Portfolio Manager Commentary and Performance

Market Update

During May, Latam returned -3.89% in USD terms, lagging behind EM's and DM's. Brazil was the main laggard, while Colombia and Chile outperformed the region's average, explained by the positive performance of their currencies. In terms of sectors, energy, impacted by lower-than-expected dividends and the surprising management change at Petrobras, and discretionary were the main laggards, while the Healthcare sector, following positive corporate results in Brazil, remained in positive territory. Also on a positive note, the commodities index reached a 1.3% return in USD, also supporting the region's currencies.

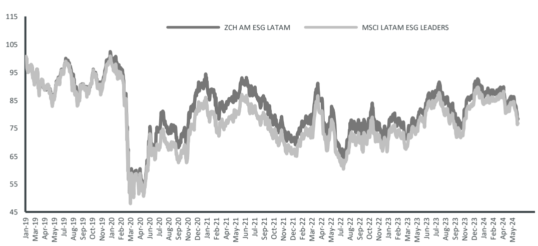
Latam is trading at 8.4x P/E fwd, 1.4x deviations below its 10Y average, and discounted against relevant markets. In the case of EM's, Latam is trading at a 30% discount compared to the nearly 1% premium it has traded at in recent history. This discount is mainly explained by earnings revisions, which have increased by +4% for the region during the last 3 months, while they have decreased by -2.9% for EM's. In Latam, positive revisions are supported by 1Q corporate results, where 64% of companies reported earnings in line with or above consensus. While global uncertainty continues to weigh on outflows from the region, we believe these should return to positive territory once the Fed begins cutting rates in the United States, benefiting Latam considering: i) the positive performance of relevant commodities, ii) upward revisions in growth expectations for Latam's major economies, iii) the positive impact of rate cuts, although the pace of future cuts has been adjusted, considering domestic and global dynamics, and iv) an attractive dividend yield of around 6%.

The MSCI Brazil Index declined by 5.88% in USD terms, partially explained by an 1.01% depreciation of the BRL on local negative news flow: on one hand, government decision to change SOE Petrobras' CEO, and also, increasing fiscal uncertainty as the government announced a negative revision to its fiscal targets while it continues to push for new measures to increase revenue collection and reach this year's zero primary target. In addition, the Central Bank cut the SELIC rate by 25bps, on a divided decision, resulting in upward pressures to inflation expectations for 24 and 25. Inflation has also been impacted by the floods in Rio Grande do Sul, although this impact is expected to be transitory. Despite the noisy local dynamics, we believe that some of these risks should already be priced in, considering that the index is trading at 7.5x P/E fwd, 1.3x deviations below its 10Y average, and below levels reached at the beginning of the pandemic or during Dilma's government. Thereby we see that the current risk-return is supportive for the market, especially considering upward revisions to expected earnings for this year.

Mexico posted a -2.8% return in USD terms, above the regional average, with a currency appreciation of 0.75%. Although the MXN appreciated by 3.4% during the month, it began to lose strength in the last days of the month as the market positioned itself for the general elections on June 2nd. At the end of the month, the baseline scenario remained a victory for the ruling party with a simple majority in congress, but the results showed a larger advantage than expected, almost reaching a qualified majority in both chambers, explaining the market's reaction, which has recovered in recent days. The index is trading at 12.7x P/E fwd, 1x standard deviation below its 10Y average, with upward revisions in 2024 earnings estimates of 0.9% in the last 3 months, supporting the expected growth of almost 13% for this year, the highest among the region's main markets. Considering the uncertainty regarding the legislative agenda of the new government, cabinet formation, the presentation of the 2025 budget, crucial for determining commitment to fiscal discipline, and the upcoming presidential elections in the United States, stock picking is key, so we are favoring companies with greater exposure to results outside Mexico, solid cash generation, lower regulatory risk and attractive valuations.

During the month, the ZCH share class reached a -3.77% return in USD terms, compared to -3.34% from our benchmark, the MSCI Latam ESG Leaders Index. Relative contribution was our OW in Industrials, though Localiza (-14.06% in USD) and Santos Brasil (+-15.34%), and our UW in Healthcare with RDOR (+4.55%)

Performance for Serie ZCH

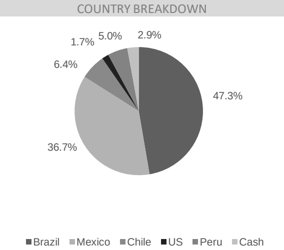


Risk Metrics	
Volatility (Annual)	15.00%
Beta	0.96
Alpha	-1.91%
Tracking Error (annual)	3.84%
Information Ratio	-0.52

Returns	May-24	Since Inception	YTD	LTM	3Y	5Y
ZCH AM SICAV ESG Latam ZCH	-3.77%	-6.16%	-12.97%	2.50%	-9.68%	-11.68%
MSCI Latam ESG Leaders	-3.34%	0.96%	-12.00%	4.48%	-3.76%	-11.08%

Portfolio Breakdown

COUNTRY BREAKDOWN



SECTOR	MAY-24	APR-24
FINANCIALS	30.2%	26.9%
CONS. STAPLES	17.7%	17.2%
INDUSTRIALS	13.8%	15.8%
MATERIALS	8.0%	8.6%
COMMUNICATION	9.2%	9.3%
UTILITIES	5.9%	6.7%
CONSUMER DIS.	2.4%	2.8%
ENERGY	5.3%	5.6%
HEALTH CARE	2.4%	1.1%
IT	1.0%	1.0%
REAL ESTATE	1.3%	2.5%
OTHERS	2.8%	2.5%

ISSUER	FUND	SECTOR
ITAU	9.5%	FINANCIALS
FEMSA	8.3%	CONS. STAPLES
BANORTE	8.2%	FINANCIALS
AMERICA MOVIL	6.1%	COMM. SERVICES
CREDICORP	4.8%	FINANCIALS
CEMEX	4.1%	MATERIALS
BRADESCO	3.7%	FINANCIALS
LOCALIZA	3.7%	INDUSTRIALS
ARCA	3.2%	CONS. STAPLES
PETRO RIO	2.2%	ENERGY
OTHERS	46.2%	

ZCH AM SICAV – ESG Latam Fund

May 31st, 2024

Produced by MSCI ESG Research as of June 6th, 2024

Fund Description

The ZCH AM SICAV – ESG Latam Fund seeks to provide long-term capital growth by investing principally in equity securities issued by Latin American companies. and American Depositary Receipts of Latin American companies. while minimizing environmental. social and governance (ESG) risks through selectivity.

The fund aims to achieve diversification in terms of sectors offering a core exposure to the Latin American stock markets and to companies listed on a stock exchange outside the Latin American region. but which generate a significant part of their income in or from Latin America and/or which have their registered office in Latin America. The investment manager seeks to add value primarily through stock selection.

Investments may be denominated in USD or in Latin American currencies. Currency risks may be hedged entirely or partially against USD through the use of financial derivative instruments.

Share Classes and Fees

Class	ISIN	Bloomberg Ticker	Current TER
Class ZCH	LU1837198826	EAESLEA LX	1.52%
Total AUM: US 11.1mn			

Giovanna Musa - Portfolio Manager

Claudia Rojas- Co-Portfolio Manager