DNCA INVEST
FLEX INFLATION

INTERNATIONAL INFLATION LINKED BONDS

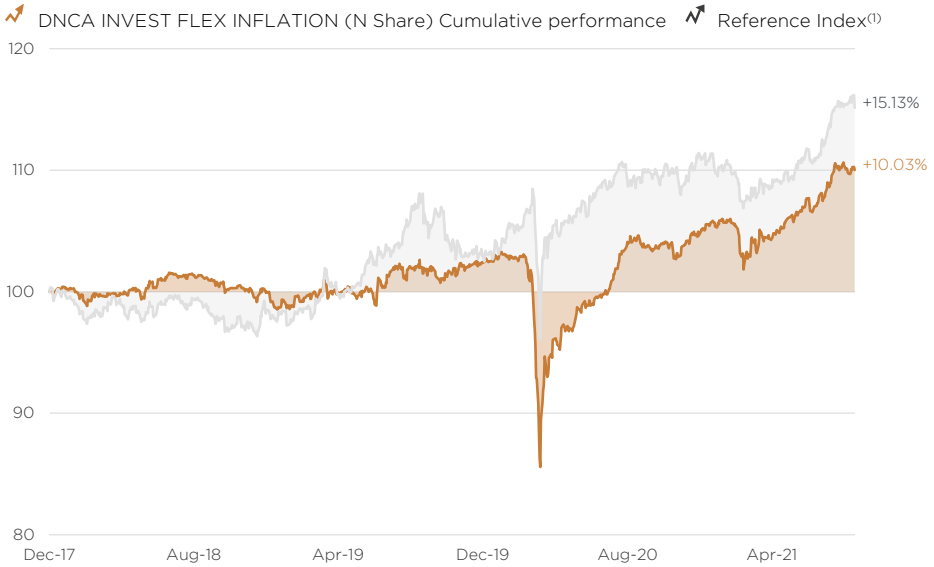
Investment objective

The Sub-Fund seeks to provide, over the recommended investment period of more than three years, a higher performance, net of any fees, than the Bloomberg Barclays World Govt Inflation Linked Bonds Hedged EUR (Bloomberg ticker : BCIW1E Index). Investors' attention is drawn to the fact that the management style is discretionary

Financial characteristics

NAV (€)	110.03
Net assets (€M)	253
Bloomberg liquidity score	90.5%
Average modified duration	4.10
Volatility ex ante	3.51%
Tracking Error ex ante	5.86%

Performance (from 13/12/2017 to 31/08/2021)



(1)Bloomberg Barclays World Govt Inflation Linked Bonds Hedged EUR. **Past performance is not a guarantee of future performance.**

Annualised performances and volatilities (%)

	1 year	3 years	Since inception
N Share	+5.17	+2.87	+2.61
Reference Index	+5.24	+5.23	+3.86
N Share - volatility	3.96	6.18	5.66
Reference Index - volatility	4.72	6.55	6.14

Cumulative performances (%)

	1 month	3 months	YTD	1 year	3 years	Since inception
N Share	-0.36	+3.23	+4.11	+5.17	+8.87	+10.03
Reference Index	-0.08	+3.94	+3.38	+5.24	+16.52	+15.13

Calendar year performances (%)

	2020	2019	2018
N Share	+3.15	+3.95	-1.71
Reference Index	+8.34	+5.36	-2.62

Risk and reward profile

Lower risk — Higher risk

1 2 3 **4** 5 6 7

Lower potential reward — Higher potential reward

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

	1 year	3 years
Sharpe Ratio	1.43	0.54
Tracking error	4.86%	6.25%
Correlation coefficient	0.38	0.52
Information Ratio	-0.01	-0.38
Beta	0.32	0.49

Main risks: Counterparty risk, credit risk, equity risk, foreign-exchange risk, inflation rate depreciation risk, interest-rate risk, liquidity risk, risk relating to discretionary management, risk relating to investments in derivative products

Exposure by modified duration

	Fixed rate	Inflation -linked	Total	Index
Germany	-0.87		-0.87	0.25
Italy	-2.23	2.54	0.31	0.45
USA	-5.36	3.92	-1.44	3.61
Australia		1.63	1.63	0.09
Canada		1.16	1.16	0.26
France		0.10	0.10	0.69
New Zealand		2.18	2.18	0.05
Spain			0.00	0.15
Sweden			0.00	0.04
United Kingdom			0.00	6.49
Japan			0.00	0.13
Euro	-1.71	1.73	0.03	
Korea (South)		1.01	1.01	
Modified duration	**-10.16**	**14.27**	**4.10**	**12.20**

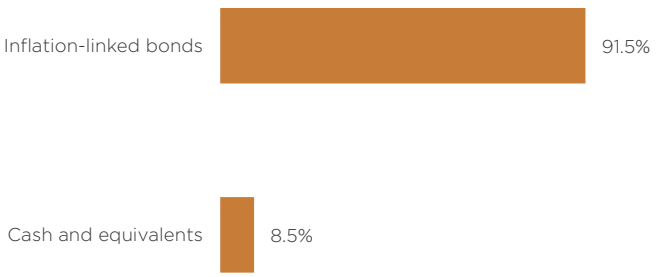
Exposure by country

	Fixed Rate	Inflation -linked	Total	Index
Germany	-9.67%		-9.67%	2.62%
Italy	-27.46%	26.19%	-1.27%	5.40%
USA	-69.90%	22.12%	-47.78%	44.92%
Australia		7.85%	7.85%	0.89%
Canada		7.12%	7.12%	1.65%
France		2.20%	2.20%	8.31%
New Zealand		13.88%	13.88%	0.49%
Spain			0.00%	2.10%
Sweden			0.00%	0.61%
United Kingdom			0.00%	30.39%
Japan			0.00%	2.63%
Euro		96.46%	96.46%	
Korea (South)		12.13%	12.13%	
Exposition	**-107.03%**	**187.96%**	**80.92%**	**100.00%**

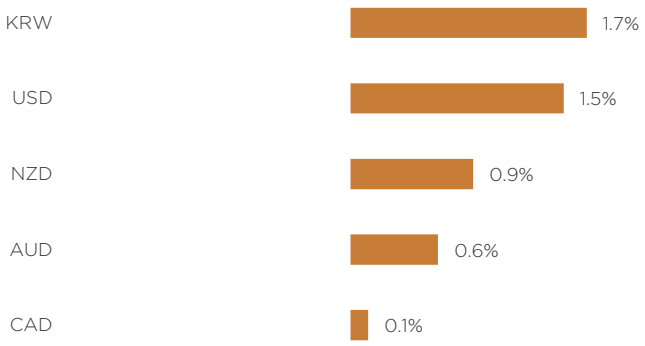
Main positions+

	Weight
BUONI POLIENNALI DEL TES_0,4_15052030	17.75%
NEW ZEALAND GVT ILB_2.5_20092040	13.88%
KOREA TREASURY ILB_1.125_06102030	12.13%
TSY INFL IX_0,25_15022050	8.17%
TSY INFL_0,125_15072030	5.74%

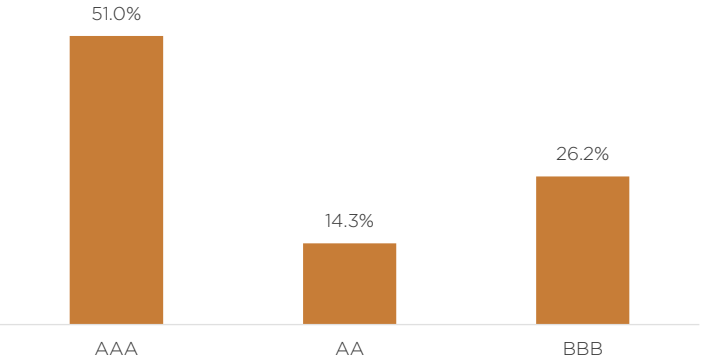
Asset class breakdown



Exposure by currency



Exposure by rating



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.

+The figure between brackets represents the issuer's 'responsibility' score.

Portfolio managers comments

In August, the good growth momentum was threatened by the rapid spread of the Delta variant around the world. Already disappointing in China for several months, leading indicators weakened in the majority of the major developed countries in a context of persistent lengthening delivery and supply delays, and difficulties in hiring. Now reaching +5.4% in annual variation in the United States, inflation is still considered transitory by a Fed that is still waiting before embarking on a programme to reduce its asset purchases. While this caution is shared by other central banks, which have opted for a surprise status quo (New Zealand, Norway), the trend is to raise short-term rates to calm inflation that has become problematic (Czech Republic, Hungary, Brazil, Mexico) or to limit excessive household debt (South Korea).

In this context, there is little variation to report. German real rates remain close to -2% on the 10-year against -0.50% for its nominal equivalent. In the United States, the real 10-year rate rose by 15 cents to -1%, reflecting a rise in nominal rates and a drop in break-even inflation rates of a similar magnitude.

Over the month, the fund's performance was negative, penalized by exposure to New Zealand real rates. Conversely, positions in European inflation made a positive contribution.

In an environment of unattractive valuations as measured by our RATP indicators and a low probability of further key rate cuts, we maintain an overall sensitivity below 4, with exposure to break-even inflation. We expect published inflation to continue to exceed market expectations, which will be favourable for inflation-linked bonds in particular.

Text completed on 13/09/2021.


Pascal Gilbert


François Collet


Fabien Georges

Administrative information

Name: DNCA INVEST Flex Inflation
ISIN code (Share N): LU1694790384
SFDR classification: Art.6
Inception date: 13/12/2017
Investment horizon: Minimum 3 years
Currency: Euro
Country of domicile: Luxembourg
Legal form: SICAV
Reference Index: Bloomberg Barclays World Govt Inflation Linked Bonds Hedged EUR
Valuation frequency: Daily
Management company: DNCA Finance

Portfolio Managers:
Pascal GILBERT
François COLLET
Fabien GEORGES

Minimum investment: 0 part
Subscription fees: 1%max
Redemption fees: -
Management fees: 0.80%
Ongoing charges as of 31/12/2020: 0.92%
Performance fees: 20% of the positive performance net of any fees above the index: Bloomberg Barclays World Govt Inflation Linked Bonds Hedged EUR with High Water Mark

Custodian: BNP Paribas Securities Services, Luxembourg Branch
Settlement: T+2
Cut off: 12:00 Luxembourg time

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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.
Derivatives. The collective name used for a broad class of financial instruments that derive their value from other underlying financial instruments. Futures, options and swaps are all types of derivative.
Maturity. The time when a bond or other debt instrument is due to for redemption (is due to mature); or the length of time between the issue of such an instrument and the date it is due for redemption (the maturity date).
Sensitivity. The sensitivity of a bond measures the change in its percentage value induced by a given change in interest rates.
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.

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