

## Securus EUR

## BLEND FUNDS

# US rate hike

## Continued optimism in markets

The market reacted positively in December, which was not characterized by any large surprises. As expected, the Fed reacted to strengthening macroeconomic data – e.g. higher inflation expectations – by hiking the interest rate by 25 bps. to 75 bps. Subsequently, the USD continued its strengthening vs. the EUR, also helped by a large drop in the US unemployment rate.

Macroeconomic data from the Eurozone were also strong in December – and generally better than expected. Especially figures from the manufacturing industry showed improvements, but also growth in the money supply, Eurozone GDP and employment were stronger.

The stock market recorded another month of strong performance in December with MSCI World (EUR) increasing by 3.16%. MSCI Emerging Market (EUR) gave investors a return of 0.87%. Long inflation expectations gradually increased throughout the month to 1.74% at the end of the month.

Interest rates generally increased in December – especially at the beginning of the month. German 10-year rates increased to about 0.4%, but in the latter part of the month, they came down to 0.2% again. In the US, 10-year rates increased to

2.6%, but ended the month at 2.4% despite strong macro-economic figures.

## Solid performance in December

The fund's performance in December was 1.29%, which was 0.25% ahead of its benchmark. Of the 10 different types of exposures of the fund, only two lagged behind their respective benchmarks.

The biggest, positive contributor to the excess return was the fund's exposure to Short European Bonds, where the overweight to Danish mortgage bonds once again paid off – both via higher carry and through a well-positioned duration of the portfolio. The allocation to Long European Bonds was smaller, but the excess return in this exposure was even higher.

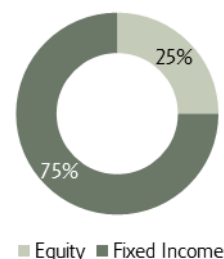
The overall equity exposure of the fund also did well in December with an excess return of 0.2% compared to the equity benchmark. The Japanese and the US exposures were the primary contributors to the equity excess return.

See performance and fund data

[Click here >](#)

### Strategy

Securus is targeted at investors with a short investment horizon and/or low risk tolerance. The fund has a well-diversified exposure to equities, mortgage credit bonds, developed market treasury bonds, emerging market treasury bonds, corporate bonds and cash. The equities exposure is tilted to benefit from the value, small cap and momentum factors, and the exposure to corporate bonds is sought to be obtained through small issuers, low net debt and strong asset backing. For treasury and mortgage credit bonds, the strategy is to maintain a constant portfolio duration within a tight range. The overall exposure to the different asset classes is strategic and no attempt is made to time the market. The target equity exposure is 25%, but a deviation of +/- 5% is allowed before the portfolio is re-balanced.



For further information we refer to the prospectus, the key investor information document and the current annual / semi-annual report of Sparinvest SICAV which can be obtained free of charge at the offices of Sparinvest or of appointed distributors together with the initial statutes of the funds and any subsequent changes to such statutes. Investments are only made on the basis of these documents. Past performance is no guarantee for future returns. Investors may not get back the full amount invested. Investments may be subject to foreign exchange risks. The indicated performance is calculated Net Asset Value to Net Asset Value in the fund's base currency, without consideration of subscription fees.