

# DNCA Invest Alpha Bonds

Global Total Return Bonds

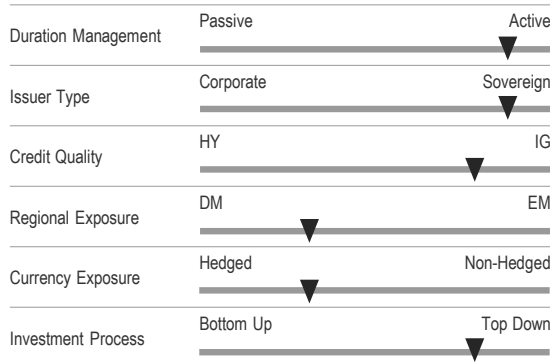
## Portfolio Strategy

DNCA Invest Alpha Bonds aims to outperform the Euro Short-Term Rate (€STR) by 2%, targeting a minimum investment horizon of over three years. The fund invests in a diversified portfolio of sovereign and corporate bonds, inflation-linked securities, and emerging market debt, emphasizing credit quality with an average rating of AA- to manage risk and provide stable income streams.

## Key Features

Asset Manager	DNCA Finance
Net Assets Value	32,110 (Mio Euro)
Inception Date	14/12/2017
UCITS	Yes
Base Currency	Euro
Liquidity	Daily
Share Class*	Euro Acc
Management Fees* (%)	0.60%
Performance Fees	Yes
CH Registered	Yes
Yield to Maturity	3.03
Average Duration	3.62
Average Rating	AA-

## Portfolio Style



## Investment Rationale

DNCA Invest Alpha Bonds employs a disciplined, multi-strategy approach focused on credit quality and macroeconomic insights, differentiating it from competitors that chase yield indiscriminately. It is suitable for conservative to moderately risk-tolerant investors seeking stable income. Key advantages include effective risk management, a consistent track record of outperformance, and robust currency hedging, positioning it as a core fixed income holding.

## Investment Philosophy

- The investment universe focuses on sovereign and corporate bonds, primarily within the Eurozone Core, while integrating inflation-linked and emerging market debt.
- A rigorous research approach blends fundamental credit analysis with macroeconomic assessments, incorporating ESG criteria into evaluations.
- Portfolio construction typically features a diversified selection of holdings, keeping between 40 to 60 positions with moderate turnover of 20-30% annually.
- Robust risk management processes monitor interest rate, market, and currency risks, utilizing metrics to maintain a volatility target below 5%.

## Fund Management Team

The DNCA INVEST ALPHA BONDS fund is managed by an experienced lead portfolio manager supported by five dedicated portfolio managers. This cohesive team utilizes a collaborative decision-making process that combines discretionary judgment with systematic risk controls, ensuring a robust approach to asset selection and risk management. The team's diverse experience enriches the fund's investment strategy, contributing to its disciplined execution and consistent performance within the fixed income landscape.

## Strengths

DNCA INVEST ALPHA BONDS distinguishes itself through a disciplined multi-strategy approach combining rigorous fundamental credit analysis with tactical use of derivatives and robust risk metrics. This framework facilitates the extraction of alpha across various bond segments while maintaining a measured risk profile suited to conservative investors. The fund's capacity for consistent outperformance, evidenced by its annualized return since inception, highlights its effective risk-adjusted management.

Additionally, DNCA Finance's extensive market intelligence and infrastructure provide a solid foundation for its investment process. Expertise in currency management and a proactive stance in hedging further optimize performance, while the integration of ESG considerations enhances appeal to sustainability-focused investors. Collectively, these factors position the fund as a resilient, high-quality fixed income solution that effectively balances stewardship with active, innovative management.

## Weaknesses

Key sell triggers include team turnover, significant ownership or management changes, and style drift. Additionally, overly large AUM may limit flexibility. Structural underperformance relative to benchmarks and persistent underperformance in specific sectors or securities are critical considerations for maintaining portfolio integrity.

	1M	YTD	2025	2024	2023	3Y (Ann.)	5Y (Ann.)	Sharpe Ratio 3Y	Volatility 3Y	Max Drawdown 3Y
Fund	0.68	1.66	5.57	4.49	5.63	4.80	5.58	0.01	7.73	-2.29