

Investment Policy

The Sub-Fund seeks to outperform its benchmark, the MSCI World Index Euro hedged (dividends reinvested), (the Benchmark), over a full investment cycle by investing in a portfolio of best in class companies which are well positioned to capitalise on favourable secular trends in their respective sectors.

The Investment Manager will focus on best in class companies in their respective fields characterised by attractive business economics, good management teams and attractive reinvestment opportunities. The Investment Manager will select these companies when their valuation is reasonable based on his analysis.

Performances

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016											-0.94%	2.02%	1.06%
2017	2.62%	4.37%	0.67%	2.17%	2.72%	-2.12%	0.79%	0.58%	0.48%	2.61%	0.03%	0.96%	16.89%
2018	6.04%	-4.15%	-2.85%	1.71%	3.22%	2.86%	3.27%	3.87%	0.49%	-6.53%	-1.17%	-7.26%	-1.52%
2019	7.16%	4.92%	3.81%	6.10%	-4.15%	5.58%	2.08%	0.63%	0.28%	2.13%	3.72%	1.62%	38.94%
2020	3.44%	-6.30%	-9.75%	13.98%	4.60%	2.01%	4.68%	7.52%	-3.69%	-2.26%	9.11%	2.43%	25.96%
2021	-0.88%	2.56%	3.26%	6.57%	-1.55%	4.98%	4.31%	3.08%	-4.75%	3.95%	-1.34%	2.69%	24.70%
2022	-7.65%	-4.75%	1.49%	-9.13%	-1.03%	-7.22%	11.28%	-5.01%					-21.25%

-5.01% MTD

vs -3.62% Index

-21.25% YTD

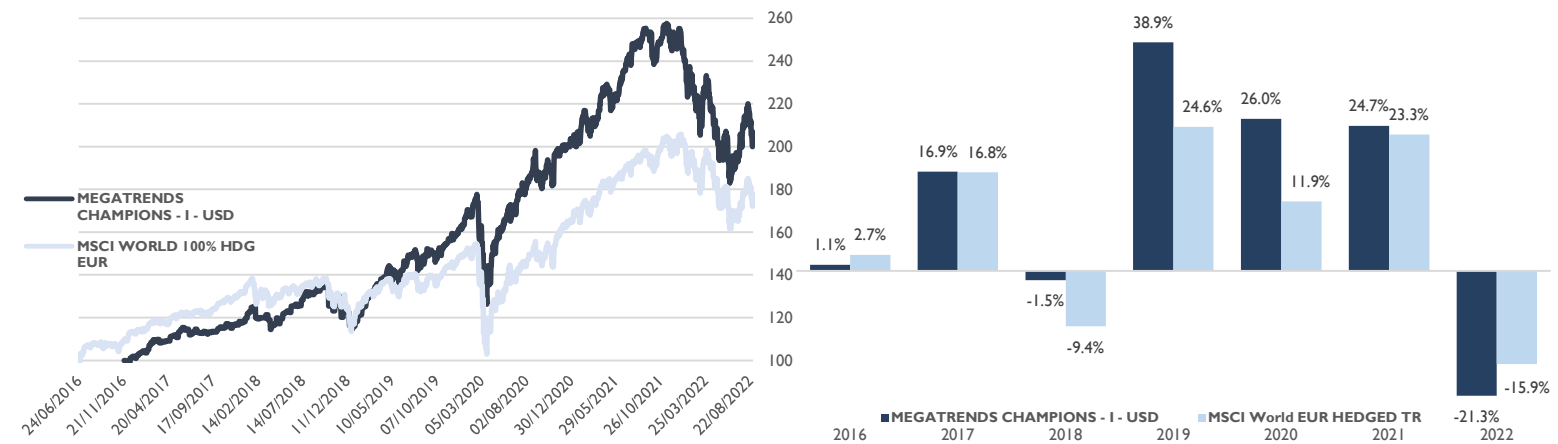
vs -15.85% Index

+99.92% ITD

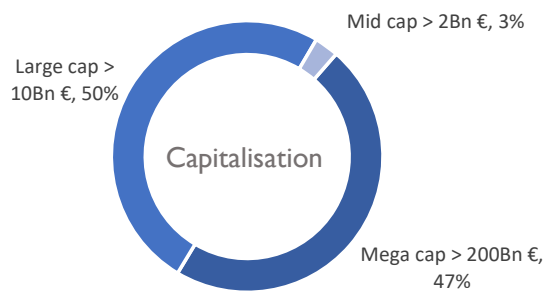
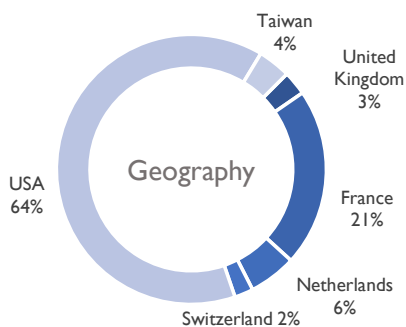
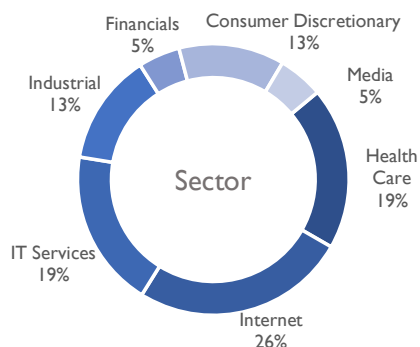
vs +57.11% Index

Inception of USD share class: 23 November 2016. Past performance is no guarantee of future performance.

Annual Performance



Performances	Fund	Index	KPI	Fund	Index
1 month	-5.01%	-3.62%	Weekly annualized volatility	16.6%	16.5%
YTD	-21.25%	-15.85%	Sharpe ratio - 1Y	-1.27	-0.77
1 year	-21.00%	-12.69%	Sharpe ratio - 3Y	0.61	0.50
3 years	33.51%	27.69%	Max drawdown	-29.0%	-33.3%
Inception	99.92%	57.11%	Active Share	81.0%	
ITD Annualised	12.75%	8.14%			



Classification of sectors defined by Square Capital

Top 10 holdings (% of NAV)

MICROSOFT CORP	6.5%
ALPHABET INC -A-	6.4%
ASML HLDG	5.3%
LVMH	5.0%
WALT DISNEY CO	5.0%
THERMO FISHER SCIEN	5.0%
DANAHER CORP	4.9%
S&P GLOBAL	4.6%
AMAZON	4.5%
SAFRAN	4.3%

Contribution to performance

Positive contribution

monthly, local currency	Performance	Contribution
WALT DISNEY CO	5.6%	0.26%
BECTON DICKINSON	3.3%	0.08%
META PLATFORMS	2.4%	0.05%

Negative contribution

monthly, local currency	Performance	Contribution
ASML HLDG	-12.5%	-0.73%
THERMO FISHER SCIEN	-8.9%	-0.46%
MICROSOFT CORP	-6.7%	-0.44%

Concentration

Number of positions	24
Top 10 positions weigh	51%
Top 15 positions weigh	71%

Summary

Asset manager : Square Capital Paris SAS **Financial advisor** : Square Capital LLP

Management company : Edmond de Rothschild Asset Management (Luxembourg)

Custodian : Edmond de Rothschild (Europe)

SICAV : Forum One

Valuation : Daily

S/R conditions : Every working day at 3:00pm on unknown NAV

French Financial Authority classification : Global stocks

Affectation of distributable income : Total capitalisation

Norm : UCITS V

Management fees institutional class : 1.20 % - **Retail class** : 2.00 %

Overperformance fees : 10% of the performance over the benchmark if performance is positive. Subject to "High Water Mark"

SRRI :

Lower risk, lower potential return Higher risk, higher potential return



Benchmark : MSCI World Index Euro Hedged (dividendes reinvested)

Rec. Investment period : over 5 years

Currency : USD

Currency exposition : 40% maximum

Rating :

Raking in % within the category

Morningstar ★★★★★

Morningstar Sustainability ★★★★★

Quantalys ★★★★★

Share Class I - EUR : LUI377390460

Share Class R - EUR : LUI377390031

Share Class I - USD : LUI476758443

Share Class R - USD : LUI476758104

Monthly review

Megatrends Champions I USD is down 5.01% in August, underperforming its benchmark MSCI World EUR Hedged TR by 1.39% over the month. The fund is now down -21.25% in 2022 versus -15.85% for the index.

After a good start to the month, the markets fell and ended sharply down: -4.2% in the US (S&P500) and -5.1% in Europe (Eurostoxx50). These two stock market indices are now down 17.0% and 18.2% respectively since the beginning of the year.

The good performance of the markets in July, carried by the publication of solid corporate results, was partially erased. Bonds also fell sharply: -3.2% in August and now -11.7% this year (Barclays Global Aggregate Index).

Inflation and the resulting rate hikes were the main reasons for this decline:

- U.S. Federal Reserve Governor Jerome Powell was particularly determined to fight inflation, which he now sees as a long-term problem.
- European inflation reached 9.1% in August, the highest level since the creation of the euro. This led some European officials to mention in August a possible 0.75% increase in the ECB's key interest rates, which was implemented at the beginning of September. The explosion in prices and possible energy shortages reinforced fears of inflation and recession for the old continent, while the rise in long-term interest rates is threatening the economies of peripheral countries, particularly Italy.

In August, four companies from our portfolio reported earnings: **Walt Disney, Becton Dickinson, Booking and S&P Global:**

- **Walt Disney** was the best performer in the portfolio in August (+5.6%) thanks to the publication of excellent results: revenues up 26% and net income up 24% particularly thanks to the good performance of its Parks division. The company reassured investors by reporting a net gain of 14.4 million subscribers to its Disney+ streaming service, in sharp contrast to Netflix.
- **Becton Dickinson**, up 3.3% in August and 3.6% in 2022, managed to post a 0.7% increase in revenue (+3.8% at constant exchange rates) despite an unfavorable comparison base in 2021 when the company's results benefited strongly from COVID.
- **Booking** saw its revenues nearly double in Q2 2022, confirming the good health of the travel sector, which is benefiting from the rebound in volumes and prices.
- Finally, **S&P Global** slightly disappointed the markets, with revenues down 5% and earnings per share down 7%. While the decline in the rating business was expected, the drop was greater than anticipated (-25%). The other divisions, which now account for 75% of revenues since the merger with IHS Markit, grew on average by 6.5%. This demonstrates the benefits of the merger which diversified and strengthened the company's business.

The second quarter earnings season ended in August. Overall, it was excellent for the companies of our portfolio. The portfolio's revenue growth (weighted by position) was 21.5%, more than double the one of the MSCI World.

Three themes emerge from this earnings season:

- **Recession risks:** as financial conditions tighten, companies noted recession risks and the impact of inflation on their business. For example, U.S. companies observed that growth had already slowed dramatically in Europe and China and expects a slowdown in the United States. Alphabet, Adobe and Meta, for example, explained that consumer sentiment is down, which had an impact on discretionary consumption and therefore advertising. Some companies have already taken this into account in their forecasts (Adobe for example), but overall analysts' expectations remain high if the economy goes into recession.
- **Margins under pressure:** the rise in costs is global and no company can escape it, so the importance of pricing power is crucial. TSMC continued to raise its prices, so as LVMH, without any impact on demand.
- **Hiring:** Apple, Alphabet, Microsoft and PayPal slowed down their hiring, while Amazon continued to hire in order to support its long-term development.

The portfolio seems relatively well positioned to deal with inflation and a possible recession: Most portfolio companies can raise prices without impacting volumes to protect their margins and remain driven by structural growth trends.

INCREASED

LONZA
INTERTEK
TSMC



DECREASED

DANAHER
AMAZON
APPLE
LVMH
WALT DISNEY
THERMO FISHER
S&P GLOBAL
ADOBE



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