MOMentum
ALTERNATIVE INVESTMENTS SA

Investor Newsletter, June 2022

MOMentum Alternative Investments SA is a regulated independent asset manager based in Lugano (Switzerland). It was incorporated in 2008 and was authorized in 2010 by FINMA (the Swiss financial market supervisory authority) as an Independent Asset Manager under FinIa Law (Federal Act on Financial Institutions - January 2007).

MOMentum Alternative Investments SA has been appointed as investment manager for "Multilabel SICAV - Artemide" and for "Multilabel SICAV - Lyra"

Multilabel SICAV - Artemide is a SICAV (UCITS IV) registered in Luxembourg. The Fund provides daily liquidity with 1 business day notice period.

The Fund aims to generate solid risk-adjusted absolute returns, irrespective of the market environment, through a "bottom-up" research-driven approach ("stock-picking") and extensive use of derivatives (options and futures) to protect the "main" holdings. Strong focus on "capital protection". Much time and effort is devoted to managing the potential downside risk of the overall portfolio ("tail risk"): the main goal is to limit losses and preserve capital during severe market dislocations. Moreover, we try to smooth volatility in an effort to handle returns.

Multilabel SICAV - Lyra is a SICAV (UCITS IV) registered in Luxembourg. The Fund provides daily liquidity with 6 business days notice period.

The Fund aims to generate sustainable Alpha over a three-years period, with a strong focus on European small and mid caps. The Fund is directional, long bias, with net exposure from -20% to +70% and volatility target in the region of 10%.

MONTHLY COMMENTARY AND OUTLOOK

US Equity markets officially ended the post-COVID bull market, being down more than 20% YTD. That performance is the worst since 1962. On top of it, what has been painful for investors was the correlations between stocks and bonds, flipping positive as stocks have become increasingly longer-duration. 1H22 is the first time since 2001 where both stocks and bonds fell sharply. In 1H22 the Italian equity market reported one of its worst performances in the last 20 years, losing -20% YTD and posting -12% in June alone. Last month's performance was exacerbated by investors bracing for interest rate hikes to curb inflation, the start of central banks' tightening, slowing growth and higher energy prices amid lower trading volumes. The Euro Stoxx 600 12-month earnings estimates still forecast +8%, not consistent with macro indicators such as the PMI. But investors seem not to trust the consensus and, as usually happens, they run few months ahead of the market. According to Goldman Sachs, the market is pricing in a downward revision of the 2023 estimates by -5%. In Europe, during the previous recessions the EPS of the Euro Stoxx 600 fell on average by 29%. Each recession has its specific characteristics, but usually the sectors most sensitive to the economy are those that suffer the greatest profits' decline: Financials, Commodity-related sectors, Autos, Travel & Leisure and Tech. Central Banks across Western countries are moving aggressively on rate hikes to curb inflationary pressures, probably denting growth. On 21 July, the ECB is expected to shed light on anti-fragmentation tools designed to limit periphery spread widening. As for the outlook for the equity markets, a few key elements are worth highlighting. First, the consumer appears very fragile. Furthermore, consensus estimates for the next 12/18 months still assume earnings growth, which appears increasingly unrealistic. Finally, the markets often run into overshooting, with the classic panic selling that has not yet materialized. Evaluations are becoming less demanding, and the reality check on their normalized perspectives is already underway. We must be patient, but aware of the fact that opportunities are beginning to appear on the horizon, and we will try to seize without haste.

The impact of more restrictive monetary policy by central banks to curb inflation will lead to a painful value realignment process for some assets. We believe that Italian equity, while remaining vulnerable in the short term, can offer attractive investment opportunities, mostly among SMEs. In most cases operational efficiency has improved, partly thanks to the challenges thrown up by the pandemic. The scope for supportive fiscal policy is limited, but the positive impact of plans such as NRRP should start to be felt for the most exposed sectors. Looking into the next future, uncertainty over the energy price trends and their impact on economic growth, still too-high earnings expectations, risk of outflows for equity funds and lastly the need to assess the damage on growth outlook (and margins) related to the ongoing deglobalisation, they all represent headwinds. All these concerns could come to a head after the summer, with earnings estimates settling at more realistic levels. At that point it would be possible to take a more constructive view on market opportunities, through a rigorous stock-selection. About the imminent reporting season, decent growth is expected to have continued in 2Q, but forecasts are getting gloomier on 2H22/FY23. Last month, defensive and quality names were among the best performers, while energy, financials and industrial stocks suffered heavily. Equity markets envisage significant downward estimate revisions, which are yet to be reflected in sell-side consensus. About political situation in Italy, the June local elections strengthened the government, and we see no risk of early elections, despite recent internal tensions at M5S and Lega. Looking ahead to the second half of the year, the resolution of the Russia-Ukraine conflict, the inflation peak and the tightening peak of the Fed, represent the most powerful positive catalysts for equity markets. In summary, we believe that: 1) The de-rating suffered in 1H22 is almost exclusively attributable to the rise in rates; 2) Central Banks will not change their restrictive monetary policies, even if the economy deteriorates, until they are certain that inflation is back under control; 3) An economic slowdown is certainly now shared by all economists, a recession / hard landing is instead a scenario considered less likely, as is stagflation.

STOCKS IN THE SPOTLIGHT

MEDIASET ESPANA (TL5 SM): Media For Europe (MFE) reached 82.9% stake in Mediaset Espana at the end of the tender period. The effectiveness of the voluntary tender offer was subject, among others, to the achievement of an 85% threshold of acceptance. MFE has communicated its decision to waive the minimum acceptance threshold (65.15% of the shares to which the takeover bid was addressed and 29.31% of the share capital of the offeree company) to which it had conditioned the validity of the bid. We remind that MFE indicated @ €55m per year the value of the synergies deriving from the merger with the Spanish subsidiary. According to Spanish laws, the merger cannot be carried out before 6 months from the closing of the OPAS, and a withdrawal right will arise for minority shareholders for the transfer of the registered office abroad. The value of this withdrawal right will be equal to the 3-months average of the market prices prior to the call of the EGM that will approve the merger. MFE has recently communicated the approval by the Shareholders' Meeting of the proxy to the Board of Directors for a buyback plan up to a maximum of 20% of the share capital, valid until December 2023. The purchases may also concern only one category of MFE shares. It is worth mentioning that MFE A shares trade at > 35% discount to MFE B and will receive a €5ct (12% yield) dividend in September and at least another €6ct (15% yield, considering the ex-dividend price) in may 2023. In terms of financial impact, the total cash-out for the OPAS stands at €200m. We see the deal as accretive for MFE, as the transaction allows MFE to: 1) increase its scale; 2) exploit synergies (EUR55m in four year), whenever the merger will be completed; and 3) improve its fundamentals, increasing EPS from year one. The strong cashflow (> € 200m per year) should ensure generous dividends also for the next years, as the company has recently approved the new dividend policy. Lastly, we consider inadequate the current discount between the 2 share classes, as in case of extraordinary deals, the articles of association impose equal treatment for both. Given the tight market-cap and the compressed multiples, today - for the first time in the last decade - this scenario is not to be considered unrealistic.

INDUSTRIE DE NORA (DNR IM): De Nora is an Italian multinational company offering sustainable technologies for Green Economy, supplying mission-critical products and solution for Alkaline Water Electrolysis (AWE) with 98% of revenues from abroad. DNR is the world's largest supplier of high-performing catalytic coatings and insoluble electrodes for electrochemical and industrial applications (57% of revenues) and a leading provider of equipment, systems, disinfection, and filtration solutions for water and wastewater treatment (42%). It delivers wide range of disinfection technologies and pioneered all vacuum gas chlorine systems and on-site generation of sodium hypochlorite from salt. DNR provides products and solutions to tackle the world’s most complex water contaminants, including Ultraviolet (UV), Filtration (Media, Underdrain, Biological), Electrochlorination, and more. We believe DNR offers a very attractive and unique equity story, combined with a compelling valuation: dominant global position (with mkt shares > 50% in its core markets), translating into best in class productivity, scale and innovation capabilities; superior returns and fundamentals, with double-digit Ebitda margin, ROCE and ROE (to be diluted by the new Energy Transition division), very sound balance sheet, CAGR 2021/25 in both revenues and Ebitda > +20%; several and diverse end-markets, benefiting from secular and appealing drivers (e.g. decarbonization, energy efficiency, digitalization, urbanization, clean water, etc.), with a broad portfolio of products and solutions. Revenues from recurrent After Sales account for c. 40%, both improving visibility and profitability and smoothening cyclicality; outstanding reputation for innovation (260 patents, 5 R&D centers in Italy, the USA, and Japan) and service, long-lasting customer relationship and successful track record of both organic growth and M&A. Finally, its know-how and partnerships put DNR in a suitable position to catch the substantial opportunities of the eventual Green Hydrogen revolution (with a Total Addressable Market worth in excess of €10bn). The Company is committed to contributing concretely to the Sustainable Development Goals (SDGs) of the United Nations, developing unconventional solutions to achieve the energy transition towards decarbonization, enable the hydrogen economy and ensure clean water for everyone.

TELECOM ITALIA (TIT IM): On 7 July, TIM disclosed its long-term financial targets and the project for the spin-off of the network, preparatory to its disposal, to make TIM no longer a vertically integrated operator. The company has not provided updates on the short-term targets (2022-23) which remain the company's weak point, given the poor performance of main KPIs. The plan points to set up 4 specific divisions: 1) NetCo (fixed network, domestic and international wholesale businesses, and Sparkle). In 2021 it had Revenues / EBITDAaL / Capex of €5.3bn / €2.0bn / €1.6bn and management foresees €5.2bn / €2.2bn / €2.2bn in 2025 and €5.4bn / €2.7bn / €0.8bn in 2030. The target is to release value through the new tariff scheme (RAB based tariffs). 2) TIM Enterprise (Noovle, Telsy, Olivetti): a growing business which in 2021 posted Revenues / EBITDAaL / Capex of €3bn / €0.9bn / €0.6bn and the 2025 targets foresee> €3.5bn / €1bn / €0.5bn. 3) TIM Consumer: this is the division that needs a real turnaround. Having overcome the regulatory constraints, the management's bet is to be able to stabilize margins and reposition ConsumerCo with a growing ARPU. 4) Brazil: targets confirmed, for an asset in excellent health. In the new plan, the combination of NetCo with Open Fiber remains the priority, in order to unlock significant synergies and allow the full enhancement of TIM's infrastructure network. In the event of failure to complete the transaction, TIM could hypothesize the sale of NetCo to infrastructure funds, even if the deconsolidation of the NetCo debt remains a priority for TIM. Capital structure: the business plan points to reduce debt <5bn mainly through M&A, in order to provideTIM with the necessary resources to finance TIM Enterprise, TIM Consumer turnaround and to be able to remunerate TIM shareholders. Given the lack of visibility both on M&A (non-binding offer by the end of August, Binding agreement by October '22 and closing by mid-2024, after the completion of the carve out of NetCo and the greenlight by European antitrust and AGCOM) and on the short-term economic prospects, TIM's fair value remains very uncertain and volatile. On 4 August the company will publish 1H22 results, and guidelines will be provided on the trend of main KPIs.

ARTEMIDE - FUND DATA

TOP 5 "LONGS"	sector	% AUM
Atlantia	infrastructure	6,9%
Mediaset Espana	media	4,9%
Enel	utility	3,7%
De Nora	industrial	3,3%
Unipol	holding	3,0%

TOP 5 "SHORTS"	sector	% AUM
FTSEMIB Index	future	-21,2%
Euro Stoxx 50 Index	future	-9,3%
Euro Stoxx Insurance	future	-1,7%
Company1	insurance	-1,3%
Company2	media	-1,3%

"BEST"	sector	%
FTSEMIB Index (short)	future	2,3%
Company1 (short)	insurance	0,2%
Company3 (short)	industrial	0,2%
Company2 (short)	media	0,2%
Company4 (short)	industrial	0,1%

"WORST"	sector	%
Anima	asset gatherer	-0,8%
Telecom Italia saving	telecom	-0,5%
Mediobanca	bank	-0,5%
Exor	holding	-0,5%
Banco BPM	bank	-0,4%

	Longs	Shorts	Gross exp.	Net exp.	Total
Exposure (% on NAV)	72%	-36%	108%	-3%	-
Number of holdings	23	8	-	-	31

ARTEMIDE - MONTHLY PERFORMANCE HISTORY

NAV (as of June 30, 2022) : 134,39

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009 (*)	na	na	na	na	na	na	na	na	na	na	*0,78%*	*0,52%*	**1,30%**
2010 (*)	*3,21%*	*0,50%*	*1,41%*	*0,64%*	*1,25%*	*-0,84%*	*-0,52%*	*0,04%*	*0,43%*	0,89%	0,21%	-0,35%	**7,01%**
2011	0,42%	0,57%	-0,09%	0,75%	-0,20%	-0,53%	1,47%	-0,15%	0,61%	1,21%	-0,74%	0,13%	**3,48%**
2012	2,22%	1,45%	0,04%	0,53%	-0,73%	0,06%	1,35%	0,75%	2,87%	-0,43%	-0,19%	0,75%	**8,96%**
2013	2,37%	1,07%	1,16%	2,28%	0,58%	0,74%	0,07%	-0,06%	0,56%	2,28%	0,10%	0,25%	**11,95%**
2014	2,11%	-0,19%	1,57%	0,23%	-0,23%	-0,67%	-0,33%	0,21%	0,60%	-0,88%	1,12%	0,20%	**3,75%**
2015	2,63%	1,50%	0,20%	0,25%	0,56%	-0,29%	0,32%	0,03%	-1,54%	-0,04%	0,02%	-0,43%	**3,20%**
2016	-0,36%	-0,79%	0,33%	0,38%	-0,48%	-1,94%	1,52%	0,31%	-1,27%	0,11%	-1,36%	0,54%	**-3,03%**
2017	1,62%	-0,71%	2,43%	1,05%	0,82%	0,77%	-0,66%	-0,62%	0,15%	-0,35%	-0,88%	0,39%	**4,02%**
2018	0,41%	0,58%	-0,66%	-1,19%	-1,69%	-0,04%	0,07%	-0,17%	0,24%	-1,39%	-3,75%	-1,31%	**-8,61%**
2019	-0,80%	-0,06%	1,88%	-0,61%	-0,70%	0,74%	-0,18%	0,14%	0,79%	-0,38%	1,11%	-0,55%	**1,36%**
2020	-1,37%	3,08%	-2,88%	0,52%	0,45%	0,50%	-1,35%	0,29%	1,32%	-1,18%	1,73%	1,30%	**2,30%**
2021	-0,91%	4,40%	-0,34%	0,33%	2,08%	0,33%	0,13%	-0,30%	1,25%	-1,52%	-1,11%	-0,29%	**3,96%**
2022	-0,77%	0,72%	-0,80%	1,42%	-0,51%	-0,73%							**-0,68%**

(*) Performance from Nov. '09 to Sept. '10 was achieved through "Pegasus Fund Limited", our first fund investing in Artemide's same strategy.

ARTEMIDE	HISTORICAL PERFORMANCE (since Oct. 2010)	FTSEMIB Index
34,4%	Total cumulative return	7,9%
-0,7%	6-month rolling performance	-22,1%
2,5%	Compound annual return	0,7%
58,2%	% "up" months:	53,9%
41,8%	% "down" months:	46,1%
3,7%	1-year rolling volatility (daily)	23,9%

LYRA - FUND DATA

TOP 5 "LONGS"	sector	% AUM
Aquafil	textile	6,7%
De Nora	industrial	6,3%
Ence Energia&Celulosa	energy	3,1%
EDP	utility	2,8%
Carel	industrial	2,7%

TOP 5 "SHORTS"	sector	% AUM
FTSEMIB Index	future	-7,8%
Euro Stoxx 50 Index	future	-4,5%
Company1	industrial	-3,3%
Company2	automotive	-2,5%
Company3	retailer	-2,2%

"BEST"	sector	%
FTSEMIB Index (short)	future	1,3%
Company4 (short)	industrial	0,6%
Company5 (short)	IT servicer	0,6%
Euro Stoxx 50 (short)	future	0,5%
Company3 (short)	retailer	0,4%

"WORST"	sector	%
Aquafil	textile	-0,7%
Seri	energy	-0,7%
Carel	industrial	-0,5%
Banco BPM	bank	-0,4%
Rexel	industrial services	-0,4%

	Longs	Shorts	Gross exp.	Net exp.	Total
Exposure (% on NAV)	75%	-50%	125%	25%	-
Number of holdings	45	30	-	-	75

LYRA - MONTHLY PERFORMANCE HISTORY

NAV (as of June 30, 2022) : 154,03

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	na	na	3,48%	-0,19%	-0,86%	-3,56%	-2,91%	-0,54%	-2,02%	-3,03%	1,89%	0,63%	**-7,11%**
2015	5,54%	5,85%	4,21%	0,02%	0,04%	-1,96%	3,94%	-2,14%	-1,71%	0,46%	0,42%	-0,63%	**14,47%**
2016	-4,78%	-2,36%	0,15%	2,07%	0,15%	-4,62%	1,02%	1,21%	0,37%	2,90%	-4,79%	4,51%	**-4,61%**
2017	1,43%	0,74%	10,50%	5,27%	4,94%	0,37%	0,39%	2,39%	1,52%	0,73%	0,42%	-0,21%	**31,86%**
2018	1,20%	-1,51%	-0,28%	-0,45%	-3,26%	1,03%	-0,28%	-2,93%	-0,81%	-3,51%	-4,88%	-0,82%	**-15,47%**
2019	-0,25%	0,40%	2,30%	0,44%	-1,87%	1,38%	0,30%	-1,86%	2,62%	1,51%	3,40%	-0,84%	**7,62%**
2020	-0,77%	-2,71%	-9,72%	4,67%	3,41%	2,50%	-0,25%	2,46%	2,13%	-2,80%	6,90%	4,07%	**9,16%**
2021	0,33%	4,38%	1,34%	3,66%	4,65%	2,29%	1,41%	1,26%	-0,86%	3,35%	-2,55%	1,90%	**23,06%**
2022	-3,95%	-0,63%	1,13%	0,84%	-2,33%	-0,87%							**-5,75%**

LYRA	HISTORICAL PERFORMANCE (since March 2014)	Benchmark
54,0%	Total cumulative return	20,2%
-5,8%	6-month rolling performance	-11,5%
5,3%	Compound annual return	2,2%
59,0%	% "up" months:	55,0%
41,0%	% "down" months:	45,0%
8,9%	1-year rolling volatility (daily)	10,7%

FUNDS MAIN FEATURES

	ARTEMIDE	LYRA
Name:	Multilabel SICAV - Artemide	Multilabel SICAV - Lyra
Inception :	October 2010	March 2014
Isin Code :	LU0515666294 (retail); LU0515666377 (institutional)	LU1012189707 (retail); LU1012189889 (institutional)
Bloomberg :	JBMARBE LX (retail); JBMARCE LX (institutional)	LYRABEU LX (retail); LYRACEU LX (institutional)
AUM (€) :	57,000,000 (as of June 2022)	42,000,000 (as of June 2022)
Strategy :	Equity, Market-Neutral&Multi-Strategy	Equity, European small cap
Liquidity :	Daily	Daily
Lock-up :	None	None
Notice period:	1 business day	6 business days
Management fees :	1.5% per year (retail); 1.0% per year (institutional)	2.0% per year (retail); 1.5% per year (institutional)
Performance fees :	10%	15%
Hurdle rale	Eonia	25% FTSE Italia Mid Cap Index 25% MSCI Small Cap Index 50% Eonia
High watermark :	Yearly	Yearly
Minimum investment (€):	25,000 (retail); 250,000 (institutional)	na (retail); 100,000 (institutional)
Currency :	Euro	Euro
Administrator :	State Street Bank (Luxembourg)	State Street Bank (Luxembourg)
Custodian :	State Street Bank (Luxembourg)	State Street Bank (Luxembourg)
Auditors :	PriceWaterHouseCoopers	PriceWaterHouseCoopers
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Investors' disclaimer