

#### **Monthly Factsheet - April 2024**

Marketing Document for retail investors in: LU, CH, IT

#### **Fund Data**

Strategy	Flexible
Fund size	€186
Portfolio Manager	Giorgio Bertoli
Domicile, Legal Structure	Luxembourg, UCITS
Delegated Investment Manager	Banca del Sempione SA
Custodian Bank	Edmond De Rothschild (Europe)
Administrator/ Managment Company	Edmond De Rothschild Asset Management (Lux)
Auditor	Pricewaterhouse Coopers Sarl
Management Fee	1.50%
Performance Fee	15% of the performance of NAV

Class	Type	ISIN	
EUR	Retail	LU0492099089	

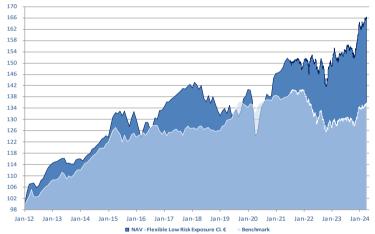
#### **Objective**

The aim of the Flexible Low Risk Exposure sub-fund is to generate positive real returns for the investor, whilst maintaining particular attention to the preservation of capital.

The active asset allocation process is implemented through a flexible approach on different asset class, mainly government and corporate bonds, equity and Forex. The maximum exposure to high risk securities such as equities and high yield bonds is limited singularly to 15% of total assets.

Global Strategy	High Flexibility	Relative Value	Asymmetries search
Seeking opportunities through a top-down ap- proach in the main geo- graphical regions.	Asset allocations independent from the benchmark. Low correlation with the main risk contributors (rates, equity markets).	Spread between currencies, fixed income curves, equity markets used to generate value on non-directional markets.	The corporate market illiquidity may occasionally generate investment opportunities.

#### **Performance Summary**



Source: Banca del Sempione SA

The sub-fund is actively managed without reference to any benchmark (index). The benchmark in this graph is shown here for comparative purposes only and is not used for the calculation of the performance fee.

Class EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0,30	-0,06	1,14	-1,43									-0,07
2023	3,11	-1,39	0,22	0,99	-0,07	0,77	1,44	-0,37	-1,47	-0,55	3,48	3,68	10,10
2022	0,45	-0,94	1,38	-0,22	-0,08	-2,81	1,54	-0,32	-4,06	0,93	3,37	-0,09	-1,06
2021	0,26	0,38	0,87	1,52	0,67	-0,76	-0,15	0,29	0,38	-0,90	-1,54	1,90	2,91
2020	-0,12	-2,58	-9,27	0,75	4,40	3,11	1,20	1,90	-0,63	0,10	4,68	1,09	3,93
2019	1,13	0,76	-1,38	2,27	-2,92	1,20	0,61	-1,87	1,75	3,08	0,59	1,80	7,05
2018	1,43	-0,60	-1,17	1,00	-3,28	-0,82	1,60	-1,94	1,65	-2,02	-1,73	-1,10	-6,91
2017	1,21	0,02	0,65	0,35	0,67	0,60	0,44	-0,87	1,40	0,66	-0,23	-0,12	4,86
2016	-3,09	-2,02	2,38	2,25	-0,03	-1,96	1,32	1,76	-0,28	2,33	0,02	1,03	3,58
2015	3,57	2,01	1,27	-0,21	0,61	-1,27	1,29	-2,27	-1,85	2,41	1,65	-1,96	5,15
2014	-0,60	0,94	0,83	0,41	1,35	0,33	0,71	0,75	1,02	0,45	0,66	-0,37	6,66

Past performance is not indicative of future performance. The performance data does not take into account thecommissions and expenses applied to the issue and redemption of shares. Past performance is shown in the share class currency. **Returns are gross of tax charges**. The fund's performance may be the result of currency fluctuations, either rising or falling. Investors may not recover their entire capital invested





Lipper Fund Awards
2024 Europe
2024 Switzerland
2023 Switzerland
2015 Switzerland

2013 SWILZEITAITU
II Sole 24 ORE
Premio Alto Rendimento
2023-Mixed bonds over a three years period
репои
2022-Mixed bonds over a three years period
2017-Mixed bonds over a three years

## **Currency diversification** IDR CHF USD -12% -9% -6% -3%

**Portfolio** 

Rating Breakdown	%	Risky assets	%
Investment grade	85.5%	High Yield	8.5%
AAA	7.0%	ВВ	7.5%
AA	7.0%	В	1.0%
A	17.0%	<b< td=""><td>0.0%</td></b<>	0.0%
ВВВ	54.5%		
Cash	4.5%		
Not rated	1.5%		

Source: Banca del Sempione SA



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#### **Portfolio**

%
25.0
13.5
34.0
7.5
35.5
22.5
1.5
4.0
%
0.0
0.0
0.0
0.0
0.0

Duration	4.85
Yield to Maturity	5.02
Average Quality	BBB+
Volatility daily (180 days)	4.00%
Volatility weekly (104 weeks)	5.22%
Correlation vs. Barclays Global Aggregate EUR (12m)	0.88
Correlation vs. MSCI Hedged Eur(12m)	0.40
Contribution to duration - currency	
EUR	2.12
USD	1.94
GBP	0.77
Other	0.02
Total duration	4.85

Source: Banca del Sempione SA

#### **Monthly summary**

April saw a partial market consolidation, focused on reviewing the macroeconomic forecasts in light of surprisingly high inflation readings. Expectations are diverging between Fed and ECB: in the United States, the central bank is still grappling with inflation above its targets, highlighting a growing trend in "supercore" price baskets heavily linked to healthcare expenses, shelter, and other services. The Fed's rhetoric seems to incorporate the new inflationary scenario, and, alongside stable growth, several governors are beginning to hesitate on the first rate cut. A different story unfolds for the ECB, which opts not to alter rates but opens the door to an imminent cut in April, due to a struggling economy and inflation nearing central bank's targets.

Meanwhile, fears of escalation in the Middle East persist, with Israel advancing with their offensive in Gaza, without conceding a ceasefire, while intercepting a symbolic missile attack from Iran mid-month.

The month witnessed a renewed increase in government bond yields, pushing the yield of the 10-year US treasury to 4.60% and the equivalent German bund to 2.60%, driving the generic benchmark into significantly negative territory (-2% in EUR hedged version). Credit spreads widened slightly during the month, without distancing too far from recent lows, highlighting a strong economy despite some renewed stress among low-grade issuers.

On the equity front, the market experiences local drawdowns despite an excellent quarter of earnings results, aided by the revaluation of rate cut expectations. US equity bears the brunt, with indices down by -4/-5%, compared to European counterparts at -2% and Swiss at -2.5% (in local currency). Financial and commodity-related sectors (such as commodities, gold, and oil) continue to support index performance, while the technology sector experiences a partial slowdown.

Oil, gold, and commodities in general remain stable, not giving way to fears of conflict escalation and high demand for refuge or supply.

#### **Top Performance Contributors**

#### **Top Performance Detractors**

- Duration
- Steepening

#### Positioning and market view

<u>Rates</u>: overall portfolio duration remains stable, with a slight increase in the GBP component, which exhibits a steeper curve and more attractive yields on the long end of the curve. We don't have strong views on short-term macroeconomic trends; however, we identify a particularly dovish attitude of Fed, which should favor steepening positions and a moderate increase in break-even inflation.

<u>Credit</u>: unchanged credit risk allocation, with exposure levels slightly lower than at the end of 2023. At sector level, we confirm our preference for financial themes, especially in Europe and emerging markets; we believe these segments can remain solid even in the case of moderate economic slowdown.

Equity: No changes in the month, exposure remains at zero.

<u>Fx</u>: The short dollar position is implemented with a medium-to-long-term strategic view, waiting for short-term triggers that might lead us to increase the position. Activity in yen (long) and CHF (short) is more tactical and smaller in size.



### **Monthly Factsheet - April 2024**

# Risk Indicator Risk Profile With lower risk 1 2 3 4 5 6 7 Potentially lower returns Potentially lower returns

The summary risk indicator assumes you keep the Product until maturity end of the recommended holding period (5 years). The actual risk can vary significantly if you cash in at an early stage and you may get back less. The summary risk indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets or because we are not able to pay you. This Product is rated in the category above mentioned, in line with the type of securities and geographic regions detailed under the heading "Objectives and investment policy". The capital is not guaranteed.

The following risks may be materially relevant but may not always be adequately captured by the synthetic risk indicator and may cause additional loss:

Credit Risk: the Product may invest in debt securities which are exposed to the risk that the borrower will be unable to meet its repayment obligations.

Counterparty Risk: the Product may suffer losses if a counterparty to a financial instrument defaults and fails to meet its payment obligations to the Product.

Emerging and Frontiers Markets Risk: increased political or social instability, economies based on only a few industries, unstable currencies, runaway inflation, highly volatile securities markets, unpredictable shifts in policies relating to foreign investments, lack of protection for investors may affect the investments of the Product.

Market Risk: the Product may experience losses from fluctuations in securities prices in portfolio.

Liquidity Risk: when investments are made in financial instruments that could have a lower level of liquidity in some circumstances for example in the case of a market crash or default of issuers and/or due to massive redemptions of shareholders resulting in a potential decrease of the value of certain of the Product's investments.

Interest Rate Risk: interest rate risk is the possibility that the value of the assets of the Product will decline as the result of an unexpected change in interest rates, especially but not limited, for investments in bonds.

**Currency Risk**: the Product invests in assets priced in foreign currencies which may be adversely affected by changes in exchange rates in relation to the reference currency of the Product and of the share classes denominated in a currency other than the reference currency.

**Operational Risk**: this is the risk that failures, problems and/or inadequacies of systems, processes and/or people (in particular by the investment manager) may cause losses to the Product.

Risk linked to the use of derivative instruments: a careful use of derivatives can be beneficial to the Product but implies additional risks different from traditional assets such as the risk of divergent valuation depending on the application of different pricing methodologies. The use of derivatives can result in greater fluctuations of the Product assets and may cause the Product to lose as much as or more than the amount invested. Due to the use of derivatives, the Product may have an increased exposure to particular investment known as leverage. A fall in value of such investments can result in a proportionately greater loss to the Product.

Volatility-Leverage: In order to efficiently implement the Sub-Fund's strategy and to achieve the risk target that is consistent with the Sub-Fund's risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlyings that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

The list of possible risks is not exhaustive; full risk information is available in the Sale Prospectus, chapter 5 "Special consideration on risks".

#### **Glossary**

Share class sub-fund of a fund differentiated in terms of client type, fee structure, currency, minimum investment or other characteristics. The characteristics of each share class are described in the offering prospectus. Management fee is a fee that covers all costs charged to a fund in relation to portfolio management services and, if applicable, distribution services. Incentive fee (performance) is a fee withheld by the management company based exclusively on the results achieved by the fund and is calculated if the fund performs better than a reference index, the benchmark, or if it records a gain in absolute terms. Duration indicates the number of years an investor should keep a position in the bond until the present value of the bond's cash flows to equal the amount paid for that bond. Longer is the duration, more the price of a bond will be influenced by changes in interest rates. Duration can also be used to compare the risk of debt securities with maturities and yields. High Water Mark (HWM) is the highest value achieved by a fund and it is used as a threshold to measure a manager's performance. In the case of this fund, according to the HWM principle, no performance fee will be charged if the NAV, before considering the fee, is lower than the latest reference NAV. Any losses accumulated in the past can be written off after a period of five years. The performance fee is assessed at the end of each calendar year, following a calculation method described in the prospectus. Index is a portfolio that holds a broad range of securities according to predefined rules. Some indices are used to represent the performance of particular markets and therefore serve as a point of reference for measuring the performance of other portfolios. An index used as a reference for performance comparison is called a "benchmark index". ISIN (International Securities Identification Number) unique code that identifies a specific financial security. It is assigned by the respective national coding agency of a country. Bonds are debt (for the entity that issues them) and credit securities (for the entity that purchases them) that represent a portion of debt taken out by a company or public body for financing. They guarantee the buyer the reimbursement of the capital (at the end of the preestablished period) plus interest (the remuneration that is due to those who purchase bonds in exchange for the sum invested). High Yield Bonds are a type of corporate bond that offers a higher interest rate due to its greater risk of default. Credit rating evaluates the ability of a bond issuer to repay all its debt obligations (interest and principal) on time. High ratings, such as AAA or Aaa, indicate low risk (i.e. a low probability of default), while ratings such as BBB- or Baa3 indicate greater risk. Yield to maturity (YTM) indicates the fund's return if all the bonds in the portfolio were to be held until the maturity date. The ratio is expressed as a percentage annual return. Volatility, the fluctuation of a fund's performance over a given period, provides an analysis of the amount of risk and uncertainty in a security or portfolio. Tipically, higher is the volatility, riskier is the securities or portfolio.



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#### **Important Information**

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The Sicav or the Management Company may decide to terminate the arrangements made for the marketing of its collective investment undertaking in one Member State in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

Past performances are not indicative of future results. Performance figures do not take into account any share issue or redemption fees or charges. Past results are shown in the share class reference currency. Yields are shown before tax charges. Investors are reminded that future returns are subject to taxation, which depends on their personal situation and may change in the future.

All data reported here, including fund information, has been obtained or calculated by Banca del Sempione SA. All data refers to the date of the document, unless otherwise indicated. Although we believe that the information contained herein comes from reliable sources, Banca del Sempione SA cannot assume any responsibility regarding its quality, correctness, timeliness or completeness.

Complete information on costs is available in the Sale Prospectus, chapter 25 "charges and costs" and in the individual sub-fund sheets, chapter 30 "Annex I - Sub-Funds".

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