



# Ethna-DEFENSIV (SIA-T)

Factsheet, as of 30/04/2024



ETHENEA

Marketing communication

## Investment strategy

The Ethna-DEFENSIV is a fixed income fund that does not follow any benchmark. Actively managed, its focus is on investing in sovereign and corporate bonds from issuers in OECD countries. These are fairly conservative in nature but managed on a highly flexible basis, thus enabling the Portfolio Managers to rapidly adapt the fund's risk profile to the prevailing market conditions and invest in attractive individual securities. The fund achieves its desired risk profile through the selection of bond issuers, maturities and currencies. Another driver of the fund's performance is overlay management. This is the active management of spread risks, duration and currency positions through the use of liquid derivative instruments. The allocation is decided by the Portfolio Management team using a top-down approach based on in-depth assessment of macroeconomic developments. In combination with a bottom-up process for the selection of bonds, this approach enables the fund to select the most attractive investment opportunities while at the same time minimising potential risks and managing volatility and drawdowns.

## Investment objective

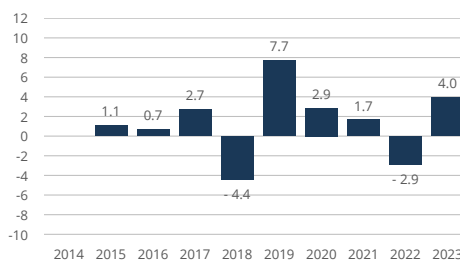
With a balanced investment strategy emphasising diversification and liquidity, the Ethna-DEFENSIV targets capital preservation and the achievement of positive returns over a medium-term (3 to 5-year) investment horizon. It is therefore suitable as a base investment for conservative investors wishing to benefit from a risk-minimised strategy on global financial markets.

### Performance since inception (gross, in %) <sup>1,2,3</sup>



— Ethna-DEFENSIV (SIA-T): 16.21 %

### Yearly performance (gross, in %) <sup>1,2,3</sup>



### Performance and volatility (gross, in %) <sup>1,2,3</sup>

| Period                   | MTD  | YTD  | 1 year | 3 years | 5 years | Since inception |
|--------------------------|------|------|--------|---------|---------|-----------------|
| Performance (cumulated)  | 0.56 | 1.54 | 5.92   | 4.48    | 11.62   | 16.21           |
| Performance (annualised) | -    | -    | 5.87   | 1.47    | 2.22    | 1.55            |
| Volatility               | -    | -    | 2.41   | 2.54    | 3.32    | 2.78            |

**Note:** Historical performance is not an indicator for current or future performance. All charges and fees, except for the subscription fee, were deducted when calculating the performance.

### Top 15 positions <sup>2</sup>

| Class | Name                        |        |
|-------|-----------------------------|--------|
| Bond  | Spanien (2024)              | 7.40 % |
| Bond  | Deutschland 18.09.2025      | 5.17 % |
| Bond  | Deutschland (12.2024)       | 4.77 % |
| Bond  | EIB v.09(2025)              | 2.64 % |
| Bond  | SEB Reg.S. FRN v.24(2027)   | 2.22 % |
| Bond  | Ald S.A. v.23(2028)         | 1.93 % |
| Bond  | Raiffeisen Schweiz (2028)   | 1.91 % |
| Bond  | BFCM v.23(2029)             | 1.89 % |
| Bond  | Zürcher Kantonalbank (2029) | 1.89 % |
| Bond  | WPP Finance v.23(2028)      | 1.87 % |
| Bond  | ABN AMRO FRN v.24(2027)     | 1.86 % |
| Bond  | Arval Service Lease (2024)  | 1.86 % |
| Bond  | Morgan Stanley FRN (2027)   | 1.86 % |
| Bond  | Kraft Heinz FRN v.23(2025)  | 1.85 % |
| Bond  | DZ BANK FRN v.23(2025)      | 1.85 % |

## Senior Portfolio Managers



Luca Pesarini



Dr. Volker Schmidt

## Master data

|                                 |  |
|---------------------------------|--|
| ISIN                            | LU0868354365                             |
| WKN                             | A1KANS                                   |
| Dividend policy                 | accumulation (T)                         |
| Inception date                  | 31/07/2014                               |
| Investment company              | ETHENEA Independent Investors S.A. (LUX) |
| Investment category             | fixed income fund                        |
| SFDR classification             | Art. 8                                   |
| Custodian bank                  | DZ PRIVATBANK S.A.                       |
| Investors targeted <sup>4</sup> | certain financial intermediaries         |
| Country of incorporation        | Luxembourg                               |
| Business year end               | 31 December                              |
| Min. initial investment         | none                                     |
| Net asset value                 | EUR 270.24 mio                           |
| Tranche currency                | EUR                                      |
| Redemption price                | EUR 581.04, 30/04/2024                   |

## Fees <sup>5</sup>

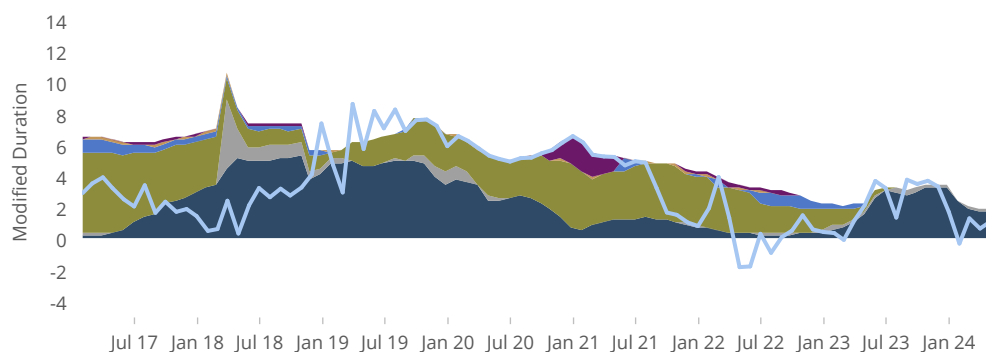
|                                 |              |
|---------------------------------|--------------|
| Subscription fee                | up to 2.50 % |
| Management fee                  | 0.50 % p. a. |
| Administration fee              | 0.10 % p. a. |
| Custodian fee                   | 0.05 % p. a. |
| Performance fee                 | none         |
| Ongoing costs, as of 29/12/2023 | 0.91 %       |
| Redemption fee                  | none         |

## Ratings and awards <sup>6,7</sup>

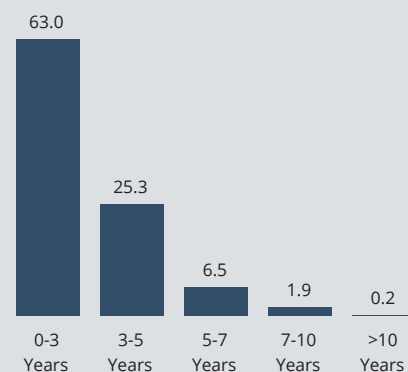
Morningstar Rating™ ★★★★★

## Duration allocation <sup>2</sup>

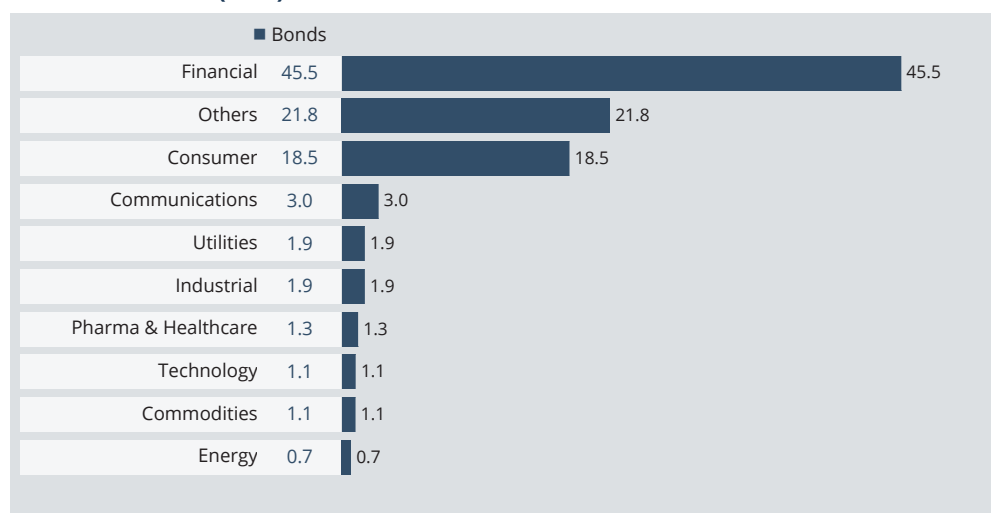
■ EUR, Corporates ■ EUR, Sovereign ■ USD, Corporates ■ USD, Sovereign ■ Others, Corporates  
■ Others, Sovereign — Net duration



## Time to maturity, bonds (in %) <sup>2</sup>



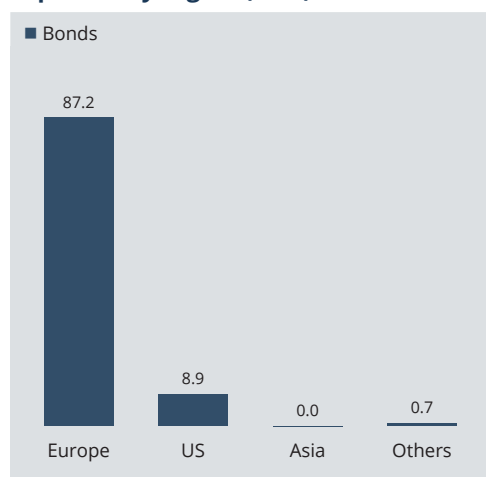
## Sector allocation (in %) <sup>2</sup>



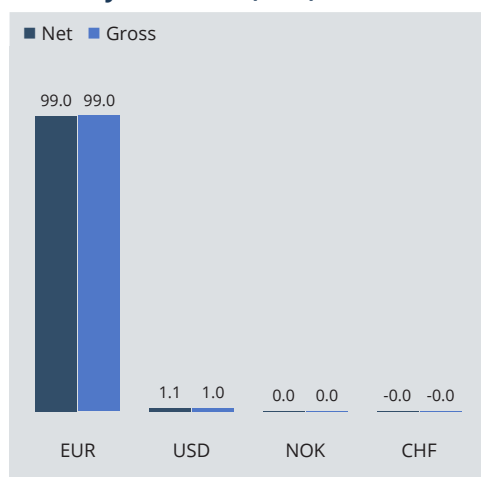
## Commentary on the duration allocation

The Ethna-DEFENSIV, which focuses on bonds, is geared towards capital preservation and the achievement of attractive returns. Duration management plays a key role in this. The interest rate and spread sensitivity of the fund is primarily controlled by the selection of bonds and their remaining maturities. In addition, interest rate sensitivity is optimized by entering into futures contracts. The cycle of interest rate hikes by the main central banks ended in 2023. The yield curves, which have been inverted for a long time, imply significant interest rate cuts in the future. However, this has also caused yields on longer-dated bonds to fall below those on shorter-dated bonds. The Ethna-DEFENSIV therefore remains cautiously positioned and concentrates its investments on corporate bonds with short and medium residual maturities. The high coupons of the bonds in the Ethna-DEFENSIV portfolio (over 4% on average) promise high regular returns in 2024.

## Exposure by region (in %) <sup>2</sup>



## Currency allocation (in %) <sup>2</sup>



## Portfolio Manager update

Scan the QR code with your smartphone to access the latest [Portfolio Manager update](#) for the fund.



**Note:** The "Portfolio Manager update" is usually published in the second week of the month.

## Key risk figures (12 months) <sup>2,8</sup>

|                         |        |
|-------------------------|--------|
| Sharpe Ratio            | 0.85   |
| Maximum Drawdown        | -1.5 % |
| Value at Risk 99 %, 1d  | 0.1 %  |
| Value at Risk 99 %, 20d | 0.6 %  |

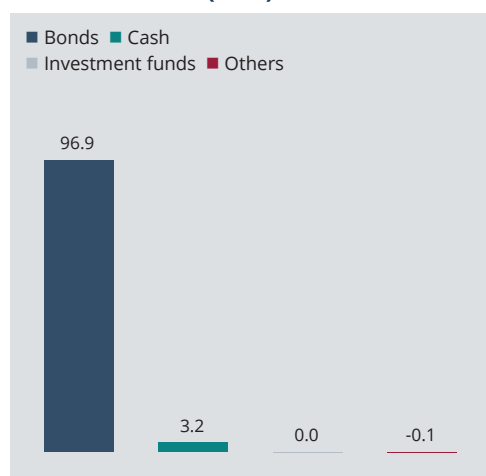
## Key figures of the bond portfolio <sup>2,8</sup>

|                      |                          |
|----------------------|--------------------------|
| Average rating       | A to A+                  |
| Modified duration    | 1.18 <sup>9</sup> (1.87) |
| Yield p.a. (current) | 4.3 %                    |
| Yield p.a. (YTM)     | 4.1 %                    |

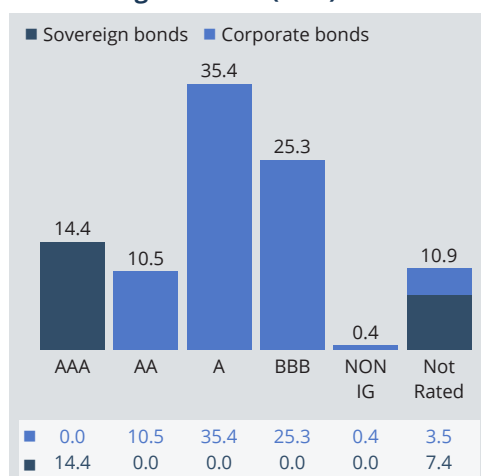
## Information on the asset classes

The item "Cash" includes term deposits, call money and current/other accounts.

## Asset allocation (in %) <sup>2</sup>



## Bond rating structure (in %) <sup>2,8</sup>

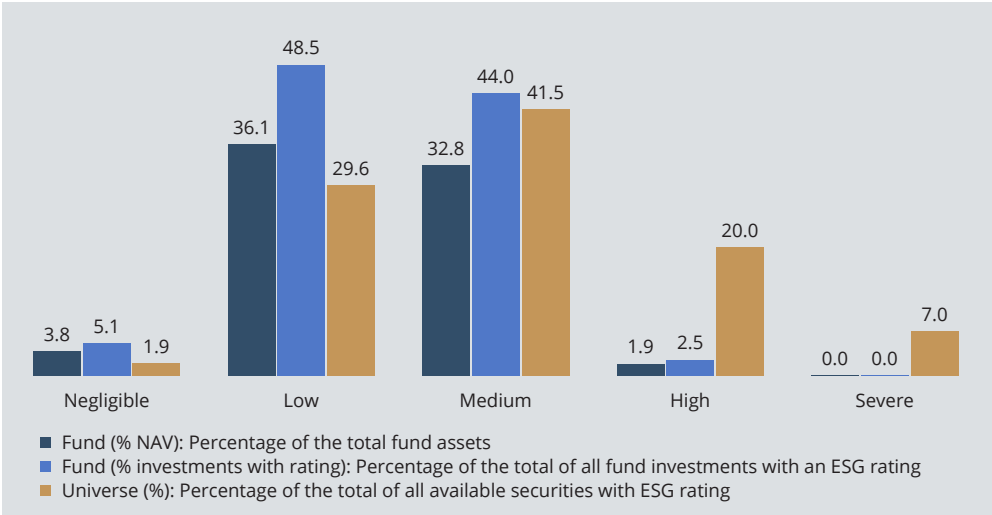


ESG – taking environmental, social and governance criteria into account

Our aim is to offer clients responsible investment solutions with a competitive and sustainable return, as reflected in our investment guidelines and processes. The Ethna-DEFENSIV pursues an ESG strategy that complies with Article 8 of the EU's Sustainable Finance Disclosure Regulation (2019/2088). In its bond investments, the fund therefore gives preference to companies that have low exposure in terms of significant ESG risks, as well as companies that actively manage and thus reduce the ESG risks inevitably associated with their business activities. In addition, the sustainability approach taken by the Ethna-DEFENSIV is underscored by comprehensive exclusions:

- Investments in companies with a core activity in armaments, tobacco, pornography, speculation in basic foodstuffs and/or the mining/distribution of coal are prohibited.
- Furthermore, we do not invest in companies that have been found to be in serious breach of the principles of the UN Global Compact and have no convincing plan in place to remedy the situation.
- In the case of sovereign issuers, we exclude investments in countries that have been designated as “Not Free” in the annual analysis carried out by Freedom House ([www.freedomhouse.org](http://www.freedomhouse.org)).

Distribution of ESG risk categories (in %)



To assess the ESG risks relevant to the individual companies as well as evaluate the active management of ESG risks within the companies, we use analyses by external ratings agency Sustainalytics. Sustainalytics sums up the results of its analysis in an ESG risk score ranging from 0 to 100, where:

- a score below 10 indicates negligible risks,
- 10 to 19.99 indicates low risks,
- 20 to 29.99 indicates medium risks,
- 30 to 39.99 indicates high risks,
- 40 or more indicates serious risks.

Based on this ESG risk score, the Ethna-DEFENSIV aims to achieve at least a medium ESG risk profile (score of under 30). Individual securities with very serious risks (score of over 40) are only considered for investment in the Ethna-DEFENSIV in justified exceptional instances, and must be supported by an active engagement process designed to improve the ESG risk profile of the investment.

As part of the investment process, we also check whether the companies in which investments are made employ good governance practices. To that end, the ESG policy of ETHENEA includes multiple mechanisms including checking for controversies and compliance with the UN Global Compacts. These in turn lead to downstream escalation steps extending from various engagement options through to hard exclusion of non-compliant companies.

**Note:** Information about the sustainability of the fund as well as further documents on the subject of ESG can be found at: [www.ethenea.com/esg-related-documents](http://www.ethenea.com/esg-related-documents)  
Any investment decision should take into account (in addition to the sustainability aspects) all the objectives and characteristics described in the sales prospectus.

Risk profile <sup>10</sup>



Opportunities

- A professional Portfolio Management Team with many year of experience.
- Participation in positive performance of bond markets.
- Reduction of value fluctuations by spreading the investment capital over a large number of individual securities (diversification).
- Active risk management and hedging transactions (emphasis on capital preservation).
- Active portfolio management with the aim of delivering positive returns, even in a weak market phase.
- Stability and continuity by focusing on fixed income securities.

Risks

- Market, sector and company-related price losses in the fund's bonds investments; also as a result of a general rise in yields and/or increase in yield premiums for specific bond issuers.
- General, geographical and geopolitical country risks; these include the risk that an issuer of a bond, despite being solvent, cannot fulfil its obligations due to an inability or unwillingness on the part of a particular country to transfer funds to another country.
- Issuer, counterparty credit and default risk due to investing in bonds and hedging trades; these include the risk of insolvency due to issuer or counterparty debt overload or illiquidity. A total loss of the affected investment instrument is possible.
- Exchange rate risks through investing in foreign currencies or bonds denominated in a foreign currency.
- The investor suffers a loss if they sell the fund units at less than the purchase price.

Information about the fund

An open-ended mutual fund managed by ETHENEA Independent Investors S.A., an undertaking for collective investment in transferable securities (UCITS) under Luxembourg law. The Ethna-DEFENSIV is classified as an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation (2019/2088).

## Footnotes

- <sup>1</sup> Performance is calculated using the BVI method (corresponds to the AMAS-method in Switzerland). Distributions are directly reinvested in additional shares on the distribution date. The individual costs of the investor, e.g. account keeping fees or subscription fees, are not taken into account. Taking these costs into account will reduce performance. All costs at fund level however, i.e. management and custodian fees, are included in the calculation.
- <sup>2</sup> Source: own calculations ETHENEA
- <sup>3</sup> Historical performance is not an indicator for current or future performance. The performance shown does not take into consideration any subscription or redemption fees and/or commissions.
- <sup>4</sup> The management company has decided that the "SIA" share classes should be issued to certain financial intermediaries. The management company reserves the right not to accept subscriptions until investors have proved that they have the status of certain financial intermediaries.
- <sup>5</sup> The "Ongoing costs" mentioned in this section do not include transaction costs. Detailed information on the costs and their impact on your investment can be found in the key Information document (PRIIPs-KID), the sales prospectus and the latest annual report.
- <sup>6</sup> © 2024 Morningstar. All Rights Reserved. State of the Morningstar Rating: 03-2024. For more detailed information about the Morningstar Rating, including its methodology, please go to: <https://bit.ly/3uHkEL7>
- <sup>7</sup> Out of 2474 "EUR Diversified Bond" funds as of 29/02/2024. Based on 85.67 % of eligible corporate AUM and 100.00 % of eligible sovereign AUM. Data is based on long positions only.
- <sup>8</sup> See glossary for explanations of terms and definitions (also with regard to rating grades): <https://www.ethenea.com/glossary>
- <sup>9</sup> Modified duration, taking into account the application of use of derivatives.
- <sup>10</sup> Summary Risk Indicator scale from 1 (lowest risk) to 7 (highest risk); risk 1 does not mean a risk-free investment. This indicator may change over time. Source: Key information documents (PRIIPs-KIDs). Any investment involves a general risk of loss of capital.

## Important notices

**Please read the prospectus and the key information documents (PRIIPs-KIDs) before investing in the fund.**

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