

## SEXTANT GRAND LARGE



Sextant Grand Large seeks to achieve annual growth in excess of 5% net of management fees over the recommended investment period, by means of discretionary asset allocation and stock and bond picking. Management policy is based on three principles:

- 1) Net exposure to equities ranges from 0% to 100% of net assets, depending on market valuations;
- 2) The shares acquired are the team's most defensive ideas;
- 3) The fund invests opportunistically in other asset classes, notably in bonds (0% to 100% of net assets) when valuations offer an adequate safety margin.

Sextant Grand Large's NAV increased by 6.3% in Q4 (versus 4.9% for its benchmark), as positive news flow concerning vaccines inspired hopes for an end to the current health crisis. In 2020, the fund's value fell -1.8% versus 4.1% for the benchmark. The full-year underperformance was due to low exposure to US equities. The rebound we have seen, with more vigour and speed than European and Asian markets, mainly thanks to technology stocks whose valuations are very high. Tesla is a prime example, having surged sevenfold in 2020 and x17 over 15 months. Elon Musk's company seems to have inspired highly-inflated expectations for monetisation of its autonomous vehicles despite stiff competition, notably from Google.

### Asset allocation

Net exposure to equities varies with cyclically-adjusted market valuations. As share prices rise, exposure is reduced and vice versa, regardless of any macroeconomic or stock-market scenario. At end December, net exposure to equities had been reduced to 29.4% in response to sharp rises in the main market indices in Q4 on positive news flow concerning the health crisis. This exposure breaks down as follows: 41.8% gross and 12.4% hedging (which never exceeds 20%). Hedging is currently high because we presently have many equity investment ideas that look attractive, especially in Europe and Asia. On the other hand, the US markets are trading on very high multiples, notably the tech sector. The rest of the fund comprises bonds (13.7%) and broadly-defined cash, which includes arbitrage deals and money market products (44.6%).

### Equity investments

For Sextant Grand Large, we select from the team's full range of ideas those whose quality/price profile implies the least long-term downside potential on a fundamental basis. We prefer stocks that offer both low multiples in light of the balance sheet (net cash holdings, WCR, etc) and a relatively predictable business activity. We also look for good diversification in terms of geographies, size

and sectors.

In Q4, the main equity contributors were cyclical stocks and those highly exposed to the health crisis such as **Hyve** and **Jacquet Metal**. **Hyve** organises international trade shows and exhibitions where activity has clearly been severely affected by the lockdown and reduced travel. Logically, the share price has benefited from hopes for an end to the crisis thanks to vaccines. **Jacquet Metal**, one of Europe's largest distributors of specialised steels, has also benefited from renewed optimism and hopes for an economic recovery which should raise volumes and profitability. What's more, the sharp rise in raw material costs should be very positive for margins if the trend proves lasting.

As for our gold-related investments, **Novagold** made a negative contribution to the fund's Q4 performance due to a lower gold price. This short-term movement, which is usual in markets that experience renewed optimism, does not undermine the quality of the asset being developed jointly with Barrick Gold in Alaska. Furthermore, the strong fundamentals that we see for precious metals mining are still intact, both from a fundamental perspective (due to structural supply constraints), and from a macroeconomic standpoint. In Q4 we saw the successful IPO of **Gatos Silver**, which operates silver mines in Mexico. At end 2020, the stock was up over 60%, making it one of the largest positive contributors to the fund's Q4 performance.

### Bonds and other asset classes

As for bonds, we maintain our cautious stance with just 13.7% of the fund invested in this asset class. The default rate for euro-denominated high-yield bonds was around 4% in 2020, which was not particularly high given the difficult situation that many sectors of the economy faced. Government support in the form of short-time work and loan guarantees helped to hold down the default rate. Expectations for 2021 range from 3% to 12%, according to the banks and rating agencies. With the average yield around 3%, there is a clear need to be discriminating in order to find the most coherent risk-reward profiles.

The portfolio currently yields 4.6% (net of forex hedging) for sensitivity of 1.9, which we consider satisfactory in an environment of low returns.

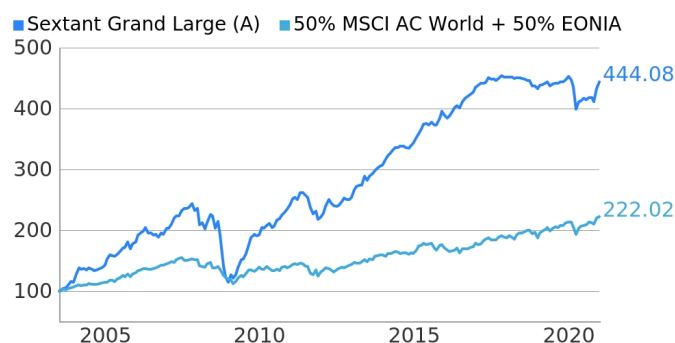
The main contributor in Q4 was the **Casino** perpetual bond. The market appreciated redemption by the company of various bond issues, as well as the definitive sale of Leader Price to Aldi with cash settlement of the transaction.

## Performances

	Sextant Grand Large (A)	50% MSCI AC World + 50% EONIA
1 month	2.6%	1.1%
3 months	6.3%	4.9%
6 months	6.4%	6.8%
1 year	-1.8%	4.1%
3 years	-1.7%	18.3%
5 years	13.6%	30.1%
10 years	84.3%	58.8%
15 years	145.9%	71.4%

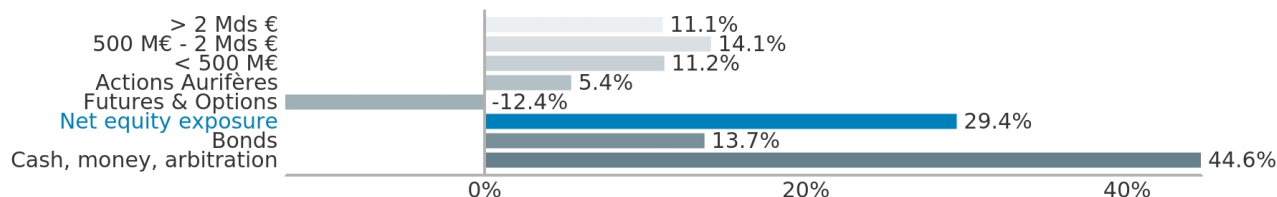
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
Sextant Grand Large (A)	-8.4%	15.2%	21.0%	11.7%	13.6%	11.2%	3.9%	-4.3%	4.6%	-1.8%	-1.8%
50% MSCI AC World + 50% EONIA	-6.1%	9.7%	10.4%	1.2%	5.9%	4.2%	5.6%	0.0%	13.6%	4.1%	4.1%

Since 2 May 2018, for reflecting better the fund's international dimension, we have decided to change the benchmark index : 50% MSCI World +50% Eonia (previously 50% MSCI CAC 40 +50% Eonia).





## Exposition



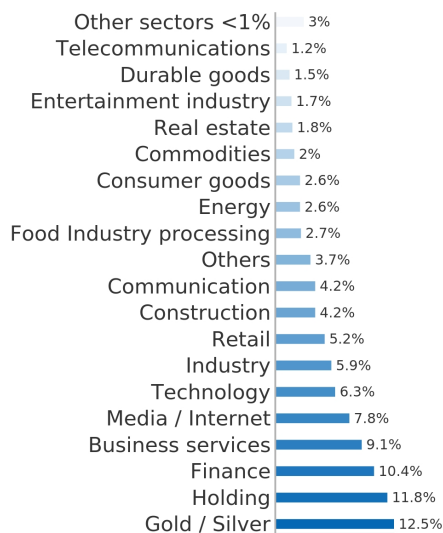
## Indicators

3 years volatility	Fund : 6.8%
	Benchmark a posteriori : 9.0%
Number of lines	94
Average cap. of equities	15 587 M€
Median cap. of equities	799 M€

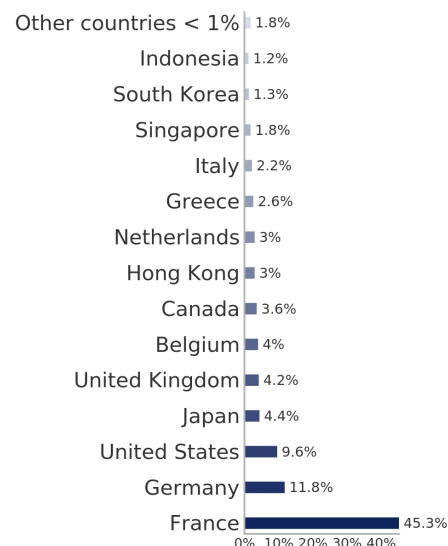
## Bonds Indicators

	Fixed income part	Total assets
Gross yield	4.7%	0.6%
Yield after cost of forex hedging	4.6%	0.6%
Spread (basis point)	515	70
Residual duration (years)	2.7	0.4
Interest-rate sensitivity	1.9	0.3

## Distribution of holdings by sector (equity portfolio)



## Geographical distribution of holdings (equity portfolio)



## Main holdings

Name	Sector	Country	Net asset %	Contrib. to quarterly performance
Ixios Gold F	Gold / Silver	France	2.6%	-5 bps
Casino TSSDI 2049	Retail	France	1.9%	53 bps
Berkshire A	Holding	United States	1.9%	14 bps
Bolloré	Communication	France	1.7%	12 bps
Econocom OC 0.5% 06-2023	Technology	Belgium	1.5%	3 bps

## Bonds Allocations

Bonds	Percentage
o/w sovereign	0.0%
o/w corporate	9.7%
o/w financials	0.8%
o/w convertibles	3.2%

## Main contributions to performance

Name	Contrib.	Name	Contrib.
Casino TSSDI 2049	53 bps	Novagold	-44 bps
HYVE group	43 bps	Alibaba - HK	-18 bps
Gatos	35 bps	Sohu.com	-18 bps
Jacquet Metal	34 bps	ASA Gold	-6 bps
Ceconomy	34 bps	Covivio	-5 bps

## Main characteristics

Legal form	UCITS / French mutual fund
Share category	Unit A all subscribers
ISIN code	FR0010286013
Bloomberg code	AMSEGLA FP
AMF classification	N/A
Benchmark a posteriori	50% MSCI AC World + 50% EONIA
Unit NAV / Net assets Fund	444.08 € / 1 366.60 M€
Share NAV period	Daily based on prices at market close

Risk profile	1	2	3	4	5	6	7
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Scale from 1 (lowest risk) to 7 (highest risk); category-1 risk does not mean a risk-free investment. This indicator may change over time.

Launch date	Fund : 11/07/2003 Unit : 11/07/2003
Recommended investment duration	Over 5 years
Centralis.-Settlem. /Delivery	D at 10 AM / D + 2
Custodian	CACEIS Bank
Transfert agent	CACEIS Bank
Tax provisions	- -
Entry charge	2.00% including tax maximum
Exit charge	1.00% including tax maximum
Fixed management fee	1.70% including tax maximum
Performance fee	15% including taxes of the performance exceeding 5% per calendar year

Source: Amiral Gestion at 31/12/2020

\* of net assets invested in equities

## Notice

This commercial document aims to present the characteristics of the fund on a simplified basis. For further information, you may refer to the key information document for investors and to the prospectus, which are legal documents available on the management company's internet site or by request to the management company. The performances shown are not a reliable guide to future performance. Performance may vary over time.

Amiral Gestion - 103 rue de Grenelle - 75007 Paris - T. +33 (0)1 47 20 78 18 - F. +33 (0)1 40 74 35 64 - [www.amiralgestion.com](http://www.amiralgestion.com)

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