

Fund description

BrightGate Focus is a long-only fund with the aim, through an exhaustive and independent study of companies' fundamentals, of constructing a concentrated portfolio of issues with a better risk/return binomial than the market. The fund has total investment discretion in terms of geography, asset class (equities, bonds, preferreds), currency hedging, and ratings of its fixed income issues. The strategy does not follow any benchmark.

Performance, Class I

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019												-0.3%	-0.3%
2020	-2.1%	-3.7%	-15.8%	3.3%	3.0%	1.3%	1.3%	0.8%	-2.0%	-1.6%	12.2%	4.6%	-1.1%
2021	1.2%	2.6%	2.9%	1.1%	1.9%	-1.8%	-2.3%	-0.7%	-3.8%	7.2%	-0.3%	3.1%	11.3%
2022	-2.4%	-3.9%	-3.1%	0.4%	-2.8%	-5.7%	8.4%	-1.1%	-7.4%	3.8%	4.6%	-3.8%	-13.2%
2023	11.0%	-0.4%	-3.4%	1.5%									8.3%

Management fees are included in the calculation of past performance. Past profits do not guarantee future performance. Investment in investment funds or other financial products indicated in this document may be subject to market, credit, liquidity, interest, currency, as well as geographical and sectorial concentration risks, with the potential loss of capital invested.

Fund data

Category	Balanced, global
Inception (Class A/I)	dic-19
Currency	Euros
NAV frequency	Daily
ISIN Class A	ES0114904008
ISIN Class I	ES0114904016
NAV A	1177.7
NAV I	1239.1
Management fee A	1.35%
Management fee I	1.10%
Success fee	9.0%
Depository	0.08%
Min.	100
Deposit./Admin.	CACEIS
Inves. Manager	Brightgate Capital
Auditor	Auren Auditores

Main metrics

Size MM€	5.1
Number of holdings	23
Top 5 holdings	37.4%
Top 10 holdings	54.3%
Cash	4.9%
YTW, bonds	0.2%
Duration	0.0
Volatility	14.7

Management team

Javier López Bernardo, Ph.D., CFA

Monthly Commentary

We did not buy or sell anything during April.

The Fund benefited from rallies in Micron, SK hynix, Kaspi and Allison Transmission. Although SK hynix's first quarter results were terrible, the market believes that the worst of the memory cycle is over and that we will start to see an improvement in DRAM and NAND memory prices soon as inventory levels are reduced. In addition, Samsung announced cuts in memory production, and since it was the last company to do so, all producers are already at significantly lower production levels than a year ago. Moreover, they have announced drastic reductions in their investments, which will eventually materialise in lower production levels in the coming years. While there are aspects of the thesis that have clearly not been met (e.g., lower cyclicality given a more diverse customer base), I still believe that long-term structural growth remains intact, with upside potential if memory needs from AI increase over time.

The results of both Kaspi and Allison could not have been more different, showing solid execution by their management teams and extraordinary returns on equity (ROE's of 90% and 60% respectively), which show the quality of these businesses and why I think they can grow our capital at high rates over the next few years.

Sectoral breakdown

Communications	6.6%	Government	9.4%
Consumer, cyclical	34.4%	Industrial	-
Consumer, non-cyclical	13.3%	Basic materials	-
Energy	6.7%	Technology	24.8%
Financial	-	Utilities	-

Geographical breakdown

North America	50.1%
Europe	17.1%
Middle East	6.7%
Asia	14.7%
LatAm	2.5%
Africa	4.1%

Asset class breakdown

Fixed income	7.9%
Preferreds	1.6%
Convertibles	-
Special situations	8.5%
Equities	77.2%
Cash	4.9%

Top holdings

Name	Weight	Sector	Asset class	Geography	Currency
MICRON TECH	7.5%	Technology	Equity	US	USD
JSC KASPI.KZ	6.7%	Technology	Equity	KZ	USD
SK HYNIX INC	6.6%	Technology	Equity	KR	KRW
LIQUIDIA CORP	6.0%	Consumer, Non-cyclical	Special situations	US	USD
GREEN BRICK PART	5.3%	Consumer, Cyclical	Equity	US	USD
PATRICK INDS INC	5.3%	Consumer, Cyclical	Equity	US	USD
ALLISON TRANSMIS	4.6%	Consumer, Cyclical	Equity	US	USD
NICE HOLDINGS CO	4.1%	Consumer, Non-cyclical	Equity	KR	KRW
IMPERIAL OIL	4.1%	Energy	Equity	CA	CAD
NASPERS LTD-N	4.1%	Communications	Equity	ZA	EUR

TOP 10 HOLDINGS

54.3%