

Alternative - Relative Value

Multi Strategy SICAV - Pendulum Class DPM EUR

February 28, 2025

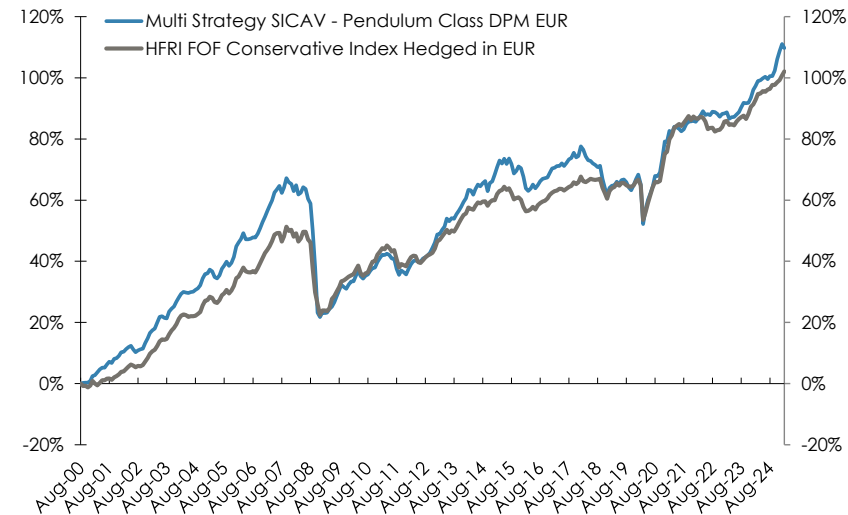


FUND OBJECTIVE

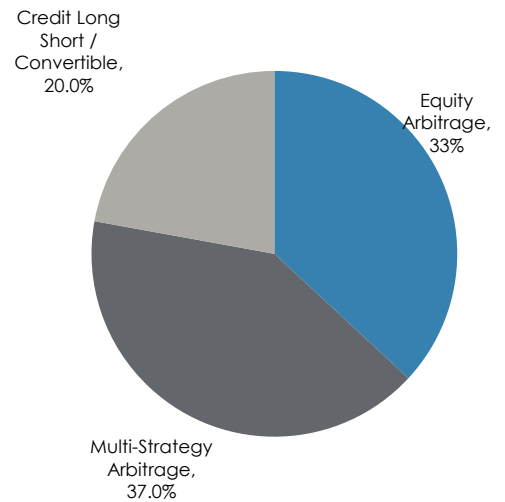
Pendulum is a low volatility multimanager fund. It invests in a selection of relative value and arbitrage managers. The selected fund managers use non-directional, market neutral and arbitrage strategies. This includes convertible, merger, fixed income and currency arbitrage. Some managers will use leverage. The objectives of the underlying funds are in general to provide a consistent positive return with low volatility and little correlation to the major fixed income and equity market indices.

The investment objective of Pendulum is to achieve superior risk-adjusted returns with a low correlation to traditional asset classes.

HISTORICAL PERFORMANCE



STRATEGY BREAKDOWN (% Allocation)



MONTHLY PERFORMANCE (%) NET OF FEES

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	Index*
2025	1.11%	-0.62%											0.48%	1.41%
2024	1.32%	0.65%	0.82%	0.10%	0.35%	0.23%	-0.40%	0.54%	0.01%	0.87%	1.83%	1.31%	7.87%	4.61%
2023	0.11%	0.20%	-1.14%	0.28%	0.03%	0.46%	0.41%	0.78%	0.82%	-0.10%	0.10%	0.87%	2.83%	3.56%
2022	-0.20%	0.53%	0.59%	0.74%	-0.64%	0.13%	-0.18%	0.63%	-0.08%	-0.31%	-0.50%	0.48%	1.19%	-1.82%
2021	-0.10%	2.06%	-0.46%	1.18%	-0.10%	-0.27%	-0.44%	0.36%	0.92%	0.48%	0.01%	0.13%	3.79%	6.93%
2020	0.85%	-1.86%	-7.88%	3.11%	2.03%	1.30%	1.32%	2.16%	-0.04%	0.70%	2.76%	3.17%	7.34%	5.42%

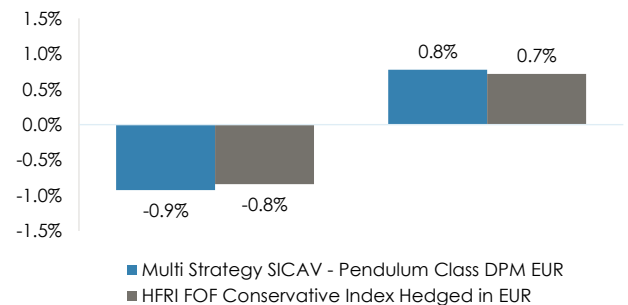
STATISTICAL ANALYSIS (Since September 2000)

Return	Fund	Index*
Annualized return	3.1%	2.9%
% Positive Months	69%	70%

Risk	Fund	Index*
Annualized Volatility	4.7%	3.6%
Sharpe Ratio (1%)	0.44	0.52
Maximum Drawdown	-27.2%	-19.1%
Months In Maximum Drawdown	14	14
Months To Recover	73	58

Comparison To Benchmark	Index*
Annualized Alpha	-0.2%
Beta	1.12
Correlation	0.87

Average Return during Bear & Bull Markets



Top Holdings	Weight
Verition International Multi-Strategy Fund	16.3%
Sona Credit Master Fund Ltd	13.6%
Riverview Omni Fund	11.7%
Eisler Capital Multi-Strategy Fund	8.6%
D.E. Shaw Oculus International Fund	8.6%

*Index: MSCI World Index Hedged in EUR

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FUND COMMENTARY

"Duel" – Propaganda, 1985

In politics and geopolitics, it often feels like duels prevail: East/West, North/South, Left/Right, Democracy/Dictatorship, Liberalism/Collectivism... And in financial markets too: Bulls/Bears, US/RoW, Developed Markets/Emerging Markets, Large Caps/Small Caps, Growth/Value, Public Markets/Private Markets, Fixed Income/Equities, Gold/Fiat, and the list goes on.

February 2025 has been an eventful month for both geopolitics and markets: whatever the outcome, it seems we might get closer to a peace deal in Ukraine, and if there's no clarity yet, the Middle East situation evolves rapidly, while markets have performed disorderly, showing some signs of reversals from here to there in the famous duels mentioned above.

First, the longstanding convergence between Italian and German yields blew up, temporarily or not, with a 52 bps spread widening between both last month. Then, after a spectacular rally, Bitcoin's momentum came to a screeching halt as the crypto lost 17.5% for the month. Perhaps more importantly, in the context of a stable dollar versus the euro, European equity markets largely outperformed the rest of the pack: the Stoxx 600 added 3.3% in February and is now up 9.8% year to date, which can be compared to -1.42%/+1.24% for the S&P500, -3.82%/-3.69% for the Topix and +0.35%/+2.02% for the MSCI Emerging Markets.

Europe tends to be seen as a Value play, with large weightings in Financials, Energy, Staples and Utilities, which can explain the strong show from European equities, corroborated by another reversal in the secular duel between Growth and Value: the MSCI World Growth lost 2.89% in February and is down 0.33% year to date, while the MSCI World Value returned 1.43% and is up 5.89% for the year.

Most S&P 500 companies have reported their Q4 2024 results, and a striking fact is that, for once, the Magnificent 7 struggled in terms of performance; results and outlooks were mostly fine, but Meta is the only member of the club showing a positive return year to date; what a difference when compared with the last 2 years!

Finally, Gold shone again and added 2.12%, Oil tumbled 3.82%, and Credit posted a decent month with a +0.43% return for the Itraxx Crossover, in the midst of very narrow spreads.

Performance Analysis

The Multi Strategy SICAV - Pendulum class DPM USD posted a loss of 0.51% for the month compared to a gain of 0.82% for the HFRI Conservative Fund of Fund Index taking YTD performance to 0.73% and 1.71% respectively. Hedge fund strategies overall posted mixed results across the board with Quantitative strategies outperforming followed by Credit whilst CTAs were down significantly on the month.

Commentary

With respect to our portfolio, six of our 12 underlying managers were able to post positive returns this month of which only 3 were able to beat the benchmark index by a significant margin.

The Multi-Strategy Arbitrage allocation representing 37% of the portfolio detracted 30 bps from overall performance. The performance of the underlying managers within the category ranged between -4.30% and +0.68%. The largest contributor and was our largest weighting in the portfolio which added 9 bps after benefitting mostly from its Fixed Income & Macro strategies together with Event Driven and Convertible & Vol Arbitrage strategies. The largest detractor was our quant multi-strategy manager that cost 37 bps due to its Equity Arbitrage strategies.

The Equity Arbitrage allocation now representing 33.4% of the portfolio detracted 31 bps from gross performance attribution on the month. Individual manager performance ranged between -2.16% and +1.09%. The largest detractor to performance was our largest allocation within the category which detracted 20 bps after suffering from an extended period of negative alpha across most sectors.

The Credit Long Short allocation now representing 20% of the portfolio added 25 bps to gross performance on the month. Individual manager performance ranged between +0.04% and +1.54%. Our largest allocation within the category added 24 bps to overall performance thanks to shifting its risk more towards Europe given the technical backdrop in European High Yield. The manager made most of its money in IG REITS and core single names in Europe and the US together with Convertibles and its SRT book.

As we write, markets have been extremely choppy due to the repercussions from the escalating war on tariffs. Whilst volatility is good for our managers, extremes that go beyond fundamentals can be disruptive and hence we are currently exploring different strategies that are less likely to be affected by the US and Europe.

Signatory of:



GENERAL INFORMATION

Fund Inception	31-Aug-2000	Subscription	Monthly	Fund Domicile	Luxembourg
AUM (USD)	149'372'411	Redemption	Monthly (95 Days)	Inv. Manager	NS Partners Europe SA
Share classes	USD EUR CHF GBP	Management Fee	1.50%	Administrator	Apex Fund Services S.A.
Investment Min	5'000	Performance Fee	0.00%	Auditor	PricewaterhouseCoopers, Lux.
ISIN (DPM EUR)	LU0722507372	NAV	203.49	Custodian	UBS Europe SE, Lux. Branch
Fund Type	SICAV Part II	Entry/Exit Fee	None		Actively Managed Fund
SRI Score*	4				

*Summary Risk Indicator

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