

Fixed Income

DGC - Convertible A EUR

January 31, 2024

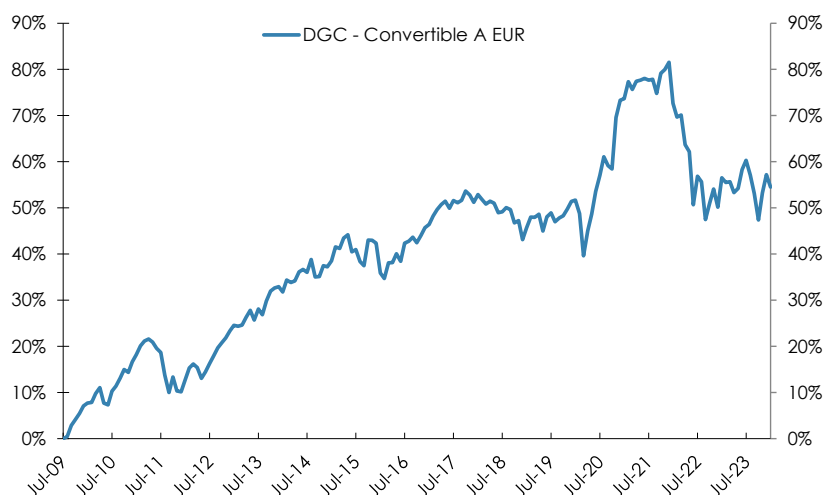


FUND OBJECTIVE

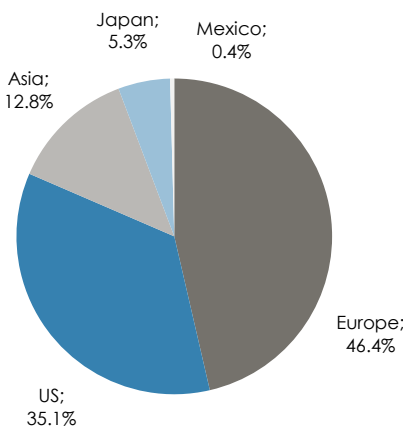
The sub-fund is a long only fund investing in convertible bonds and corporate credit securities.

The investment objective is to achieve attractive risk-adjusted returns over the medium to long term. Convertible securities include convertible bonds, convertible notes, convertible preference shares, exchangeable bonds, warrants and any other suitable convertible or exchangeable instruments. Equity and equity-linked securities, index and participation notes and equity linked notes may be held on an ancillary basis. Corporate credit securities include corporate bonds and other corporate debt securities and non-convertible preferred stock.

HISTORICAL PERFORMANCE



REGIONAL BREAKDOWN



MONTHLY PERFORMANCE (%) NET OF FEES

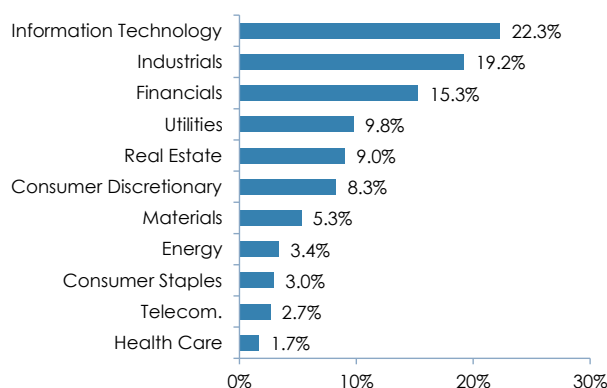
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund
2024	-1.70%												-1.70%
2023	4.22%	-0.63%	0.09%	-1.50%	0.60%	2.64%	1.27%	-2.00%	-2.54%	-3.75%	3.98%	2.57%	4.68%
2022	-4.89%	-1.71%	0.23%	-3.75%	-0.94%	-7.11%	4.11%	-0.74%	-5.28%	2.43%	2.01%	-2.53%	-17.28%
2021	0.17%	2.14%	-0.96%	1.01%	0.15%	0.20%	-0.21%	0.11%	-1.72%	2.48%	0.46%	0.88%	4.73%
2020	0.20%	-1.94%	-6.14%	3.86%	2.52%	3.27%	2.29%	2.57%	-1.20%	-0.45%	7.03%	2.21%	14.49%
2019	1.75%	1.63%	-0.04%	0.44%	-2.45%	2.12%	0.58%	-1.28%	0.55%	0.31%	1.00%	1.10%	5.78%

STATISTICAL ANALYSIS* (Since August 2009)

Return	Fund
Annualized return	3.0%
% Positive Months	63%

Risk	Fund
Annualized Volatility	6.8%
Sharpe Ratio (1%)	0.30
Maximum Drawdown	-18.8%
Months In Maximum Drawdown	22
Months To Recover	

Sector Breakdown



*Statistics are calculated on a Monthly basis

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FUND COMMENTARY



Fund Performance

The DGC ConvertibleClass A USD returned -1.54% net during January bringing YTD performance to -1.54%. The Fund's cash level stood at 6.0% at the end of the month. The overall weighted average running yield (ex-cash) stands at 0.9%. The equity sensitivity measured by its Delta is currently at 39.64%.

In a difficult month for risk assets, all regions detracted from Fund performance, led by Europe. On a sector level, Industrials contributed positively to Fund performance, while Information Technology was the main detractor.

The top three single-name contributors were the French aircraft engine manufacturer Safran, the German defence and engineering group Rheinmetall, and the French utility group Veolia.

The top three single-name detractors were French payments company Worldline, and the US and Korean semiconductor suppliers ON Semiconductor and SK Hynix.

Primary issuance remained active in the new year with \$5.2bn of new issues, of which the majority came from the US with \$2.3bn, followed by Asia with \$1.8bn, then Europe with \$1.1bn.

Positioning

During the month, the Fund participated in the primary market with new issues Daiwa House 0% 2029, Federal Realty 3.25% 2029 144a, and Immunocore 2.5% 2030 144a. The Fund also purchased Seagate HDD 3.5% 2028 144a on the secondary market, and switched into BE Semiconductor 1.875% 2027-29 from the 2027's.

Additionally, the Fund sold its positions in GBL 0% 2026, LG Energy (LG Chem) 1.6% 2027-30, MicroPort Scientific 5.75% 2026-28, SAIPM 2.875% 2029, and Singapore Exchange 0% 2024. The Fund reduced its positions in Worldline (ATOS) 0% 2024 and Sea Ltd 2.375% 2025; the first after negative newsflow and the latter on a reappraisal of the balance of risk and reward. The Fund also reduced its position in KPN (American Movil) 0% 2024 ahead of final maturity.

Outlook

While the change of direction of interest rates is on the horizon, the timing appears more uncertain as economic signals are mixed. Markets are exhibiting significant dispersion with large gaps between the best and worst performers. Convertibles are benefitting from higher coupons in the current environment. Increased yields in the primary market are feeding through to the secondary markets, driving attractive valuations which are also helped by the decline in volatility. Primary issuance is ongoing and with stability in the equity and rates markets we anticipate continued new issue supply at attractive levels. We are positioned with significant convexity in order to protect the downside alongside the potential to capture upside. We see the greatest value in balanced and yield instruments with solid convertible structures. We retain a bias toward higher rated securities with good convexity.

James Peattie
Senior Portfolio Manager

Signatory of:



GENERAL INFORMATION

Fund Inception	31-Jul-2009	Subscription	Weekly	Fund Domicile	Luxembourg
AUM (USD)	121 061 389	Redemption	Weekly	Inv. Manager	CQS (UK) LLP
Share classes	USD EUR CHF GBP	Management Fee	1.75%	Mgmt Company	NS Partners Europe SA
Investment Min	None	Performance Fee	10.00%	Administrator	Apex Fund Services S.A.
ISIN (A EUR)	LU0903161841	NAV	154.51	Auditor	PricewaterhouseCoopers, Lux.
Fund Type	UCITS V			Custodian	UBS Europe SE, Lux. Branch

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