

# BlueBox Funds- BlueBox Global Technology Fund

## Direct Connection



Global  
Technology  
Fund



bluebox

### Fund Objective

The Fund's principle objective is to seek long term capital growth by investing mainly in shares of companies having their principle business in the technology sector or profiting from it. The Fund invests globally, is actively managed and is not benchmark constrained.

### Investment Theme—Direct Connection

The Direct Connection of computers to the real world has enabled the technology revolution of the past 15 years, driving an acceleration in tech adoption simultaneously across all industry verticals. With every other industry investing its excess returns in technology, we expect the IT sector to continue to outperform the broader market as it steals the growth from the rest of the economy. The Fund focuses on the companies enabling Direct Connection, giving it exposure to the most exciting developments in the sector without needing to chase over-hyped themes or invest in over-valued stocks.

### Investment Team

#### Lead Portfolio Manager

William de Gale, FCA, CFA

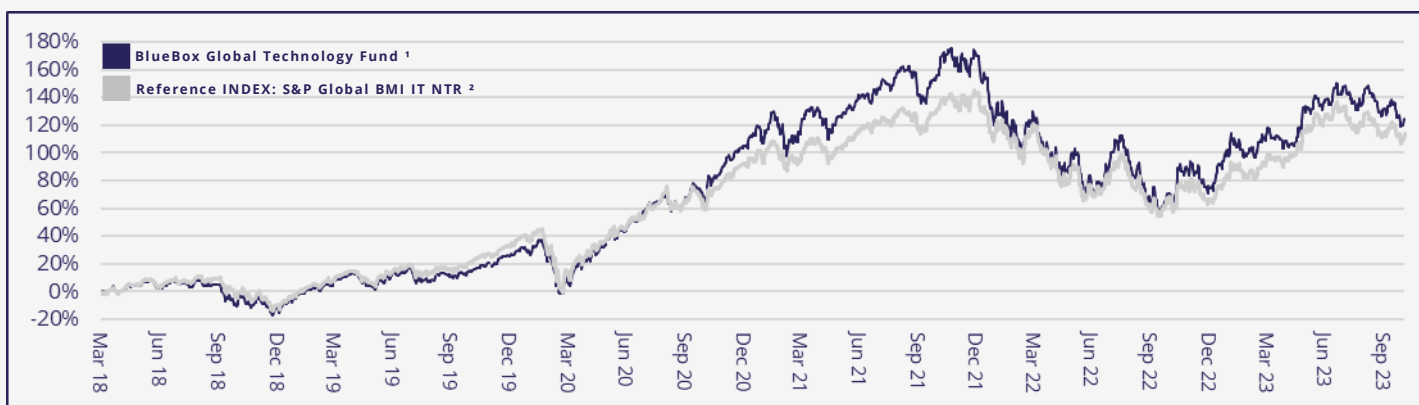


#### Portfolio Manager

Rupert de Borchgrave, CFA



### BlueBox Global Technology Fund Performance



Performance to 31.10.2023	1 month	3 months	YTD	3 yr Ann	5 yr Ann	ITD Ann
BlueBox Global Technology Fund	-3.1 %	-9.8 %	28.2 %	10.7 %	19.1 %	15.5 %
S&P Global BMI IT NTR Index	-1.4 %	-9.8 %	26.7 %	9.9 %	16.2 %	14.2 %

12M Rolling Performance to 31.10.2023	Oct 2023	Oct 2022	Oct 2021	Oct 2020	Oct 2019
BlueBox Global Technology Fund	32.6 %	-34.0 %	54.9 %	44.6 %	22.2 %
S&P Global BMI IT NTR Index	25.7 %	-27.5 %	45.5 %	31.2 %	21.8 %

<sup>1</sup> Performance based on Share Class S since launch on 29 March 2018 (ISIN LU1793347128)

<sup>2</sup> S&P Global BMI IT INDEX is Net Total Return, calculated since launch of BBGT on 29 March 2018

### Top 10 Holdings

Microsoft	6.1 %
Taiwan Semiconductor	4.4 %
Applied Materials	4.3 %
Lam Research	4.2 %
MercadoLibre	4.2 %
Cadence Design	4.1 %
Synopsys	4.1 %
ASML Holding	4.1 %
Nvidia	4.0 %
Adobe	3.8 %
Total	43.3 %

### Top Countries

United States	72.5 %
Netherlands	6.6 %
Japan	5.5 %
Taiwan	4.4 %
Argentina	4.2 %
South Korea	2.4 %
Spain	2.0 %
Switzerland	2.0 %
Cash & equivalents	0.4 %

### Market Capitalisation

Mega cap (>\$300bn)	19.4 %
Large cap – upper (\$200bn - \$300bn)	10.5 %
Large cap – mid (\$100bn - \$200bn)	13.4 %
Large cap – lower (\$10bn - \$100bn)	56.3 %
Mid cap (\$1bn - \$10bn)	0.0 %
Small cap (<\$1bn)	0.0 %
Cash & equivalents	0.4 %

### Sector Allocation

Semiconductors & semi equipment	39.6 %
Software & services	36.4 %
Hardware & components	14.9 %
Consumer discretionary	6.2 %
Communication services	2.5 %
Cash & equivalents	0.4 %

## William de Gale's Monthly Comment

October saw a third consecutive month of declines for the Technology sector, as investors worried about renewed conflict in Israel and Gaza, to add to concerns over geopolitical issues elsewhere, together with inflation, interest rates and general macro uncertainty. The BlueBox Global Technology Fund was down 3.1% accordingly, although that still leaves the fund up 28.2% year-to-date.

The low for the month came on 26th October, just as September quarter reporting season was getting under way: the first batch of results, if not stellar, did seem to be "good enough". The leading detractors from performance for the fund were EPAM Systems (-15%), Airbnb (-14%), Marvell Technology (-13%) and Trimble (-12%), none of them due to release results until November; whereas the two best performers, Arista Networks (+9%) and Microsoft (+7%), were amongst those that reported during October. We therefore still seem to be conforming to the pattern outlined in last month's commentary, by which summer worries about tech continue until September results show them to be overblown, at which point there is scope for a relief rally into the year end and beyond.

Since 2009 the tech sector has been on a phenomenally consistent 15% annual growth trend, as measured by the equal-weighted S&P IT Index. The only exception was during Covid, when there was overwhelming demand for technology to keep locked-down societies functioning, pushing the sector temporarily above that trend and leading to global inflation. This appears to demonstrate that tech growth is currently constrained not by demand, but by supply, which for a long-term investor in those key, supply-constrained businesses, is very reassuring. We are now back on trend, indeed slightly below the mid-point due to the summer worries, and we believe that this ~15% growth will go on for a very long time, as a result of all the disruptive technology applications that will continue to spring from the direct connection of computers to the real world over the past 20 years.

But it is not the exciting, disruptive businesses that reap the benefits of all this innovation. The prime beneficiaries are a key group of companies that enable each successive round of technology-centred disruption, whether robotics, autonomous vehicles, blockchains, generative AI or whatever comes next. These very profitable enablers remain the main engine of profit growth globally, giving BlueBox investors exposure to the strongest technology trends, without the absurd valuations and poor business models of many of the high-profile, but profitless, disrupters.

### Portfolio Construction

Asset Class	Equity
Number of Securities	30-40
Weight	10 % maximum
Turnover	Low
Market Cap	Mainly Targeting \$10 bn - \$100 bn
Geographic Allocation	Global
Cash	Minimal cash, always below 10 %
Benchmark	Flexible, not benchmark oriented
AuM	\$613 million

### Key Facts

Fund Base Currency	USD
Liquidity	Daily
Fund Type	UCITS
Legal Status	SICAV
Domicile	Luxembourg
Auditor	PwC
Custodian	Northern Trust Global Services SE
Launch Date*	29 March 2018

\* The Fund was launched under Share Class S, with Management Fee of 1% until December 2020, 0% Management Fee since. The Share Class is closed to new investors.

### Share Classes

	C Acc. Retail	A Acc. Retail	R Acc. Retail	I Acc. Institutional
Min. Initial Investment:	\$1,000.-	\$10,000.-	\$150,000.-	\$150,000.-
Annual Management Fee:	2.2 %	1.5 %	1.0 %	1.0 %
Launch Date:	27 Nov 2020	10 Feb 2020	20 Sept 2022	5 Oct 2020

#### USD

ISIN:	LU2092176275	LU1793345262	LU2497703376	LU1793346666
Bloomberg Ticker:	BLBGTCX LX	BLBGTA LX	BLBURA LX	BLBGTI LX

#### EUR

ISIN:	LU2092176515	LU1793345429	LU2497703533	LU1793346823
Bloomberg Ticker:	BLBGTCX LX	BLBGTA LX	BLBREA LX	BLBGTE LX

#### GBP

ISIN:	LU2092176358	LU1793345346	LU2497703459	LU1793346740
Bloomberg Ticker:	BLBGTCX LX	BLBGTA LX	BLBURA LX	BLBGTI LX

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