

# DNCA INVEST GLOBAL CONVERTIBLES

## GLOBAL CONVERTIBLE BONDS

### Investment objective

The investment objective of DNCA Invest - Global Convertibles (the "Sub-Fund") is to outperform the Index over the recommended minimum investment period of 4 years by investing in global convertible bonds markets. Investors' attention is drawn to the fact that the management style is discretionary and integrates environmental, social / societal and governance (ESG) criteria. To achieve its investment objective, the investment strategy is based on active discretionary management.

### Financial characteristics

NAV (€)	103.98
Net assets (€M)	38
Delta	55%
Average yield	-0.40%
Average premium	42.11%
Average modified duration	3.70
Average maturity (years)	3.89
Number of lines	102
Average rating	BBB

### Risk indicator



Synthetic risk indicator according to PRIIPS. 1 corresponds to the lowest level and 7 to the highest level.

**Main risks:** risk relating to discretionary management, interest-rate risk, credit risk, risk of capital loss, liquidity risk, risk related to investments in emerging markets, equity risk, risk related to exchange rate, specific risks associated with OTC derivative transactions, counterparty risk, bond Connect programme risk, risk of securities rated below Investment Grade or unrated securities, sustainability risk, ESG risk

### Portfolio managers comments

The main European equity indices fell this month, as did US equities, which posted a second consecutive month of declines. In Asia, the stability of Chinese equity markets prevailed. "Trump, the agent of chaos and confusion", is the expression suggested by the international press. On the geopolitical front, the situation has been one reversal after another. Peace between Russia and the Ukraine remains one of the President's priorities, but without taking into account the collateral damage. Faced with the Russian threat and the volatility of its American ally, Europe has woken up and is reacting. The President of the European Commission, Ursula von der Leyen, unveiled an 800 billion euro plan, "ReArm Europe", designed to strengthen European defense. At the same time, German MPs adopted Friedrich Merz's €500 billion investment plan to strengthen the country's defense and infrastructure. On the trade front, tensions are escalating, as is the deteriorating relationship between the United States and its neighbor Canada. Finally, in Asia, Beijing has announced a growth target of around 5% of GDP by 2025. China will thus increase its budget spending and adopt a stimulus plan focused on consumption and domestic demand. On the monetary front, the FOMC kept rates unchanged at its March meeting. Fed members now anticipate GDP growth of less than 2% in 2025. In Europe, the ECB lowered its key rates by 25 basis points, as expected.

In this environment, the primary market totaled over \$10 billion in issues over the month. In Europe, TAG Immobilien and Iberdrola convertible bonds were subscribed. The valuation offered, coupled with the prospects of a rebound in the underlying equities, justified such an investment on a maturity of 2031 and 2030 respectively. In Asia, the portfolio also participated in Morgan Stanley's 3-year TSMC exchangeable bond issue. The security provides an opportunity to invest in the Taiwanese company, a market leader in the manufacture of advanced semiconductor components. On the secondary front, Airbus, Saipem, Akamai and Tencent were reinforced. Profits were taken on Cellnex, Microchip, Alibaba, Snowflake and Lenovo. Trip.com and MTU were added to the portfolio.

International convertible bond valuations remain at high levels, playing their part in supporting the asset class. The European convertible market offers numerous opportunities for exposure to European recovery and rearmament plans (Safran, Airbus, MTU, etc.). In the United States, the consolidation phase observed at the start of the year should offer entry points for structural investment themes such as Technology and Healthcare. Lastly, the economic pivot initiated by China in 2024 is being confirmed, offering better prospects for Chinese companies whose valuations are still significantly discounted. The fund is balanced, with a delta of 54% and a current yield of 1.1%.

Please enter the management comment...

Text completed on 16/04/2025.



Jean-Paul  
Ing, CFA



Denis  
Passot



Félix  
Haron, CFA

#### Main positions<sup>+</sup>

	Weight
Ping An Insurance Group Co of China Ltd 0.88% 2029 CV	2.59%
LEG Properties BV 1% 2030 CV	2.52%
Akamai Technologies Inc 1.13% 2029 CV	2.49%
Citigroup Global Markets Holdings Inc/United States 0.8% 2030 CV	2.13%
Cellnex Telecom SA 0.5% 2028 CV	1.91%
Bechtle AG 2% 2030 CV	1.85%
RAG-Stiftung 2.25% 2030 CV	1.83%
JD.com Inc 0.25% 2029 CV	1.79%
SPIE SA 2% 2028 CV	1.70%
Alibaba Group Holding Ltd 0.5% 2031 CV	1.69%
	<b>20.49%</b>

#### Maturity breakdown

	Weight (%)		Modified duration	
	Fund	Index	Fund	Index
< 1 year	8.5%	17.3%	0.1	0.1
1 - 2 years	6.6%	13.1%	0.1	0.2
2 - 3 years	10.6%	14.9%	0.3	0.4
3 - 4 years	16.4%	17.5%	0.6	0.6
4 - 5 years	22.8%	21.9%	1.0	0.9
> 5 years	27.0%	14.3%	1.4	0.7

#### Rating breakdown

	Fund	Index
A	9.8%	10.2%
BBB	26.9%	8.6%
BB	5.0%	6.1%
< BB	1.6%	4.0%
NR	55.4%	71.1%

#### Country breakdown

	Fund	Index
USA	48.9%	66.6%
China	12.2%	7.3%
Germany	10.3%	3.5%
France	6.8%	2.8%
Japan	5.7%	6.3%
Spain	5.1%	1.4%
Italy	3.0%	1.3%
Netherlands	2.5%	1.4%
Korea (South)	1.8%	-
United Kingdom	1.5%	0.5%
Taiwan	1.0%	1.6%
Ireland	0.8%	-
Canada	0.4%	1.1%
Other Countries	-	6.2%

#### Sector breakdown (ICB)

	Fund	Index
Technology	27.5%	19.9%
Industrial Goods and Services	10.2%	8.4%
Health Care	7.2%	10.9%
Energy	5.8%	2.8%
Travel and Leisure	5.3%	9.5%
Construction and Materials	5.0%	1.5%
Retail	4.4%	3.2%
Telecommunications	4.2%	3.8%
Real Estate	3.9%	5.4%
Automobiles and Parts	3.7%	4.4%
Utilities	3.0%	12.1%
Financial Services	2.6%	5.2%
Insurance	2.6%	2.4%
Consumer Products and Services	2.2%	4.2%
Banks	2.1%	0.8%
Media	1.3%	1.4%
Chemicals	1.2%	0.4%
Food, Beverage and Tobacco	0.8%	0.8%
Basic Resources	0.5%	3.1%
Cash and equivalents	6.4%	N/A

#### Changes to portfolio holdings\*

**In:** Akamai Technologies Inc 0.13% 2025 CV (4.2), Baidu Inc 0% 2032 CV (5.3), Eni SpA 2.95% 2030 CV (5), Iberdrola Finanzas SA 1.5% 2030 CV (6.7), Morgan Stanley Finance LLC 0% 2028 CV (3.4), MTU Aero Engines AG 0.05% 2027 CV (5.7), SAFRAN SA (5.3) and TAG Immobilien AG 0.63% 2031 CV (5.2)

**Out:** Cellnex Telecom SA 0.75% 2031 CV (6.3), CIE DE SAINT-GOBAIN-PART CRT (6), JET2 PLC 1.63% 2026 CV (3.3), Lenovo Group Ltd 2.5% 2029 CV (5.8), Microchip Technology Inc 0.75% 2030 CV (3.7) and Safran SA 0% 2028 CV (5.3)

\*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

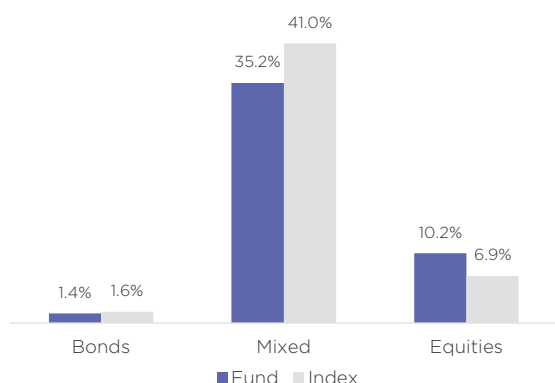
#### Delta

	Fund	Index
Delta	54.7%	49.5%
Effective delta	44.4%	39.4%
Input spread	145.1	170.7
Implicite spread	88.6	99.5

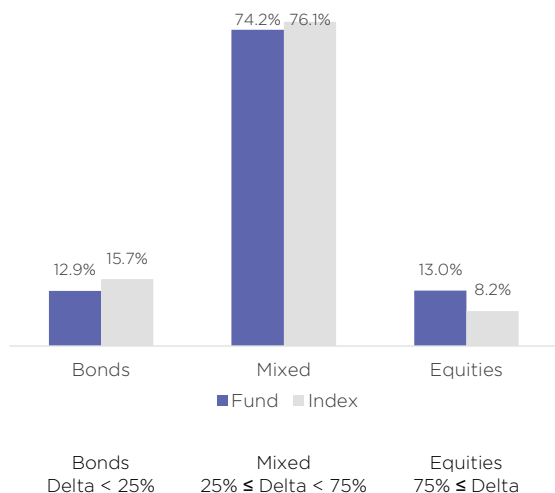
#### Main deltas

	%
Amadeus IT Group SA 1.5% 2025 CV	100.0%
Palo Alto Networks Inc 0.38% 2025 CV	100.0%
SAFRAN SA	100.0%
Nikkon Holdings Co Ltd 0% 2031 CV	100.0%
Zscaler Inc 0.13% 2025 CV	92.7%
SK Hynix Inc 1.75% 2030 CV	89.7%
Xiaomi Best Time International Ltd 0% 2027 CV	84.4%
Merit Medical Systems Inc 3% 2029 CV	84.0%
Alibaba Group Holding Ltd 0.5% 2031 CV	81.9%
Elis SA 2.25% 2029 CV	78.4%

#### Profile breakdown (delta contribution)



#### Profile breakdown (weight)



#### Delta contribution per country

	Delta		Effective delta	
	Fund	Index	Fund	Index
USA	23.3%	33.6%	17.7%	26.5%
China	6.8%	4.4%	5.7%	3.6%
Germany	4.4%	1.2%	3.1%	1.0%
France	4.2%	1.3%	3.7%	1.1%
Japan	2.2%	3.2%	1.8%	2.7%
Spain	2.0%	0.7%	1.7%	0.6%
Italy	1.1%	0.5%	1.0%	0.4%
Netherlands	1.0%	0.3%	0.7%	0.2%
United Kingdom	0.9%	0.2%	0.5%	0.1%
Korea (South)	0.8%	-	0.8%	-
Taiwan	0.3%	0.6%	0.2%	0.4%
Canada	0.1%	0.5%	0.1%	0.4%
Ireland	0.1%	-	0.1%	-
Australia	-	0.8%	-	0.6%
Cayman Islands	-	0.6%	-	0.4%
British Virgin Islands	-	0.6%	-	0.4%
Singapore	-	0.5%	-	0.5%
Sweden	-	0.2%	-	0.1%
South Africa	-	0.2%	-	0.1%
Hong Kong, SAR China	-	0.1%	-	0.1%
Bermuda	-	0.1%	-	0.1%
Luxembourg	-	0.1%	-	0.1%
Mexico	-	0.0%	-	0.0%
Belgium	-	0.0%	-	0.0%
Israel	-	0.0%	-	0.0%
Cash and equivalents	7.3%	-	7.3%	-

#### Delta contribution per sector

	Delta		Effective delta	
	Fund	Index	Fund	Index
Technology	13.5%	9.4%	10.2%	7.2%
Industrial Goods and Services	5.4%	4.1%	4.2%	3.1%
Health Care	3.6%	5.4%	2.7%	4.2%
Travel and Leisure	3.0%	4.6%	2.4%	3.8%
Construction and Materials	3.0%	0.8%	2.7%	0.7%
Retail	2.9%	1.7%	2.4%	1.2%
Energy	2.8%	1.5%	2.2%	1.2%
Telecommunications	2.1%	1.9%	1.7%	1.4%
Insurance	1.9%	1.7%	1.7%	1.5%
Real Estate	1.5%	1.8%	1.1%	1.4%
Financial Services	1.4%	2.3%	1.1%	1.7%
Consumer Products and Services	1.4%	2.4%	1.0%	2.0%
Automobiles and Parts	1.4%	2.0%	0.9%	1.3%
Utilities	1.1%	6.3%	1.0%	5.5%
Media	0.9%	1.0%	0.8%	0.9%
Banks	0.9%	0.2%	0.7%	0.2%
Chemicals	0.2%	0.2%	0.2%	0.1%
Basic Resources	0.2%	1.9%	0.1%	1.6%
Food, Beverage and Tobacco	0.1%	0.3%	0.1%	0.3%
Cash and equivalents	7.3%	-	7.3%	-

\*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

### Administrative information

**Name:** DNCA INVEST Global Convertibles  
**ISIN code (Share N):** LU2595402830  
**SFDR classification:** Art.8  
**Inception date:** 25/06/2024  
**Investment horizon:** Minimum 4 years  
**Currency:** Euro  
**Country of domicile:** Luxembourg  
**Legal form:** SICAV  
**Reference Index:** Refinitiv Convertibles Global Focus Hedged (EUR) Index  
**Valuation frequency:** Daily  
**Management company:** DNCA Finance

#### Portfolio Managers:

Jean-Paul ING, CFA  
 Denis PASSOT  
 Félix HARON, CFA

**Minimum investment:** -  
**Subscription fees:** - max  
**Redemption fees:** -  
**Management fees:** 1%  
**Ongoing charges as of 31/12/2023:** 1.20%  
**Performance fees:** 20% of the positive performance net of any fees above the index: Refinitiv Convertibles Global Focus Hedged (EUR) Index

**Custodian:** BNP Paribas - Luxembourg Branch

**Settlement:**

**Cut off:** 12:00 Luxembourg time

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DNCA Finance is a limited partnership (Société en Commandite Simple) approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company under number GP00-030 and governed by the AMF's General Regulations, its doctrine and the Monetary and Financial Code. DNCA Finance is also a Non-Independent Investment Advisor within the meaning of the MIFID II Directive. DNCA Finance - 19 Place Vendôme-75001 Paris - e-mail: [dnca@dnca-investments.com](mailto:dnca@dnca-investments.com) - tel: +33 (0)1 58 62 55 00 - website: [www.dnca-investments.com](http://www.dnca-investments.com)

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A summary of investors' rights is available in English at the following link: <https://www.dnca-investments.com/en/regulatory-information>

This Fund is being marketed as a public offering in Luxembourg. You can contact the DNCA Finance branch:

DNCA Finance Luxembourg Branch - 1 Place d'Armes - L-1136 Luxembourg

This product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

If the portfolio investment process can incorporate ESG approach, the portfolio's investment objective is not primarily to mitigate this risk. The sustainability risk management policy is available on the website of the Management Company.

The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.

### Glossary

**Beta.** Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.

**Correlation coefficient.** The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.

**Dividend yield.** Annual dividends per share / Price per share

**EV (Enterprise Value).** Market value of common stock + market value of preferred equity + market value of debt + minority interest - cash and investments.

**ND/EBITDA (Net Debt / EBITDA).** A measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

**P/B.** The Price to Book Ratio is the ratio of the market value of equity (market capitalisation) to its book value. It is used to compare the market valuation of a company with its book value.

**P/CF (Share price/Cash Flow per Share).** The price-to-cash-flow ratio is an indicator of a stock's valuation.

**PER (Price Earnings Ratio).** A company's share price divided by the amount of profits it makes for each share in a 12-month period. PE ratios are normally calculated on the base of all the profit made in the period, whether or not the profit is paid out to shareholders in that period.

**ROE (Return On Equity).** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

**Sharpe Ratio.** A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).

**Sharpe Ratio.** The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.

**Tracking error.** Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.