



Monthly report

Strategic Selection Fund Global Euro Bond A EUR

LU2201849358

For professional, qualified and institutional investors

31-Aug-20

Investment strategy

The 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.

Key characteristics

Investment manager	Colombo Wealth SA
Fund managers	Edoardo Barbieri
Legal structure	Luxembourg SICAV - UCITS
Inception date	05/08/2020*
Sub-fund currency	EUR
Share class currency	EUR
Dividend policy	Accumulating
Registration	LU
Investment horizon	At least 5 years
Sub-fund AuM	EUR 31.32 million
NAV at report date	EUR 97.69

Fee structure & dealing information

Subscription fee	Max. 5%
Redemption fee	-
Management fee	Max. 1.5%
Performance fee	-
ISIN code	LU2201849358
WKN	
Valoren	55777301
Bloomberg	SSGEBAE LX
Liquidity	Daily
Min. initial investment	-
Cut-off time	TD 14:00 Luxembourg
Settlement subscription	TD+3
Settlement redemption	TD+3

Administrative information

Management company	European Capital Partners
Depositary & Admin.	Banque de Luxembourg
Sub-Administrator	European Fund Administration
Domiciliation agent	Banque de Luxembourg
Auditor	Deloitte

Risk/return profile

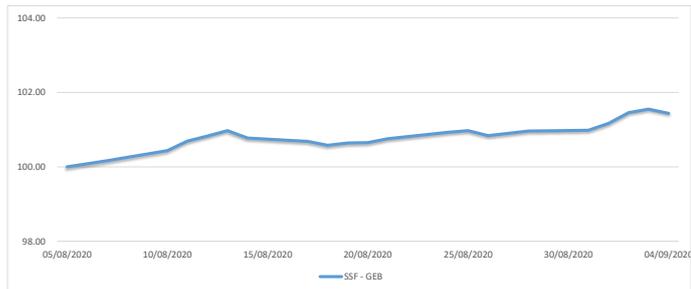
Synthetic Risk and Reward Indicator



Monthly comment

The Fed story will of course interact with the main market drivers: the news about Covid-19, the preparation for the US elections and the tensions between the US and China. But the fear of a second wave of infections in the US has decreased as hospitalization rates have fallen. The burden on health systems remains low. Usually, when stock prices are rising sharply and economic metrics are pointing to a pick-up in growth, 10-year rates go up. However, despite the strong rally in the equity markets and improving economic growth, 10-year US Treasury yields are moving sideways. The massive decline in risk-free rates triggered by Fed monetary policy is also encouraging investors to take more credit risk. Credit markets have done well over the past three months, with US high yield yielding 10%, US investment grade 7%, Asian high yield 9%, and emerging market government bonds 13%. Inflation in the Euro Area turned negative in August for the first time since May 2016 at minus 0.2%. Underlying inflation, closely watched by the ECB, also tumbled, suggesting the bloc's deepest recession is not temporary but could prove to be a longer-lasting drag. The yield on 10-year US Treasury bonds increased to 0.72% in August from 0.53% in the previous month. Over the same period, the 10-year Bund yield increased to -0.39%. Current interest rates are still close to historical lows. Fund assets are currently EUR 31.3 million compared to EUR 30.3 million at the end of July 2020. The increase in fund assets was mainly driven by performance. In the month under review, we did no changes in the portfolio. The fund outperformed its benchmark last month. The fund gained 2.36% in August. During this period, the benchmark declined by 0.54%. The underperformance compared to the benchmark since the beginning of the year has not yet been eliminated but has again decreased significantly. High yield bonds were the highest contributors to the positive performance in the reporting month. At region level, the main positive performance contribution came from bonds in South & Central America, Western Europe and Central Asia. While worst performing region was Eastern Europe and Asia Pacific. The best performers in August were the investments in Dufry, Buenos Aires and Vallourec. Worst performer were the investments in Transocean, Gran Tierra and DP World. The focus remains on search for yield. Against the background of lower interest rates over a longer period of time, investors are even more challenged to intensify the search for yields. While credit spreads have narrowed, we believe corporate bonds still offer value as a means of generating income. We find investment grade and high yield bonds as well as USD emerging market government bonds interesting. The fund's key data reflect our focused approach.

Cumulative performance since change of investment process - net of fees (*)



Asset Allocation

Rating	Weight (%)
A	0.88%
BBB	17.84%
BB	39.25%
B	15.59%
CCC	4.21%
Not Rated	6.97%
Net Liquid Asset	15.26%

Top 5 Names

Company	Sector	Country of Risk	Weight (%)
UCGIM 5 % PERP	Financial	IT	3.71%
TITIM 3 09/30/25	Communications	IT	3.23%
F 2.386 02/17/26	Consumer, Cyclical	US	2.93%
SYNNVX 1 3/4 09/10/27	Basic Materials	CH	2.92%
GE 4 1/8 09/19/35 Corp	Diversified Manufacturing	US	2.89%

(*) The sub-fund Strategic Selection Fund Enhanced Equity Exposure has been managed by the same investment manager since its initial inception date 31/12/2014. The sub-fund has been managed since with a comparable fee structure. On August 5th 2020, the sub-fund merged into the Strategic Selection Fund umbrella and its investment strategy has changed. Therefore its historic performance, return and risk data are not herein presented.

Legal Notice

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