



GENAVEST CAPITAL LIMITED

Dear Investor

September 2024

Market Review, Third quarter 2024.

Global Stock Market Performance:

International stock markets rose during the 3rd quarter of 2024. The MSCI World Index™ gained 6.02%, with emerging markets being propelled forward by stimulus policies unveiled in China. Bond markets also performed strongly, with interest rate cuts during the quarter driving a 6.98% return in the Bloomberg Global-Aggregate Total Return Index™.

United States

In the United States, the S&P 500™ climbed by 5.53%, with all sectors gaining (except for Energy) led by Utilities, then Real Estate & Industrials.

Rates were left unchanged by the Fed in July (held at a 23 year high), which was then followed by a weaker than expected non-farms payroll number in August, and a concurrent increase in the US unemployment rate to 4.3%.

This tepid employment data stoked fears within financial markets that the Fed might may well have been unduly conservative in initiating a rate cutting cycle, thereby risking an economic “hard landing”. Significant rate cuts began to be priced-in by year end.

Simultaneously, market participants had begun to express concerns about the extent to which enormous investments being made into new technologies (primarily AI) might yield positive ROI for business. Anxiety surrounding these risks added to the fluctuations in equity prices at the start of August.

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Company Number: 127 83 153

Directors: A. De Lange; L. Egan; R. Porter



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A variety of stronger corporate earnings releases during Q3 assisted in boosting investor sentiment. Fed chairman Powell followed up, and during his Jackson Hole central bank conference in August, signalled an interest rate cut was likely in September. This was then confirmed when the Fed subsequently announced a 50 basis point (bps) reduction to rates at the time.

All eyes are now on the US presidential election on November the 5th. Trump faces off against Harris, with investors not seeing much of a difference between the two in terms of potential future economic policy at this stage.

The total US deficit, and the ever increasing “Interest on National debt” line item in the US Federal Budget, remains the unaddressed “elephant in the room”. For fiscal year 2024, 17% of total federal spending is allocated to servicing Federal debt.

See fiscaldata.treasury.gov for more information.

Eurozone

The MSCI EMU Index™ posted a 2.87% gain during the 3rd quarter. Sectors driving the gains were Real Estate, Utilities and Healthcare. The outlook for lower Eurozone interest rates saw a rotation into these previously less favoured market sectors, with Energy and IT declining during the quarter.

The ECB left rates unchanged at their July meeting, however they cut by 25 basis points in September. Pricing data indicated cooling inflation over the period, with annualised inflation dropping from 2.6% in July down to 1.8% by September.



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Data in the form of the Eurozone PMU for September does suggest a slowing Eurozone economy, with a reading of 48.9 showing at an 8-month low. A weakening in the manufacturing sector was attributed to this outcome, whereas the service sector number was 50.5 (a slight increase). Weaker PMI data and benign inflation numbers served to enhance expectations of further short term cuts in ECB rates.

Japan

The Nikkei 225™ produced a decline of 4.2% during the 3rd quarter. This was on the back of profound volatility during the period. The market initially rallied by 6.7% at the start of the quarter, before falling 25% in less than a month, before rallying another 20%.

This price action has been driven by the interplay between declining US rates, increased BOJ interest rates, the YEN/USD exchange rate, and the economic outlook for export focussed Japanese companies. Over the quarter, the yen gained against the US dollar by 11%.

Unsurprisingly, domestically oriented sectors such as Retailing, Construction, and IT & Communications performed well. Companies that are heavily exporter-focussed such as Autos and Machinery declined.

China

The Shanghai Shenzhen CSI 300 Index™ rose by 16.1% during quarter 3. The CCP has brought in a host of stimulatory measures with the intention of reversing a slowdown in the Chinese economy. These policies, which include rate cuts and fiscal policies, are intended to revive a somewhat moribund Chinese economy. Whether these actions will ultimately feed through into improved consumer sentiment, thereby driving domestic consumption, remains to be seen.

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The Genavest Fund

The Genavest Fund returned a positive gain of 4.9% for the quarter. The fund remains conservatively positioned, holding approximately 85% net long equity exposure in large cap blue chip stocks, with the balance held in short term and cash-like interest bearing instruments. We continue to favour a pool of equities, whose businesses are easily understood, where earnings are transparent, and where the growth outlook is intelligible.

Regards

Ronnie and Luan

1. All index performance sourced from Bloomberg / USD based / non total return indices.

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PERFORMANCE STATISTICS

Total Return Annualised

6.25%

Average Winning Month

2.52%

Standard Deviation Monthly

2.87%

Winning Months (%)

57.78%

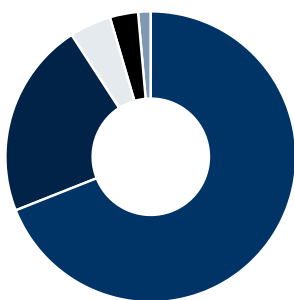
Average Losing Month

-2.15%

Downside Deviation

1.84%

GEOGRAPHICAL EXPOSURE

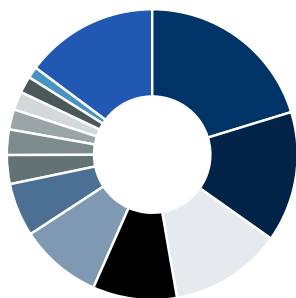


United States	68.79%
Euro Market	21.77%
South Korea	4.62%
Canada	3.13%
United Kingdom	1.4%

GENERAL INFORMATION

Fund Value	190,984,789 USD
Minimum Investment	100,000 USD
Subscriptions/Redemptions	Monthly
Gross Exposure	133%
Dividends	Dividends are re-invested
Base Currency	USD
Inception Date	Jan 2021
Portfolio Manager	Ronnie Porter
Contact Person	Luan Egan
E-mail	info@genavest.com
Website	www.genavest.com
Auditor	Grant Thornton
Custodian	Morgan Stanley Prime Broking
Administrator	Centaur Fund Services
Data Provided by	Centaur Fund Services/Bloomberg

SECTOR EXPOSURE



Fixed Income	20.8%
Financials	14.9%
Industrials	12.8%
Health Care	9.6%
IT	9.4%
Real Estate	6.1%
Consumer Staples	3.3%
Telecommunications Services	2.9%
Energy	2.3%
Consumer Discretionary	2.1%
Materials	1.9%
ETF	1.3%
Indices	-2.6%
Cash	15.2%

STRATEGY DESCRIPTION

The Fund maintains an open macro policy of investing in a wide variety of asset classes, including international equities, ETFs, other funds, international corporate bonds, government bonds and commodities. Under ordinary market conditions, the Fund will be long-biased and equity-biased, with a majority of holdings listed on major developed international exchanges. The Fund actively manages currency exposure. Leveraged exposure is taken at the Investment Manager's discretion with a view to maintain capital stability. Short positions reflect the Investment Manager's view on overvalued counters.

MONTHLY PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	0.12	1.25	6.60	-2.69	2.77	-0.62	3.27	1.52	0.06				12.66
2023	3.00	-0.33	-0.63	1.04	-0.83	1.44	2.50	-2.69	-0.81	-1.09	4.26	3.54	9.54
2022	-0.69	-3.00	1.36	-4.45	0.78	-7.45	4.54	-1.26	-2.60	2.80	4.61	-0.06	-5.97
2021	-1.17	-2.23	4.33	2.23	1.92	1.07	0.17	2.61	-3.41	3.04	-4.80	4.64	8.18

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