IPRO WORLD EQUITY FUND

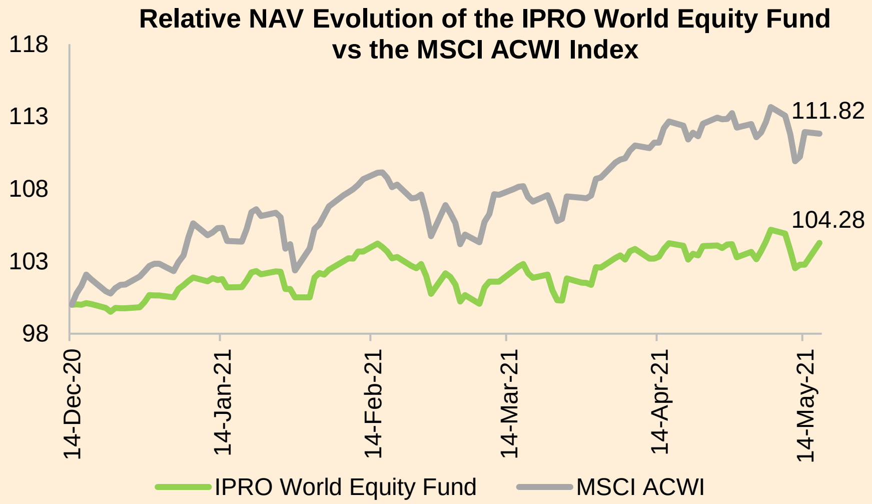
Newsletter | As at 17th May 2021

KEY DATA

The IPRO World Equity Fund (the "Fund") is an open-ended investment company whose objective is to achieve long-term capital appreciation by investing in a portfolio of securities, listed, quoted or traded on any stock exchange. The portfolio is expected to consist primarily of listed equity and equity related securities, with investments driven by bottom-up research.

Data as at 17th May 2021

Inception	14 December 2020
Base Currency	USD
Fund Size	USD 14.6 million
Benchmark	MSCI ACWI
ISIN	MU0683S00005
Equities	73.1%
Liquidity	26.9%
Holdings	74
Return since inception (USD)	4.28%



COMMENTARY

Welcome to the second edition of our global equities fund newsletter.

The fund, recently rebranded as the IPRO World Equity Fund, has now reached a size of USD 14.6 million, and we are happy to report that the Net Asset Value has increased by 4.28% over the initial five-month period since the Fund was launched. Over the last three months, equity markets have changed direction. What performed very well in 2020, like semiconductors and Chinese stocks, have significantly under-performed in 2021. On the opposite, value stocks, financials, energy and materials have so far out-performed this year.

Over the last three months, the IPRO World Equity Fund went up by 0.59%, while the MSCI All Country World Index increased by 2.81%. Over the last month, the Fund was resilient, with a +0.03% return, compared to a drop of 0.75% for the MSCI ACWI. Three months ago, we had written "we think it is our responsibility to invest prudently in these exceptional times" and our cautiousness has been proved right. What is striking is the sharp fall of "green energy" stocks and the rise of oil majors at a time when authorities want to convince us that the use of fossil fuels is a sin, when reserves are still relatively abundant and carbon emitted by petrol cars has been materially reduced over the last decade. On the opposite, copper and zinc used in batteries for electric vehicles are going through the roof, as demand is rising exponentially, clearly distorted by the authorities' actions. Another debate relates to the rise in inflation and whether this can stop the equity music orchestrated by the FED. What matters the most for the FED is the potential wage pressure, which would result from the percentage of the US population in employment, currently just below 60%, compared to 63% before the Covid crisis. By focusing on this statistic, the FED could be missing the key point, which is the fact that China, which has been the main deflationary catalyst of the last thirty years as the manufacturing hub of the world, is becoming a market of frenetic consumers, thanks to its sheer number of ecommerce clients and this could well keep inflation elevated for several years. Interesting times ahead!

You will find in this edition an update on 10 holdings which were amongst the main losers and gainers this quarter:

- Losers: US Global Jets ETF, AMD, Murata, Schneider Electric and Xinyi Solar
- Gainers: Global X Uranium ETF, Maersk, BP, Linde and UnitedHealth.

Stephane Henry
Lead Portfolio Manager
Group CEO

Contact Details

c/o Investment Professionals Ltd.
Ebène Skies, 3rd Floor, Rue de l'Institut, Ebène 80817, Mauritius.
Email: fundmanagement@ipro.mu | Tel: (230) 403 6700
Website: www.ipro.mu

iPRO INVESTMENT PROFESSIONALS

Member of CIEL Finance Ltd.

IPRO WORLD EQUITY FUND

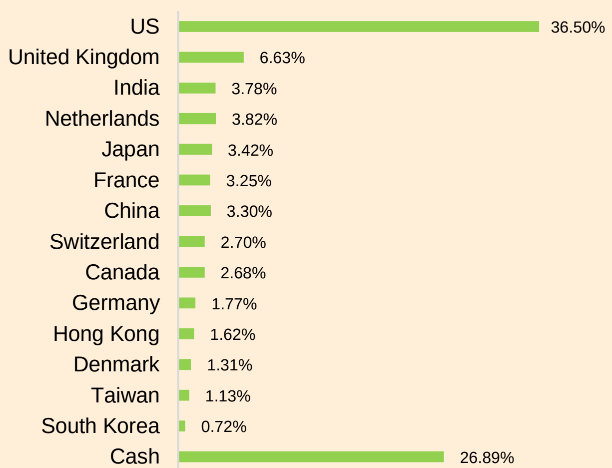
Newsletter | As at 17th May 2021

PORTFOLIO AS AT 17TH MAY 2021

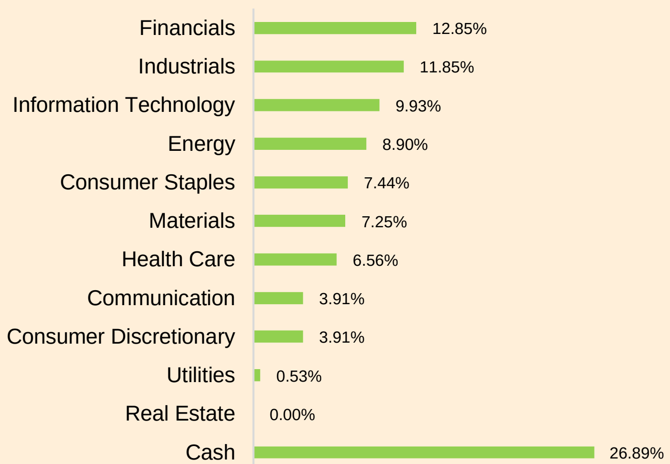
Security Name	Weight
US Global Jets ETF	2.54%
BP	2.44%
Royal Dutch Shell	2.22%
JPMorgan Chase	2.19%
Global X Uranium ETF	1.88%
Thermo Fisher Scientific	1.86%
Siemens	1.77%
Microsoft	1.68%
ASML Holding	1.59%
HDFC Bank	1.52%
Chevron	1.51%
Marks & Spencer Group	1.51%
L’Oreal	1.48%
Honeywell	1.47%
Linde	1.44%
3M	1.40%
Walt Disney	1.39%
BlackRock	1.39%
Amazon	1.34%
Weyerhaeuser	1.30%
Barrick Gold	1.30%
Roche Holding	1.15%
Walmart	1.14%
Procter & Gamble	1.13%
Taiwan Semiconductor Manufacturing	1.13%
Schneider Electric	1.08%
Danaher	1.03%
Newmont	1.01%
Dr Reddy's Laboratories	0.98%
Alphabet	0.95%
UnitedHealth Group	0.95%
AIA Group	0.91%
Exxon Mobil	0.85%
UFP Industries	0.84%
Fujitsu	0.84%
London Stock Exchange Group	0.83%
Nestle	0.83%
Estee Lauder	0.81%

Security Name	Weight
Tencent Holdings	0.79%
iShares MSCI India UCITS ETF	0.78%
AP Moller – Maersk	0.78%
Visa	0.77%
T-Mobile US	0.77%
Home Depot	0.77%
iShares MSCI China A UCITS ETF	0.74%
Samsung Electronics	0.72%
Zurich Insurance Group	0.72%
Komatsu	0.71%
Western Alliance Bancorp	0.71%
Techtronic Industries	0.71%
IHS Markit	0.71%
PepsiCo	0.70%
Air Liquide	0.70%
Pan American Silver	0.69%
First Quantum Minerals	0.69%
Apple	0.69%
iShares MSCI China UCITS ETF	0.68%
Murata Manufacturing	0.61%
Takeda Pharmaceutical	0.59%
Wells Fargo	0.59%
Sherwin-Williams	0.58%
Orsted	0.53%
Advanced Micro Devices	0.51%
Infosys	0.50%
Legal & General Group	0.47%
China Mengniu Dairy	0.47%
Archer-Daniels-Midland	0.46%
General Mills	0.43%
Itochu	0.37%
Salesforce	0.37%
Xinyi Solar Holdings	0.33%
Nidec	0.30%
Meituan	0.29%
Intel	0.19%
Cash	26.89%

Country Allocation



Sector Allocation



IPRO WORLD EQUITY FUND

Newsletter | As at 17th May 2021

LOSERS

US Global JETS ETF (NYSE : JETS) provides access to the global airline industry, including airline operators and manufacturers from all over the world. Its top four holdings are Southwest, American, United and Delta Airlines. JETS has a 69% exposure to the US airline industry. We bought this fund on 18th March 2021 in order to benefit from the "US reopening trade", as the dynamism of the vaccination campaign would soon allow Americans to freely travel by plane across their country. We bought the ETF instead of direct investments into selected airlines, since many airlines' balance sheets have been screwed by the crisis and can only survive with public support. This position is the most important one held by the Fund and, unfortunately, after two months we have incurred an unrealised net loss of USD 24,984, representing a 6.3% loss compared to the purchase price of USD 28.33. According to the statistics published by the US Transportation Security Administration, the number of US airline passengers has now reached 66% of the 2019 level and we expect this percentage to increase during the summer.

Advanced Micro Devices (NASDAQ: AMD) is an American semiconductor company that develops an array of chips for the personal computer and data centre markets. Key product areas include CPUs (Central Processing Units) where AMD competes with Intel and GPUs (Graphics Processing Units) where AMD competes with Nvidia. The company also supplies chips that power leading game consoles such as the Sony PlayStation and Microsoft Xbox. AMD is a beneficiary of major secular trends such as digitalization, cloud computing, machine learning, etc, and indeed, its Q1 2021 financial results were very strong. Nevertheless, its share price has been under pressure in recent months. Contributing factors possibly include rising yields (AMD is a growth stock), a price correction after the 2020 rally, AMD's ongoing Xilinx acquisition (all stock-deal) and concerns around the current supply shortage in the semiconductor industry. We bought 2,300 shares of AMD in December 2020 and January 2021 at an average price of USD 90.5 but subsequently decided to reduce our exposure in order to mitigate the short-term volatility of the overall portfolio. We sold 1,300 shares at an average price of USD 78.9 USD earlier this month (realized loss of USD 15k, -12.8%). As at 17th May 2021, the unrealized loss on the remaining 1,000 shares is 17.5%.

Murata (TYO: 6981) is a Japanese manufacturer of electronic components such as ceramic filters and high frequency parts & sensors. The Company operates through three main segments: Components (67% of group revenue and 79% of group profits in FY 2020), Modules (30% / 19%), and Others segment (3% / 2%). The FY 2020 results published on 28 April 2021 showed a 6% revenue growth YoY and a net profit growth of 30% YoY, to JPY 1,630bn and JPY 237bn respectively. FY 2020 EPS improved by 29% YoY to JPY 370.51. The group is forecasting revenue growth of 2% for FY 2021 to JPY 1,660bn with the growth of car electronic & smartphone capacitors while net income is expected to grow by 1.5% to JPY 242bn. We bought 1,200 shares at a unit cost of JPY 9,918 on 17th February 2021 and since then, the share price has decreased to JPY 8,164 (-17.78%) on 17th May 2021, leading to an unrealised loss of USD 19,380. Potential reasons include current macro context with the switch from growth to value (Murata is defined as a "growth" stock with fairly high valuation metrics). The share price was at all-time high in late January so it could also be the results of a healthy market correction added to the above reason. Also, since Murata produces microchips, it is indirectly link to the semiconductor industry which has been impacted by the shortage of chip and the protectionist measures taken by the US and China.

Schneider Electric SE (PA: SU) is a French industrial group, with two business segments: energy management (78% of revenue) and industrial automation (22%). Its 2020 net income was EUR 2.1 bn for a EUR 25.2 bn turnover. We bought 1,000 shares at EUR 137.55m ahead of the Q2 results publication on 27th April and these results have disappointed investors, with a current share price of EUR 130.36 representing a 5.6% drop (unrealised loss of EUR 7,713). The company targets an EBITA growth of 9% to 15% in 2021, thanks to its continued focus on margin expansion. Energy management has become an essential component for infrastructure projects, as well as data centres and industries. We believe that Schneider Electric has the right product mix for a sustainable growth path ahead, given the company's global footprint.

Xinyi Solar Holdings (HKG: 0968) is an investment holding company mainly engaged in the manufacturing and sale of solar glass. It is a leading global solar glass manufacturer with 80% revenues derived from China. Xinyi Solar has 2 reportable business segments: Sales of Solar Glass representing 80% of total revenue and Solar Farm Business, 20% of total revenue. The full-year 2020 results were published on 1st March 2021. Sales for 2020 were HKD 12.3 billion, a 35% increase compared to 2019. Sales of Solar Glass went up by 48% while Solar Farm Business revenue remained flat. Net Income grew by 85% to HKD 4.6 billion compared to HKD 2.4 billion in 2019. The Company has not reported any financial guidance for the Financial year 2021. We bought 64,000 shares of Xinyi Solar Holdings Ltd (HKG: 0968) at a unit price of HKD 13.90 on 23rd March 2021. We reduced our position by half at HKD 11.80 on 6th May 2021, realising a loss of HKD 67,200 (-15%). On 17th May 2021, the share price closed at HKD 11.74, representing an unrealised loss of HKD 69,120 (-16%) on the remaining shares.

IPRO WORLD EQUITY FUND

Newsletter | As at 17th May 2021

GAINERS

Global X Uranium ETF (NYSEARCA: URA) provides investors access to a broad range of companies involved in uranium mining and the production of nuclear components, including those in extraction, refining, exploration, or manufacturing of equipment for the uranium and nuclear industries. The fund seeks to follow the price and yield performance of the Solactive Global Uranium & Nuclear Components Index and is currently composed of 38 companies. Top 3 holdings (as of 05/17/21) include: Cameco (24%), Kazatomprom (23%) & Nexgen Energy (6%). At a country level Canada accounts for 44% of net assets followed by Kazakhstan (24%) & South Korea (9%). YTD performance (as of 05/17/21) is +38.4% ; 1Y: +99.4% ; 3Y: +52.99%. We bought 6,900 shares of URA at a unit cost of USD 17.73 on 8th March 2021 and 6,000 shares on 12th May 2021 at USD 21.39. Since then, the price has increased to USD 21.62 (+11.01%) on 17th May 2021, leading to an unrealised gain of USD 27,230. The current shortage of uranium supply added to the growing demand from Emerging Markets such as China or India are driving uranium prices up which should be positive for URA.

AP Moller-Maersk (CPH: MAERSK-B) is a Danish world-leading marine shipping company active in freight transportation & services such as supply chain & port management. The Company operates through 4 main segments: Ocean (69% of group revenue and 78% of group operating profits in Q1 2021), Logistics (18% / 6%), Terminals & Towage (9% / 14%) & Manufacturing (4% / 2%). The Q1 2021 results published on 5th May 2021 showed a 30% revenue growth YoY and a net profit growth of 1,200% YoY, to USD 12.4bn and USD 2.72bn respectively. Q1 2021 EPS improved by 1,290% YoY at USD 139. For FY 2021, the group is forecasting an EBITDA between USD 13.0 & 15.0bn & free cash flow of USD 7bn. The Ocean segment is expected to grow in line with global container demand (5% to 7%) in 2021 driven by strong containers demand added to shipment bottlenecks and the lack of capacity and equipment which are driving freight rates to record high levels. We bought 45 shares of Maersk at a unit cost of DKK 12,655.7 on 23rd February 2021 and since then, the share price has increased to DKK 15,570 (+22.94%) on 17th May 2021, leading to an unrealised gain of USD 21,360.

BP PLC (LON : BP) is one of the oil majors, with a daily oil production of 2 million barrels. We bought a total of 80,000 shares at three different dates and an average price of GBP 2.81. Last price was GBP 3.15, a gain of GBP 26,366 or 11.7%. The key BP share price driver is the Brent price, which was at USD 61 as at 31st March 2021 and has now reached almost USD 70. Like all oil majors, BP is transforming itself into a low-carbon energy company, "from an International Oil Company to an Integrated Energy Company", significantly scaling up its low carbon energy business. Based on current oil prices, BP should achieve in excess of USD 10 bn of net profit in 2021 (2020: loss of USD 20 bn), for a current market capitalisation of USD 92 bn.

Linde PLC (NYSE: LIN) Linde is the world's largest industrial gas company. It operates through 4 main segments: 3 (geographical) segments specialized in industrial gases: Americas (39% of group revenue and 47% of operating profit for FY 2020), EMEA (25% / 26%) and APAC (20% / 21%) & a 4th Engineering segment (9% / 6%). Q1 2021 results published on 6th May 2021 showed a 7% sales growth YoY and a 30% net income growth YoY, to USD 7.24bn and USD 1.31bn respectively. Q1 2021 diluted EPS improved by 32% YoY at USD 2.49. For Q2 2021, the Company targets adj. EPS of USD 2.50 to 2.55 while for FY 2021, adjusted EPS of USD 9.60 to 9.80 and CAPEX of USD 3.0bn to 3.4bn. We bought 400 shares at a unit cost of USD 252.89 on 22nd December 2020. On 19th February 2021, we bought 300 additional shares at a unit cost of USD 249.72. Since then, the share price has soared to USD 300.88 on 17th May 2021, leading to an unrealized gain of 19.62%.

UnitedHealth (NYSE: UNH) is a US multinational healthcare and insurance company. It is the 2nd largest healthcare and the largest insurer (by net premiums) in the world. The Company operates through 2 main segments: UnitedHealthcare (60% of group revenue and 61% of operating profit in FY 2020) & Optum (40% / 39%). The Q1 2021 results published on 15th April 2021 showed a 9% revenue growth YoY and a net profit growth of 44% YoY, to USD 70.2bn and USD 4.98bn respectively. Q1 2021 diluted EPS improved by 41% YoY at USD 5.08. For FY 2021, the group is forecasting an increase in Diluted EPS from $17.15 to $17.62 / share and expects a continued rise in provision of care including a growing demand for Covid vaccination equipment. We bought 340 shares at a unit cost of USD 355.95 on 21st January 2021 and since then, the share price has increased to USD 408.63 on 17th May 2021 (+14.71%), leading to an unrealised gain of USD 17,810.