



LIMMAT
CAPITAL

LIMMAT Capital SICAV LC Equity Fund UCITS

Important Information – Please read carefully

This is a marketing communication. The following notes provide important information that should be read in connection with the information presented in the attached presentation. The “Fund” means the undertaking for collective investment in transferable securities managed by Limmat Capital Alternative Investments AG under an investment management agreement with One Fund Management S.A. The returns presented are net of all fees and expenses and assuming the reinvestment of all distributions. The returns to any specific investor will vary from the described returns based on the timing of contributions and withdrawals and any other fees applicable to each investor’s investment.

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Please refer to and read carefully the Prospectus and the key information document (“KID”) of the Fund in their latest versions before making any final investment decisions. These documents can be obtained from the website www.fundinfo.com.

Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”) or qualified under any applicable state securities statutes, and Shares may not be offered, sold or transferred in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as defined in the following sentence), except pursuant to registration or an exemption. In this context, a “U.S. Person” is a person who is in either of the following two categories: (a) a person included in the definition of “U.S. Person” under Rule 902 of Regulation S under the 1933 Act or (b) a person excluded from the definition of a “Non-United States Person” as used in CFTC Rule 4.7. The Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “1940 Act”). Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to any U.S. Person except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

The Fund is an undertaking for collective investment in transferable securities for the purpose of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended. One Fund Management S.A. is the management company (“Management Company”) of the Fund.

The Prospectus and/or any other offering materials relating to the shares of the Fund may be made available in Switzerland solely by the Swiss Representative and/or authorized distributors to Qualified Investors. The Fund’s Swiss Representative is LIMMAT CAPITAL Alternative Investments AG, Riesbachstrasse 57, CH-8008 Zurich, Switzerland, and the Swiss Paying Agent is Credit Suisse (Schweiz) AG, Paradeplatz 8, 8001 Zurich, Switzerland. In respect of the shares distributed in or from Switzerland, the place of jurisdiction under Swiss Law is the registered office of the Swiss Representative. Copies of the Prospectus, articles of association of the Fund, KID, and annual and semi-annual reports may be obtained free of charge from the registered office of the Swiss Representative. Publications will also be made available at www.fundinfo.com.

All of the information contained in this document may not be reproduced or otherwise disseminated in whole or in part without prior written consent from LIMMAT CAPITAL Alternative Investments AG. We do not assume any liability in the case of incorrectly reported or incomplete information. The information herein is qualified in its entirety by reference to, and does not supersede, all of the information in the Prospectus, including without limitation the risk factors of an investment in the Fund, and the KID. The Prospectus and the KID are available in English and can be accessed on www.fundinfo.com. Further, the information in this document is presented as of the last day of the month indicated on the cover and every page of this document (except as otherwise specified) is subject to change without notice and may have changed (possibly materially) between the end of the month as of which such information is presented and the date this document was received and/or reviewed.

The figures, tables, charts and values in this document are generated solely for your information and contain derived information that we believe to be correct; however, the information is not necessarily used in conjunction with our operations or the preparation of the Fund’s financial statements. The information in these reports is not verified or tested by a third party, and we cannot guarantee that it is error-free. Each of the attached reports speaks only as of the date indicated, and we have not committed to update the disclosures therein for changes subsequent to such date. We may discontinue production of this document at any time and without notice.

Our investment programs involve substantial risk, including the possible loss of the principal amount invested, and there can be no assurance that the investment objectives will be achieved. The Prospectus contains important information concerning risk factors, conflicts of interest, and other material aspects of the Fund and should be read carefully before a decision to invest. The information herein may be based on estimates and may in no event be relied upon. Past performance should not be considered indicative of future performance. The investment objective and strategies of the Fund may have varied over time and may, in the future, vary materially from those used in generating the results described in this document.

A summary of investors’ rights can be obtained in English on www.fundinfo.com.

The Management Company may decide to terminate the arrangements made for the marketing of the Fund in accordance with article 93a Directive 2009/65/EC.

Meet the Portfolio Managers & Value Creators



Raphael Rutz

Portfolio Manager

- Certified International Investment Analyst (CIIA)
- 27 years of experience
- Continuous learner and builder
- “Process first” philosophy
- DNA of successful entrepreneurs and analyzing winning business models as main interests



Christoph Schaubmayr

Head of Research

- Chartered Financial Analyst (CFA)
- 14 years of experience
- Independent thinker with contrarian leanings
- Statistical background = “Numbers first, story later” mentality
- Dynamism of capitalism, value creation and innovation as main interests

Our strengths as a team



Simplicity, discipline and focus



Determination to win



Flexibility and agility



Integrity and listening ability

Developed Markets Equity Strategy

Investment company (fund)

Limmat Capital SICAV – LC Equity Fund (UCITS)



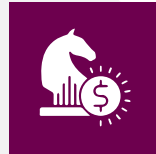
Depository/ custodian

U.S. Bank Europe Designated Activity Company
Luxembourg Branch



Investment strategy

Long value creators with opportunistic hedging



Fund manager

Limmat Capital Alternative Investments AG,
Zurich



Region

Developed markets with focus on US and
European listed companies



Share classes

A-Shares / B-Shares/ C & D-shares*



Management company

ONE Fund Management S.A., Luxembourg



Management & performance fee

A-Shares 0.25%, 5% / B-Shares 0.50%, 10%



* Limmat will open up the C & D share classes once LCEU has crossed the EUR 30m threshold.

Our Core Pillars

Long bias and active asset management



Value creators outperform through cycles in all regions



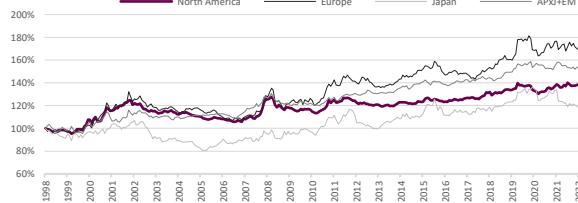
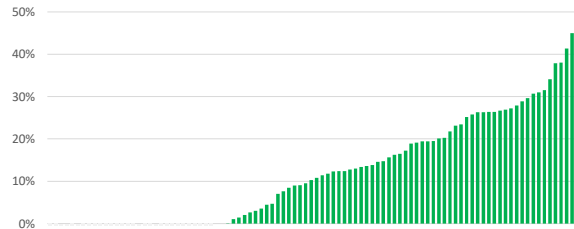
Timing & tactical positions add value



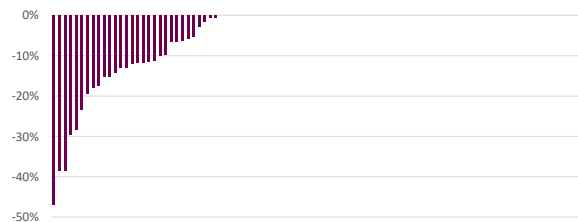
Downside protection



Why it is important



WATCHLIST	TRENDSIGNAL			TS CHG			OVER BOUGHT/SOLD		
	expSharpe	5D	1M	3M	RS14	RS30	TimeSignal		
BOEING CO/HE	0.10	0.13	1.53	0.47	41.73	44.72	3		
AIRBUS SE	1.90	-0.03	0.51	1.20	60.41	61.07	1		
RTX CORP	1.02	0.21	0.78	1.34	73.98	66.64	9		
SAFARI SA	2.57	0.13	0.80	1.25	69.52	65.53	2		
ROLLS-ROYCE HOLDINGS PLC	3.48	-0.08	-0.46	0.94	58.68	61.20	1		
TRANSIGM GROUP INC	3.12	0.41	1.51	2.34	80.60	71.94	1		
SNOWFLAKE INC-CLASS A	1.63	0.10	0.63	1.93	65.73	62.77	1		
JPMORGAN CHASE & CO	2.66	0.01	-0.17	2.92	64.85	60.72	8		
PALO ALTO NETWORKS INC	2.32	0.06	1.13	1.68	68.73	66.10	1		
CROWDSTRIKE HOLDINGS INC - A	3.58	0.13	0.69	2.11	67.30	69.06	2		
FORTINET INC	1.09	0.00	0.55	1.32	65.59	61.89	10		
TELLA INC	-0.90	0.15	-1.26	-0.53	27.60	35.82	-25		
AMAZON COM INC	-2.16	-0.05	0.58	1.14	73.78	67.30	2		
SALESFORCE INC	2.66	0.07	0.88	2.03	67.32	66.94	2		
ADOBE INC	2.22	0.23	0.74	0.33	63.14	59.08	3		
MICROSOFT CORP	2.34	-0.19	0.90	1.33	68.83	65.84	2		
AUTODESK INC	1.92	0.14	1.10	2.07	68.08	63.94	2		
ADYEN NV	0.91	0.18	0.34	2.46	60.84	59.91	5		
MASTERCARD INC - A	2.70	0.56	1.34	2.63	82.90	72.70	3		
VISA INC-CLASS A SHARES	2.60	0.19	0.73	1.83	68.63	66.71	5		



S&P

- ... was up 78% of the time
- ... 17% on average
- ... delivered 9.5%

Value creators are

- ... dominant, exceptional and scarce
- ... exhibit less business volatility
- ... have the best talent

Tactical

- Structural trends
- Long-term mean reversion
- Less bureaucracy as advantage

S&P

- ... was down 22% of the time
- ... -15% on average
- ... with max. drawdowns of 57%

Implications



Remain fully invested to unleash compounding



Focus on mispriced value creators



Exploit positively skewed risk-reward setups



Mitigate drawdowns to significantly enhance compounding

Value Creation Makes Money

The companies have a few things in common...

- 1 Market leadership
- 2 Structural growth and predictable revenues
- 3 High margins and cash conversion
- 4 Low earnings volatility → easier to value
- 5 Superior capital allocation and return on investment
- 6 Attract the best talent

&

the value creation machine is well oiled...

Predictable revenues



High margins/ low fixed cost

Predictable earnings



High cash conversion

Predictable cash flow

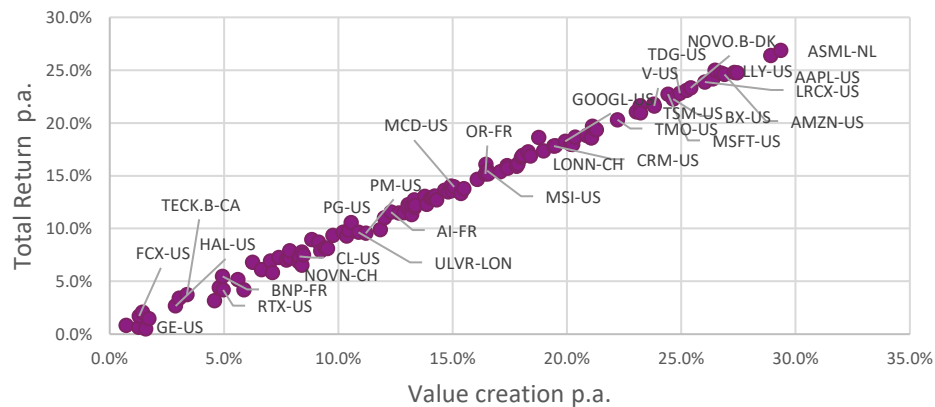


Structural growth

Structurally growing predictable cash flow

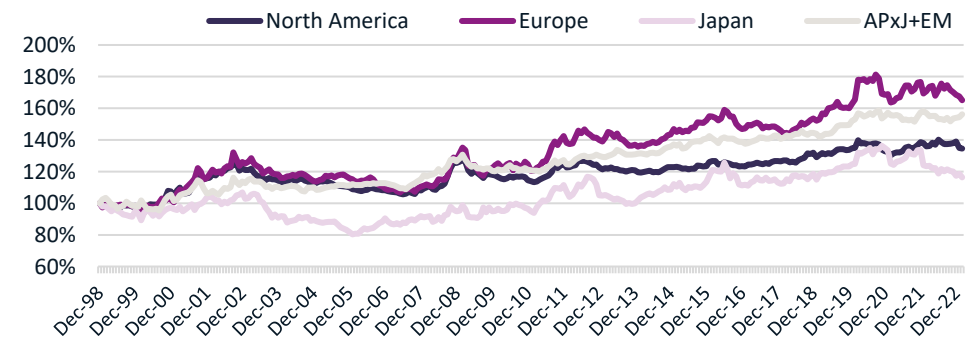
& there is PROOF that it works!

Value creation and total returns



Limmat proprietary definition of value creation and Limmat universe

Value creators outperform in all regions through cycles

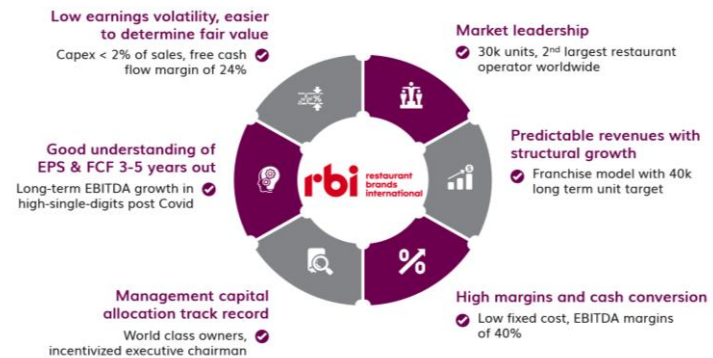


Morgan Stanley quality compounder qutperformance 2023

Value Creators



Example Core Holding Restaurant Brands International



Example Core Holding Restaurant Brands International



How We Operate

STEP 01

Focus on companies and management teams where value creation is best in class



STEP 02

Pick the ones which offer the highest expected return (“IRR”) at a given valuation and point in time. **PURCHASE PRICE MATTERS!**



VISA

Predictable value creation @ reasonable valuation



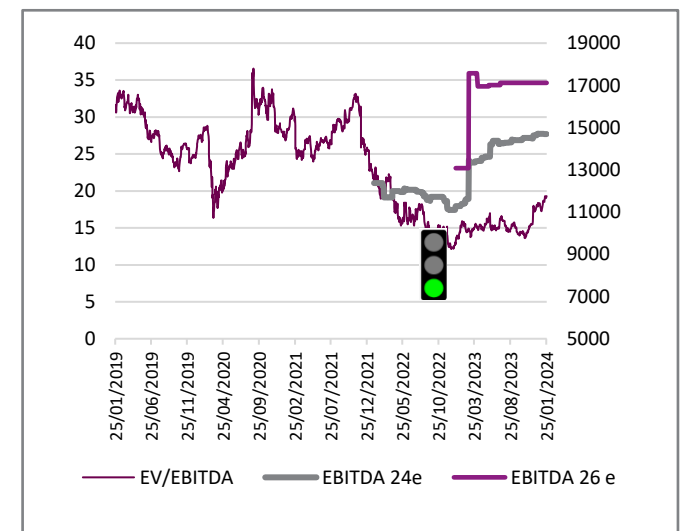
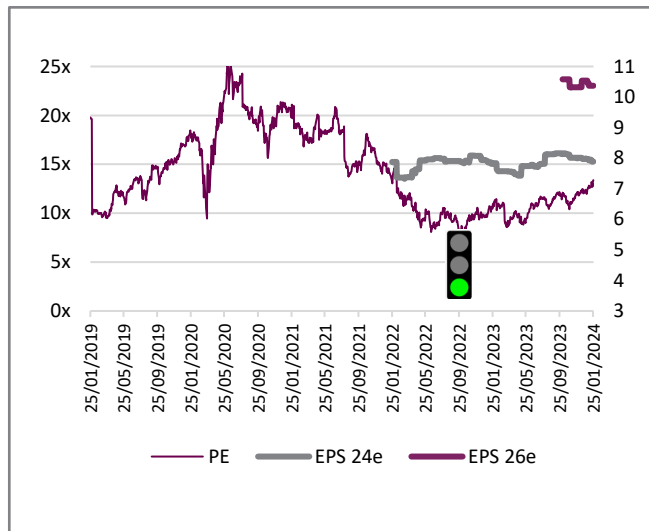
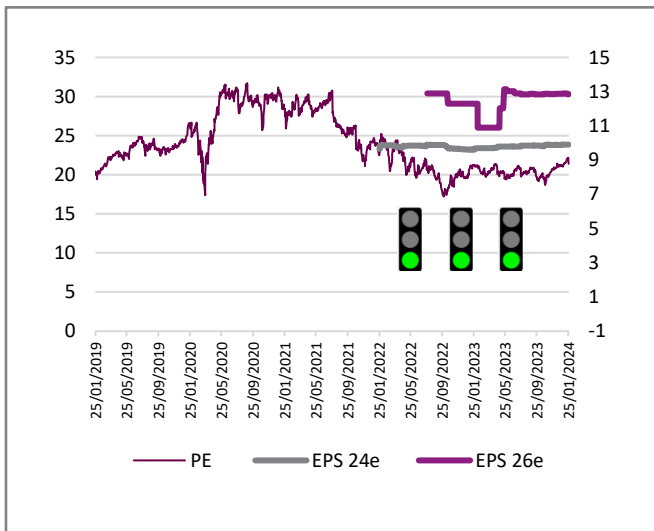
APOLLO

Strong value creation @ trough valuation



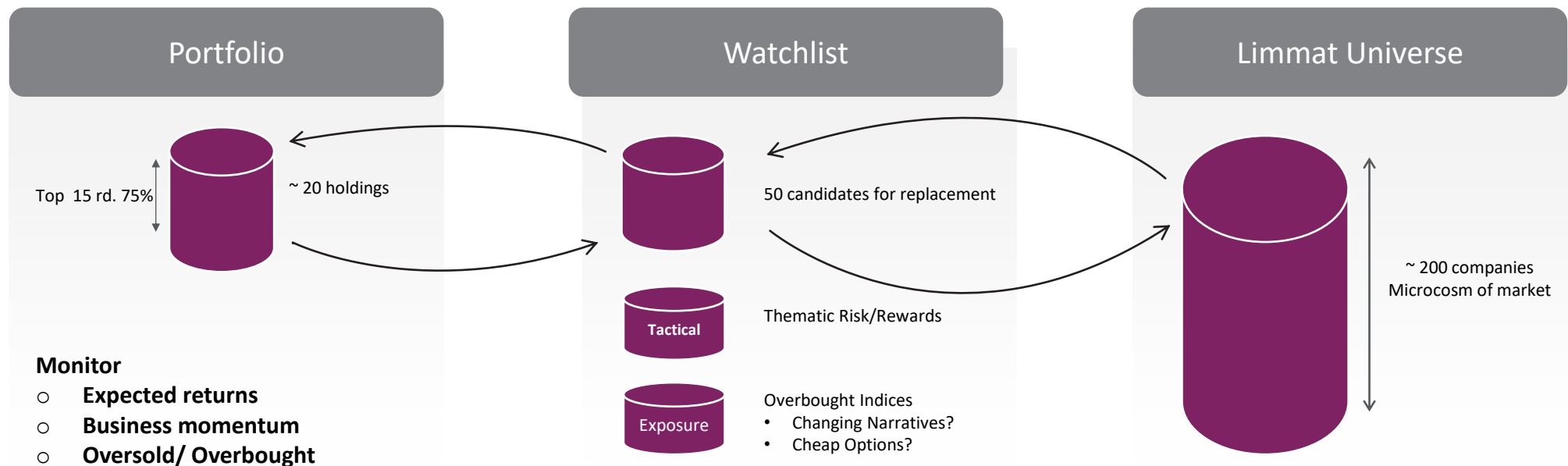
salesforce

Underappreciated value creation @ trough valuation



Investment Process ↔ Reduce Complexity ↔ Use Large Opportunity Set

- I. Portfolio is members only -> Pick winners & avoid losers
- II. Research without execution is a pastime not a profession
- III. Are we good stockweighters?
- IV. Only expected return profiles matter -> every holding is replaceable



Questions for Weekly Investment Meeting?

1) Any losers?

- No -> Good
- Yes -> Replace

2) Are VIPs real VIPs?

- Yes -> Good
- No -> Replace/ Reduce

1) Any screaming buys?

2) Attractive tactical risk/reward setups?

3) Are markets vulnerable and overbought?





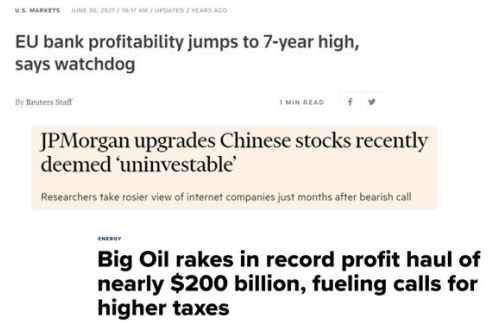

1) Any candidates for watchlist?

2) Any significant price action and why?

3) Should stocks be excluded/ included?






Our Value Creation Formula

Core and Tactical competing for weighting

	Core Holdings 	Tactical Holdings 	Risk Management 
Descriptions	Dominant value creators to unleash long-term compounding	Tactical investments to exploit attractive risk/reward setups	Future and options to mitigate downdrafts
Industries	Technology, health care, consumer discretionary, staples, aerospace	Industry agnostic, proximity to core companies	Equity indices, options, futures
Positions	15-20 stocks Concentration in the Top 15	~5 stocks, baskets	Up to 5 positions
Average Exposure	Greater than 70% Around 100% most of the time	Up to 30%	Up to 30%
			

Tactical and Risk Management

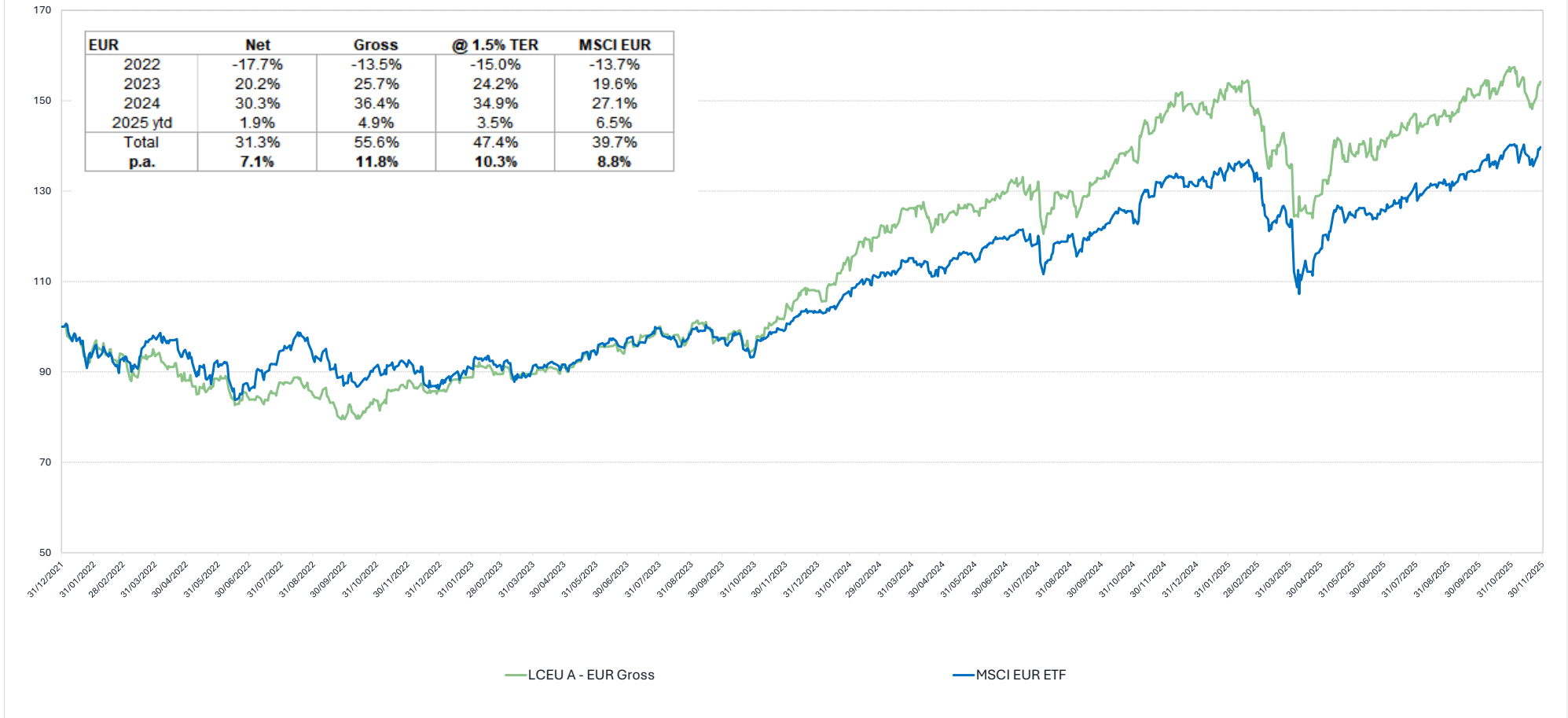
Requires 10% of research resources **BUT** time well spent

	Tactical Positions 	Risk Management 
Rationale	Attractive risk/reward setups	Mitigate deep drawdowns
Characteristics	Attractive valuation Positive earnings momentum Significant upside	Asymmetric risk/reward situations
Asset classes	Single Stocks, baskets and indices	Equities, interest rates, credit
Weighting	up to 30%	up to 30%
	<p><small>U.S. MARKETS JUNE 30, 2021 / 10:17 AM / UPDATED 2 YEARS AGO</small></p> <p>EU bank profitability jumps to 7-year high, says watchdog</p> <p><small>By Reuters Staff 1 MIN READ</small>  </p> <p>JPMorgan upgrades Chinese stocks recently deemed 'uninvestable'</p> <p><small>Researchers take rosier view of internet companies just months after bearish call</small></p> <p><small>ENERGY</small></p> <p>Big Oil rakes in record profit haul of nearly \$200 billion, fueling calls for higher taxes</p>	

Performance

Long-term goal is to outperform the MSCI World TR with mitigated² drawdowns

LCEU A - EUR vs. MSCI World EUR ETF



1) Gross figures unaudited

2) The UCITS regime requires a long bias. Our aim is to meaningfully outperform the market in a bad year to aggressively take advantage of lower and reset multiples

Why Outsource Investing To Us?

$$IRR \approx \text{growth} + \text{yield} + \left(\frac{\text{Multn}}{\text{Mult0}} \right)^{1/n} - 1$$



Research And Execution

- **Research Discipline**
Understanding growth & quality of income streams
- **Buying & Selling Discipline**
Seizing opportunities



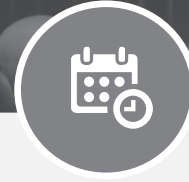
Focus On...

What **MATTERS**

- Finding around 10-15 attractive income streams and sizing them
- **Purchase price** and expected returns
- Seeing value creation when the market does not

And not on what **DOES NOT** matter

- News flow
- What is en vogue (themes, "value" "growth", "quality", "hydrogen" etc...)
- What other people think



Tactical & Timing

- **Adapt** to evolving trends



Mitigating Drawdowns

- **Protect capital** and enhance compounding

The logo for LIMMAT CAPITAL consists of a grey square containing the text 'LIMMAT' and 'CAPITAL' stacked vertically in white, uppercase, sans-serif font. Below the grey square is a solid purple horizontal bar.

LIMMAT
CAPITAL

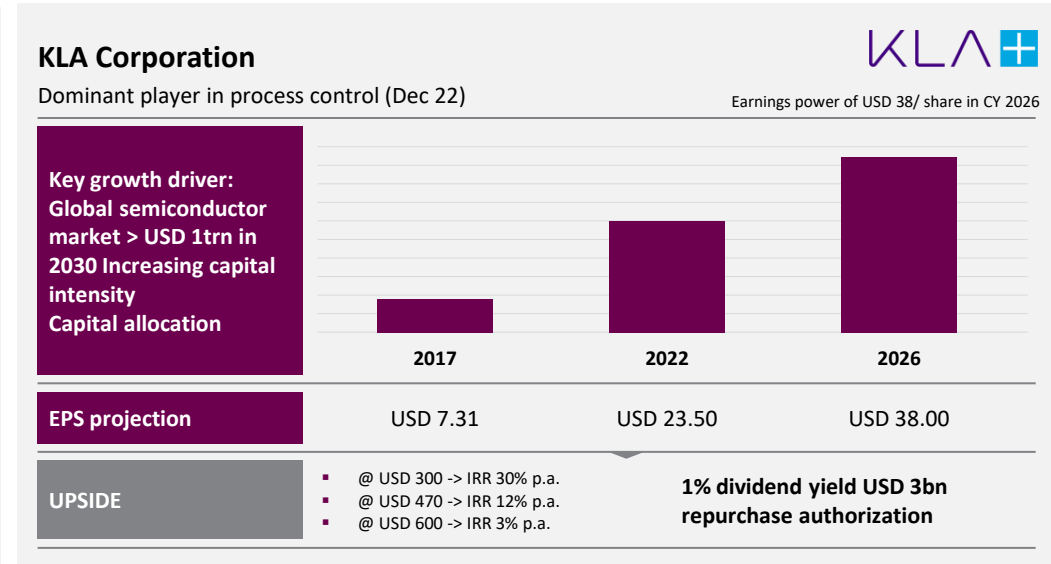
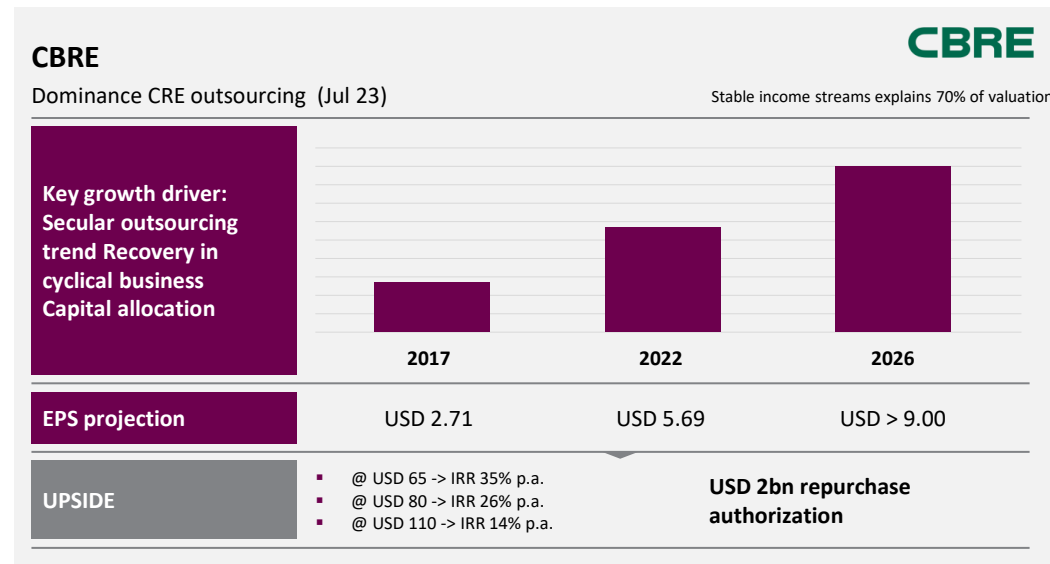
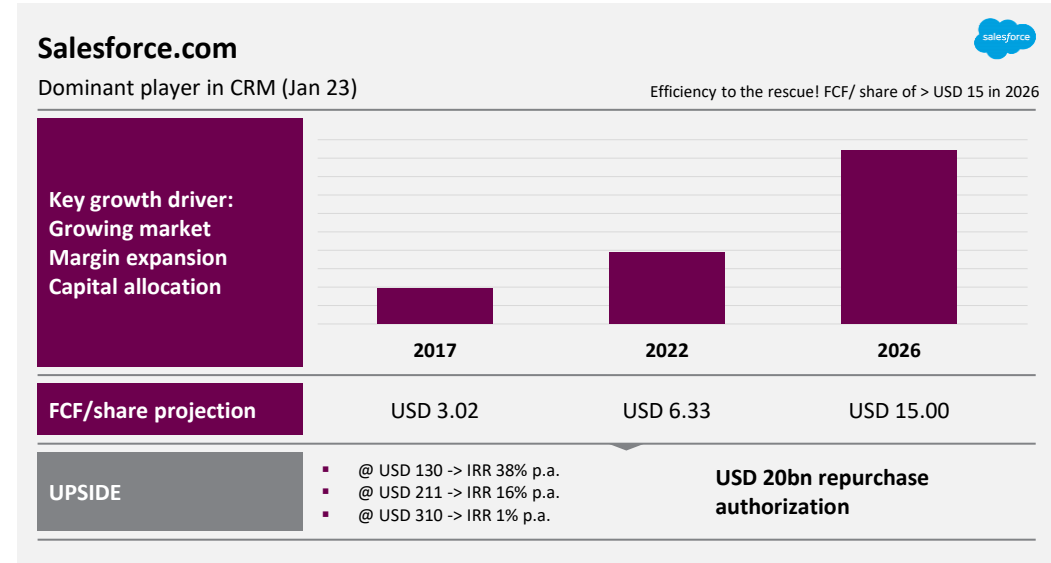
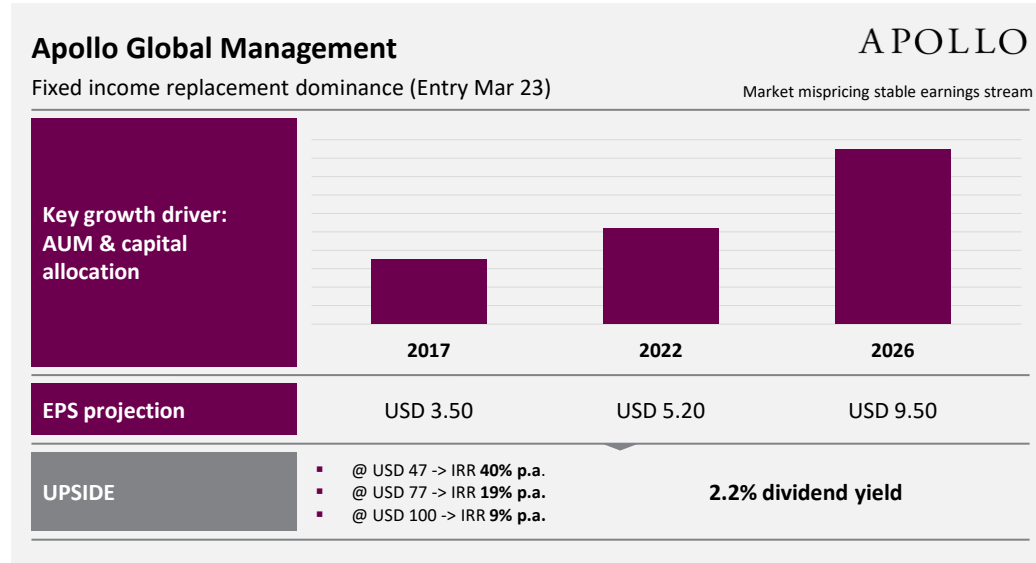
THANK YOU

APPENDIX



Purchase Price Matters or “What tends to work”

Value creators generate the best total return at the **right** valuation



Tactical Positions



Attractive risk/reward setup

✓ Supply-demand imbalance, low multiples

Earnings momentum

✓ 2022 EPS consensus increased > 90% ytd

Continuing trend and changing narratives

✓ Capital discipline and high shareholder yield >7% (dividend and share buyback program)

Technical trend

✓ Positive trend signals, quant sector model long energy sector

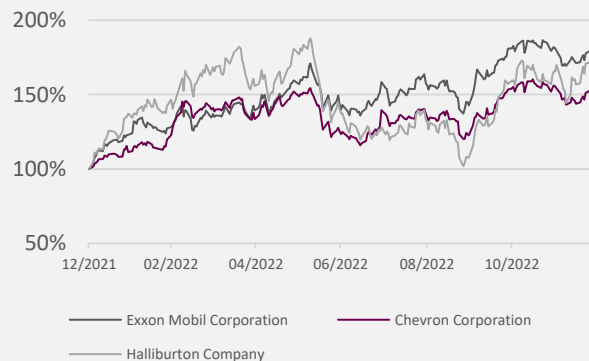
Contrarian with potential multiple expansion

✓ Historically low weighting in SPX

Allocation Model

	Gold (M&G)	Artifical (IF)	S&P500 (M&S)	Russel/2000 (M&O)	EM Equities (E&M)	Europe Eq. (E&V)	Commodities (O&C)	Total
Strategy	0.0%	0.0%	0.8%	0.0%	0.0%	25.3%	26.1%	
OM (Pure Model)	0.0%	0.0%	0.8%	0.0%	0.0%	25.3%	26.1%	
Delta (Strategy-OM)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Signal	0.19	-1.99	0.07	-0.14	-0.48	-0.05	-2.15	

90bps contribution in 2022



Risk Management



Attractive risk/reward setup

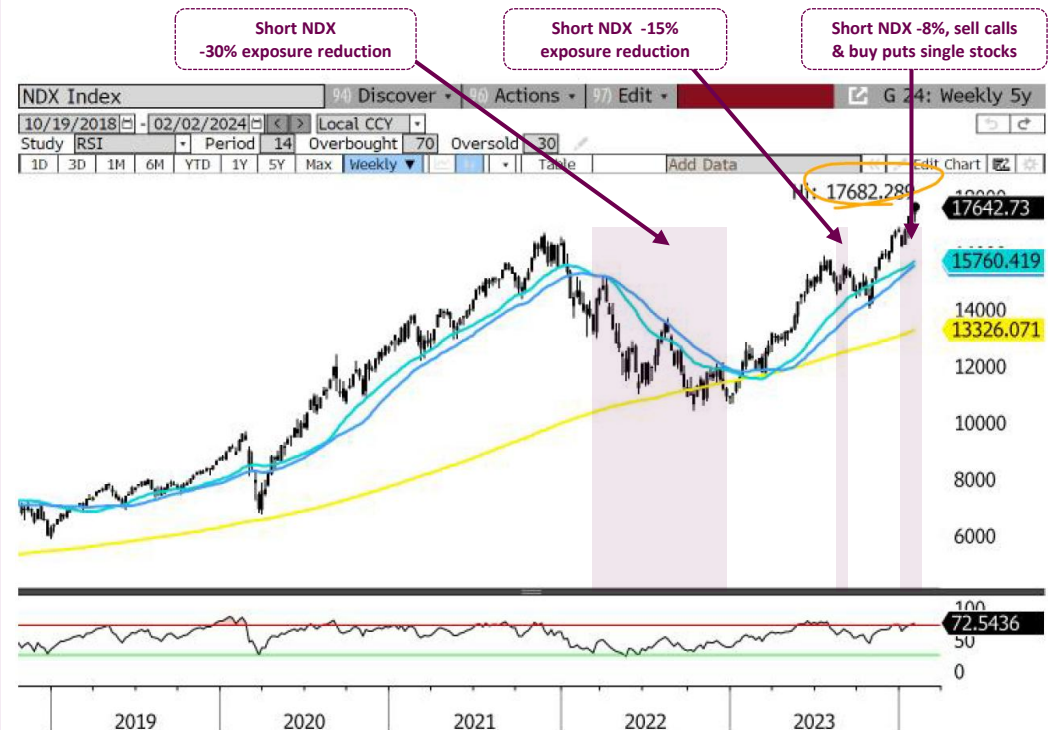
✓ Overbought indices + changing inflation and geopolitical narrative

Changing narrative

✓ Higher rates vs high valuations vs hard landing

Instruments

✓ NDX Futures & single stock puts



- ?** **You say you are not a growth investor, but you sure talk about growth a lot?**
This a fair assessment. When we talk about growth, we are mainly talking about the importance of growth in value creation, this could also include a high yielding stock with an average growth rate. Similarly to growth investors, there are situations where we are willing to pay a higher multiple. In what bucket should we put cheap stocks which exhibit significant growth?
- ?** **Which company will create the most value going forward?**
On a per-share basis, the biggest value creator is likely to be found among the Magnificent 7, as they have many verticals or segments which are growing strongly. We are moving into a winner-takes-all world where a significant amount of capital outlay is required and where it will be extremely difficult to disrupt like in the past. Disregarding dramatic stock price fluctuations and not uttering a buy recommendation, TSLA is a prime candidate in Christoph's opinion. However, there is a vigorous internal debate.
- ?** **How can a two-person team seriously cover 200 companies?**
We are collaborating with some truly exceptional people whom we have known for more than a decade. Modelling, for example, is done by an outstanding analyst in Sri Lanka with impeccable credentials. When it comes to research, we focus on purchase price and expected returns rather than having very detailed models (80/20). Within our universe of winners, one generally gets to an 80% confidence level and big picture understanding in a reasonable amount of time. Purchase price matters more than forecasts!
- ?** **Why not only focus on value creation and leave out tactical and risk management? Isn't it a distraction?**
We do not think there is an inconsistency here. The goal with our tactical positions is to get it approximately right in situations with outsized return potential. We have a stringent set of criteria which need to be met.
- ?** **Why Limmat and not an index ETF, and what are you doing differently in comparison to long-only funds?**
We are not valuation agnostic and will buy, sell and size according to our expected return models. Most indices are very concentrated and sometimes go through periods of stagnation. Lastly, we have the clear ambition to minimize drawdowns to enable the portfolio to compound at higher rates. Having said that, it is difficult to argue that ETFs are not a viable alternative. Nevertheless, that still does not solve the problem of when and how to buy. Outsourcing these decisions to a one-stop shop is a smart thing to do in any case.