

The flexiweekly that reaches new heights - published on 3 February 2025

# "DISPERSION IS NOT NECESSARILY SOMETHING BAD"

- On the equity market, 2025 will be nothing like 2024
- Sectoral rotation has started, and stock performances are disparate
- Financials and defensives climb the podium

More than ever, dispersion trades provide decorrelation and performance



### CHART OF THE WEEK: "Sector rotation not yet complete, but underway"

### **FINANCIAL MARKETS ANALYSIS**

January is already over. History will remember **that the stock markets started 2025 in disarray** (see Chart of the Week), **torn between economic momentum, monetary adjustments, geopolitical tensions and the emergence of companies able to create a disruption in global technological leadership**. On Wall Street, the S&P 500 has gained 2.8% since the first day of the year, but could have delivered more had it not recently been penalised by the fall of companies linked to artificial intelligence, such as Nvidia and Broadcom. With the release of its latest model of conversational robot, Chinese start-up, DeepSeek, has shown that it is possible to be more efficient and less resource-hungry than the leaders in the sector, challenging the American hegemony. So, it came as no surprise that the Nasdaq, the



**Earlier, investor nervousness had been exacerbated by the inauguration of Donald Trump,** who made a series of provocative announcements and envisaged a series of new tariffs targeting China, Mexico and Europe, among others. Ironically, Mexican and European indices managed to outperform their US counterparts, despite tougher political trade relations with Washington. The former should be able to take advantage of the relocation of industries to Mexico as part of nearshoring. The latter are already benefiting from their inclination towards defensive sectors and good results from the luxury goods sector.

This was in stark contrast to the Shanghai CSI 300, which contracted by -2.8% as investors remained sceptical about economic stimulus measures. Indian indices did not fare much better, penalised by disappointing earnings growth, high valuations and major withdrawals by foreign institutional investors. In Japan, the main jolts came from the Bank of Japan's decision to raise its key interest rates to counter the acceleration in the inflation rate to 3.6%, a rarity in the land of the rising sun. The Nikkei 225 was affected by the temporary appreciation of the yen, which is penalising exporters, as well as by a wave of mistrust towards banking stocks. The latter will be directly affected by the attempt to tighten monetary policy in a country where debt is so high, that any increase in rates could prove fatal.

With 2025 confirming the return of volatility, one question stands out: which companies managed to outperform in January, and which have the strongest fundamentals to navigate the next eleven months?

Ulders Firstsource   BLRR IN   Industrials   USD   United States   20   1/14   Rennog   Ended   Ended <t< th=""><th>Name</th><th>Ticker</th><th>Sector</th><th>Currency</th><th>Country</th><th>Market</th><th>Last Price</th><th>2025 YtD</th><th>Dividend</th><th>Altitude IS</th><th>Consensus</th><th>Upside</th><th>Sales</th><th>Debt /</th><th>Price /</th><th>Price /</th><th>Price /</th><th>Implied</th></t<>	Name	Ticker	Sector	Currency	Country	Market	Last Price	2025 YtD	Dividend	Altitude IS	Consensus	Upside	Sales	Debt /	Price /	Price /	Price /	Implied
Buildes Firstource   BLDR UN   Industrial   USD   United States   20   174   21.4   21.4   0.201   158   1.25   1.157   15.03   4.40   4.40     Capital One Financials   USD   United States   15.5   8.11   15.26   2.87   13.65   2.28   39   8.92   105   8.9%   7.49   10.3   12.86   33   2     Corpary   CPM VN   Financials   USD   United States   20   2.78   9.0%   31.8   8.48   2.55   1.42.45   0.68   13.64   6.5   15.55   6.1.46   5.55   6.1.46   5.55   1.47.4   1.2.64   1.2.6   1.2.6   1.5.65   1.47.4   2.2.67   5.0.5   1.107   6.5.5   1.5.4   6.3.45   1.5.5   1.4.4   1.5.0   1.4.6   1.5.6   1.4.6   2.0.5   6.3.47   2.5.6   1.5.6   1.4.6   2.5   1.5.5   1.4.7   2.7.8   4.5.5   1.5.5   1.4.7   2.7.8   1.5						Cap (Ş bh)		Total Return	Yield	Ranking	Target	Downside	Growth	Ebitda	Cash Flow	Earnings	BOOK	Vol. 12m
Capital One Financial USD United States 77 203 13.68 12.26 58 211 555 211 3.57 12.89 13.0 3.7   Cidigroup CIW Financials USD United States 2.6 379 12.15 2.8 38 9.2 10.8 8.74 7.4 7.40 8.77 7.47 7.40<	Builders Firstsource	BLDR UN	Industrials	USD	United States	20	174	21.4%	n.a.	60	201	16%	-3.3%	1.85	11.97	16.03	4.40	42.15
CITIGORD CIN Financials USD United States 133 81.1 15.2 2.8% 38 89.2 10% 8.9% 7.40 n.a. 10.92 0.78 22   Corpay CPAVIN Financials USD United States 20 27.8 9.0% 31.8 8.38 25% 14.2% 0.66 18.47 10.66 33.5   Corpar CYS health VVN Hestin Car USD United States 21.6 5.66 11.6 6.45 15.76 6.18 5.68 3.99 10.4 8.06 2.78 3.9 10.64 5.8 3.99 10.4 8.05 2.07 15.06 14.4% 2.09 44 15.05 14.47 12.8 14.6 12.8 14.6 12.8 14.6 12.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8 14.6 15.8	Capital One Financial	COF UN	Financials	USD	United States	77	203	13.6%	1.2%	5	213	5%	9.0%	2.11	3.57	12.89	1.30	32.37
Corpay   CPAVUM   Financials   USD   United States   26   379   1218   n.a.   73   405   7%   4.7%   3.76   12.0   736   8.33   22.0     Cotrer acrey   CTRA UN   Energy   USD   United States   20   22.8   9.0%   3.16   43   43.48   255   4.12.4%   0.68   3.99   10.0   64.5   155.6   1.47.6   12.00   0.95   63.10   64.5   155.6   1.47.1   12.8   1.00   1.00   4.02   2.67   1.00   1.01   5.26   1.01   1.01   5.26   2.67   5.0%   1.01   64.5   1.50   1.01   5.26   2.67   5.0%   1.01   64.5   1.05   1.12   1.01   1.11	Citigroup	C UN	Financials	USD	United States	153	81.1	15.2%	2.8%	39	89.2	10%	8.9%	7.49	n.a.	10.92	0.78	29.09
Coters Energy   CTRA LUN   Energy   UDID   United States   20   27.8   29.0%   3.1%   8   34.8   25%   1-14.2%   0.68   18.47   10.36   10.04   0.33   32     Delta Ar Lines   DALUM   Industrials   USD   United States   71   55.2   25.0%   50.9%   61.05   55.6   2.07   15.04   8.86   2.97   2.24   2.21   33     Discover Financial Service   DFUN   Heath Care   USD   United States   50   200   15.6%   1.4%   72   209   44   1.07   4.4%   1.03   1.76   5.55   1.4%   2.44   2.21   33     Hess   HES UN   Energy   USD   United States   416   1.7%   1.29   4.77   1.6%   3.3%   2.98   2.102   2.204   3.21   33     Qualcomm   QCOM UW   Infortech   USD   United States   1.17   1.1.4%   2.0%   8.8   1.98	Corpay	CPAY UN	Financials	USD	United States	26	379	12.1%	n.a.	73	405	7%	4.7%	3.76	12.10	17.86	8.33	29.47
CVS Hult Health Care USD United States 71 56.2 26.7% 5.0% 110 64.5 15% 6.1% 5.86 39.99 10.0 0.03 32   Discover Financial Service DFS UN Financials UDINEd States 50 200 12.6% 1.4% 77 12.0% 20.9 4% 15.0% 1.76 5.55 14.71 2.2.0 2.33   Elevance Health EVU Health Care USD United States 45 116 15.6% 1.7% 14.6 168 15.% 2.1.8% 1.40 44.9.2 2.2.04 2.3.7 3.3 2.98 2.1.0 1.4.1.4 2.1.8% 1.40 44.9.2 2.2.04 3.3 1.3.0 1.5.3 1.4.1 2.3.0 1.3.6 1.5.8 1.3.4 4.2.2.8 2.3.3 3.3.1 1.2.1.2 1.3.3 1.3.4 2.0.0 3.3.4 2.3.8 1.3.3 1.3.2 2.3.3 2.3.6 2.3.4 2.3.3 2.3.7 3.3.4 3.3.1 1.3.2 2.3.1 2.3.1 2.3.1 2.3.1 2.3.1 2.3.1	Coterra Energy	CTRA UN	Energy	USD	United States	20	27.8	9.0%	3.1%	8	34.8	25%	-14.2%	0.68	18.47	10.36	1.60	32.53
Delta Ni Lines   DAL UN   Industrials   USD   United States   64   67.8   12.0%   6.9%   6   8.00   2.2%   2.67   15.04   8.96   2.78   3.3     Bevance Health   EV UN   Hest Nu   Edita States   95   411   11.5%   1.7%   146   166   3.3%   2.98   2.10.2   12.04   2.21.2   3.3     Hess   HES UN   Energy   USO   United States   44   14.6   11.7%   1.46   166   155   2.1.8%   1.4.0   4.4.9.2   2.2.0.4   3.7.9   3.3     Rewmont   NEW UN   Inder States   1.49   0.44   1.1.8%   2.0%   88   1.98   1.5.0   1.5.4   1.3.0   6.6.8   3.3   1.5.0   1.5.4   1.3.0   1.6.5   3.3.4   3.3   1.5.0   0.6.8   1.2.9   1.5.0   0.5.3   3.4.3   3.3   3.3   3.3   3.3   3.3   3.3   3.3   3.3   3.3   3.3	CVS Health	CVS UN	Health Care	USD	United States	71	56.2	26.7%	5.0%	110	64.5	15%	6.1%	5.86	39.99	10.04	0.93	35.23
Discover Financial Service DFS UN Financials UN Financials UN Financials UN Health Care USD United States 95 11 11.5% 1.7% 122 747 156 33.8 2.98 2.02 12.0 4.22 33   Hess HES UN Hergy USD United States 45 146 9.8% 1.7% 146 168 15% 2.18 1.40 0.44.92 2.20 3.79 33   Newmont NEM UM Materials USD United States 1.8 1.17 11.4% 2.2% 8.4 5.29 2.28 5.37% 3.91 4.9.38 11.5 1.5.6 3.8   Raymond James Financial UN Financials USD United States 1.51 8.2.5 11.5% 1.3% 4.9 6.8% 1.9% 1.94 1.9.5 3.3.4 3.6 3.6 3.6 3.6 3.6 1.0% 1.9% 1.9.5 1.8.4 1.9.5 1.8.4 1.9% 1.9.5 1.9.5 1.9.5 1.9.5 1.9.5 1.9.5 1.9.5	Delta Air Lines	DAL UN	Industrials	USD	United States	44	67.8	12.0%	0.9%	4	81.0	20%	6.2%	2.67	15.04	8.96	2.78	37.45
Elevance Health ELV UN Health Care USD United States 95 411 1.15% 1.7% 129 477 16% 3.3% 2.98 2.10 1.20	Discover Financial Services	DFS UN	Financials	USD	United States	50	200	15.6%	1.4%	7	209	4%	15.0%	1.76	5.55	14.71	2.81	32.55
Hess M Hes UN Energy USD United States 445 146 9.8% 1.7% 146 168 158 1.1.40 44.9.2 2.0.40 3.79 3.31   Dewmont NEM UN Materials USD United States 1.18 1.1.7% 2.2.78 8.8 52.9 27.8 53.7% 3.31 4.9.3.8 11.50 6.6 3.3   Raymond James Financials USD United States 3.5 1.0.8 2.7% 52.8 1.0.9 0.7% 2.2 52.8 1.0.9 1.1.9 1.2.9 2.5.9 2.5 1.5.80 1.0.9 1.2.5 1.3.8 9.9 8.95 8.7% 1.9.9 1.5.80 1.2.9 1.2.3 3.3.4 3.2.7 1.2.8 1.2.9 1.2.5 1.3.8 9.9 8.9.5 8.9.4 1.9.9 1.0.6 2.2.9 1.2.8 1.0.9 1.3.4 3.3 3.2.7 1.4.4 1.9.9 1.2.8 1.0.9 3.3.4 3.2.7 1.4.4 1.0.9 1.2.9 1.2.9 1.3.8 1.9.9 1.9.0 1.0.1.0 1.0.9.0 1.0.1.	Elevance Health	ELV UN	Health Care	USD	United States	95	411	11.5%	1.7%	129	477	16%	3.3%	2.98	21.02	12.04	2.21	33.63
New ont   NEW off   USD   United States   47   41.6   11.7%   2.7%   84   52.9   27%   53.7%   3.91   49.38   11.50   15.46   33.93     Qualcomm   QCOMUW   Info Tech   USD   United States   189   11.4%   2.0%   88   198   1.14   169   0%   14.9%   1.13   17.12   15.00   15.64   2.3     Schumberger   SLU N   Energy   USD   United States   160   2.75   17.8   2.78   2.47   5.58   1.04   1.49   1.15   1.38   99   89.5   88   1.98   2.15   2.3   2.47   2.8   2.25   1.08   1.33   99   8.95   88   1.98   2.15   2.3   2.8   2.25   2.69   1.83   3.93   2.25   2.69   1.83   3.93   2.26   2.69   1.83   9.97   2.13   2.4   2.25   2.69   1.83   9.94   2.3   2.26	Hess	HES UN	Energy	USD	United States	45	146	9.8%	1.7%	146	168	15%	21.8%	1.40	44.92	22.04	3.79	31.46
Qual comm QCM Winfo Tech USD United States 189 171 11.4% 2.0% 88 198 1.1%	Newmont	NEM UN	Materials	USD	United States	47	41.6	11.7%	2.7%	84	52.9	27%	53.7%	3.91	49.38	11.50	1.54	33.41
Raymond James Financial   RUV   Financials   USD   United States   35   169   9.4%   1.1%   41   169   0.0%   1.49%   1.09   1.00   1.09   1.00   1.00   1.00	Qualcomm	QCOM UW	Info Tech	USD	United States	189	171	11.4%	2.0%	88	198	16%	8.8%	1.31	17.12	15.30	6.96	35.13
Schunderger SLUN Energy USD United States 60 42.5 11.0% 2.7% 227 52.8 22.4% 9.5% 15.4 12.50 12.51 22.9 3.43 3.43 3.43 3.43 3.43 3.45 <	Raymond James Financial	RJF UN	Financials	USD	United States	35	169	9.4%	1.1%	41	169	0%	14.9%	1.09	17.98	15.77	2.89	27.85
Schwab (Charles)   SCHW UN   Financials   USD   United States   151   825   11.3%   99   89.5   8%   1.9%   2.91   5.80   19.53   34.3   3     Teledyne Technologies   TDY UN   Info Tech   USD   United States   24   559   10%   0.6%   2.04   22.76   22.62   22.62   22.62   22.62   22.62   24.62   24.62   24.62   4.19   9.18   8.19   2.72   4.4     United Airlines   UALUW   Industrials   UD   United States   35   107   9.9%   n.a.   1   130   228   6.2%   4.19   9.18   8.19   2.72   4.4     Barco De Sabadell   SAS Q   Financials   EUR   Spain   12   21   11.0%   0.5%   22   6.24   4.23   4.37   5.19   4.01   3.4   3.4   3.4   3.4   3.4   3.4   3.4   3.4   3.4   3.4   3.4   3.4	Schlumberger	SLB UN	Energy	USD	United States	60	42.5	11.0%	2.7%	27	52.8	24%	9.5%	1.54	12.89	12.51	2.79	30.21
Telefyne Technologies   TDY W.   Info Tech.   USD   United States   24   509   9.6%   n.a.   79   559   10%   6.6%   2.20   23.62   24.44   2.21     The Cigna Group   Cl UN   Health Care   USD   United States   85   300   10.7%   1.9%   53   391   228%   22.69   2.69   18.34   9.97   2.01   39     United Xirines   UALUW   Industrials   EUR   Spain   13   2.2   18.1%   12.2%   77   2.3   4.4%   29.8%   n.a.   n.a.   7.83   0.01   37     Bayer   BANK OF   Health Care   EUR   Germany   22   13.15.1%   n.a.   133   77   2.33   4.4%   2.9.8%   n.a.   n.a.   6.93   0.0.71   4.34     Deutsche Bank   DBK OF   Financials   EUR   Financials   EUR   Financials   EUR   Financials   EUR   Financials   EUR   Financ	Schwab (Charles)	SCHW UN	Financials	USD	United States	151	82.5	11.5%	1.3%	99	89.5	8%	1.9%	2.91	5.80	19.53	3.43	30.57
The Cigna Group Cl W. Health Care Usp United States 85 306 10.7% 1.9% 53 391 22% 22.5% 26.9 18.34 9.97 2.01 33   United Airlines UALUW Industrials USD United States 35 107 9.9% n.a 130 22% 6.2% 4.19 9.18 8.19 2.72 4   Banco De Sabadell SAB SQ Financials EUR Spain 132 2.2 1.81 12.2% 77 2.3 44 29.8% n.a. n.a. n.a. 7.83 0.07 44   Barco De Sabadell SAB SQ Financials EUR Germany 22 15.1 10.0% 5.8 26.6 24% -2.2% A.37 5.1 4.4 0.07 44   Deutsche Bank DBK GY Financials EUR Germany 30 0.01 13.9% n.a. 33 19.9 5% 5.5% n.a. n.a. n.a. 10.2 32 10.9% n.a. 13.1 12% <	Teledyne Technologies	TDY UN	Info Tech	USD	United States	24	509	9.6%	n.a.	79	559	10%	0.6%	2.04	22.70	23.62	2.44	24.68
United Airlines   UAUW   Industrials   USD   United States   35   107   9.9%   n.a   1   130   22%   6.2%   4.19   9.18   8.19   2.7.2   4.4     Banco De Sabadell   SAB Q.   Financials   EUR   Spain   13   2.2   18.1%   12.2%   77   2.3   44   29.8%   n.a.   n.a.   7.83   0.61   33     Bayer   BANN GY   Health Care   EUR   Germany   22   21.5   11.0%   0.5%   22.66   2.4%   7.2.3   4.0   0.1   34   0.67   44     Deutsche Bank   DBK GY   Financials   EUR   Germany   32   11.51%   n.a.   33   19.9   5%   22.6%   n.a.   n.a.   10.23   0.67   44     Deutsche Bank   DBK GY   Financials   EUR   feinand   42   11.7   10.7%   n.a.   74   13.1   12%   16.0%   n.a.   n.a.   1.0.2 </td <td>The Cigna Group</td> <td>CI UN</td> <td>Health Care</td> <td>USD</td> <td>United States</td> <td>85</td> <td>306</td> <td>10.7%</td> <td>1.9%</td> <td>53</td> <td>391</td> <td>28%</td> <td>22.5%</td> <td>2.69</td> <td>18.34</td> <td>9.97</td> <td>2.01</td> <td>34.67</td>	The Cigna Group	CI UN	Health Care	USD	United States	85	306	10.7%	1.9%	53	391	28%	22.5%	2.69	18.34	9.97	2.01	34.67
Banco De Sabadell   SAB SQ.   Financials   EUR   Spain   13   2.2   18.1%   12.2%   77   2.3   4%   29.8%   n.a.   n.a.   7.83   0.81   3     Bayer   BANN GY   Health Care   EUR   Germany   22   2.5   11.0%   0.5%   28   26.6   24%   -2.2%   4.37   5.19   4.54   0.67   44     Commerzbank   CBK GY   Financials   EUR   Germany   32   11.51%   n.a.   33   19.9   5%   23.9%   n.a.   n.a.   6.04   0.71   33     Generali   G IM   Financials   EUR   Icermany   39   10.0   13.9%   n.a.   33   19.9   5%   0.8   n.a.   n.a.   6.33   0.58   33   25   Societe Generale   GLF P   Financials   EUR   Financials   EUR   Financials   EUR   Financials   EUR   Financials   EUR   Financials   EUR	United Airlines	UALUW	Industrials	USD	United States	35	107	9.9%	n.a.	1	130	22%	6.2%	4.19	9.18	8.19	2.72	44.89
Bayer BAYN GY Health Care EUR Germany 22 21.5 11.0% 0.5% 28 26.6 22.4% -1.2% 4.37 5.19 4.54 0.6.7 4.4   Commerzbank OBK GY Financials EUR Germany 22 21.5 11.0% 0.5% 28 26.6 22.4% -1.2% 4.37 5.19 4.54 0.6.7 4.34   Commerzbank DBK GY Financials EUR Germany 22 10.1 11.1% n.a. 35 19.3 7% 23.9% n.a. n.a. 6.63 0.58 33.   Generali GIM Financials EUR Financial EUR Financial 20.8 Financial 20.8 Financial 20.8 Financial 20.8 Financial EUR <	Banco De Sabadell	SAB SQ	Financials	EUR	Spain	13	2.2	18.1%	12.2%	77	2.3	4%	29.8%	n.a.	n.a.	7.83	0.81	31.15
Commerzbank   CBK GY   Financials   EUR   Germany   22   18.1   15.1%   n.a.   35   19.3   7%   22.9%   n.a.   n.a.   9.04   0.7.1   33     Deutsche Bank   DBK GY   Financials   EUR   Germany   39   13.9%   n.a.   33   19.9   5%   22.6%   n.a.   n.a.   6.03   6.03   5.2   22.6%   n.a.   n.a.   6.03   5.3   22.5%     Nordea Bank   NDA FH   Financials   EUR   Finland   42   11.7   10.7%   n.a.   74   13.1   12%   16.0%   n.a.   n.a.   8.88   1.27   22     Societe Generale   CUG IM   Financials   EUR   Financials   EUR   France   26   75%   109   46.8   76   4.4%   n.a.   n.a.   8.78   103   108   1.4   108   1.3   108   1.4   108   1.3   1.4   1.4   1.4   1.4 </td <td>Bayer</td> <td>BAYN GY</td> <td>Health Care</td> <td>EUR</td> <td>Germany</td> <td>22</td> <td>21.5</td> <td>11.0%</td> <td>0.5%</td> <td>28</td> <td>26.6</td> <td>24%</td> <td>-2.2%</td> <td>4.37</td> <td>5.19</td> <td>4.54</td> <td>0.67</td> <td>40.13</td>	Bayer	BAYN GY	Health Care	EUR	Germany	22	21.5	11.0%	0.5%	28	26.6	24%	-2.2%	4.37	5.19	4.54	0.67	40.13
Description   DBK off   Financials   EUR   Germany   39   100   13.9%   n.a.   33   19.9   5%   22.6%   n.a.   n.a.   6.93   0.58   33     Generali   GIM   Financials   EUR   Italy   49   30.2   10.9%   n.a.   32.6   9.5%   9.5%   n.a.   n.a.   6.93   0.58   22     Societa Generale   GLE P   Financials   EUR   Finance   26   30.7   11.5%   n.a.   74   13.1   12%   16.0%   n.a.   n.a.   6.43   0.42   32     Unicredit   UCG IM   Financials   EUR   Finance   26   30.7   11.5%   n.a.   46.8   73.8   1.44   n.a.   n.a.   6.43   0.42   33   1.00   44.8   7.44.4%   n.a.   n.a.   6.43   0.42   33   36.3   -14   3.9%   n.a.   1.6.3   2.2   32   34.9%   n.a.   5.5	Commerzbank	CBK GY	Financials	EUR	Germany	22	18.1	15.1%	n.a.	35	19.3	7%	23.9%	n.a.	n.a.	9.04	0.71	34.71
Generali   Gi M   Financials   EUR   Italy   49   30.2   10.9%   n.a.   28.6   -5%   9.5%   n.a.   In.a.   10.28   15.3   21     Nordes Bank   NDA FH   Financials   EUR   Financial   42   11.7   10.7%   n.a.   74   13.1   12%   16.0%   n.a.   n.a.   8.88   12.2   21     Societe Generale   GLEPP   Financials   EUR   Finance   26   30.7   11.5%   n.a.   5.7%   109   46.8   7.77   4.44   0.42   23     Uncredit   UCG IM   Financials   EUR   Financial   122   32   14.9%   n.a.   5.7%   109   46.8   7.77   4.49   0.2   23     UBS Group   UBSG SE   Financials   SEK   Sweden   15   33.6   10.9%   2.1%   12   36.3   -1%   3.9%   n.a.   1.8   3.10   3.5   30.3   -1% <t< td=""><td>Deutsche Bank</td><td>DBK GY</td><td>Financials</td><td>EUR</td><td>Germany</td><td>39</td><td>19.0</td><td>13.9%</td><td>n.a.</td><td>33</td><td>19.9</td><td>5%</td><td>22.6%</td><td>n.a.</td><td>n.a.</td><td>6.93</td><td>0.58</td><td>32.78</td></t<>	Deutsche Bank	DBK GY	Financials	EUR	Germany	39	19.0	13.9%	n.a.	33	19.9	5%	22.6%	n.a.	n.a.	6.93	0.58	32.78
Nordes Bank   NDA HF   Financials   EUR   Finland   42   11.7   10.7%   n.a.   74   13.1   12%   16.0%   n.a.   n.a.   8.88   1.27   21     Societe Generale   ULG FM   Financials   EUR   France   26   30.7   11.5%   n.a.   48   33.1   12%   16.0%   n.a.   n.a.   6.43   0.42   21     Unicredit   UCG IM   Financials   EUR   Italy   71   43.9   13.8%   5.7%   109   46.8   7%   4.4%   n.a.   n.a.   6.43   0.42   1.6%   n.a.   Financials   SW   11.5%   n.a.   57%   109   46.8   7%   4.4%   n.a.   n.a.   6.43   0.42   11.5%   Size   Size   Swetzer and   11.2%   32.1%   1.2%   11.2%   14.8%   7.9   13.1   14.8   16.0%   n.a.   1.3.8   12.6   22.1%   12.8   32.1%   1.3   <	Generali	GIM	Financials	EUR	Italy	49	30.2	10.9%	n.a.	9	28.6	-5%	9.5%	n.a.	n.a.	10.28	1.53	25.73
Societa Generale   GLE P   Financials   EUR   France   26   30.7   11.5%   n.a.   448   33.1   8%   1.4%   n.a.   n.a.   6.43   0.42   33.1     Unicredit   UCG IM   Financials   EUR   Italy   71   43.9   13.8%   5.7%   109   46.8   7%   4.4%   n.a.   n.a.   6.43   0.42   33.1   Unicredit   0.4   4.4%   n.a.   n.a.   0.42   33.1   Unicredit   0.4   4.4%   n.a.   n.a.   0.42   33.1   Unicredit   0.4   4.2.4%   n.a.   n.a.   0.43   1.2   33.1   Unicredit   0.4.8   4.2.4%   7.99   1.3.19   9.1.6   22.7   1.0.9%   1.2   385.3   -1.8   3.9.6   1.0.9   2.1%   1.2   385.3   -1.8   3.9.6   1.0.9   2.2%   1.2   385.3   -1.8   3.9.6   1.0.8   1.2   2.57   5%   1.0.9   1.6.5   2.2	Nordea Bank	NDA FH	Financials	EUR	Finland	42	11.7	10.7%	n.a.	74	13.1	12%	16.0%	n.a.	n.a.	8.88	1.27	20.40
Uncredit   UCG IM   Financials   EUR   Italy   71   43.9   13.8%   5.7%   109   46.8   7%   4.4%   n.a.   n.a.   7.77   1.15   34     UBS Group   UBSG SE   Financials   CHF   Switzerland   122   32   14.9%   n.a.   51   30   44.8   42.4%   7.99   13.19   14.8   136   27     Industrivarden   INDUCSS   Financials   SEK   Sweden   15   30.0   4.4%   42.4%   7.99   13.19   14.8   136   27     Sandvik   SADD SS   Industrials   SEK   Sweden   26   231   15.3%   n.a.   124   240   44%   -2.9%   1.79   16.97   16.26   2.86   221     Sandvik   SWEDA SS   Financials   SEK   Sweden   25   244   11.9%   n.a.   121   257   5%   9.1%   n.a.   9.63   13.6   222     Bank	Societe Generale	GLE FP	Financials	EUR	France	26	30.7	11.5%	n.a.	48	33.1	8%	1.4%	n.a.	n.a.	6.43	0.42	32.26
UBS Group   UBSG SE   Financials   CHF   Switzerland   122   32   14.9%   n.a.   51   30   -4%   42.4%   7.99   13.19   19.43   1.36   2     Industrivarden   INDUC SS   Financials   SEK   Sweden   15   387.6   10.9%   2.1%   12   385.3   -1%   3.9%   n.a.   n.a.   9.59   10.5   2     Sandvik   SAND SS   Industrials   SEK   Sweden   26   231   15.3%   n.a.   124   240   4%   -2.9%   1.79   16.97   16.62   2.86   22     Swedbank   SWEDA SS   Financials   SEK   Sweden   25   244   11.9%   n.a.   112   257   5%   9.1%   n.a.   9.63   1.36   22     Bank Pekao   PEO PW   Financials   PLN   Poland   10   157   13.2%   n.a.   118   176   13%   2.1%   n.a.   6.06	Unicredit	UCG IM	Financials	EUR	Italy	71	43.9	13.8%	5.7%	109	46.8	7%	4.4%	n.a.	n.a.	7.77	1.15	30.62
Industriarden   INDUC SS   Financials   SEK   Sweden   15   387.6   10.9   2.1%   12   385.3   -1%   3.9%   n.a.   n.a.   9.59   10.5   2     Sandvik   SAND SS   Industrials   SEK   Sweden   26   21   15.3%   n.a.   124   240   44   -2.9%   1.79   16.97   16.25   2.26   20     Swedbank   SWEDA SS   Financials   SEK   Sweden   25   244   11.9%   n.a.   121   257   5%   9.1%   n.a.   9.63   13.6   22     Bank Pekao   PEO PW   Financials   PLN   Poland   10   157   13.2%   n.a.   118   176   13%   0.81   n.a.   6.06   1.27     Orlen   PKN PW   Fergy   PLN   Poland   15   10.8%   n.a.   40   68   30%   -12.7%   0.81   n.a.   6.32   1.5   54   1.85	UBS Group	UBSG SE	Financials	CHF	Switzerland	122	32	14.9%	n.a.	51	30	-4%	42.4%	7.99	13.19	19.43	1.36	27.88
Sandvik   SAND SS   Industrials   SEK   Sweden   26   231   15.3%   n.a.   124   240   4#   -2.9%   1.79   16.97   16.25   2.86   21     Swedbank   SWEDASS   Financials   SEK   Sweden   25   244   11.9%   n.a.   121   257   5%   9.1%   n.a.   n.a.   9.63   1.36   22     Bank Pekao   PEW   Financials   PLN   Poland   10   157   13.2%   n.a.   118   176   13.2   n.a.   0.41   0.63   0.63   0.61   n.a.   0.63   0.61   n.a.   0.63   0.63   0.61   n.a.   0.64   0.61   n.a.   0.61	Industrivarden	INDUC SS	Financials	SEK	Sweden	15	387.6	10.9%	2.1%	12	385.3	-1%	3.9%	n.a.	n.a.	9.59	1.05	21.03
Swedbank   SWEDA SS   Financials   SEK   Sweden   25   244   11.9%   n.a.   121   257   5%   9.1%   n.a.   9.63   1.36   2.7     Bank Pekao   PEO PW   Financials   PLN   Poland   10   157   13.2%   n.a.   118   176   13%   2.1%   n.a.   n.a.   6.06   1.1.7     Orien   PKN PW   Energy   PLN   Poland   15   53   10.8%   n.a.   40   68   30%   1.2.7%   0.81   n.a.   6.06   1.2.7%     Pko Bank Polski   PKO PW   Financials   PLN   Poland   15   53   10.8%   n.a.   40   68   30%   1.2.7%   0.81   n.a.   6.30   1.2.7%   0.81   n.a.   5.82   1.55	Sandvik	SAND SS	Industrials	SEK	Sweden	26	231	15.3%	n.a.	124	240	4%	-2.9%	1.79	16.97	16.25	2.86	26.72
Bank Pekao   PED PW   Financials   PLN   Poland   10   17   13.2%   n.a.   118   176   13.8%   2.1%   n.a.   n.a.   6.06   1.27     Orlen   PKN PW   Energy   PLN   Poland   15   53   10.8%   n.a.   40   68   30%   -12.7%   0.81   n.a.   4.19   0.04     Pko Bank Polski   PKO PW   Financials   PLN   Poland   20   65.1   9.2%   n.a.   63   74.4   14%   5.4%   n.a.   .6.05   1.27	Swedbank	SWEDA SS	Financials	SEK	Sweden	25	244	11.9%	n.a.	121	257	5%	9.1%	n.a.	n.a.	9.63	1.36	22.09
Orlen   PKN PW   Energy   PLN   Poland   15   53   10.8%   n.a.   40   68   30%   -12.7%   0.81   n.a.   4.19   0.41     Pko Bank Polski   PKO PW   Financials   PLN   Poland   20   65.1   9.2%   n.a.   63   74.4   14%   5.4%   n.a.   n.a.   5.82   1.55	Bank Pekao	PEO PW	Financials	PLN	Poland	10	157	13.2%	n.a.	118	176	13%	2.1%	n.a.	n.a.	6.06	1.27	n.a.
Pko Bank Polski PKO PW Financials PLN Poland 20 65.1 9.2% n.a. 63 74.4 14% 5.4% n.a. n.a. 5.82 1.55	Orlen	PKN PW	Energy	PLN	Poland	15	53	10.8%	n.a.	40	68	30%	-12.7%	0.81	n.a.	4.19	0.41	n.a.
	Pko Bank Polski	PKO PW	Financials	PLN	Poland	20	65.1	9.2%	n.a.	63	74.4	14%	5.4%	n.a.	n.a.	5.82	1.55	n.a.
Powszechny Zakład Ubez. PZU PW Financials PLN Poland 11 51 10.3% n.a. 30 55 9% 5.0% n.a. n.a. 8.60 2.02	Powszechny Zaklad Ubez.	PZU PW	Financials	PLN	Poland	11	51	10.3%	n.a.	30	55	9%	5.0%	n.a.	n.a.	8.60	2.02	n.a.

Fig	5 6	<b>)</b> _	58.P	500	and	Stovy	600	stocks	with	the	host	performance	and	scoring	end-	lanuarv	,
٦IZ	. ∠	<u> </u>	Sar	500	anu	SLOXX	600	SLUCKS	VVILII	une	best	performance	anu	scoring,	ena-J	January	

To answer this question, nothing beats a quantitative approach, free from behavioural bias and preconceived ideas: the performances of S&P 500 and Stoxx 600 companies in January were cross-

<u>referenced with their respective scores on our proprietary ratings grid (including various financial analysis</u> ratios). This approach made it possible to identify the leading stocks in both categories, and **the conclusions are highly instructive (see Fig. 2):** 

- The first empirical observation is that <u>US-listed stocks are more than in the majority</u>, although they represent less than half of the total of companies analysed. Despite the disappointing performance of the US stock market indices in January, there are some companies that are sparkling on Wall Street. They are more than <u>capable of making up for the slump in the tech leaders</u>.
- In Europe, securities listed outside the European Monetary Union are on a par with those denominated in euros. However, stocks in Swiss francs and sterling are poorly represented, if at all. Swiss and British companies have been supplanted by <u>Swedish</u> and <u>Polish companies</u> (see Fig. 3). Only the UBS banking group managed to shine, a sign that it is making profits from its takeover of Credit Suisse.
- <u>The financial sector is ultra-represented</u>. This is the case in the United States, but even more so in continental Europe, where 80% of the companies identified are banks, insurance or financial services. Not only have these companies accentuated their upward trend of recent years (see Fig. 4), but their financial ratios are good. The gradual steepening of the yield curve is enabling them to increase their net interest margins, while investment banking and asset management continue to be a source of revenue.
- Other segments include companies active in industry, notably <u>airlines</u> and <u>suppliers of oil equipment</u> <u>and services</u>. Finally, it is worth noting that the technology sector is very poorly represented, while consumer sectors are literally absent from the list.

Fig. 4 - Financials sector



### Fig. 3 - Swedish and Polish markets

January will therefore have been very instructive in identifying the companies that could outperform over 2025 as a whole. It is not impossible that the sector rotation so eagerly awaited by strategists has begun to take place. It is taking place at the expense of technology and in favour of defensive stocks.

The first month of the year also saw dispersion trades record their best performance since 2020. In statistics, a dispersion indicator measures the variability of the values in a series. It is always positive, and the more spread out the values in the series, the greater the dispersion. On the stock markets, implementing a dispersion trade involves selling options on the index while buying options on several of its constituent stocks. When performance disperses, options on individual stocks appreciate more than options on the index options depreciate, generating a profit for the investor.

# Technically, dispersion trades are based on a fundamental characteristic of options markets: the implied volatility of an index is lower than the average of the implied volatilities of its component stocks.

- 1. <u>The main reason for this is that individual stock movements partly offset each other</u>, reducing overall volatility. When stocks move in dispersed order, as they have recently, correlation is low, which limits volatility of the index. As a result, the gap with the average volatility of equities increases.
- 2. <u>Furthermore, the implied volatility of equity options tends to be underestimated relative to the volatility of the index</u>. Over the last few decades, the development of structured products has introduced a dichotomous distortion in the volatility of indices and equities:
  - Many hedging products are designed by buying volatility on indices, both by retail investors and even more so by institutional investors, who trade large volumes. This structural buying pressure on index options tends to exaggerate their implied volatility. Realised volatility will often be lower.
  - Conversely, many investors sell puts on individual stocks to generate yield, through reverse convertibles or phoenixes. This structural phenomenon causes the implied volatility of individual shares to be exaggeratedly crushed. The realised volatility will often be higher.

The combination of these optional biases, between implied volatility and realised volatility, increases the structural attractiveness of dispersion trades.

**The two main challenges of dispersion trades are poor stock selection and unfavourable correlation.** In periods of intense stress, it can happen that all stocks temporarily move in the same direction, downwards. This was the case in the aftermath of the great financial crisis of 2008, for example. Volatility dynamics suddenly reverse. This reduces the effectiveness of dispersion trades and exposes investors to losses.

**In most cases, these strategies are rewarding,** which is why many institutional investors systematically implement them. Some even believe that the decline in correlation may have become a structural feature of the market, with the Magnificent Seven behaving independently of the 493 other companies that make up the S&P 500 index.

If, at school, dispersion is perceived as a lack of concentration, a tendency to daydream, restlessness, or a flaw to be corrected, the situation is quite different in finance, where it is particularly successful. Last month, dispersion trades benefited from the increased divergence between the 'low' volatility of the S&P 500 index and the 'high' volatility of its individual components, due in particular to massive selling of certain stocks in the tech sector. **On Monday 27 January alone, Nvidia and Broadcom both plunged by -17%, while AT&T and Apple rose by +6% and +4%, and the S&P 500 fell by just -1.5%.** The dispersion index (DSPX) thus reached its second all-time high, at 37.2%, while the volatility index (VIX) barely moved (see Fig. 5).

**Good news never comes alone. On Monday 27 January, the implied volatility of distressed securities did not rise as much as it should have.** The gap with realised volatility will be that much wider, and therefore more rewarding for dispersion trades. Let's take a concrete example. When Nvidia fell by -17%, its implied volatility should have risen sharply, in line with its historical volatility, which rose from 44% to 112%. However, many investors sought to take advantage of the fall in the share price and the rise in volatility to buy the stock, by structuring yield products. In doing so, they sold puts, and therefore volatility.

Implied volatility therefore rose, but not as much as it should have, from 44% to 69%, a level well below what its realised volatility will certainly be in a few months' time. This gap will benefit dispersion trades.



### Fig. 5 - Volatility and dispersion indices

There is no doubt that January's performance strengthened the appeal of dispersion trades for investors looking for uncorrelated exposure to the equity market. Once the preserve of high-tech investment funds, dispersion trades have become more widespread thanks to banks such as Citigroup, Goldman Sachs, JP Morgan, BNP Paribas et Société Générale, which have incorporated them into swaps to make them more widely available to their clients.

## **Conclusion:**

January was a month full of lessons. The best-performing companies are no longer the same as in 2024. Sectoral rotation seems to have started in favour of financials and defensives. As long as the equity market is subject to severe turbulence, but avoids a crash, dispersion trades will provide investors with rewarding diversification.



Markets Performances (local currencies)	Last Price	Momentum Indicator (RSI)	1-Week (%)	1-Month (%)	2025 Year-to-Date (%)	2024 (%)	2023 (%)
Equities							
World (MSCI)	869.0	59.10	-0.4%	3.4%	3.4%	18.0%	22.8%
USA (S&P 500)	6 041	53.82	-1.0%	2.8%	2.8%	25.0%	26.3%
USA (Dow Jones)	44 545	61.07	0.3%	4.8%	4.8%	15.0%	16.2%
USA (Nasdaq)	19 627	50.67	-1.6%	1.7%	1.7%	29.6%	44.7%
Euro Area (DJ EuroStoxx)	541.4	75.73	1.3%	7.3%	7.3%	10.2%	19.5%
Switzerland (SMI)	12 597	79.82	2.5%	8.6%	8.6%	7.5%	7.1%
Japan (Nikkei)	39 572	53.53	-0.9%	-0.8%	-0.8%	21.3%	31.0%
Emorging (MSCI)	1 002	E0.04	0.38/	1.99/	1.09/	0.09/	10.3%
Brasil (IBOVESPA)	126 135	60.01	3.0%	4.9%	4.9%	-10.4%	22.3%
Mexico (IPC)	51 210	56.16	-0.3%	3.5%	3.5%	-11.0%	22.4%
India (SENSEX)	77 506	51.32	1.7%	-0.7%	-0.7%	9.6%	20.3%
China (CSI)	3 817	46.31	-0.2%	-2.8%	-2.8%	18.2%	-9.1%
Com. Services (MSCI World)	134.7	73.37	2.6%	7.9%	7.9%	31.9%	38.1%
Cons. Discretionary (MSCI World)	439.8	66.44	1.0%	4.3%	4.3%	20.7%	29.5%
Cons. Staples (MSCI World)	277.5	59.41	1.7%	1.8%	1.8%	4.7%	3.2%
Energy (MSCI World)	246.3	42.50	-2.5%	2.6%	2.6%	2.9%	6.0%
Financials (IVISCI World)	190.4	/1.0/	1.0%	6.0%	6.0%	25.1%	16.4%
Industrials (MSCI World)	303 2	58.26	-1.5%	0.2%	0.2%	1.3%	22.5%
Info. Tech. (MSCI World)	760.8	44.73	-3.5%	-1.1%	-1.1%	31.9%	51.4%
Materials (MSCI World)	321.1	59.56	-0.4%	4.9%	4.9%	-7.7%	12.6%
Real Estate (MSCI World)	967	54.00	0.2%	1.6%	1.6%	-0.4%	5.3%
Utilities (MSCI World)	164.0	52.86	-0.7%	2.1%	2.1%	12.9%	1.6%
Bonds (Bloomberg)							
World (Aggregate)	3.66%	56.32	0.1%	0.6%	0.6%	-1.7%	5.7%
USA (Sovereign)	4.42%	57.64	0.5%	0.5%	0.5%	0.6%	4.1%
Euro Area (Sovereign)	2.77%	57.79	0.8%	-0.2%	-0.2%	1.9%	7.1%
Germany (Sovereign)	2.30%	55.09	0.9%	-0.6%	-0.6%	0.6%	5.6%
UK (Sovereign)	4.49%	63.49	0.8%	0.8%	0.8%	-3.0%	5.6%
Switzerland (Sovereign)	0.53%	53.46	0.6%	-0.5%	-0.5%	5.4%	7.9%
Japan (Sovereign) Emerging (Sovereign)	1.03% 6.87%	35.96	0.0%	-0.9%	-0.9%	7.0%	0.9%
	5.000/	55.00	0.5	1.1/6	1.4%	7.076	11.0/0
USA (IG Corp.)	5.30%	55.49	-0.2%	0.7%	0.6%	2.1%	8.5%
Euro Area (IG Corp.)	6.56%	69.05	0.1%	0.8%	0.9%	7.0%	6.7%
	7 20%	72.02	0.1%	1.0%	1.4%	9.2%	12 /9/
Euro Area (HV Corp.)	5.67%	72.95	0.1%	0.6%	0.6%	8.2%	12.1%
Emerging (HY Corp.)	8.28%	70.78	0.5%	1.2%	1.6%	14.9%	13.1%
World (Convertibles)	/52.5	57.01	-0 /%	2.8%	2.8%	9.1%	12 2%
USA (Convertibles)	616.2	55 78	-0.4%	3.0%	3.0%	10.1%	14.6%
Euro Area (Convertibles)	241.2	67.49	0.4%	3.6%	3.6%	14.7%	7.3%
Switzerland (Convertibles)	247.7	54.28	0.8%	2.9%	2.9%	-10.5%	5.8%
Japan (Convertibles)	227.4	68.63	0.9%	0.3%	0.3%	6.4%	7.6%
Hodgo Funds (Ploomborg)							
Hedge Funds (bloomberg)	1 610	78.17	n.a.	-0.5%	n.a.	11.1%	7.8%
Macro	1 341	63.19	n.a.	-0.4%	n.a.	7.3%	1.6%
Equity Long Only	2 217	68.00	n.a.	-0.9%	n.a.	12.3%	15.9%
Equity Long/Short	1 676	75.73	n.a.	-0.8%	n.a.	14.0%	7.7%
Event Driven	1 723	73.07	n.a.	-1.1%	n.a.	8.6%	7.3%
Fundamental Equity Mkt Neutral	1 649	95.44	n.a.	0.5%	n.a.	12.2%	6.6%
Quantitative Equity Mkt Neutral	1 664	86.13	n.a.	0.4%	n.a.	9.8%	7.8%
Credit Long/Short	1 629	100.00	n.a.	0.5%	n.a.	10.1%	11.2%
Commodity	1 802	83.03	n.a.	2.5%	n.a.	15.5%	7.3%
Commodity Trading Advisors	1 341	52.94	n.a.	-0.2%	n.a.	7.8%	-3.6%
Volatility							
VIX	16.43	49.78	10.6%	-5.3%	-5.3%	39.4%	-42.5%
VSTOXX	15.36	46.00	3.4%	-9.7%	-9.7%	25.3%	-35.0%
Commodition							
Commodities (CRB)	542.0	n.a.	0.3%	1.0%	1.0%	5,1%	-8.0%
Gold (Troy Ounce)	2 798	n.a.	1.0%	6.6%	6.6%	27.2%	13.1%
Silver (Troy Ounce)	31.30	n.a.	2.4%	8.3%	8.3%	21.5%	-0.7%
Oil (WTI, Barrel)	72.53	n.a.	-3.2%	1.1%	1.1%	0.1%	-10.7%
Oil (Brent, Barrel)	76.98	n.a.	-2.3%	3.9%	3.9%	-4.6%	-4.5%
Currencies (vs USD)							
USD (Dollar Index)	108.37	52.21	0.9%	-0.1%	-0.1%	7.1%	-2.1%
EUR	1.0362	46.25	-1.3%	0.1%	0.1%	-6.2%	3.1%
JPY	155.19	53.27	0.5%	1.3%	1.3%	-10.3%	-7.0%
GBP	1.2395	48.10	-0.7%	-1.0%	-1.0%	-1.7%	5.4%
AUD	0.6218	43.57	-1.5%	0.5%	0.5%	-9.2%	0.0%
CAD	1.4541	34.66 42.25	-1.4%	-1.1%	-1.1%	-7.9%	2.5%
CNY	7.2446	+2.53 66.22	0.4%	0.7%	0.8%	-2.7%	-2.8%
MXN	20.678	45.67	-2.0%	0.7%	0.7%	-18.5%	14.9%
EM (Emerging Index)	1 742.2	57.71	-0.4%	0.8%	0.8%	-0.7%	4.8%
ХВТ	97 667	n.a.	-2.6%	0.6%	4.2%	120.5%	157.0%

Source: Bloomberg, Altitude Investment Solutions

Total Return by asset class (Negative \ Positive Performance)

\_



#### DISCLAIMER

This document is issued by Altitude Investment Solutions (hereinafter "Altitude IS"). It is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it aimed at any person or entity to whom it would be unlawful to address such a document.

This document is provided for information purposes only. It does not constitute an offer or a recommendation to subscribe to, purchase, sell or hold any security or financial instrument. It contains the opinions of Altitude IS, as at the date of issue. These opinions and the information herein contained do not take into account an individual's specific circumstances, objectives, or needs. No representation is made that any investment or strategy is suitable or appropriate to individual circumstances or that any investment or strategy constitutes a personal recommendation to any investor. Each investor must make his/her own independent decisions regarding any securities or financial instruments mentioned herein. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Altitude IS does not provide tax advice. Therefore, you must verify the above and all other information provided in the document or otherwise review it with your external tax advisors.

Investments are subject to a variety of risks. Before entering into any transaction, an investor should consult his/her investment advisor and, where necessary, obtain independent professional advice in respect of risks, as well as any legal, regulatory, credit, tax, and accounting consequences. The information and analysis contained herein are based on sources considered to be reliable. However, Altitude IS does not guarantee the timeliness, accuracy, or completeness of the information contained in this document, nor does it accept any liability for any loss or damage resulting from its use. All information and opinions as well as the prices, market valuations and calculations indicated herein may change without notice. Past performance is no guarantee of current or future returns, and the investor may receive back less than he invested. The investments mentioned in this document may carry risks that are difficult to quantify and integrate into an investment assessment. In general, products such as equities, bonds, securities lending, forex, or money market instruments bear risks, which are higher in the case of derivative, structured, and private equity products; these are aimed solely at investors who are able to understand their nature and characteristics and to and bear their associated risks. On request, Altitude IS will be pleased to provide investors with more detailed information concerning risks associated with given instruments.

The value of any investment in a currency other than the base currency of a portfolio is subject to the foreign exchange rates. These rates may fluctuate and adversely affect the value of the investment when it is realized and converted back into the investor's base currency. The liquidity of an investment is subject to supply and demand. Some products may not have a well-established secondary market or in extreme market conditions may be difficult to value, resulting in price volatility and making it difficult to obtain a price to dispose of the asset. If opinions from financial analysts are contained herein, such analysts attest that all of the opinions expressed accurately reflect their personal views about any given instruments. In order to ensure their independence, financial analysts are expressly prohibited from owning any securities that belong to the research universe they cover. Altitude IS may hold positions in securities as referred to in this document for and on behalf of its clients and/or such securities may be included in the portfolios of investment funds as managed by Altitude IS.

