March 31st, 2022

Historical performance data is not a guarantee of future returns

Fund	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2007	0.73%	0.21%	0.83%	2.06%	0.61%	0.40%	-0.22%	-0.79%	2.23%	1.29%	-0.42%	-1.50%	**5.44%**
2008	2.98%	-0.21%	0.32%	2.14%	-0.87%	-1.64%	-0.33%	1.26%	-2.14%	0.16%	0.83%	1.54%	**4.00%**
2009	-1.64%	0.68%	-0.09%	1.53%	2.27%	0.43%	3.23%	1.41%	2.44%	0.98%	0.91%	-0.65%	**11.98%**
2010	0.64%	0.34%	1.73%	-0.02%	1.01%	1.75%	-0.70%	2.09%	0.46%	1.47%	0.47%	0.37%	**10.00%**
2011	-1.47%	1.06%	0.53%	1.02%	0.51%	-0.37%	-0.02%	3.04%	-2.67%	1.57%	-1.16%	0.90%	**2.85%**
2012	2.73%	0.93%	-1.49%	0.19%	-0.13%	-0.01%	0.40%	0.67%	0.84%	0.36%	0.27%	0.58%	**5.40%**
2013	0.58%	-0.19%	0.04%	-1.01%	-1.28%	-0.86%	-1.44%	-0.99%	0.09%	1.17%	-0.88%	0.35%	**-4.37%**
2014	-0.42%	0.49%	0.43%	0.28%	-0.01%	-0.07%	0.48%	0.81%	-0.74%	4.01%	-2.62%	1.80%	**4.40%**
2015	1.90%	-3.19%	-0.40%	0.33%	-1.56%	-1.18%	-2.49%	4.73%	-0.34%	-1.30%	-2.79%	-1.47%	**-7.74%**
2016	6.79%	2.72%	0.79%	1.76%	-2.07%	1.24%	0.00%	-0.92%	-0.17%	0.68%	1.13%	-0.88%	**11.36%**
2017	-0.43%	-1.06%	-0.61%	0.13%	-0.05%	0.65%	0.32%	0.02%	-2.50%	-3,06%	- 0.38%	-0.31%	**-7.11%**
2018	-0.86%	1,63%	0,60%	-3.18%	-1.15%	-0.25%	-3.36%	0.98%	-0.74%	6.11%	-0.16%	1.74%	**1.04%**
2019	-0.46%	-2.27%	0.56%	-3.99%	6.17%	-0.84%	0.22%	5.22%	-4.68%	-0.37%	-2.86%	0.85%	**-2.99%**
2020	2.11%	2.89%	7.21%	3.09%	-2,81%	-044%	3.18%	-1.93%	-0.69%	0.82%	-3.97%	0.55%	**9.91%**
2021	-0.08%	-2.12%	-2.44%	-1.93%	1.30%	-3.44%	-1.24%	-2.44%	2.12%	-3.68%	-0.26%	-7.50%	**-19.97%**
2022	1.87%	6.37%	-2.42%										**5.74%**

Lemanik Global Strategy Fund pro forma Class R data - Above performances are gross of any fiscal effect and are based on the last month end

Maurizio Novelli
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We expect to see a significant deterioration of the international economic cycle, and the performance of the U.S. yield curve confirms this scenario. For this reason, we continue to favor an asset allocation long in Gold (+10%) and short in equity (-60%), with a limited duration and a long exposure to commodities currencies (BRL, NOK, NZD, AUD).

Energy shocks are undermining the effects of the expansionary fiscal policies implemented during the lockdowns, and the global economy is likely to slip into a recession within the next six to nine months. All expansive fiscal policies previously put in place are now slowly dissolving under the weight of energy costs. The U.S. Federal Reserve has decided to complete the negative picture by implementing a well-overdue anti-inflationary policy, and the bank is destined to produce a policy mistake. But it has little alternative if it wants to try and stop inflation. However, raising rates and reducing monetary stimulus are actions aimed at countering an inflation that is not monetary in nature, but rather is produced by external shocks. The proof that inflation is not related to money supply is demonstrated by the fact that despite reflationary policies having been underway since 2008 (14 years), inflation never materialized during the perennial Quantitative Easing carried out by central banks. We had to suffer the destruction of the global value chain and suffer an energy shock in order to unleash the inflationary trend that is now underway.

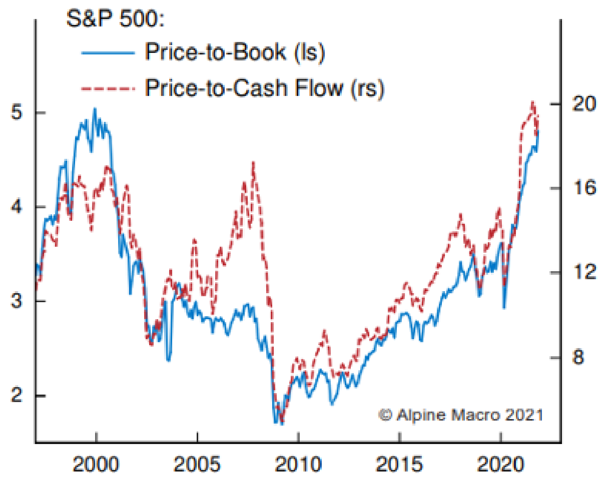
At this point it seems quite likely that the global value chain and the surge in energy prices - which are a global phenomenon and not limited to the recovery of the U.S. economy last year - are destined to continue despite less expansive monetary policies. I only call them "less expansive" because in the meantime the ECB, BOJ, FED and BOE are all still expanding their balance sheets while announcing rapid rate hikes (someone should explain this logic to us). The recent surge of Covid cases in China has already created new problems in production sites in Asia, while the elimination of Russia as a supplier of raw materials to Western economies will produce a further increase -- now structural and not transitory – in commodity prices, given that Russia is the main exporter of energy and raw materials worldwide. Sanctions, once introduced, are never so easily removed and the U.S. will try in every way to generate the greatest possible economic damage to the Russian economy, with global consequences for the economy and inflation. To defeat Russia without military intervention, the world must likely suffer a recession.

So, on one side we have the FED that -- clearly late – chases after inflation believing it is a monetary phenomenon. On the other side, we have the Biden administration that has set out to annihilate the Russian economy with recessionary and inflationary tools that unfortunately also affect everyone else. If the FED has decided to crush "non-monetary" inflation (i.e., due to external shocks), then it will cause a recession, since the price surge is driven by factors that the FED cannot manage, and the only way to eliminate them is to stop demand and therefore the economy. If the strategic priority of the U.S. is to eliminate the supply of raw materials from Russia, then it is likely that the inflation that the FED wants to stop will resume. These U.S. policies are on a collision course that can only have disastrous results for everyone, and the strategic direction taken by the two "antagonists" (the FED vs the Pentagon) is clear.

For this reason, the markets have now shifted their attention to macro data and no longer look to the FED as a driver of financial asset prices. No one can afford a recession, but it is also clear that no one wants to lose face: the FED cannot afford to see inflation go up, and the Pentagon cannot afford a Russian victory in Ukraine.

At this point, the scenario for financial assets remains negative. Gold is at the moment the only asset class that can offer protection in a world that risks being swept away by plague, war, climate change and inflation. The stock exchanges have not yet discounted our fate. These investors "hope" to save themselves from the worst scenarios thanks to a "white knight" who has however declared that he now has other priorities. Hope is not an investment strategy. The freezing of foreign currency reserves held by the Central Bank of Russia has also shifted the conflict to the financial markets, and China has taken note. When (not if) there is a dispute over Taiwan with the United States, is there a risk of a financial and economic attack on China? If such an attack were to take place, the resulting global economic and financial repercussions would have the same effect as a nuclear conflict.

It is certainly true that geopolitical developments have now accelerated trends that were already underway. The list of woes is long: excessive financialization of the U.S. economic system created systemic vulnerabilities that were buffered by Quantitative Easing aimed at prolonging unsustainable speculative bubbles; U.S. fiscal policies aimed at supporting the economy with huge untenable subsidies; the BOJ and ECB's commitment to supporting the dollar with negative rates and unsustainable QE; governments that pursued trade policies aimed at containing China that proved useless; climate change strategies that were immediately unable to cope with the increase of energy prices during the transition; an unsustainable debt dynamic to fuel growth in a totally unsustainable system. At the end of this long cycle of attempts at plugging the hole, investors are headed to their destinies with portfolios that are long on speculative bubbles on Equity and Credit markets and short on safe assets. On the other hand, central banks, which have fomented the speculative orgy, are long on safe assets (Government bonds and Gold). In your opinion, who will come out of this unscathed?



Policy makers continue to tell us that we have now entered "uncharted territory."

Uncharted territory has always attracted humankind. But it should be a conscious choice to abandon certainty in exchange for uncertainty and greater, unknown risk. At the moment, it does not seem to me that the markets have priced in this paradigm shift towards greater uncertainty in the short term and greater prospective risks. What does seem fairly certain, however, is that the phase of low volatility that allowed for the easy management of an unsustainable system is over, and possible market rebounds are now opportunities to sell.

Lugano, March 31st, 2022
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