

# Beauclerc Global Income Fund

## 5<sup>th</sup> February 2021

BEAUCLERC

Strategy :	Global Income / Total Return	Legal structure :	AIF regulated in Luxembourg
Performance objective :	7% p.a., net of fees	Portfolio manager :	Beauclerc Limited
Liquidity :	Daily	Fund's manager :	MS Management Services SA
Programme's start date :	30 April 2020	Fund's custodian :	UBS Europe SE (Lux)

### Portfolio Manager

Beauclerc is a niche asset manager dedicated to developing agile and innovative investment solutions for wealthy families. Beauclerc Group has operations in the UK and in the Channel Islands, where it is authorised and regulated by the FCA and the GFSC, respectively. MS Management Services SA is an authorised AIFM under the AIFMD and domiciled in Luxembourg acting under the supervision of the CSSF.

### Investment Strategy

The Fund follows a diversified and unlevered strategy, focusing on income generation and targeting 7% p.a. net performance in USD. The income is produced by an unconstrained allocation to mostly equity and credit instruments. The equity risk exposure is obtained exclusively through derivatives instruments, in order to provide conditional protection on top of the recurring income. The credit risk exposure is obtained through a “buy & hold” selection of direct corporate bonds.

### Performance Table\*

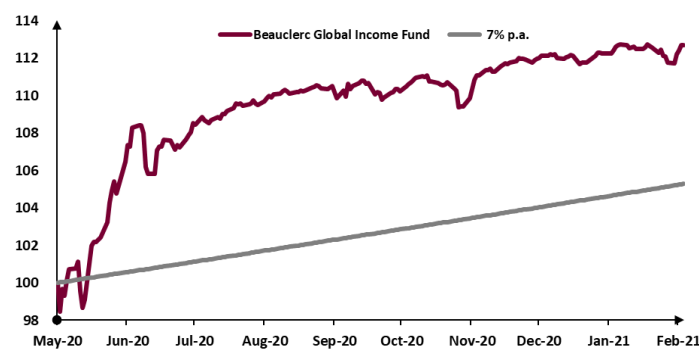
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2020					4.77%	2.95%	1.51%	0.79%	0.00%	-0.84%	2.14%	0.44%	12.26%
2021	-0.45%	0.98%											0.53%

### \* Methodology Notes

The Fund was initially incorporated as Beauclerc Global Opportunity Fund in 2014, with Beauclerc as Portfolio Manager following a global macro strategy. The actual income strategy has been implemented by Beauclerc in the Fund since May 1<sup>st</sup>, 2020 onward. The Fund's change of name to Beauclerc Global Income Fund was approved by the CSSF in December 2020. The Fund's track-record above includes the audited NAVs since the change of strategy.

### Cumulated Performance

### Share class A, USD



### Portfolio Key Indicators

### Share class A, USD

	2021 YTD	2020	Since Inception
Cumulated return	0.5%	12.3%	12.9%
Historical volatility (p.a.)	2.7%	7.0%	6.6%
Average weekly return	0.1%	0.3%	0.3%
Max weekly return	1.0%	3.4%	3.4%
Min weekly return	-0.7%	-2.3%	-2.3%
% positive weeks	66.7%	71.4%	70.7%
Beta to S&P 500	0.10	0.22	0.21
Downside correlation to S&P 500	81.7%	59.0%	59.1%

### Manager's Comments – January 2021

The economic news-flow brought **no more visibility on the path to recovery in DM economies**, confirming the contrast between industrial sector resilience and further weakness in services. Similarly, there was **no change in policy guidance** at the ECB and Fed meetings this month. Investors' central scenario remains excess liquidity in financial markets prevailing until the Fed starts tapering in Q4. Also, once the US Congress Democratic majority was confirmed, a **new increase in the budget spending plan** was unveiled to reach USD 2 trillion. However, the impact on equity markets was mixed this time, as US bond yields picked up led by mounting inflation forecasts. Delays and much lower vaccine supply challenged the timing of the recovery in the area. This sudden uncertainty triggered **significant reversals in recent market trends**, with EZ equities underperforming US/EM equities led by profit taking in cyclical and value stocks, for the first time since Nov 2020. Similarly, the EUR weakened against the USD. Finally, despite **Q4 US earnings exceeding expectations**, equities ended the month unsettled by several **sharp daily selloffs**. This instability came mostly from retail investors and their new ability to squeeze hedge-funds' shorts using social media platforms. However, a **global (and temporary) deleveraging** had started earlier, led by profit taking on the back of **weaker reflation scenario consensus**. The equity rally early January **triggered the redemption** of few volatility-income notes in the portfolio. The decision was made to wait for higher equity volatilities before reinvesting, in order to secure higher income levels. The consolidation in DM equity markets late January offered these favourable conditions and the **full reinvestment raised the Fund's income to 8.3% annualised**.



### *Risk Analysis, % of NAV*

### Share Classes' Performances

\* Since 25/09/20

\* First dividend payment in April 2021

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