



### **Dear Investors**

We would like to take this opportunity to introduce our new newsletter. In the future, we intend to inform you at regular intervals about current trends and developments that concern us and the markets. Our focus will be on the investable future topics shaped by the "Millennials". The "Millennials" represent the largest population group in the world. Through their consumption and savings behaviour, they will have a significant influence on the development of the global economy.

### **The market situation**

Unfortunately, the current conflict between Russia and Ukraine has pushed these long-term issues into the background for the time being. Therefore, in this issue we would like to look at the current market situation, our positioning in the fund and a cautious outlook.

The year 2022 has actually started on a positive note. In the first week of January, for example, the DAX reached a new all-time high of 16,320. As early as November, a change in the interest rate outlook triggered a strong sectoral shift. In the USA, the highest inflation rate in 40 years and simultaneous full employment led to a change in the assessment of future American central bank policy. The "FED" hinted at an end to expansionary monetary policy from March 2022. The markets reacted with a significant increase in bond interest rates. Not growth stocks, but energy and financial stocks were on investors' list of favourites. However, this strong rotation has now ever been stopped.

### **The Russian crisis**

The invasion of Ukraine by the Russian army caught investors on the wrong foot for the second time this year. The generally unanticipated attack caused the already battered markets to experience a further sell-off and have since corrected significantly.

### **The market outlook**

This external shock has led to a further increase in volatility in the markets. Although the conflict will cause great human suffering, it has also led to a marked improvement in the fundamentals for the capital markets. Even though inflation will remain high due to rising energy and commodity prices, a more moderate interest rate policy can be expected. The outlook for the dynamics of the national economy has clouded over considerably. This has led to a halt in the rise of interest rates. The price declines have led to an increased attractiveness of the stock markets again. Valuations have fallen back to the level before the "Corona crisis". Assuming that military action will not extend beyond Ukraine, we expect the markets to stabilise by Easter and return to a more positive trend in the second half of the year.

### **The portfolio**

In line with our approach, we continue to regard growth stocks as very promising, but have given the portfolio a more defensive orientation. Nevertheless, we were not able to escape the decline in the prices of growth stocks. We reacted to the emerging conflict by hedging. These and the investments in gold and commodity funds worked. In the short term, we took advantage of the high volatility and entered into options transactions in our portfolio securities. After the consolidation, we plan to rebalance the portfolio more offensively.

Christoph Lampert & Henning Gebhardt