

LSF – GEB Global Euro Bond Fund

Data as of January 2020



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	33.71 €
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	100.76
Monthly Variation	1.90%
Performance Ytd	1.90%

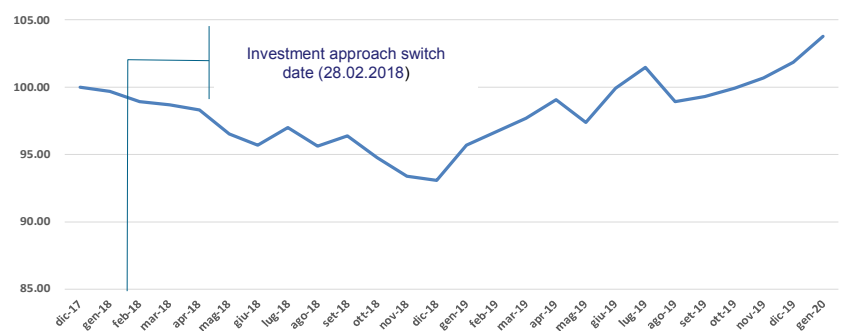
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OPERATIONAL APPROACH

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
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%	0.37%	0.63%	0.80%	1.10%	9.39%
2020	1.90%												1.90%

STATISTICAL DATA

Performance

Total Return 1Month(s)	190%
Total Return MTD	190%
Total Return QTD	190%
Total Return YTD	190%
Total Return 3 Month(s)	3.85%
Total Return 6 Month(s)	2.32%
Total Return 1Year(s)	8.50%
Total Return 2 Year(s)	4.13%
Total Return 3 Year(s)	3.16%

Period Analysis

	Up	Down
Number	13	12
Percentage	52%	48%
Average	134%	-112%
Standard Dev.	0.72%	0.73%
Max Sequence	5	6
Avg Sequence	3	2

Best vs Worst

	Perf.	Date
1st Best	2.74%	31.01.19
2nd Best	2.63%	28.06.19
3rd Best	190%	31.01.20
1st Worst	-2.47%	30.08.19
2nd Worst	-1.81%	31.05.18
3rd Worst	-1.71%	31.05.19

Statistics (1 Year)

Standard Deviation 1Year(s)	3.95%
Semivariance 1Year(s)	4.83%
Sharpe Ratio vs Risk Free 1 Year(s)	2.39

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PORTFOLIO ASSET ALLOCATION

Rating



Top 5 Positions

#	ISIN	Description	Market Value (%)
1	US71647NAY58	PETBRA 5.999 01/27/28	4.8
2	XS1739839998	UCGM 5 % PERP	4.1
3	IT0005240830	BTPS 2.2 06/01/27	3.4
4	XS1497606365	TITIM 3 09/30/25	3.3
5	XS0229567440	GE 4 1/2 09/19/35	3.3
TOP 5 POSITIONS			18.9

MONTHLY COMMENT

Market Comment

The flight-to-quality bid for safe-haven assets such as US Treasury dominated market commentary in January. Sentiment shifted from feeling negative about the global growth outlook, comforted by accommodative central banks, trade truces, abating Brexit concerns, and an anticipated improvement in the manufacturing sector. Combined with the continued strength of the consumer, loose financial conditions, and tame inflation, this made many investors chant "Goldilocks" in the first half of the month.

Today, the yield differential between the 3-month and 10-year Treasury is slightly negative—the first time since October. Global growth expectations are being revised lower, and the market continues to express concern over the effectiveness of central banks. The past two weeks is a reminder of how quickly market sentiment can change, particularly when the end results are difficult to know and quantify. Coronavirus concerns have hit markets in full force.

The 10-year US Treasury yield dropped to 1.58% in January. Over the same period, the 10-year Bund yield dropped to -0.44. Current interest rates are still close to historical lows.

Given loose monetary policy, low global yields and sluggish global growth (but not a recession), fixed income should continue to deliver good returns.

Fund Development

Fund assets are currently EUR 33.7 million compared to EUR 32.5 million at the end of 2019.

During the month, we bought a first position from the EQT Corporation. It is an integrated energy company with emphasis on Appalachian area natural-gas supply, transmission, and distribution. EQT Corporation offer natural gas products to wholesale and retail customers. Furthermore, we bought a position from Puma Energy which is a privately owned company in the energy business. They have two strategic partners and main shareholders - Trafigura Group and Sonangol Holdings. Furthermore, we have accepted the tender offer from telefonica.

Performance Analysis

The fund slightly underperformed its benchmark in a positive month for bond markets. The fund gained 1.9% in December. During this period, the benchmark gained 1.99%. Nevertheless, the start into the year 2020 was very successful.

In January, the better ratings in the portfolio generated better returns than the worse ratings. All regions contributed positive to the January result. Investments in Africa/Middle East, Asia Pacific and Eastern Europe Bonds were the top performers. Limited brands (+10%), AMS (+10%) and Wirecard (+8.45%) made the highest contribution to returns in the month under review. Worst performer were Argentina (-4.4%), Transocean (-4%) and EQT (-2.8%).

Outlook

The credit risk premiums and the yield-to-maturity remain high and has on a relative basis even increased. The portfolio is attractive compared to other fixed-income investments, to other asset classes, and continues to offer reasonable returns for the risk taken.

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