

# Base Investments Sicav - Flexible Low Risk Exposure EUR

## Monthly Factsheet - December 2024

Marketing Document for retail investors in: LU, CH, IT

### Fund Data

Strategy	Flexible
Fund size	€215m
Portfolio Manager	Giorgio Bertoli
Domicile, Legal Structure	Luxembourg, UCITS
Delegated Investment Manager	Banca del Sempione SA
Custodian Bank	Edmond De Rothschild (Europe)
Administrator/ Management Company	Edmond De Rothschild Asset Management (Lux)
Auditor	Pricewaterhouse Coopers Sarl
Management Fee	1.50%
Performance Fee	15% of the performance of NAV against the HWM

Class	Type	ISIN
EUR	Retail	LU0492099089

### Objective

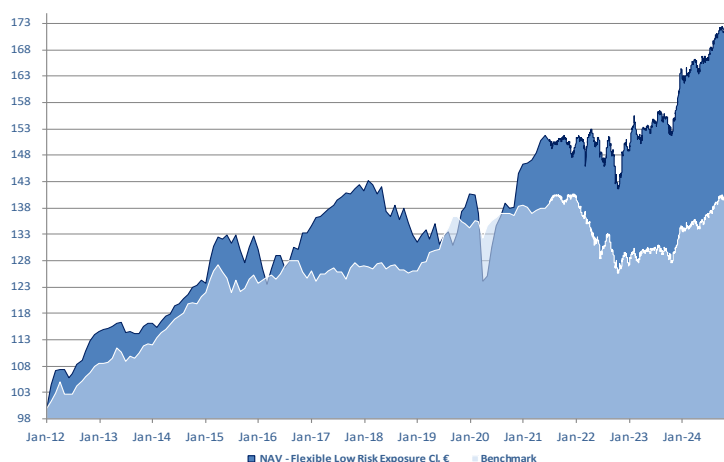
The aim of the Flexible Low Risk Exposure sub-fund is to generate positive real returns for the investor, whilst maintaining particular attention to the preservation of capital.

### Strategy

The active asset allocation process is implemented through a flexible approach on different asset class, mainly government and corporate bonds, equity and Forex. The maximum exposure to high risk securities such as equities and high yield bonds is limited singularly to 15% of total assets.

Global Strategy	High Flexibility	Relative Value	Asymmetries search
Seeking opportunities through a top-down approach in the main geographical regions.	Asset allocations independent from the benchmark. Low correlation with the main risk contributors (rates, equity markets).	Spread between currencies, fixed income curves, equity markets used to generate value on non-directional markets.	The corporate market illiquidity may occasionally generate investment opportunities.

### Performance Summary



Source: Banca del Sempione SA

The sub-fund is actively managed without reference to any benchmark (index). The benchmark in this graph is shown here for comparative purposes only and is not used for the calculation of the performance fee.

Class EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0,30	-0,06	1,14	-1,43	1,25	0,07	1,84	0,70	1,13	-0,91	0,34	-1,10	<b>3,25</b>
2023	3,11	-1,39	0,22	0,99	-0,07	0,77	1,44	-0,37	-1,47	-0,55	3,48	3,68	<b>10,10</b>
2022	0,45	-0,94	1,38	-0,22	-0,08	-2,81	1,54	-0,32	-4,06	0,93	3,37	-0,09	<b>-1,06</b>
2021	0,26	0,38	0,87	1,52	0,67	-0,76	-0,15	0,29	0,38	-0,90	-1,54	1,90	<b>2,91</b>
2020	-0,12	-2,58	-9,27	0,75	4,40	3,11	1,20	1,90	-0,63	0,10	4,68	1,09	<b>3,93</b>
2019	1,13	0,76	-1,38	2,27	-2,92	1,20	0,61	-1,87	1,75	3,08	0,59	1,80	<b>7,05</b>
2018	1,43	-0,60	-1,17	1,00	-3,28	-0,82	1,60	-1,94	1,65	-2,02	-1,73	-1,10	<b>-6,91</b>
2017	1,21	0,02	0,65	0,35	0,67	0,60	0,44	-0,87	1,40	0,66	-0,23	-0,12	<b>4,86</b>
2016	-3,09	-2,02	2,38	2,25	-0,03	-1,96	1,32	1,76	-0,28	2,33	0,02	1,03	<b>3,58</b>
2015	3,57	2,01	1,27	-0,21	0,61	-1,27	1,29	-2,27	-1,85	2,41	1,65	-1,96	<b>5,15</b>
2014	-0,60	0,94	0,83	0,41	1,35	0,33	0,71	0,75	1,02	0,45	0,66	-0,37	<b>6,66</b>

Source: Banca del Sempione SA

Past performance is not indicative of future performance. The performance data does not take into account the commissions and expenses applied to the issue and redemption of shares. Past performance is shown in the share class currency. Returns are gross of tax charges. The fund's performance may be the result of currency fluctuations, either rising or falling. Investors may not recover their entire capital invested



#### Lipper Fund Awards

- 2024 Europe
- 2024 Switzerland
- 2023 Switzerland
- 2015 Switzerland

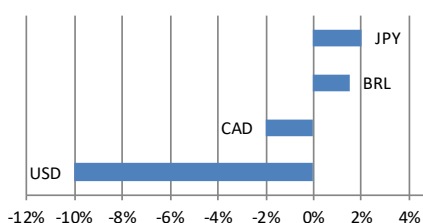
#### Il Sole 24 ORE

##### Premio Alto Rendimento

- 2023-Mixed bonds over a three years period
- 2022-Mixed bonds over a three years period
- 2017-Mixed bonds over a three years period

### Portfolio

#### Currency diversification



Rating Breakdown	%	Risky assets	%
Investment grade	82.0%	High Yield	6.5%
AAA	7.0%	BB	5.5%
AA	7.0%	B	1.0%
A	13.0%	<B	0.0%
BBB	54.5%		
Cash	9.0%		
Not rated	3.0%		

Source: Banca del Sempione SA

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## Portfolio

Bond Portfolio		Statistics	
<b>Government Bond</b>	33.0	Duration	5.83
of which inflation linked	16.0	Yield to Maturity	4.45
<b>Corporate Bond</b>	27.0	Average Quality	BBB+
of which corporate hybrid	5.0	Volatility daily (180 days)	3.01%
<b>Financials</b>	29.0	Volatility weekly (104 weeks)	4.08%
of which subordinated	17.5	Correlation vs. Barclays Global Aggregate EUR (12m)	0.86
<b>Convertible Bond</b>	2.0	Correlation vs. MSCI Hedged Eur(12m)	0.28
<b>Cash</b>	9.0		
Commodities		Contribution to duration - currency	
	%	EUR	1.56
Gold	0.0	USD	2.57
		GBP	1.34
		Other	0.36
		<b>Total duration</b>	<b>5.83</b>
Equity Portfolio			
<b>Equity net exposure</b>	<b>0.0</b>		
Europe	0.0		
US	0.0		
EM	0.0		

Source: Banca del Sempione SA

## Monthly summary

In December we witnessed a relatively volatile market and after a first part that saw the continuation of what happened in November, especially in the equity market, the second part closer to the end-of-year holidays led to a return of volatility on both the bond and equity components. In addition to the relatively low liquidity that characterizes the market in this period and some profit taking with relative repositioning of portfolios for the start of the new year, an important signal came from the FED meeting. In the final appointment of 2024, despite rates having been cut by 25 bp as expected, Chairman Jerome Powell brought attention back to inflation which remains at higher levels than the FED would like. The consequence was that rate expectations, also confirmed by the new dot plot published, see a 2025 with only 2 cuts and a more restrictive attitude by the American central bank than expected by the market. The effects on American Treasury yields were significant with the 10-year closing the year at 4.57% almost at the maximum of the year, further weighing down the rates were also the discussions on the renewal of the American debt ceiling that will have to be dealt at the beginning of 2025. Even at a European level, despite a 25 bp cut by the ECB, government yields continued to be weighed down by the political vicissitudes of France and Germany with the German 10-year closing at 2.37%, also in this case almost at the maximum of 2024.

Volatility also came to the equity market after the FED meeting with the S&P500 and the Nasdaq 100 recording relatively closes of -3% and -3.6% on the day of the FED chairman's speech. However, another very positive year for American stocks ends with index returns above 20% and once again technology dominating the context, a less bold year for European stocks which anyway close positively with a +8.30%. Expectations of higher rates in America have given further bounce to the USD which closes at 1,035 against the Euro, gold in slight retracement closes at 2624 USD/ounce, positive performances for WTI recovering to 71.70 USD per barrel.

### Top Performance Contributors

- Steepening

### Top Performance Detractors

- Duration
- Short USD

## Positioning and market view

We believe that market expectations have taken an excessively strong direction compared to the high macroeconomic and policy-making uncertainty; therefore, we have a generally contrarian positioning for the time being.

**Rates:** we increased duration, especially on the usd and gbp curves. We like the short end of the us curve, with the 2-year future that can be purchased without any more contrary carry, and which now discounts the Fed's cycle of cuts as over. We continue to find the real yields offered by inflation-linked bonds very interesting, even on very long maturities. In particular, UK inflation-linked bonds recorded a very bad last quarter, weighing on the performance of the subfund despite the limited exposure. As for relative value, we continue to tactically work long French OATs against the bund.

**Credit:** after an excellent 2024, credit starts the new year at fairly expensive valuations. Over the last months we reduced exposure, giving up short-term upside but making the portfolio potentially less exposed to negative shocks. We therefore keep a more contained credit exposure, while confirming some financial and emerging themes that offer good carry.

**Equity:** Structural exposure at zero, increased volatility can create tactical trading opportunities.

**FX:** We introduced a small long yen position, which has returned to levels of concern for Japanese policy makers.



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The Sicav or the Management Company may decide to terminate the arrangements made for the marketing of its collective investment undertaking in one Member State in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

Past performances are not indicative of future results. Performance figures do not take into account any share issue or redemption fees or charges. Past results are shown in the share class reference currency. Yields are shown before tax charges. Investors are reminded that future returns are subject to taxation, which depends on their personal situation and may change in the future.

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Complete information on costs is available in the Sale Prospectus, chapter 25 "charges and costs" and in the individual sub-fund sheets, chapter 30 "Annex I - Sub-Funds".

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