

Berenberg Guardian

The guardian in the portfolio



BERENBERG

It's always good to have options

In times of heightened uncertainty and inflation volatility, investors are looking for diversifying investments. One way to benefit from this challenging environment is the Berenberg Guardian Absolute Return Fund. It is aimed at investors looking for chances to earn returns through interest income, hedging and tactical opportunities, especially in falling markets. The fund aims to help investors diversify their equity investments.

The Berenberg Guardian – a new paradigm in investment strategy

The fund combines fundamental and macroeconomic analyses with quantitative models in a discretionary investment approach. It is intended to help investors diversify their equity investments. The strategy aims to achieve a positive return with low drawdowns and low volatility over 12-month periods, a negative correlation to falling stock markets and a low correlation to 'normal' stock markets. These targets correspond to the needs of investors seeking steady returns, protection from market downturns and the potential for profit when opportunities arise.

In line with a changing market environment

The strategy of the Berenberg Guardian is in line with the changing landscape of financial markets. Higher bond returns and the increasing correlation between risky investments and safe government bonds have reduced diversification effects. The growing share of non-fundamental and pro-cyclical investors (e.g. passive investing, systematic investment strategies) leads to increased market volatility and more extreme market movements, which makes the approach of the Berenberg Guardian Fund increasingly relevant.

Aims

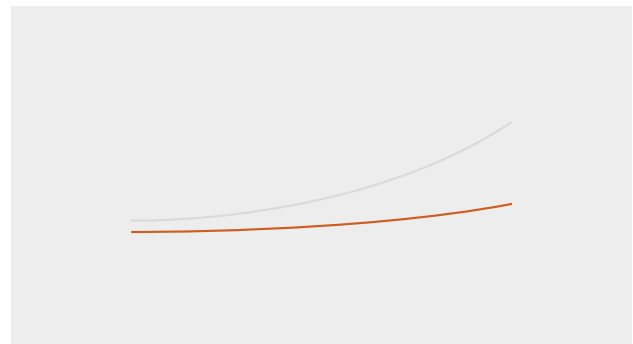
- High diversification factor due to intended positive returns in loss years with negative correlation to falling stock markets.
- Protection and source of liquidity in difficult market phases.
- Cost-efficient opportunistic hedging.
- Addressing short-term market opportunities and market inefficiencies.

What is the aim of the strategy in different market situations?



Falling stock markets

Negative correlation in falling stock markets



Sideways and rising stock markets

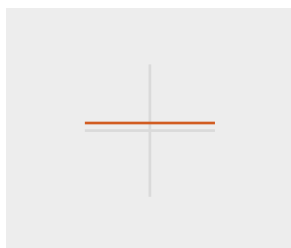
Steady returns and no or small losses (depending on the level of interest rate)

Note: Simplified representations. Achievement of the development described is desirable, but cannot be guaranteed.

Advantageous investment profile thanks to combination of three pillars

The Guardian's portfolio consists of three pillars. The focus is clearly on the idea of hedging. Interest income is generated by high-quality government and investment-grade corporate bonds with short terms (carry). Interest income serves as a source of funding for hedging instruments, in particular put strategies on liquid stock indices (hedging). A daily screening is carried out to determine which share hedges are favourable in absolute terms and also compared to the company's own history. The third pillar, tactical opportunities, is used only when there are severe market distortions and market inefficiencies. This provides investors with an investment solution that enables them to navigate both calm and turbulent financial waters.

Interest income



+

Hedging



+

Tactical opportunities



▶

Portfolio



Examples of investments:

- Short-term government bonds
- Investment-grade short-term corporate bonds

Examples of investments:

- Put options on stock indices in particular
- Opportunistic options on bonds, gold and volatility

Examples of investments:

- Macroeconomic changes
- Market imbalances
- Relative value trades
- Seasonal patterns

- ▶ Negative correlation and positive returns in falling markets
- ▶ Low correlation and avoidance of negative performance in normal market phases
- ▶ Low equity beta
- ▶ Low drawdowns
- ▶ Low volatility

Note: Simplified representations. Achievement of the development described is desirable, but cannot be guaranteed.

Good reasons for investing

The Berenberg Guardian Fund is a forward-looking investment strategy that reflects the realities of today's global financial markets. Its hedging approach, the objective of exploiting market distortions and its harmonious three-pillar approach make it a compelling option for investors. In addition to the changing market environment, the intended negative correlation with falling stock markets speaks in favour of the fund. Traditional diversification often works poorly in times of crisis because correlations often increase. Therefore, investments that are negatively correlated in crises are particularly valuable. Large temporary losses disproportionately damage a portfolio in the long term, even if they are later recovered. Such high losses make it very difficult to achieve attractive returns over long periods of time.

Why choose Berenberg?

Berenberg offers global strategies with an asset management character as well as modern, opportunistic approaches. Through our flexible and active management approach, our experienced managers identify a variety of opportunities and implement them consistently, risk-consciously and in an opportunity-driven way in the interests of our investors. The risk management of portfolio managers has proven itself many times over in the past.

Share classes		Private tranche R A	Institutional tranche M A
ISIN		DE000A3D9HK3	DE000A3ERMA3
WKN		A3D9HK	A3ERMA
Fund costs	Management fee	1.50 % p.a.	0.75 % p.a.
	Issue surcharge	up to 3.00 %	-
	Total expense ratio (TER)	approx. 1.60 % p.a.	approx. 0.80 % p.a.
	Other costs	see sales prospectus	see sales prospectus

Opportunities

- Attractive return potential in the medium to long term.
- Above-average performance by exploiting investment opportunities across regions and investment classes, focusing on attractive market segments and structural investment topics.
- Potential additional returns through active and opportunistic management.

Risks

- High volatility of equities, riskier bonds and currencies, possible price losses.
- Share value may fall below the purchase price at which the customer purchased the share.
- No guarantee of success through active and opportunistic management.
- Closing index and currency futures for quota management may at least temporarily increase the risk of loss.

Detailed information on the opportunities and risks of this fund can be found in the sales prospectus.

Important notes:

This information is a marketing communication. This information and references to issuers, financial instruments or financial products do not constitute an investment strategy recommendation pursuant to Article 3 (1) No. 34 Regulation (EU) No 596/2014 on market abuse (market abuse regulation) nor an investment recommendations pursuant to Article 3 (1) No. 35 Regulation (EU) No 596/2014, both provisions in connection with section 85 (1) of the German Securities Trading Act (WpHG). As a marketing communication this document does not meet all legal requirements to warrant the objectivity of investment recommendations and investment strategy recommendations and is not subject to the ban on trading prior to the publication of investment recommendations and investment strategy recommendations. This document is intended to give you an opportunity to form your own view of an investment. However, it does not replace a legal, tax or individual financial advice. 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All the aforementioned documents can be obtained from Joh. Berenberg, Gossler & Co. KG (Berenberg), Neuer Jungfernstieg 20, 20354 Hamburg, Germany, free of charge. The fund sales documents and the product information sheets for other securities are available via a download portal using the password »berenberg« at the Internet address <https://docman.vwd.com/portal/berenberg/index.html>. The sales documents of the funds can also be requested from the respective investment management company. We will be pleased to provide you with the specific address details upon request. A fund investment involves the purchase of shares in an investment fund, but not a specific underlying asset (e.g. shares in a company) held by that fund. The statements contained in this document are based either on own company sources or on publicly accessible third-party sources, and reflect the status of information as of the date of preparation of the presentation stated below. 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The paying agent in Switzerland is Tellco AG, Bahnhofstrasse 4, CH-6430 Schwyz and the representative is 1741 Fund Solutions AG, Burggraben 16, 9000 St. Gallen, Switzerland. The prospectus including the general and specific terms, the key investor information document (KIID) as well as the annual and semi-annual report of the fund may be obtained free of charge and in German language from the aforementioned representative (Phone +41 58 458 48 00). For shares distributed in or from Switzerland place of execution and jurisdiction is at the representative's registered office.

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Published by:

Joh. Berenberg, Gossler & Co. KG
Neuer Jungfernstieg 20
20354 Hamburg
Phone: +49 40 35060-0
info@berenberg.de
www.berenberg.de