

## Securus EUR

BLEND FUNDS

# Synchronous expansion continued

## Strong economic growth

**Markets** The global, synchronized expansion continued and we are currently experiencing the strongest growth in years in many countries and regions. Generally, we need to go all the way back to before the Euro crisis or even before the IT bubble to find growth rates this high. The same goes for expectations and confidence.

The growth in European industrial production was at 3.7 percent, and in the U.S. at 3.4 percent. We are also experiencing rapid growth in employment and income in all regions. MSCI World (in euros) yielded 0.67 percent during December, but equity markets was even stronger in local currencies, as the euro rallied with around one percent vs. the U.S. dollar in December.

Benchmark 10-year government bonds rates rose in December – but mostly in Europe. Rates were going higher because the bond markets expected a faster normalization of the monetary policy.

The geopolitical uncertainty related to tensions between North Korea and the U.S. have not had a noteworthy impact on bond markets in December and the price for insurance against a South Korean government default has continued to decline in December.

## Quiet returns in December

**The Portfolio** returns were basically at par with its benchmark in December. Thus, investors benefitted from a modest, positive return.

The equity allocation performed close to its benchmark despite headwinds from the Momentum factor. The exposure to the Value factor pulled returns higher, supported by higher interest rates throughout the month. The overweight to European equities worked well, also supported by a modest rally in the euro.

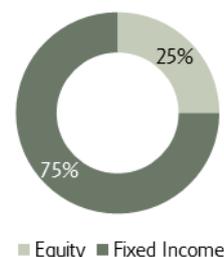
For the bond exposure, the fund was behind its benchmark in the EM bond exposure (due to an underweight to both Turkey and South Africa, both of which performed well). Investment Grade corporate bonds again suffered from an underweight to Eurozone issuance.

The fund's return was once again supported by the overweight to Danish mortgage bonds that in an almost unimaginable way continues to perform better than other high-grade segments of the European bonds markets.

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.



Return is calculated gross of fees and excluding swing.

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.