



1Q 2022 Market Commentary

Volatility and uncertainty

Since the beginning of the year, markets across the globe have shown high levels of volatility and lack of firm direction.

Uncertainty as to how political, social, and economic events will unfold across continents, we believe, has been the key driver of market dynamics during this period. Market indices across Europe, Asia, and the United States acted as a gauge that reflected investor sentiment and confidence, in general.

The Russian invasion of Ukraine and rapid escalation of sanctions against Russia – combined with counter measures by Russia – contributed to this uncertainty. Further, this event triggered a sharp rise in oil and materials prices globally, driving up commodities-related stocks in Latin America.

Region rebounded, despite challenges

Despite a hostile environment, the region significantly rebounded in Q1. Mexico and Peru were the big winners with stellar returns, all the other Latin America markets main indices also ended with positive returns.

Latin American country headline indices had strong returns, which contrasted with the negative returns across other major global regions.

From a sector perspective, the financial and materials sectors rose the most at 35% and 32.5%, respectively. On the contrary, the technology sector did poorly, losing 5.2% during the quarter. All others had strong positive returns.*

Support for Latin America

Global and domestic trends may support Latin American economies and markets, and valuations and currencies may remain cheap. As the war in Ukraine drags on, we believe Latin America is almost distinctively positioned by being geographically and economically insulated from the conflict, while benefitting from the high commodity prices that are likely to persist.

What do we believe the scenario for the remainder of the year will be like?

On one hand, we believe volatility will continue, becoming more significant before critical events such as elections in Colombia and Brazil.

Volatility, in our opinion, is not necessarily synonymous with value destruction, but may rather bring opportunities in the form of “oversold securities” and “mis-pricings,” in general. On the other hand, we believe economic data published throughout the year will paint a clearer picture of where we are in relation to the recession that stirred global markets almost two years ago due to COVID-19; how much ground have we covered and how much better are the foundations today than before.

OTG Latin America seeks opportunities

We continue to believe our investment strategy, as reflected in our investment

approach and process, allows OTG Latin America Fund to seek opportunities found in the Region. We will continue to focus our efforts on local markets and monitoring conditions across the Region from a political, economic, and social point of view and an “on the ground” angle.

Thank you for your interest in OTG Latin America Fund and in Latin America.

Sincerely,

Mauricio Alvarez

Portfolio Manager – OTG Latin America Fund



Important Information

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. This and other information is contained in the Fund's [prospectus](#) which may be obtained by calling 888.716.7116. Please read the prospectus carefully before investing.

Mutual fund investing involves risk, including possible loss of principal.

The risks of investing in foreign companies, including those located in emerging market countries, can increase the potential for losses in the Fund and may include currency fluctuations, political and economic instability, less government regulation, less publicly available information, limited trading markets, differences in financial reporting standards, including recordkeeping standards, less stringent regulation of securities markets and differences in accounting methods.

Small- and mid-cap investing involve greater risk not associated with investing in more established companies, such as greater price volatility, business risk, less liquidity and increased competitive threat.

The Fund is actively managed. An investment in the Fund is subject to the risk that the investment techniques and risk analyses applied by the Adviser will not produce the desired results.

Diversification does not eliminate the risk of experiencing investment loss.

*Source: S&P Dow Jones Indices, a division of S&P Global.

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