

Portfolio Manager Commentary and Performance

Market Update

During April, Latam underperformed all regions, explained by higher volatility and domestic factors. On the global front USA and China's activity stabilized, the FED decided to keep the policy rate on hold, and China PMI print was slightly above 50 indicating a lackluster stabilization of GDP due to policy stimulus.

On April, Brazil was virtually flat despite volatility arising from the postponement of the original voting schedule on the SSR proposal, which was finally approved in the Constitutional and Justice Committee on April 24<sup>th</sup>. Now it will be submitted to a Special Committee in the Lower House, which could take up to 10-40 sessions, potentially bringing additional volatility. On the positive side, total estimated savings of the SSR were revised upwards to BRL\$1.24 trillion over 10 years from BRL\$1.07 trillion. Among other uncertainties, we highlight the government intervention on Petrobras' price increases – which was then revoked. On the macro front, economic data was somewhat disappointing, leading to downward revisions to GDP. Nevertheless, we believe corporate results still have room to improve regardless of the economic recovery, mainly on the back of lower interest rates and operating leverage.

Surprisingly, and despite neutral to weak corporate results, Mexico outperformed the region, reaching returns over 5% in USD terms, partially explained by a 2.6% MXN appreciation. On the macro front, GDP growth came in below expectations at 1.3%, while inflation reached 4.4% during April, above Banxico's target. On the political front, we highlight the approval of the Labor Reform, key to the USMCA approval, and the government's National Development plan, which continues to show its commitment to fiscal discipline, acknowledging lower oil related revenues and therefore, lower spending.

In this context, our fund reached a 1.08% return during April, compared to 1.86% from the MSCI Small Cap Index. In terms of relative performance, our OW in Brazil had a negative impact on the back of our OW positions in names such as Randon (-13.19% in USD); LINX (-13.86%); Ecorodovias (-16.22%), and our UW in Copel (12.13%) and Qualicorp (+8.67%). This was partially offset by our OW in Minerva (+18.38%), Tenda (+5.47%) and EVEN (+7.49%). Our OW in Peru through Inretail (+9.24%) had a positive impact during the month and our stock picking in Mexico also supported our performance, through our OW in Prologis (+11.07%), Vesta (9.11%), and Chihuahua (+3.9%).

ZCH AM SICAV –  
Small Cap Latam Fund

April 30<sup>th</sup> 2019

Fund Description

The ZCH AM SICAV – Small Cap 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 small capitalized Latin American companies. 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 including currency forwards or futures.



Giovanna Musa and Ricardo Fernandez.  
Co-Portfolio Managers for the Latam Equity Strategies.

Share Classes and Fees

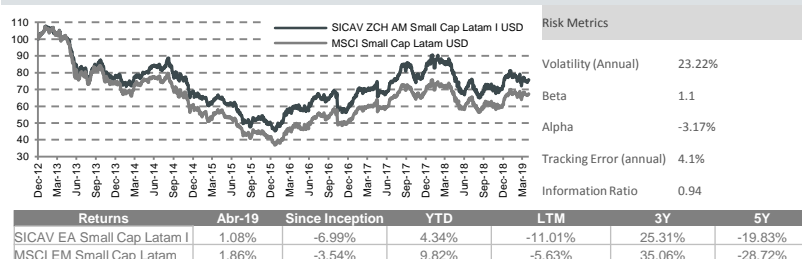
Class	ISIN	Bloomberg Ticker	Min. Subscription Amount (USD)	Current TER
Class I	LU1061932403	EASSCL LX	1,000,000	1.07%

TOTAL AUM US\$35,97 mn

Disclosure for Switzerland: The state of origin of the Fund is Luxembourg. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Ar. 10 Para. 2, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Neue Helvetische Bank AG, Seefeldstrasse 215, 8008 Zurich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative.

The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative.

Performance for Series I



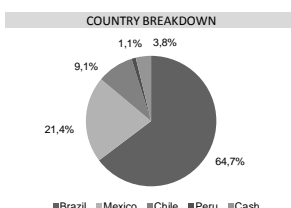
Risk Metrics

Volatility (Annual)	23.22%
Beta	1.1
Alpha	-3.17%
Tracking Error (annual)	4.1%
Information Ratio	0.94

Note: Until 28 February 2015, performance data is for the EuroAmerica Small Cap LatAm D, which is a mutual fund offered in Chile; an identical strategy is employed in the Series I. Source: Bloomberg.

Portfolio Breakdown

Portfolio Statistics: Top 5 Country and Top 10 Holdings and Sector Distribution



SECTOR	APR'19	FEB'19	ISSUER	FUND	SECTOR
CONSUMER	25.1%	25.5%	CVC	3.7%	CONSUMER DIS.
CONS. STAPLES	10.6%	7.2%	BK BRASIL	3.2%	CONSUMER DIS.
REAL ESTATE	12.2%	11.4%	OMAB	2.7%	INDUSTRIALS
INDUSTRIALS	12.3%	13.2%	IGUATEMI	2.6%	REAL ESTATE
FINANCIALS	8.2%	8.5%	BANBAJIO	2.6%	FINANCIALS
MATERIALS	10.3%	14.5%	ESTACIO	2.5%	CONSUMER DIS.
UTILITIES	9.6%	9.5%	MRV	2.5%	REAL ESTATE
HEALTHCARE	2.6%	2.0%	BRADSPAR	2.5%	MATERIALS
ENERGY	0.0%	0.0%	LINX	2.3%	IT
IT	4.2%	4.6%	VESTA	2.3%	REAL ESTATE
OTHERS	4.9%	2.7%	OTHERS	73.2%	

This mutual fund is managed by Zurich Chile Asset Management Administradora General de Fondos. Find out about the essential characteristics of each mutual fund investment, which are contained in its rules of procedure and contract underwriting fees. Profitability or profit obtained in the past by this fund does not guarantee that it will be repeated in the future. The values of the shares of the mutual funds are variable.