

# Fixed Income

## DGC - Bond Class A USD

March 31, 2024

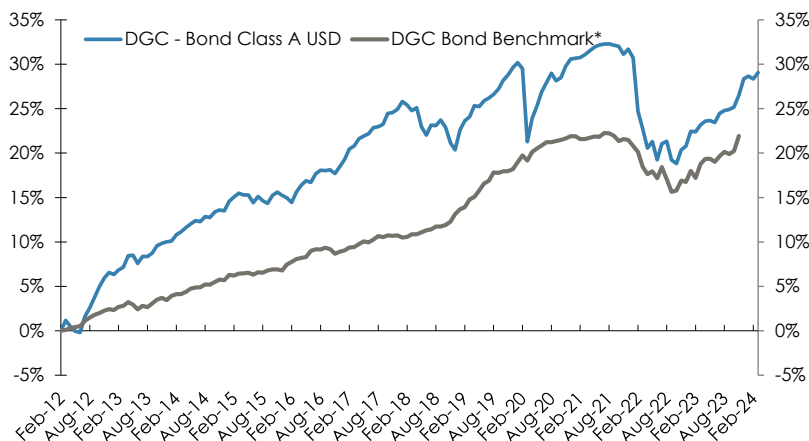


### FUND OBJECTIVE

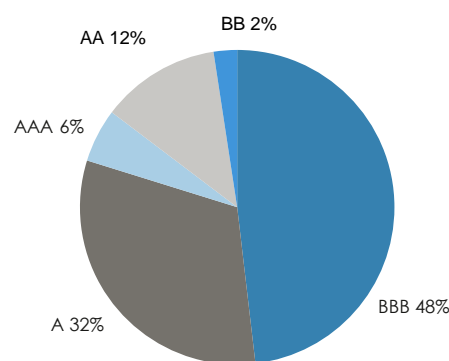
The sub-fund is a fixed income fund investing in a diversified selection of mostly investment grade corporate and government bonds.

The investment objective of the sub-fund is aiming for a steady capital appreciation over the medium term by investing in a balanced mix of sovereign and corporate bonds. The sub-fund will seize opportunities across different fixed income markets like corporate, financial, convertibles, FRNs and Government.

### HISTORICAL PERFORMANCE



### RATING BREAKDOWN



### MONTHLY PERFORMANCE (%) NET OF FEES

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	Index*
2024	0.24%	-0.26%	0.55%										0.54%	
2023	1.38%	-0.05%	0.62%	0.35%	0.05%	-0.18%	0.84%	0.24%	0.10%	0.22%	1.08%	1.45%	6.27%	4.43%
2022	-0.73%	-4.60%	-1.57%	-1.79%	0.61%	-1.70%	1.53%	0.23%	-1.74%	-0.34%	1.29%	0.37%	-8.27%	-3.90%
2021	0.08%	0.05%	0.26%	0.33%	0.33%	0.17%	0.07%	0.02%	-0.12%	-0.10%	-0.67%	0.42%	0.85%	-0.33%
2020	0.42%	-0.51%	-6.35%	2.17%	1.07%	1.31%	0.83%	0.81%	-0.64%	0.26%	1.02%	0.61%	0.73%	3.13%
2019	1.86%	0.85%	0.35%	1.01%	-0.08%	0.52%	0.26%	0.31%	0.47%	0.79%	0.49%	0.63%	7.71%	4.49%

Data from March 2012 to November 2016 represents the performance from Class A EUR Hedged into USD.

### STATISTICAL ANALYSIS (Since March 2012)

Return	Fund	Index*
Annualized return	2.1%	1.7%
% Positive Months	70%	70%

Risk	Fund	Index*
Annualized Volatility	3.3%	1.4%
Sharpe Ratio (1%)	0.34	0.50

Bond Portfolio	Fund
YTM (Net of EUR Currency Hedging)	4.32%
Duration	2.00

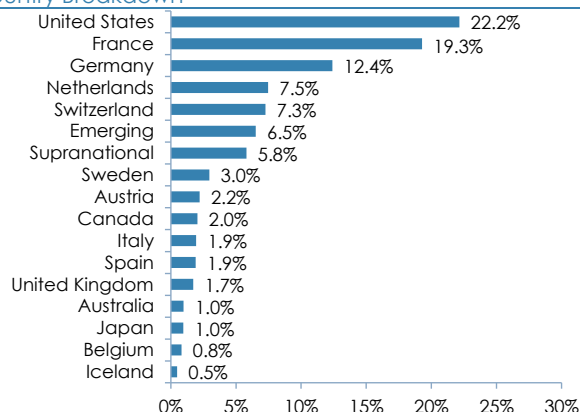
Top Issuers	Weight
UBS	6.2%
GOTHAER VERSICHERUNG	3.1%
ORANO	3.1%
LBBW	3.1%
KRAFT HEINZ FOODS	3.0%

Total number of holdings

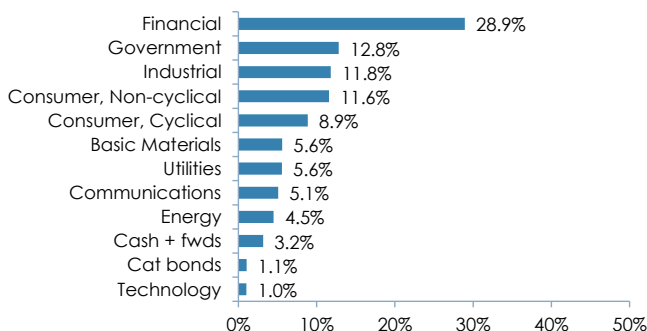
72

\*Index: Bloomberg Global Agg 1-5yrs Total Return Index Hedged USD

### Country Breakdown



### Sector Breakdown



# Fixed Income

## DGC - Bond Class A USD

March 31, 2024



### FUND COMMENTARY

"This town ain't big enough for both of us" – The Sparks, 1974.

Equity markets currently don't have enough room for both the bulls and the bears; they ain't big enough for both attitudes, and, so far, bears have deserted, or at least do not show up at all. Despite many reasons for being cautious, from geopolitics to market polarization, not to mention valuations, investors walk on the sunny side of the street and shrug these threats, focusing on renewed proofs of better economic activity and, possibly, more dovish Central Banks. Remark that the two latter facts are not really compatible.

As a result, many major equity indices broke again to new highs, dawdling into uncharted territories. And bulls also roared in Gold and cryptos, while there remain some traces of bears in the Japanese yen, Chinese equities and selected commodities. The picture is more balanced when it comes to Oil, the dollar and long term yields (the 10-year Bund and Treasury yields fell 4.68% and 1.17% respectively). But when it comes to yields, the most impressive development has been the collapse in rates volatility with a more than 20% fall in the MOVE index in March.

Interestingly, credit did not participate in March, the Itraxx Crossover being slightly down, but still in positive territory year to date. Another development which might happen to be important is the fact that equity markets upside in March was much broader than what prevailed previously; in other words, Growth underperformed Value, quite a rare feat in the last 12 months. Perhaps is the market telling us something about the economy from that standpoint: many industrial names have touched their all-time highs, Oil prices are steady, long term yields do not fall and Value seems to show revival signs. If this continues, we should expect much healthier fundamentals for equities and a prolongation of the very favourable conditions for investors. "I ain't gonna leave!" say the Sparks; bulls could possibly say so.

DGC Bond gained +0.43% in March vs +0.47% for the Global Aggregate 1-5Y EUR hedged. The fund stays ahead of the benchmark on a year to date basis, for 1bp (+0.20% vs +0.19% respectively).

This was a good month for most of the portfolio, with only 6 positions in negative territory. LB BADEN-WUERTEMBERG led the gains with a nice come back from its difficult month of February. After peaking above 400bps, its spread has now come down to 128bps and its rating was upgraded one notch to BBB. WABTEC 2027 and LANDBANKINN 2025 completed the podium and we sold half of the later one to take some profits through a tender offer. On the negative side, once again the macro-overlay weighted on the performance as the NOK lost 1.95% vs the EUR and the US curve flattened 5bps between 10 and 2 years. Finally, the residual value (5bps) on the warrant LEONTEQ 2024 was written off, as the prospect of ending in the money in July was deemed null. It is worth noting that this was a hedge and contributed to reduce the volatility on the credit side for the last 3 years.

We bought 3 new bonds in the primary market in March (PLASTIC OMNIUM 2029, ANGLO AMERICAN 2029 and GLENCORE 2029). This time, we focused on issuers with a bit more spread to protect the fund from a potential no landing scenario. We also increased higher quality bonds like CISCO SYSTEM 2029, ZKB 2029 and LINDE PLC 2028 on the secondary market and we topped up SOCIETE GENERALE 2025 as we think there is still some value to extract from this subordinated bond. These purchases were funded by the sale of 4-year BUND and TREASURY, which does not provide enough yield for the current market environment. In parallel, we also sold UBS GROUP (EX CS) 2025 as the spreads have now tightened significantly since the infamous merger announced a year ago and we sold EUTELSAT 2025 on very low spread (~60bps) for a single B bond and following a nice year to date profit. Following this sale, the lowest rated bond in the portfolio is now BB.

As of the end of March, the yield to maturity of the portfolio is 4.32% hedged in euro (5.83% in USD) with a duration of 2.00 and an average credit rating stable at A-.

Signatory of:



### GENERAL INFORMATION

<b>Fund Inception</b>	7-Dec-2016	<b>Subscription</b>	Daily	<b>Fund Domicile</b>	Luxembourg
<b>AUM (EUR)</b>	98 775 824	<b>Redemption</b>	Daily	<b>Inv. Manager</b>	NS Partners SA
<b>Share classes</b>	USD EUR CHF GBP	<b>Management Fee</b>	0.75%	<b>Administrator</b>	Apex Fund Services S.A.
<b>Investment Min</b>	None	<b>Performance Fee</b>	0.00%	<b>Auditor</b>	PricewaterhouseCoopers, Lux.
<b>ISIN (USD)</b>	LU0864887954	<b>NAV</b>	109.65	<b>Custodian</b>	UBS Europe SE, Lux. Branch
<b>Fund Type</b>	UCITS V				

[www.nspgroup.com](http://www.nspgroup.com)

The information contained in this communication is confidential and is for the exclusive use of the original recipient(s). This document contains information concerning funds that are only available for distribution in the countries where these funds have been registered. In addition, this document is not intended for any person who is a citizen or resident of any jurisdiction where the publication, distribution or use of the information contained herein would be subject to any restrictions or limitations. This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data, and other information are not warranted as to completeness or accuracy and are subject to change without notice. Past performances is not indicative or a guarantee of current or future returns. Performance figures are calculated on a NAV basis, taking into account dividends, if any, but no subscription or redemption fees that might be levied. Fund values rise as well as fall, and investor losses may equal or exceed original investment. Any comments or statements made herein do not necessarily reflect those of NS Partners Europe SA, NS Partners SA or its subsidiaries and affiliates. Moreover every investor is recommended to seek legal and fiscal advice before taking any investment decision, and to ascertain that the contemplated investment is suitable in terms of his investment experience, knowledge and financial situation. For additional information, please refer to the Prospectus of the Fund. This is an advertising document. In Switzerland, the Representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Banque Cantonale Vaudoise, Place St-François 14, CH-1003 Lausanne. The prospectus, the Key Information Documents or the Key Investor Information documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the Representative. Source for benchmark (if displayed): MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. Source for rating (if displayed): Copyright © 2021 Morningstar, all rights reserved.