

LSF – GEB Global Euro Bond Fund

Data as of March 2020



COLOMBO

Lugano | Zürich | Genève

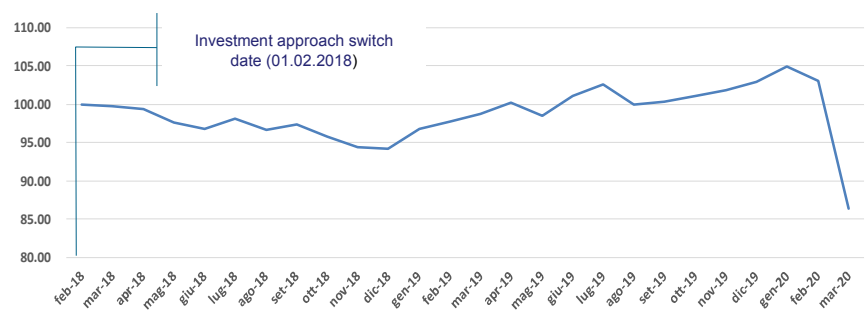
FUND FACTS

Domicile	Luxembourg / SICAV
Fund Type	UCITS V
Launch Date	29/11/2013
Investment Approach	
Switch Date	01/02/2018
Fund Currency	EUR
Share Class Currencies	EUR / CHF
Advisor	YSMA
AUM (all classes) Mio	27.52 €
Liquidity	Daily
Management Fees	1.00%
Performance Fees	0%
TER	1.26%
Strategy	Absolute Return Bond Fund (EUR)

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



RISK PROFILE

1	2	3	4	5	6
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Low

High

	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%	-1.74%	-16.22%										-16.11%

CODES

Class A2

ISIN	LU0986347978
Bloomberg	UBSPBA2 LX
Telekurs	226.41.146
Share Class	Institutional
Reference Currency	EUR
NAV per Share	82.95
Monthly Variation	-16.22%
Performance Ytd	-16.11%

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STATISTICAL DATA

Performance

Total Return 1Month(s)	-16.22%
Total Return MTD	-16.22%
Total Return QTD	-16.11%
Total Return YTD	-16.11%
Total Return 3 Month(s)	-16.11%
Total Return 6 Month(s)	-13.96%
Total Return 1Year(s)	-12.56%
Total Return 2 Year(s)	-13.42%
Total Return 3 Year(s)	-14.63%

Period Analysis

	Up	Down
Number	13	14
Percentage	48%	52%
Average	134%	-2.24%
Standard Dev.	0.72%	4.08%
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	1.90%	31.01.20
1st Worst	-16.22%	31.03.20
2nd Worst	-2.47%	30.08.19
3rd Worst	-1.81%	31.05.18

Statistics (1 Year)

Standard Deviation 1Year(s)	12.89%
Semivariance 1Year(s)	29.03%
Sharpe Ratio vs Risk Free 1 Year(s)	-0.9

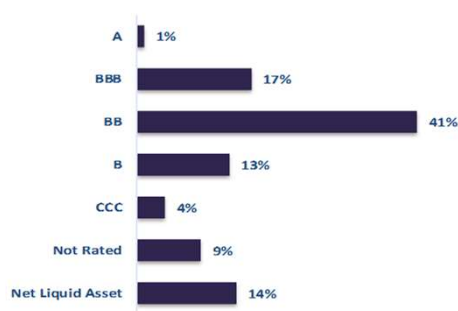
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PORTFOLIO ASSET ALLOCATION

Rating



Top 5 Positions

#	ISIN	Description	Market Value (%)
1	XS1739839998	UCGIM 5 % PERP	3.7
2	IT0005240830	TITIM 3 09/30/25	3.6
3	XS1497606365	SYNNVX 1¼09/10/27	3.5
4	XS0229567440	TEVA 1% 10/15/24	3.2
5	XS119954691	EDF 5 % PERP	3.1
TOP 5 POSITIONS			17.1

MONTHLY COMMENT

Market Comment

In a typical recession, the global economy tends to have large imbalances that take a long time to unwind, such as a housing bubble or overinvestment by businesses. This time the global economy is experiencing a shock, rather than the natural end result of a slow build-up of excesses. While this implies that the recession and bear market could be deeper, but the duration may be shorter. We have yet to see how deep this recession is going to go, and although it is unlikely to end until people feel comfortable leaving their homes again, it isn't too early to consider what the eventual recovery may look like and what areas may lead it.

Parts of the world are already in recovery. China and South Korea are recovering from their peak in COVID-19 cases and related business shutdowns. Even the Chinese city of Wuhan, the epicenter of the epidemic, will reopen in about a week (April 8). Together, these two countries account for about 20% of the world's population and economy.

The fixed income market activity in the March investment month can be summarized as follows:

- COVID-19 triggered a market wide selloff
- Record bond market outflows, record money market inflows
- No differentiation is made between good and bad quality names. Almost everything dropped heavily in a few days, with huge dislocations.
- Fixed income markets are pricing in a worst-case scenario.

The 10-year US Treasury yield dropped from 1.15% to 0.625% in February. Over the same period, the 10-year Bund yield dropped to -0.50%. Current interest rates are still close to historical lows.

Fund Development

Fund assets are currently EUR 27.51 million compared to EUR 33.18 million at the end of February 2020. There had been almost no outflows. The decrease in fund assets can only be explained on the basis of the fund's development.

With the sale of the Adient bond and half of the position in Petrobras last month's, and Italy, Assicurazioni and Gazprom this month's we had a cash balance of well over 12% of the funds assets. We sold positions that held up relatively well in this environment. We tried to use the sell-out of the market with low purchase limits to reinvest this cash in higher yielding bonds. We were able to buy a position in Kali & Salz and have completed a switch from Wirecard in Argentum (Wirecard). It is the same risk and the same debtor with same maturity but with a much higher yield (one bond is a convertible).

Performance Analysis

The fund underperformed its benchmark in a negative month for bond markets. The sell out affected all segments in the bond market with the exception of short-term government bonds. At sector level, the main negative performance contribution came from energy issuers followed by consumer cyclicals. At country level, almost all positions contributed to the fund's negative performance. Investments in Canada, Argentina and Luxemburg were the worst performers this year. In contrast, we recorded slightly positive performance contributions from investments in Colombia and Saudi Arabia.

Outlook

This above described environment has created opportunities for active managers. Even if the economic impact of the economical shut down is unclear, credit spreads are at 10-year highs and interest rates at all time lows. We are at 2008/2009 valuation levels which are highly attractive.

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