted from relative returns. At month end, the Fund was overweight the industrials and consumer staples sectors and underweight the information technology and real estate sectors.

The holding that contributed the most to the Fund's relative returns during the month was Vaxcyte, Inc. (Ticker: PCVX-US). Vaxcyte, Inc. engages in the development of vaccines for infectious diseases. PCVX was a top contributor for the month as they reported positive results from their phase 1/2 study of VAX-31, a pneumococcal conjugate vaccine. PCVX shares surged following the release of this data.

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### VAM Funds (Lux) - US Large Cap Growth Fund

Holdings in the energy and consumer discretionary sectors detracted from relative returns. The Fund's holdings assigned to the industrials and utilities sectors were the largest source of positive relative returns. At month end, the Fund was underweight the health care and consumer discretionary sectors, and overweight the real estate and industrials sectors.

The security that detracted most from the Fund's relative returns during the month was Tesla, Inc. (Ticker: TSLA-US). Tesla, Inc. engages in the design, development, manufacture, and sale of electric vehicles and energy generation and storage systems. The company was not owned by the portfolio as it did not meet the model's criteria which includes a combination of valuation, revision, momentum, and duration factors therefore leading the company to be a top detractor for the month.

The holding that contributed the most to the Fund's relative returns during the month was Vistra Corp. (Ticker: VST-US). Vistra Corp. is a holding company, which engages

in the provision of electricity and power generation. The company was a top contributor for the month as they announced that they are going to become the sole owner of Vistra Vision, which focuses on alternative energy projects.

### VAM Funds (Lux) - Emerging Markets Growth Fund

Exposures to the financials and consumer discretionary sectors, as well as South Korea and China detracted from relative returns. Performance was aided by holdings assigned to the communication services and real estate sectors, as well as in Taiwan and Kuwait. At month end, the Fund was underweight Taiwan and China and overweight Brazil and India.

The holding that detracted most from the Fund's relative returns during the month was Alibaba Group Holding Limited (Ticker: 9988-HK). Alibaba Group Holding Ltd. provides technology infrastructure and marketing reach. The company was a top detractor for the month as they faced market volatility amid ongoing regulatory challenges in China. The Fund has an underweight position in the company due to ongoing regulatory challenges and weak consumption sentiment in China.

The holding that contributed the most to the Fund's relative returns during the month was Hong Kong Exchanges & Clearing Ltd. (Ticker: 388-HK). Hong Kong Exchanges & Clearing Ltd. engages in the operation of stock and futures markets. The company was a top contributor for the month as market trading volume improved significantly in sympathy with the rally in Chinese and Hong Kong-based stocks.

### VAM Funds (Lux) - World Growth Fund

Performance was aided by holdings assigned to the industrials and information technology services sectors, as well as in the United Kingdom and the Netherlands. Exposures to the energy and financials sectors, as well as Japan and the United States detracted from relative returns. At month end, the Fund was overweight the United Kingdom and Germany and underweight the United States and Australia.

The holding that contributed the most to the Fund's relative returns during the month was Rolls-Royce Holdings plc (Ticker: RR-GB). Rolls-Royce Holdings plc focuses on power and propulsion systems for a variety of end markets including aerospace, defense, and utilities. The company outperformed after posting a strong result in the beginning of the month that was ahead

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of expectations with strength across most segments. Additionally, the company raised its FY guidance for both EBITA and FCF and announced the resumption of its dividend. The company appears on track to reach its mid-term targets ahead of schedule.

The holding that detracted the most from the Fund's relative returns during the month was Tencent Music Entertainment Group (Ticker: 1698-HK). Tencent Music Entertainment Group engages in the business of operating online music entertainment platforms to provide music streaming, online karaoke, and live streaming services. The company underperformed in August due to a weak second quarter print, of which management guided for a strategy shift from focusing on subscription growth to ARPPU, hinting for a slower expansion in paying user base. The Fund has exited the company following the weak results.

#### VAM Funds (Lux) - International Opportunities Fund

Exposures to the financials and energy sectors, as well as Germany and Bermuda detracted from relative returns. Performance was aided by holdings assigned to the industrials and real estate sectors, as well as in Japan and Canada. At month end, the Fund was underweight India and Taiwan and overweight Italy and Germany.

The holding that detracted the most from the Fund's relative returns during the month was Seadrill Limited (Ticker: SDRL-US). Seadrill Limited is a Nordic-based energy services provider focused on specialised drilling services for the oil and gas industry catering to companies operating in very harsh weather environments. The

company has benefitted from increased drilling activity in the North Sea in recent years, but in the past few months has experienced a slowdown in activity and bookings. In early August, it reported slightly weaker-than-expected results and gave a somewhat muted outlook which along with weaker oil prices has pressured the sector.

The holding that contributed the most to the Fund's relative returns during the month was Asics Corporation (Ticker: 7936-JP). Asics Corporation is a Japan-based leading global athletic shoe and sportswear provider. They have been gaining market share in Europe, the US, and China in the last one to two years driven by a revamped product line focusing on more premium offerings that are higher margin. This has been a big driver of upside earnings growth for the past several quarters. The company recently reported stronger results and a favourable outlook, once again, highlighting the trends of the past two years that will continue in the medium term.



\*Fund is currently closed to new subscriptions.

Sources: Driehaus Capital Management LLC, Foresight Capital Management, FactSet Research Systems, Inc., Reuters, Yahoo Finance and Bloomberg.

Featured securities were the top contributor to or detractor from return and were held by the Fund at some point during the month of August 2024. The performance numbers for the Funds are provided by VAM Funds (Lux). The performance discussed above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance quoted.

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