

Monthly review

In July, inflation and labour market data came in weaker than expected; however, the market was once again dominated by developments in the Middle East. Yields rose again, with 10-year rates increasing by approximately 30 bps, leading to a moderate steepening of both the USD and EUR curves. The market interpreted the Fed's statements as signalling a more wait-and-see approach to rates and priced in further curve steepening, with the US 30-year yield reaching its highest level since 2007. Spreads widened slightly for senior high-yield bonds, while tightening marginally for subordinated debt. High-grade segments posted losses of approximately 1 percentage point, whereas lower interest-rate sensitivity and relatively stable spreads supported the performance of the high-beta segment, which declined by approximately 0.5 percentage points over the month. Against this backdrop, the fund managed duration tactically, keeping it above four years, while maintaining both its position at the front end of the German yield curve and its AUD exposure. During the month, the fund also initiated a position in US breakeven inflation, equivalent to approximately half a year of duration, for risk-management purposes and in view of relatively attractive valuations.

Key fund information

Assogestioni category	Obbligazionario Flessibile
Inception date	16/01/2020
Nav (Euro)	106,190
AUM (in Euro)	18.441.997
Benchmark	

Past performance is not indicative of current or future results.

Performance	Fondo	Benchmark
YTD	0,09%	-
Last week	0,02%	-
Last month	-0,92%	-
Last 3 months	0,21%	-
1 year	0,71%	-
3 years (*)	3,29%	-
5 years (*)	0,54%	-
Since inception (*)	0,92%	-
(*) Compound annual return		

Risk statistics

Standard deviation	2,51%	Sharpe ratio	-0,24
Standard deviation bench	-	Information ratio	-
VaR	-4,14%	Beta	-
Tracking error volatility	-	Correlation	-
Average fund duration	3,86	Yield to maturity (YTM)	3,68%

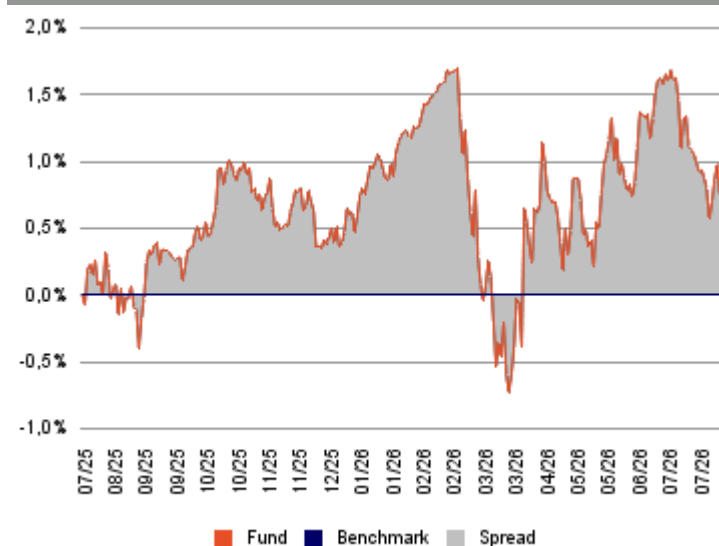
Asset class

Bonds	96,2%
Liquidity	3,8%
Not Specified	0,0%
Total	100,00%

Currency exposure	Gross exp.	Coverage	Net exp.
Euro	83,9%	6,4%	90,3%
Dollar	11,0%	-6,4%	4,6%
Pacific ex Japan	2,3%	-	2,3%
Europe ex Euro	1,6%	-	1,6%
Emerging countries	1,3%	-	1,3%
Yen	0,0%	-	0,0%
Not specified	-	-	-
Total	100,0%	-	100,0%

Bond portfolio structure	Bond	Deriv	Total
Europe ex Italy	49,5%	10,6%	60,1%
Italy	19,5%	-	19,5%
America	12,8%	-5,7%	7,1%
Emerging countries	12,1%	-	12,1%
Pacific ex Japan	2,4%	-	2,4%
Japan	-	-	-
Total	96,2%	5,0%	101,2%

Performance over last year



Rating classes	Corp	Govt	Total
AAA	1,4%	16,4%	17,8%
AA	1,8%	4,4%	6,2%
A	26,5%	0,6%	27,1%
BBB	18,9%	17,3%	36,2%
BB	3,0%	5,2%	8,2%
B	0,4%	0,0%	0,4%
<= C	0,0%	-	0,0%
NO RATING	0,1%	0,1%	0,1%
Total	52,2%	44,0%	96,2%

Duration classes			
0 - 0,5 anni	3,7%	3 - 5 anni	42,4%
0,5 - 1 anni	0,0%	5 - 7 anni	18,4%
1 - 2 anni	17,8%	7 - 10 anni	11,7%
2 - 3 anni	5,7%	Oltre 10 anni	0,2%

Fund technicals	
Management Company	Ersel Gestion Internationale SA
Investment Manager	Ersel Asset Management Sgr SpA
Custodian bank	Caceis Bank Luxembourg SA
Independent auditors	Ernst & Young S.A.
Offices of Ersel Group	Piazza Solferino, 11 - 10121 Torino +39 01155201 35 Boulevard Joseph II, L-1840 Luxembourg
Base currency	Euro
ISIN code	LU2065928777
Bloomberg code	LEADFBA LX
Frequency of NAV calculations	Giornaliera
NAV published on:	Sito Ersel

Share class facts	
Minimum investment	2.000.000 euro
Subsequent investments	-
Subscription fees	-
Redemption fees	-
Management fees	0,5% on an annual basis
Performance fees	-

Risk level

1	2	3	4	5	6	7
---	---	---	---	---	---	---

The synthetic risk indicator assumes that the product is held for 5 years and is an indicative indication of the level of risk of this product compared to other products.

Main securities in the portfolio

GERMANIA EUR 08/28 2,5%	14,1%
BTP 01/10/30 2,7%	10,9%
UST NOTE IL USD 15/01/36 1,875%	4,3%
AUSTRALIA AUD 11/27 2,75%	2,2%
REP.BRAZIL EUR 04/36 5,5%	2,0%
MESSICO EUR 05/37 5,125% CALL 37	1,5%
REP.BRAZIL EUR 04/33 4,875%	1,2%
UNICREDIT EUR 01/31 MCP CALL 30	1,1%
INWIT EUR 10/32 3,625% CALL 32	1,0%
BBVA EUR 02/37 MCP CALL 32	0,9%

Investment objective

The fund pursues an absolute return objective with moderate volatility and a time horizon of 2-3 years. To achieve this objective, the fund adopts a discretionary investment style in which the control of risk factors is an integral, pervasive part of the investment process. Without any benchmark constraints, the fund will undertake the bond investments deemed the most attractive in terms of risk/return profile in the light of the prevalent market scenario. The fund may invest in bonds of all kinds and in other similar kinds of debt, exchange-traded funds (ETFs), undertakings for collective investment in transferable securities (UCITS) and other undertakings for collective investment (UCIs). It may invest in instruments denominated in currencies other than the euro and may hold liquidity of less than 50% of its net asset value (NAV). The fund will make use of listed and OTC derivative instruments to take long and short positions designed to take opportunistic advantage of the efficiencies identified from time to time in the various segments of the bond market.

General notices

Marketing Communication. This document is intended for information/marketing purposes only and does not replace the prospectus or other legal documents on financial products that may be referred to herein. If necessary, please consult the UCITS prospectus/disclosure document and the Key Investor Document (KID) before making a final investment decision, which can only be made after assessing the suitability of the service or financial instrument with respect to the profile identified with the MiFID questionnaire. Only the most recent version of the fund's prospectus, regulations, Key Investor Document, annual and semi-annual reports may be used as a basis for investment decisions. This document constitutes neither an offer nor a solicitation to buy, subscribe or sell financial products or instruments or a solicitation to make investments. Ersel has carefully reviewed all information presented in this document and made efforts to ensure that the content of this document is based on information and data obtained from reliable sources, but does not guarantee its accuracy or completeness and does not assume any liability. Ersel assumes no responsibility for the information, projections or opinions contained herein and shall not be liable for any use that third parties may make of such information or for any losses or damages that may occur as a result of such use. This document may refer to past investment performance: past performance is not indicative of current or future performance. The indications and data on the financial instruments, as provided by the Company, do not necessarily constitute an indicator of the future investment or disinvestment prospects. Any reproduction and/or distribution of this document that is not expressly authorised is prohibited.