



**Short-term eurozone bonds** 

Data as of 31/03/2020



Management Report March 2020

## Share ID: ISIN code LU1490785687 - Ticker Bloomberg DNSPIDE LX

# Share class created the 23 May 2017

## INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the FTSE MTS Index 1-3 years calculated with coupons reinvested on the recommended investment period (18 months)

#### PORTFOLIO MANAGERS COMMENTS

We saw a widespread drop in the value of assets in March, with equity indices plunging between 20% and 30% depending on the region. Oil prices collapsed to close to \$25/bbl for Brent vs. around \$75/bbl at the start of the year. Dollar-denominated gold prices gained close to 5% since the start of the year, but stagnated in March after a correction of 12% during the month. In the euro area, sovereign yields rose slightly - even in Germany - but broadly managed to maintain their value over the guarter on the back of intervention from the ECB. Over the same period, credit indices shed 6% for investment grade and 15% for high yield.

Sérénité Plus has dipped 26.96xf\_YTD\_% YTD. Despite the fund's very short-term positioning, it was mainly hit by tension on the credit market, and the very severe drop in inflation projections on the inflation-linked sovereign portion.

Against this backdrop, the fund has considerably ramped up its credit allocation (78% vs. 70% over the month), via highquality issuers, such as Orange and Engie on hybrid securities with call dates in 2021, Leonardo 2021 and Orano on 2021 and 2023 maturities. Yield on these holdings comes to between 3% and 4% vs. a figure that would have been close to zero at the start of the year. Inflation-linked sovereign debt was reduced from 12% to 10% in the current environment that is not conducive to a rise in prices in the short term.

Overall, following the market decline and after new investments, Sérénité Plus carries yield of around 4.3% on average maturity of 1.7 years and sensitivity net of hedging of 0.2. This profile is attractive in an environment where interest rates remain low over the long term, particularly on the short end of the curve, and subject to the occurrence of any defaults.

The fund maintains its very solid liquidity as a result of a very steady flow of redemptions over the months ahead, as well as its share of sovereign debt where the ECB is taking massive

Text completed on 04/01/2020.

Philippe CHAMPIGNEULLE - Romain GRANDIS - Baptiste PLANCHARD

#### PERFORMANCE AND VOLATILITY

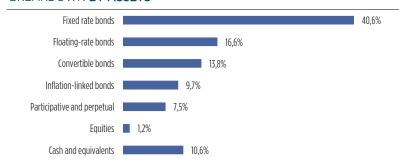
	Share ID	Reference Index <sup>(1)</sup>
YTD performance	-	-0.48%
2019 performance	-	0.07%
Annualised performance since inception	-	-0.29%
Volatility 1 year	-	0.99%
Volatility since inception	-	0.97%

#### PERFORMANCE SINCE 23/05/2017



(1)FTSE MTS Index 1-3 years. Past performance is not a guarantee of future performance.

## **BREAKDOWN BY ASSETS**



## MAIN CHARACTERISTICS

NAV	€95.39	Net assets	€260M
Average yield	4.36%	Average modified duration	1.13
Average maturity (years)	1.75	Bonds and related	88.3%

Modified duration: The modified duration of a bond measures the change in its percentage value induced by a change in the interest rate.

#### **RISK** AND **REWARD** PROFILE



The risk level of this fund is due to exposure to equity and/or fixed income markets

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#### PERFORMANCE (%)

Year	january	february	march	april	may	june	july	august	september	october	november	december	Annual
2018	0.15%	-0.12%	-0.03%	0.26%	-1.40%	-0.07%	0.40%	-1.38%	0.40%	-0.45%	-0.20%	0.29%	-2.15%

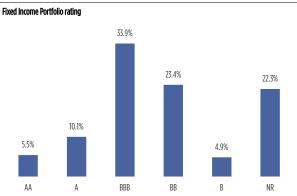
Past performance is not a guarantee of future performance.

#### **RISK** ANALYSIS

	Share ID	Index <sup>(1)</sup>
Number of positive months	18	17
Number of negative months	15	17
Worst performance 1 month	-1.40%	-0.85%
Best performance 1 month	0.41%	0.33%
Worst performance 1 quarter	-1.21%	-0.60%
Best performance 1 quarter	0.29%	0.61%
		<sup>(1)</sup> FTSE MTS Index 1-3 years Datas calculated since incention

	1 year	3 years	5 years
Tracking Error <sup>(2)</sup>	-	· -	-
Information Ratio	-	-	-
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<sup>(2)</sup>Tracking error is a measure of the risk, with which the performance of a fund is diverging from its index.



These data are provided for guidance purposes only. The management company does not systematically and automatically use ratings issued by credit rating agencies and carry out its own credit analysis.

## BREAKDOWN BY ASSET CLASS. BONDS

	Weight	Maturity (yrs)	Duration	Modified duration	Yield
Fixed rate bonds	40.59%	1.34	1.30	1.24	4.81%
Floating-rate bonds	16.61%	1.63	0.16	0.16	1.43%
Convertible bonds	13.83%	1.01	1.01	0.95	5.12%
Inflation-linked bonds	9.71%	5.03	2.42	2.42	0.29%
Participative and perpetual	7.52%	1.36	1.36	1.31	12.23%
Total	88.26%	1.75	1.17	1.13	4.36%

## MAIN HOLDINGS

	Bonds	Convertible bonds	Equities
Fixed Rate	DEUTSCHE BANK AG 5% 2020	TELECOM ITALIA SPAMILANO 1.13% 2022 CV	OSRAM LICHT AG
	CASINO GUICHARD PERRACHON SA 5.98% 2021	HANIEL FINANCE DEUTSCHLAND GMBH 0% 2020 CV	GRANDVISION NV
	BANCO BPM SPA 2.75% 2020	AMERICA MOVIL SAB DE CV 0% 2020 CV	
Floating-rate	BANCA FARMAFACTORING SPA 2020 FRN		
	PIRELLI AND C SPA 2020 FRN		
	FCA BANK SPAIRELAND 2021 FRN		
Inflation-linked	ITALY I/L 2024		
	FRANCE I/L 2024		
	FRANCE I/L 2027		



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