

### SEXTANT BOND PICKING



Sextant Bond Picking is an international bond fund that invests in all segments of the market and in all rating categories. Fund managers try to select paper with a favourable risk/reward profile, but without reproducing an index. On an ancillary basis, the fund may also invest in equities, most notably during arbitrage deals.

#### Performances

|                 | Sextant Bond Picking (N) | Euro Constant Maturity Treasury (CMT) cash 3Y |
|-----------------|--------------------------|---|
| <b>1 month</b>  | 0.8%                     | -0.1%   |
| <b>3 months</b> | 1.7%                     | -0.2%   |
| <b>6 months</b> | 1.7%                     | -0.4%   |
| <b>1 year</b>   | 2.6%                     | -0.6%   |
| <b>3 years</b>  | -                        | -   |
| <b>5 years</b>  | -                        | -   |

|  | 2018  | 2019  |
|--|-------|-------|
| <b>Sextant Bond Picking (N)</b>                      | 0.8%  | 3.3%  |
| <b>Euro Constant Maturity Treasury (CMT) cash 3Y</b> | -0.5% | -0.5% |

#### Main holdings

| Issue                               | Currency | Sector        | Country        | Net asset % |
|-------------------------------------|----------|---------------|----------------|-------------|
| Casino TSSDI 2049                   | EUR      | Retail        | France         | 4.5%        |
| Eramet 4.5% 11-2020                 | EUR      | Energy        | France         | 3.5%        |
| Solocal EUR3M+7%+1% 03-2022         | EUR      | Communication | France         | 3.4%        |
| Cibus Real Estate EUR3M+450 05-2021 | EUR      | Finance       | Sweden         | 2.8%        |
| Playtech Plc OC 0.5% 11-2019        | EUR      | Technology    | United Kingdom | 2.7%        |

#### Stock focus

The fund took advantage of stock-market worries about Dutch company **SAF Holland** to buy its September-2020 convertible bond. **SAF Holland** manufactures axles and suspension systems for trucks, with a global service network that accounts for 24% of sales. Revenues are generated worldwide: 51% in Europe and the Middle East, 36% in the US and 13% in China and the Pacific Rim. Due to the slower global economy and the Sino-US trade war, the company's earnings and prospects have deteriorated sharply this year. As a result, the option to convert the bond has almost no value today, but

the yield to maturity is around 4%. SAF Holland's balance sheet seems strong enough to withstand less favourable operating conditions, with a net debt/EBITDA ratio that is currently around 2.5x and a liquidity position that comprises 120 million euros in cash and untapped credit lines. The activity is highly cyclical, but a position of issuer in a highly concentrated market, its expertise and its network looks to us a solid base for a one-year loan at a relatively attractive rate.

#### Allocation

|                              |              |
|------------------------------|--------------|
| <b>Bonds</b>                 | <b>59.3%</b> |
| o/w sovereign                | 0.1%         |
| o/w corporate                | 46.1%        |
| o/w financials               | 7.5%         |
| o/w convertibles             | 5.6%         |
| <b>Equities</b>              | <b>5.5%</b>  |
| o/w risk arb strategy        | 0.0%         |
| o/w yield strategy           | 5.5%         |
| <b>Cash &amp; quasi-cash</b> | <b>35.2%</b> |

#### Indicators

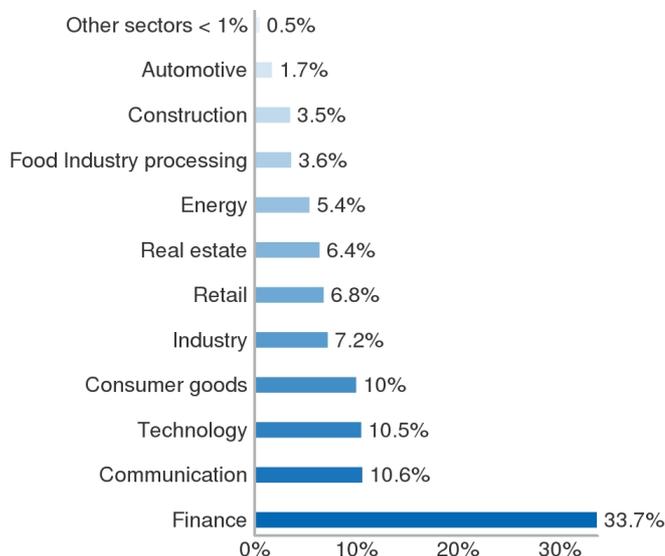
|  | Fixed income part | Total assets |
|--|-------------------|--------------|
| <b>Gross yield</b>                           | 5.9%              | 3.7%         |
| <b>Yield after cost of forex hedging</b>     | 5.6%              | 3.6%         |
| <b>Spread (basis point)</b>                  | 602               | 377          |
| <b>Residual duration (years)</b>             | 3.4               | 2.1          |
| <b>Interest-rate sensitivity</b>             | 2.9               | 1.7          |
| <b>Equity sensitivity (delta)</b>            | 2.4%              | 6.9%         |
| <b>Net/gross forex exposure</b>              | 15.2% / -0.2%     |              |
| <b>Number of lines / Average outstanding</b> | 62 / 438 M€       |              |



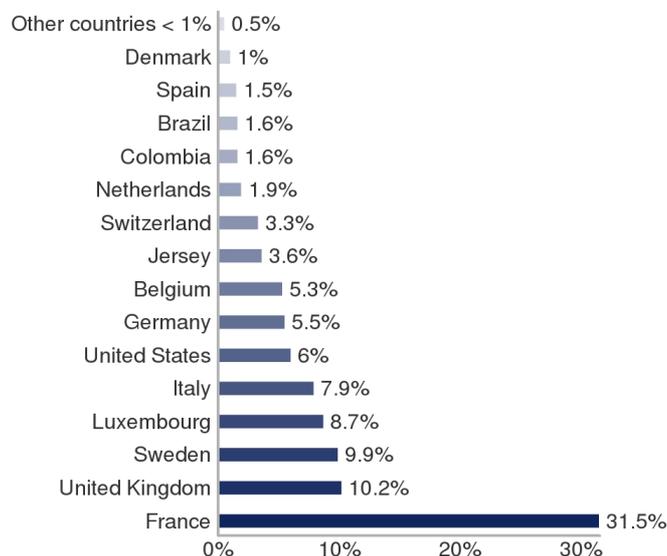
## Breakdown of assets

| Maturity  | < 1 year | 1 to 3 years | 3 to 5 years | 5 to 7 years | 7 to 10 years | > 10 years | perpetual | Equities |
|-----------|----------|--------------|--------------|--------------|---------------|------------|-----------|----------|
| Base 100% | 45.1%    | 21.8%        | 19.8%        | 4.1%         | 1.4%          | 1.2%       | 1.0%      | 5.5%     |

## Distribution of holdings by sector



## Geographical distribution of holdings



## Main characteristics

|                    |   |
|--------------------|---|
| Legal form         | UCITS / French mutual fund                    |
| Share category     | Unit N  |
| ISIN code          | FR0013202140                                  |
| Bloomberg code     |   |
| AMF classification | Bonds and other international debt securities |
| Benchmark          | Euro Constant Maturity Treasury (CMT) cash 3Y |
| NAV / Net assets   | 5 263.58 € / 241.71 M€                        |
| Share NAV period   | Daily   |
| Risk profile       | 1 2 3 4 5 6 7                                 |

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 : 30/03/2017<br>Unit : 29/12/2017   |
| Recommended investment duration        | Over 3 years   |
| Centralisation - Settlement / Delivery | D-1 at 10 AM / D+2   |
| Custodian                              | CACEIS BANK  |
| Transfert agent                        | CACEIS BANK  |
| Tax provisions                         | - -  |
| Entry charge                           | 5.0% including tax maximum   |
| Exit charge                            | 0.0% including tax maximum   |
| Fixed management fee                   | 0.85% including tax  |
| Performance fee                        | 15% including tax of the mutual fund's outperformance vs the benchmark, plus 350 bps |

Source: Amiral Gestion at 30/09/2019

## GLOSSARY

Portfolio ratios are based on hypothetical redemption dates determined by fund managers: to maturity, at the next call, at the next put, at another call date, or for a tender. The hypotheses used do not, therefore, correspond to the worst case, i.e. the scenario that offers the lowest yield. These hypotheses depend on the coupon, market interest rates, possible calls, puts and step-ups, liquidity and refinancing conditions of the issuer, the liabilities management policy (economic or reputational) or even regarding the regulatory or the Rating Agency treatment. False hypotheses could lead to overestimation of the Yield and the Spread and/or underestimation of residual duration and Sensitivity.

The Spread is calculated on the basis of the differential between the Yield and the 3-month money market rate, or the rate Swap that is closest to the estimated residual duration.

The Yield after the cost of hedging forex risks is estimated on the basis of the differential to the 3-month money market rate or the rate Swap that is closest to the estimated residual duration between the euro and the currency. The calculation does not take into account costs related to the effective implementation of hedging and does not indicate that the whole forex risk has been covered.

## 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.

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