ALBEMARLE
ASSET MANAGEMENT

Eagle Fund Class I
September 2024

About Albemarle Asset Management

Albemarle Asset Management was founded in London in 2003. The company provides both individual and collective management services for private and institutional investors, financial and capital management consultancy, and managed investment solutions. Our services cover global financial markets and our expertise enables us to offer diverse set of investment instruments and strategies.

Fund Objective

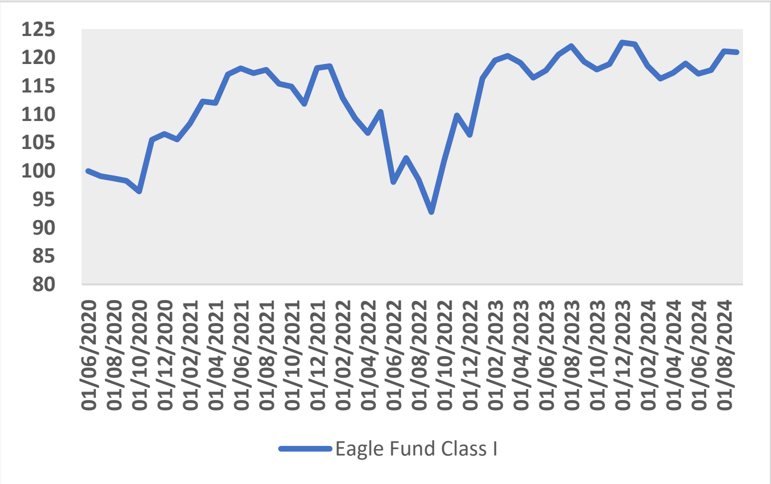
The primary objective of the Eagle Fund is to achieve long-term capital growth. The Fund aims to achieve long term capital appreciation by investing predominantly in a diversified portfolio of listed and unlisted global equities and equity related-securities bonds, fixed & variable income securities of various issuers.

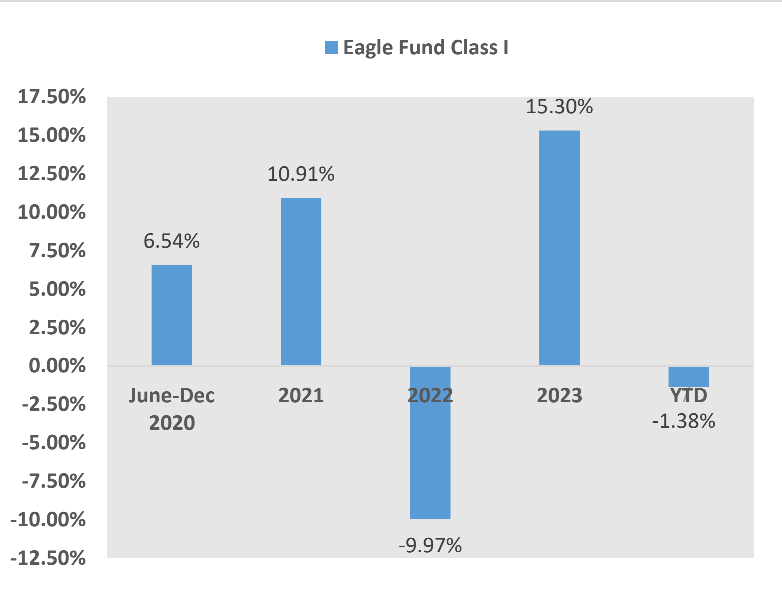
Performance

	YTD	1M	3 mo	6 mo	Inception
Fund	-1.38%	-0.11%	3.28%	4.03%	20.97%

	Best Mth	Worst Mth	CAGR	Vol	Sharpe R.
Fund	9.73%	-11.24%	4.49%	6.53%	0.82

Chart Performance





Fund Information

Company	Albemarle Alternative Funds PLC
Investment Manager	Albemarle Asset Management Ltd
Bloomberg	AEAGLEI ID Equity
ISIN	IE00BKPLQS76
Inception	12/06/2020
	EUR
Fund Manager	Albemarle Asset Management Ltd
Management Fees	1.50% p.a.
Performance Fees	20% of the amount by which the NAV exceeds the High Watermark level
NAV	Monthly
Cut-Off for sub.	T-1 before 2.30pm Irish Time
Cut-Off for red.	T-30 before 2.30pm Irish Time
Stlmt date for sub.	T+2 Irish Business Days
Stlmt date for red.	T+5 Irish Business Days
Domicile	Ireland
Auditors	Grant Thornton
Depositary	Northern Trust Fiduciary Services (Ireland) Ltd
Category	QIAIF

Ratings and Awards

Important Information

The information contained within this document is for the use of Institutional and Professional Investors only

** Data source: Bloomberg*

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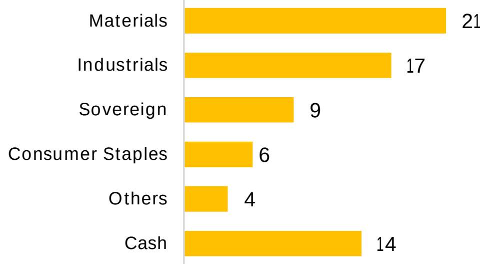
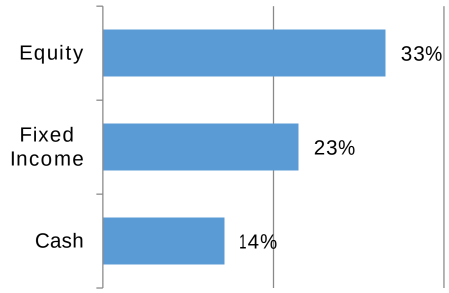
Sector Breakdown Net Exposure (%)



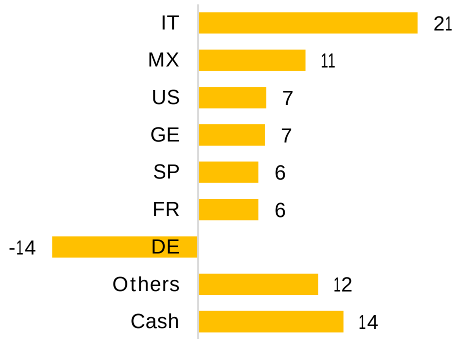
Top Holdings

FILA SPA	9.40%
CEMEX SAB DE CV	5.03%
EBRO FOODS SA	4.96%
RENO DE MEDICI SPA	4.59%
ZIGNAGO VETRO SPA	3.80%
Total	**27.78%**

Asset Allocation Exposure



Country Breakdown Net Exposure



Commentary

The Eagle fund reported a -0.1% return in September vs. Eurostoxx 0.8%. After the summer break, we were convinced that it was almost time to look for a change in order intake eager to find a glimpse of the light at the end of the tunnel. Sadly the European economy continued at a negative pace, Q2 GDP in Germany at -0.1%, and the Eurozone at 0.2%. In September composite PMI data was in France at 47.4, Germany at 47.2, and Italy at 50.8 with the manufacturing component being extremely weak in all countries. The auto industry underlined the negative trend with a series of profit warnings (VW, Mercedes-Benz, Stellantis, Volvo ecc...), the auto industry represents about 9% of the EU GDP, and manufacturing as a whole represents 27%. It goes without saying that a 20% drop in auto sales could represent 1.6-1.8% of negative growth y. o y. or about -0.4% q.o q. with strong impacts to Germany and Italy. The auto industry in our view will suffer in H2'24 and H1'25 very poor demand for expensive EV, and next year the CO2 emission tax compensation will further impact the prices reducing the consumer appetite for combustion engines. A severe cost cutting must take place with a reduction of inventories across the entire models proposition. Given the severity of the moment, we do not exclude a revision of emission targets by mid 2025 or a european fund to help the industry and compensate for the price gap with current Chinese OEM. European CFO's are reducing working capital and trying to preserve cash as much as possible ahead of an uncertain demand scenario in 2025. As expected, the central banks reduced the reference rates by 25bps in EU and 50bps in the US. Inflation data in the Euro area came in at 1.8% q.o.q suggesting that it is under control and at the same time that growth remains sluggish with very little chance of fiscal stimulus. It is our belief that the ECB could either start cutting by 50bps given the very difficult manufacturing situation or accelerate the pace of the cuts. In which cases financials should start underperform, in favor of infrastructure and depressed early cyclicals. Valuations in the small caps continue to be depressed when compare to large caps, and therefore interesting non the less we must asses with Q3'24 results if they represent a value trap or an opportunity as global growth expectations are weak and about 1% below previous expectations with a Global GDP IMF forecast of about 3.3% in 2025, with economies like China not growing as expected due to lower internal and external demand issues, US slowing down and Latam buoyant. In light of the above, we opportunistically increased the index shorts and reduced some of the equity exposure that now stands at 33%. We increased the fixed income part of the portfolio by about 4.7%.

Disclaimer

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