

LIOR GP - ALPHA FUND - I/A (EUR)



January 2024

Investment Objective

The Product investment objective is to achieve a positive return in any type of market condition by investing across fixed Income, equities, currency markets on global basis (absolute return strategy). Specifically, the Product seeks to outperform the euro short-term rate (€STR) (compounded daily) Index, over any 3-year holding period, while offering controlled risk exposure. For indicative purposes, given the risk profile, the return is expected to be in excess (before applicable fees) of €STR +4% per annum after the deduction of operating and management fees.

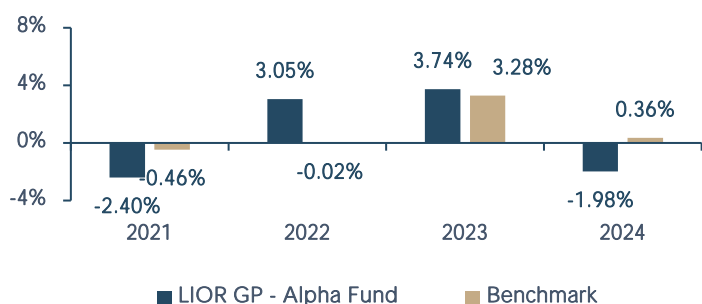
Product Description

Distribution	Daily
Strategy	Global Macro
Investment Universe	Bonds, Currencies, Equities
Investment Horizon	3 Years
Annual Vol. Target	[5% ; 10%]
Legal Framework	Luxembourg UCITS (SICAV)
SFDR Classification	Article 8

Performance (net)

	Fund	Benchmark
YTD	-1.98%	0.36%
1 month	-1.98%	0.36%
3 months	6.09%	1.00%
1 year	-2.30%	3.48%
3 years (annualised)	-	-
5 years (annualised)	-	-
Since inception	2.27%	3.10%

Yearly Fund Performance (net)



Risk Indicator

VaR 99%/20d ex-ante ²	6.19%
Sensitive Range Interest Rates	[-8% ; +8%]
OECD Bonds	[0% ; 100%]
Non OECD Bonds	[0% ; 60%]
Echange Rate Risk	[0% ; 300%]
Equity Range Net	[-30% ; +30%]

Past performance is not indicative of future results. Please see footnotes and important information on page 2.

Key Facts

Bloomberg Ticker	LGPALIE LX
ISIN	LU2263804002
Fund Managers	Jeremy TOUBOUL, Pierre-Jean ROULEAU, Gad MOYAL
Inception Date	15/03/2021
Benchmark	100% €STR Compounded daily
Total Net Assets (€M)	Not disclosed
SRRI	1 2 3 4 5 6 7
Nav per share EUR	102.27 (EUR)
Investment Manager Fee	0.75%
Performance Fee	20% HWM ¹
Domicile	Luxembourg
Investment Manager	LIOR Global Partners
Management Company	Carne Global Fund Managers (Luxembourg) S.A.

Performance & Change in the Portfolio

In January, the LIOR GP - Alpha Fund reported a net performance of -1.98%.

Negative returns from the FX allocation amounted to a loss of 71 basis points (bps), attributed to the appreciation of the US dollar and the underperformance of the Japanese yen.

Conversely, the fixed income allocation yielded slightly positive returns of 28 bps, attributable to the ongoing steepening in the US and European curves, which drove the positive performance in this segment.

The equity allocation was a negative contributor, experiencing a loss of 133 bps, primarily due to the depreciation of emerging market equities and the concurrent rise in European financials.

FX: The net USD position remained unchanged. We rebalanced the portfolio by adding commodity-related currencies such as the Norwegian krone, Canadian dollar, and Australian dollar, while selling the Euro and British pound.

Bonds: Although the overall net duration stayed unchanged, we capitalized on the steepening trade in Europe.

Equity: While the overall net equity exposure also remained unchanged, we increased the US equity exposure due to calls on Nasdaq gaining delta.

Market views

The year commenced with a cautious tone as large caps regained their leadership position, facing overbought conditions and stretched positions, while small caps experienced a decline. Despite initial concerns, the prevailing narrative leaned towards a soft landing, supported by robust economic releases. Although the December CPI report revealed higher headline numbers, core prices remained stable, and subsequent reports indicated no significant changes in core prices. While regional manufacturing indicators raised worries, Q4 GDP surpassed expectations, and December retail sales suggested a resilient consumer.

Treasuries exhibited overall weakness, resulting in a steeper yield curve. The 30Y yield exceeded 4.40%, retracting slightly by the end of the month following the Treasury's lower-than-expected Q1 borrowing estimates and the quarterly refunding update. Additionally, elevated volatility in Fed rate expectations was observed. Initial positioning indicated a 70% chance of a March interest rate cut, but comments from Fed speakers, notably Chairman Jerome Powell, shifted expectations dramatically. Powell indicated that he would be surprised if the Committee had sufficient data by the March meeting to warrant an interest rate cut. The January Fed meeting left options open, reducing some hiking bias but expressing caution about a cut until there's confidence in sustainable inflation towards the 2% target. The market concluded January with roughly a 35% chance of a March cut. After three consecutive months of decline, the dollar notably strengthened, with the DXY rising by 2.3%. Oil rebounded from a three-month decline, with WTI crude settling up 5.9%.

Additionally, attention must be given to the potential fallout from the collapse of the Chinese real estate market. China Evergrande, the second-largest property developer in mainland China, is undergoing liquidation, and focus will soon shift to Country Gardens, facing significant pressure. The Hang Seng Index has fallen over 20% since the end of 2022. While the PBOC has intervened to mitigate the situation, the possibility of global knock-on effects remains uncertain. Confirmation is awaited regarding rumours of a package that could trigger a rebound in undervalued Chinese assets.

Q4 earnings fell short of expectations, corporate layoffs are gaining attention, and regulatory scrutiny on AI, a recent performance driver, is intensifying. Geopolitical factors remain a wildcard, while political uncertainty may escalate with the advancing US presidential campaign. Numerous events require close monitoring, holding the potential to disrupt the current environment.

Source: LIOR Global Partners.



Statistic and Performance Analysis

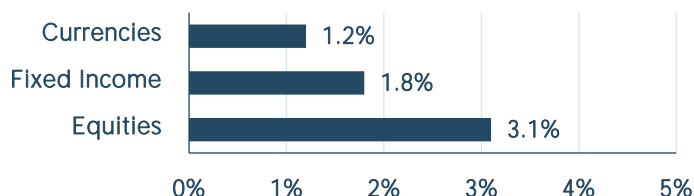
		Correlation	Beta
Net Equity Exposure	-10.64%	US 10Y	-0.11
Net USD Exposure	-12.82%	S&P 500	0.18
Modified Duration (bps)*	257	DXY	-0.68
Gross Yield to Maturity	12.02%		

* Less than 1 year holdings excluded

Gross Performance Attribution

	1 month	YTD
Currency	-0.71%	-0.71%
Fixed Income	0.28%	0.28%
Equities	-1.33%	-1.33%

VaR Contribution Per Asset Class



ESG Scoring

ESG Portfolio Score ³	15.98
ESG Dynamic Allocation Score	21.86
Sustainability Risk Level ⁴	Low
Fund Target	Medium



Additional notes

1) High Water Mark (HWM), defined as the highest Net Asset Value per share. The performance fee represent 20% of the yield from the Net Asset Value per share compared to the HWM.

2) VAR (Value-at-Risk) is calculated using a 99% parametric confidence interval and 20 days holding period.

3) The overall ESG Score of the portfolio is calculated by taking into account the ESG scores of the various eligible assets on a weighted basis. Eligible assets are sovereign, credit bonds and cash equities. The "ESG dynamic allocation score" is calculated using an allocation that reflects the rebased real-time allocation of the portfolio on eligible assets according to different comparable subuniverses. The lower the ESG score, the lower the sustainability risk.

4) The sustainability risk is an Environmental, Social, Governance event or condition that, if it occurs, would cause a negative material impact on the value of an investment. Please note that the Fund's sustainability risk may differ from the sustainability risk of its investment comparable universe.

Sources:

Benchmark data : Bloomberg.

ESG Score: LIOR Global Partners based on underlying data provided by Sustainalytics.

All data as of 31/01/2024.

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