

LSF – GEB Global Euro Bond Fund

Data as of April 2020



COLOMBO

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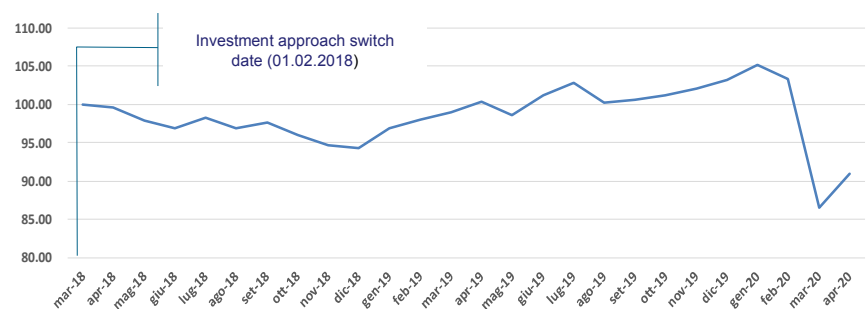
FUND FACTS

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	29.33 €
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%	5.06%									-11.86%

CODES

Class A2

ISIN	LU0986347978
Bloomberg	UBSPBA2 LX
Telekurs	226.41.146
Share Class	Institutional
Reference Currency	EUR
NAV per Share	87.15
Monthly Variation	5.06%
Performance Ytd	-11.86%

STATISTICAL DATA

Performance

Total Return 1Month(s)	5.06%
Total Return MTD	5.06%
Total Return QTD	5.06%
Total Return YTD	-11.86%
Total Return 3 Month(s)	-13.51%
Total Return 6 Month(s)	-10.17%
Total Return 1Year(s)	-9.39%
Total Return 2 Year(s)	-8.71%
Total Return 3 Year(s)	-10.38%

Period Analysis

	Up	Down
Number	14	14
Percentage	50%	50%
Average	160%	-2.24%
Standard Dev.	121%	4.08%
Max Sequence	5	6
Avg Sequence	2	2

Best vs Worst

	Perf.	Date
1st Best	5.06%	30.04.20
2nd Best	2.74%	31.01.19
3rd Best	2.63%	28.06.19
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)	13.48%
Semivariance 1Year(s)	25.38%
Sharpe Ratio vs Risk Free 1 Year(s)	-0.69

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PORTFOLIO ASSET ALLOCATION

Rating



Top 5 Positions

#	ISIN	Description	Market Value (%)
1	XS1739839998	UCGIM 5% PERP	3.6
2	XS1497606365	TITIM 3 09/30/25	3.5
3	XS0229567440	GE 4 1/2 09/19/35	3.1
4	XS1199954691	SYNNVX 1 1/4 09/10/27	3.1
5	XS1439749281	TEVA 1% 10/15/24	2.9
TOP 5 POSITIONS			16.3

MONTHLY COMMENT

Market Comment

Just a month ago, we didn't know whether western democracies' unprecedented lockdowns would be sufficient to slow the spread of the coronavirus. Now, markets have risen sharply as investors have dared to look beyond the peak of the pandemic. In the first phase, normalization, most employees in the United States and Europe will be allowed to return to their jobs, although economic output will remain well below the pre-crisis levels. In the second phase, the recovery, the economy slowly returns to its pre-crisis levels. The net start-ups are positive and workers who were laid off during the lockdown find a new job. In the third phase, the post-crisis period, we are confronted with the legacy of the crisis: the world will be more indebted and less global, but more digitized. In the first phase, normalization, most of the US and Europe allow employees to return to work, but output remains well below pre-crisis levels. In the second phase, recovery, the economy gradually returns to pre-crisis levels. Net new business formation is positive, and workers made redundant during the lockdown find new positions. In the third, post-crisis phase, we are left with the legacy of the crisis: a world more indebted and less global, yet more digital.

Emerging market government bonds (EMBIGD) impress with risk premiums of currently over 600 bps. Since 2000, EMBIGD spreads have exceeded 500 basis points (bps) in 52 months. In the twelve months thereafter, total returns were always positive and the mean return was 13%. Emerging market sovereign bonds are generally less sensitive to external developments as countries have better current accounts than in previous crises. At the current level of 764bps, high yield spreads still offer attractive return potential, particularly given the Fed's decision to expand corporate credit facilities to allow the purchase of bonds that have recently been downgraded to below investment grade. Since 1987, spreads have been above 700 bp in 89 months. Overall returns in the 12 months thereafter were positive in 87% of cases, with a mean return of 17.5%.

The 10-year US Treasury yield dropped from 0.67% to 0.64% in March. Over the same period, the 10-year Bund yield dropped to -0.59%. Current interest rates are still close to historical lows.

Fund Development

Fund assets are currently EUR 29.33 million compared to EUR 27.51 million at the end of March 2020. The increase in fund assets was driven by the performance and slightly money inflow.

The portfolio has been adjusted during the reporting month. Positions in sold-out values were built up against the cash position we could raise last month's. As last month's, 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 double the position in Kali & Salz and Sasol. Furthermore, we could buy positions in Ford Motor Credit, the port operator DP World and Embraer, the third largest manufacturer of commercial aircraft in the world.

Performance Analysis

The fund outperformed its benchmark in a positive month for bond markets. High yield bonds were the highest contributors to the positive performance in the reporting month. At sector level, the main positive performance contribution came from financial, consumer non-cyclicals and industrials. At country level, almost all positions contributed to the fund's positive performance.

Top performer in March 2020 were Puma, ASG Finance, EQT and GE Capital while Gran Tierra, Transocean and SGL Carbon belong to the weakest performing investments.

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