

# LSF – GEB Global Euro Bond Fund

Data as of August 2019



COLOMBO

Lugano | Zürich | Genève

## FUND FACTS

Domicile	Luxembourg / SICAV
Fund Type	UCITS V
Launch Date	29/11/2013
Investment Approach Switch Date	28/02/2018
Fund Currency	EUR
Share Class Currencies	EUR / CHF
Advisor	YSMA
AUM (all classes) Mio	31.19 €
Liquidity	Daily
Management Fees	1.00%
Performance Fees	0%
TER	1.26%
Strategy	Absolute Return Bond Fund (EUR)

## RISK PROFILE

1	2	3	4	5	6
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Low

High

## CODES

### Class A2

ISIN	LU0986347978
Bloomberg	UBSPBA2 LX
Telekurs	226.41.146
Share Class	Institutional
Reference Currency	EUR
NAV per Share	96.05
Monthly Variation	-2.47%
Performance Ytd	6.26%

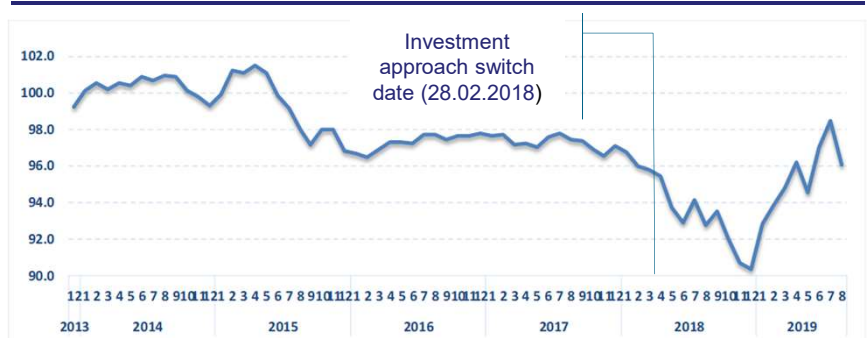
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## OPERATIONAL APPROACH

LSF - GEB Global Euro Bond Fund - Fund's objective is to achieve income and capital growth. The investment objective of the Sub-fund is to invest its assets mainly in a diversified portfolio of bonds (including high-yield bonds) denominated in Euro and other debt instruments issued by countries or companies. The Sub-fund will seek opportunities, depending on market conditions, by investing extensively into sub-investment grade bonds. The Sub-fund intends to systematically hedge foreign currency exposure. The investments are predominantly (min 90%) in Euros. There are no geographic or sectoral restrictions.

## PERFORMANCE



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
2013													-0.80%	-0.80%
2014	0.91%	0.44%	-0.32%	0.29%	-0.13%	0.53%	-0.25%	0.31%	-0.12%	-0.75%	-0.30%	-0.49%	0.10%	
2015	0.62%	1.30%	-0.11%	0.36%	-0.39%	-1.24%	-0.65%	-1.20%	-0.82%	0.84%	0.00%	-1.17%	-2.47%	
2016	-0.19%	-0.20%	0.39%	0.47%	-0.02%	-0.03%	0.48%	-0.01%	-0.31%	0.24%	-0.04%	0.14%	0.94%	
2017	-0.09%	0.02%	-0.53%	0.07%	-0.20%	0.55%	0.24%	-0.38%	-0.07%	-0.49%	-0.32%	0.53%	-0.69%	
2018	-0.34%	-0.78%	-0.21%	-0.37%	-1.81%	-0.91%	1.39%	-1.45%	0.80%	-1.65%	-1.43%	-0.32%	-6.90%	
2019	2.74%	1.08%	1.05%	1.39%	-1.71%	2.63%	1.49%	-2.47%					6.26%	

## STATISTICAL DATA

### Performance

Total Return 1Month(s)	-2.47%
Total Return MTD	-2.47%
Total Return QTD	-10.1%
Total Return YTD	6.26%
Total Return 3 Month(s)	160%
Total Return 6 Month(s)	2.32%
Total Return 1Year(s)	3.50%
Total Return 2 Year(s)	-143%
Total Return 3 Year(s)	-172%

### Period Analysis

	Up	Down
Number	18	26
Percentage	41%	59%
Average	0.87%	-0.63%
Standard Dev.	0.81%	0.69%
Max Sequence	4	6
Avg Sequence	2	2

### Best vs Worst

	Perf.	Date
1st Best	2.74%	31-01-19
2nd Best	2.63%	28-06-19
3rd Best	149%	31-07-19
1st Worst	-2.47%	30-08-19
2nd Worst	-18.1%	31-05-18
3rd Worst	-17.1%	31-05-19

### Statistics (1 Year)

Standard Deviation 1Year(s)	4.43%
Semivariance 1Year(s)	4.80%
Sharpe Ratio vs Risk Free 1 Year(s)	0.77

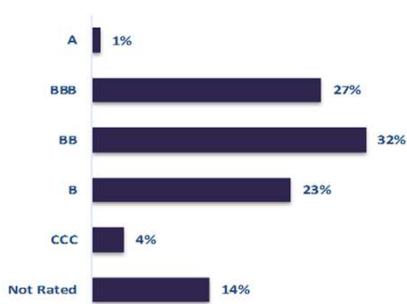
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## PORTFOLIO ASSET ALLOCATION

### Rating



### Top 5 Positions

#	ISIN	Description	Sector	Country risk	Market Value (%)
1	US7647NAY58	PETBRA 5.999 01/27/28	Energy	BR	5.0
2	XS668888777	PEMEX 4 % 02/21/28	Energy	MX	4.5
3	XS1739839998	UCGM 5 % PERP	Financial	IT	4.2
4	IT0005240830	BTPS 2.2 06/01/27	Government	IT	3.7
5	XS1210362239	AABAR 103/27/22	Financial	AE	3.7
<b>TOP 5 POSITIONS</b>					<b>21.1</b>

## MONTHLY COMMENT

### Market Comment

Investor's concern about slowing global growth and easing of monetary policy in the world's largest central banks have sent bond yields tumbling in many countries. A negative interest rate means you have to pay to keep your money in the bank. Investors in such bonds are not receiving interest but must pay more than the face value of the bonds to acquire them. This is a deliberate policy designed to spur economic growth by forcing people to spend and invest rather than keep money idle. It also incentivizes banks to lend more aggressively. However, this is a new phenomenon.

Specifically, the 10-year Treasury yield fell to 1.53% in August. Over the same period, the 10-year Bund yield continued to fall to -0.7%. The general interest rate trend reflects the skepticism of the capital market for the economic environment.

In the reporting month, the risk premiums of some bonds continued to increase and are now almost at the very attractive levels of beginning of the year. Not only has the risk-free interest rate fallen, but some corporate and sovereign bonds have also seen price corrections due to investors' skepticism about the economy's further development. The fragility of the bond market has also been demonstrated, as Argentine government bonds came under massive pressure from already low levels, due to the defeat of President Macri in the primary elections. The government's improvements in economic data have faded into the background. Voters did not like the harsh austerity program in line with the high inflation figures which caused a change of sentiment. The upcoming negotiations of the IMF with the possible future president Fernandez could bring some relaxation. The statements already made by Fernandez that there would be no haircut under his administration and recognizing the current debt of Argentina, would silence any critic who also refers to the tradition of Argentina's debt cuts. The market has overreacted massively and expects a debt cut of more than 50%.

### Fund Development

The fund volume stagnated at around EUR 31.2 million in August 2019.

During the investment month, we bought a position in Softbank. SoftBank Group Corp. started out in 1981 as a distributor of computer software. As software is called "soft" in Japanese, the name "SoftBank" literally means "a bank of software." We chose the word "bank" based on our grand aspiration to be a key source of infrastructure for the information society. The SoftBank Group's aim is to contribute to people's happiness through the Information Revolution, and to become "the corporate group needed most by people around the world." To achieve its vision, SoftBank advances the Information Revolution with leading technology essential to the times and superior business models.

### Performance Analysis

The fund underperformed its benchmark in another positive month for bond markets. Despite the correction during the month, the fund has a positive performance since the beginning of the year of 6.26%.

The positive performance drivers were investments in Asia and North America. By contrast, we recorded negative performance contributions from South America especially Argentina. The best performers can be found in the technology, financials and energy. Mirroring the recent investment months, the highest ratings achieved the best returns while the lower ratings corrected.

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