

August 2020

ISIN (USD) LU0543854631

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.

Yearly performance (net of all fees)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2017	-	-	-	-	-	-	-0.06%	0.03%	-0.01%	0.04%	-0.15%	-0.04%	-0.18%
2018	-0.27%	-0.20%	-0.27%	-0.24%	0.28%	-0.02%	0.14%	0.31%	-0.26%	0.00%	-0.12%	0.56%	-0.09%
2019	0.46%	0.52%	0.91%	0.19%	0.27%	1.08%	0.17%	0.58%	0.05%	0.06%	0.24%	0.15%	4.79%
2020	0.58%	0.51%	-2.21%	1.81%	0.94%	1.11%	0.54%	0.31%					3.61%

Outlook : 3rd quarter 2020

After the fastest bear market in the US stock market history during the first quarter of 2020, Q2 has witnessed the best quarterly performance of the S&P500 since Q4 1998 with a 19.95% increase, and a 30.63% surge for the Nasdaq. This impressive rally is the result of low/negative interest rates around the world, aggressive quantitative easing programs and the massive stimulus plans orchestrated by the governments (\$1 Trillion in the US, €750 Billion in the Eurozone).

Monetary policy should therefore remain extra-loose for the foreseeable future. For now the Fed has rejected the possibility of negative rates, but we think that it could still happen should QE lose of its effect.

As long as the Covid-19 pandemic is still expanding, and without an effective vaccine available, economic and financial turbulences will persist, which could impact not only the stock markets, but also the bond market by widening credit spreads

Portfolio as per 31-08-2020

Liquidity analysis

100% of total assets are available within 1.26 days.

Credit risk analysis

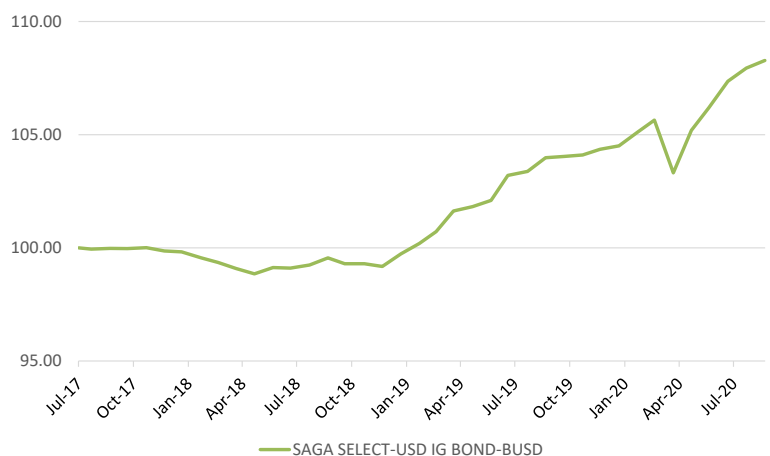
On the bond exposure, 97.89% of the overall credit risk is in investment grade.

The overall duration of the entire portfolio is 2.62 years, cash included.

Risk and Performance Statistics

NAV as per 31/08/2020	97.04
FROM Inception	8.28%
Annualized	2.48%
12 month volatility	4.30%
Sharpe ratio 1year	0.66
Assets under management (in millions)	9.99
Current Yield to Maturity (cash included)	1.05%

Evolution of the unit from 10/07/2017



Allocation by asset classes

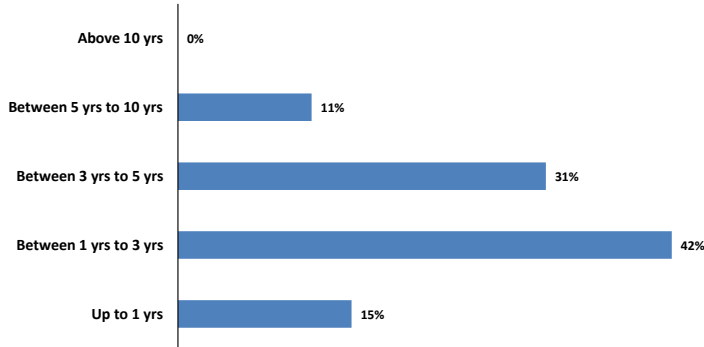
Cash	5.78%
Bonds	94.22%

Top 5 fund's positions

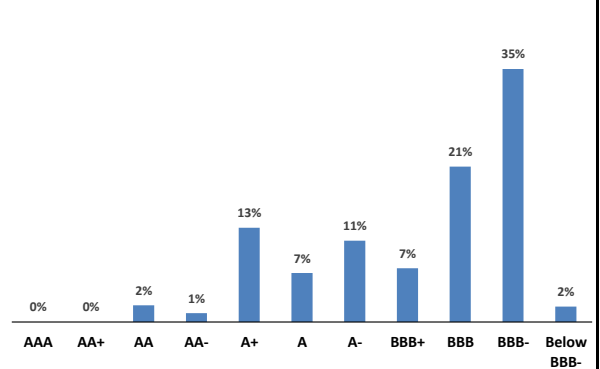
DB 3 1/8 01/13/21	2.52%
ITALY 6 7/8 09/27/23	2.39%
NWG 4.8 04/05/26	2.39%
LLOYDS 4.45 05/08/25	2.32%
VOD 4 1/8 05/30/25	2.31%

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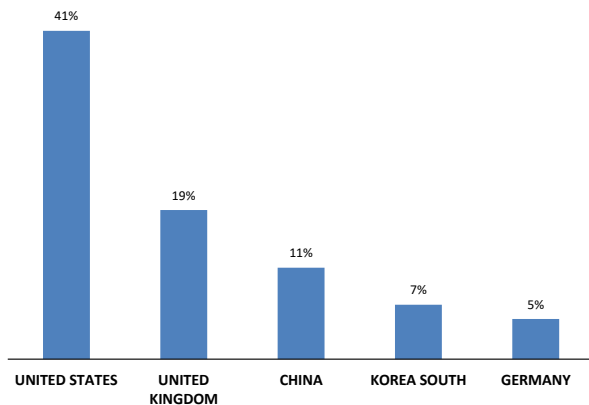
Bonds' duration allocation



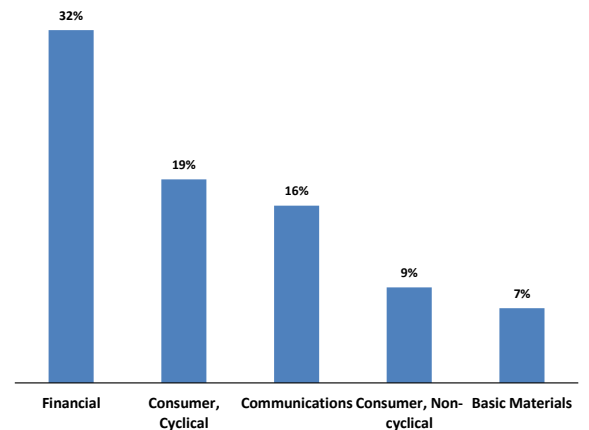
Bonds' rating allocation



Top 5 Country of risk



Top 5 Industry sector



Manager's monthly comment

The month of August has been quiet on the bond markets. The yield on 5Yr. Treasuries has slightly progressed from 0.2% to 0.27%, while the one on the 10 Yrs. has passed from 0.53% to 0.70%.

This rise in yields is due to speculations that the Fed could let inflation run higher than 2% and prioritize the job market.

For now, the US has registered a 3rd consecutive month of reduction in unemployment, which passed to 10.2% in July 2020 (against 14.7% in April). As for YoY inflation, it also rose again and stands for now (July 2020) at 1.0%, and at 1.6% for core inflation.

Spreads on investment grade corporate bonds debt are now below their 5-year average. We expect those spreads to remain stable and low, as long as the Fed and the US government will continue to inject money in the economy.

The portfolio duration has passed from 2.53 to 2.62 years (cash included).

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	
ISIN code USD	LU0543854631	please contact :	jacques@sagaselect-am.com
Bloomberg Symbol	SAGSBGU LX Equity	Pictet client's servicing for	
Domiciliation	Luxembourg - UCITS IV	subscriptions :	Tel. : +352 46 71 71 7666
Inception date	10-07-17		Email : pcfslux@pictet.com
Fund Currency	USD	Management fees	0.5 % per year of AUM
Open for Investment	Yes	Performance fees	10% of the difference between the performance and the Libor USD 1 year -1/8 at the beginning of the year (High Water Mark)
NAV Frequency	Weekly		
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.