

**November 2017** **ISIN (EUR) LU0350222104**

**Strategy**

USD Investment Grade Bonds Fund

**Investment style**

The fund will invest in USD Investment Grade bonds, to enable investors to profit from a conservative and diversified bond exposure.

The fund will be able to invest in bonds of different types (fixed coupons, floating rate notes linked to the CPI, floating rate notes linked to the Libor, etc.) and of different maturities, as long as the rating of the bonds at the time of the purchase was investment grade.

The manager will retain discretion to keep bonds downgraded to below investment grade after the purchase.

Depending on the macroeconomic situation, market conditions, and the outlook for USD interest rates, the fund will target different overall duration, average rating, and country and sector exposures.

**Investment target**

The fund aims at providing excess return of the iBoxx USD Liquid Investment Grade Index, over time.

**Yearly performance (net of all fees)**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2017	-	-	-	-	-	-	-0.15%	-0.10%	-0.15%	-0.16%	-0.26%		-0.81%

**Outlook : 4rd quarter 2017**

Janet Yellen has left the door open for an additional interest rate increase this year, pushing yields upwards. Futures Contracts currently anticipate a 78.5% probability of a 25 basis-points increase on the December Fed meeting.

In addition, volatility in the Treasuries market remains close to its all-time low, and as such we expect a correction will bring yields to higher levels than currently anticipated by investors.

Nevertheless, milder growth in the US and a President incapable of passing its own policies through Congress could lead the Fed to raise the interest rate at a slower pace.

Our strategy for the next quarter will be to continue remaining defensive in terms of duration.

**Portfolio as per 30-11-2017**

**Liquidity analysis**

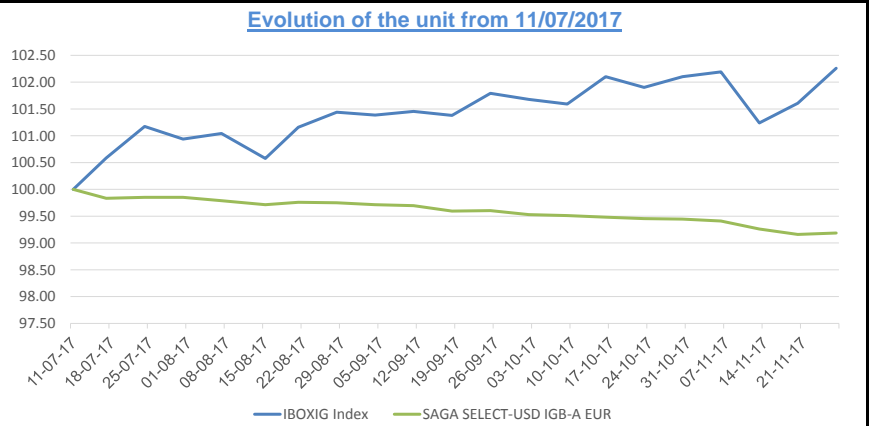
100% of total assets are available within 0.7 days.

**Credit risk analysis**

On the bond exposure, 100% of the overall credit risk is investment grade.  
The overall duration of the portfolio is 1.3 years, cash included.

**Risk and Performance Statistics**

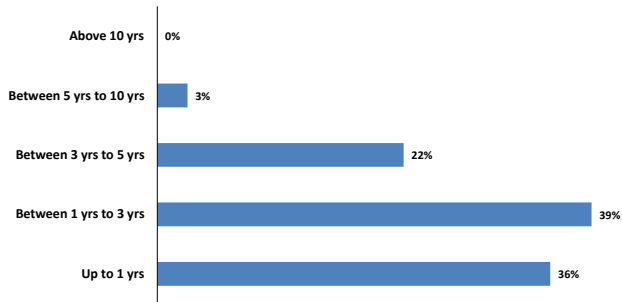
NAV as per 31/07/2017	107.45
FROM Inception	-0.81%
Annualized	-1.95%
12 month volatility	-
Sharpe ratio 1year	-
Assets under management (in millions)	7.52



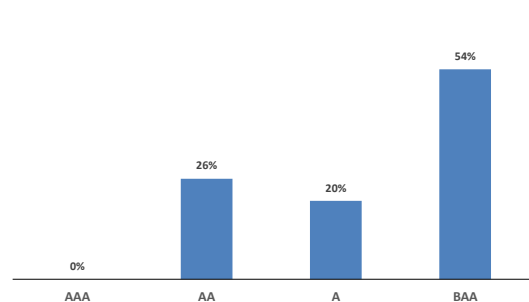
**Allocation by asset classes** **Top 5 fund's positions**

Cash	22.42%	B 12/14/17	8.08%
Bonds	77.58%	B 03/15/18	8.06%
		CKHH 5 3/4 09/11/19	2.89%
		DB 1 7/8 02/13/18	2.71%
		BAC 5.7 01/24/22	2.45%

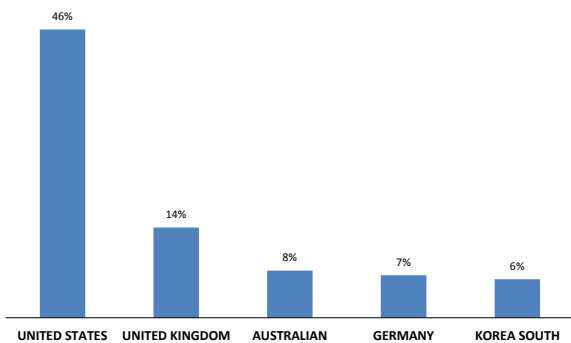
## Bonds' duration allocation



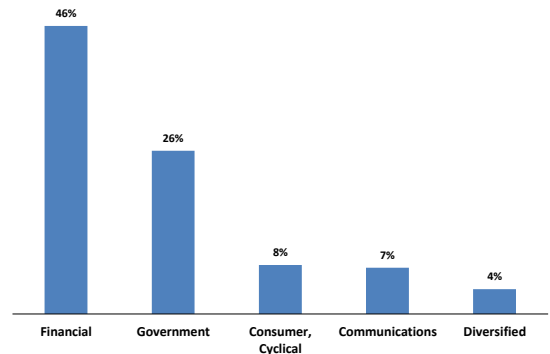
## Bonds' rating allocation



## Country of Issuers - Top 5



## Industry of Issuers - Top 5



## Manager's monthly comment

During the month of November, yields on US Treasuries have continued their slow ascent, passing from 2.02% to 2.14%, while an additional increase in interest rate before the end of the year seems to be in the cards.

We have therefore taken the opportunity of this increase in yields to continue building our bond portfolio.

We have added bonds of Bank of Amercia 5.7% 24-Jan-22 and of Kia Motors 3% 25-Apr-23.

Nevertheless, the Verizon 4.5% 15-Sep-20 bond has been called by the issuer.

The duration of the portfolio slightly decreased from 1.34 to 1.30 years.

## Characteristics of the fund

Investment Manager	Saga Select Asset Management Ltd	Fund Administrator & Custodian	Pictet & Cie (Europe) SA
Fund Auditor	Deloitte & Touche	For additional information	jacques@sagaselect-am.com
ISIN code USD	LU0350222104	please contact :	
Bloomberg Symbol	SAGABEQ LX Equity	Pictet client's servicing for	
Domiciliation	Luxembourg - UCITS IV	subscriptions :	Tel. : +352 46 71 71 7666
Inception date	11-07-17		Email : pcfs.lux@pictet.com
Fund Currency	EUR	Management fees	0.5 % per year of AUM
Open for Investment	Yes	Performance fees	25% of the difference between the performance and the Libid USD 1 year (High Water Mark)
NAV Frequency	Weekly	Benchmark	iBoxx USD Liquid Investment Grade Index
Subscription / Redemption	Weekly		
Subscription / Redemption fees	None		

## Warning

Disclaimer : Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, expresses or implied, is made by Saga Promotion SA regarding future performance.