

Flash Notes – On Hold

April 2021



Ellipsis Global Convertible Fund

We have been informed that Damien Vermonet, one of the Portfolio Manager of the Global Convertible Bond Fund will be leaving Ellipsis in the course of next month. As a consequence, we downgrade the rating of the **Ellipsis Global Convertible Fund to “On Hold” from “Selected”** in our Global Master List. The decision applies to all share classes of the fund and it means that we recommend not to add money in the fund but rather maintain existing assets. This is not a recommendation to sell the fund.

Rationale: departure of one of the three Portfolio Manager

There has been so far no official communication, but we have been informed that Damien Vermonet, Portfolio Manager will be leaving Ellipsis in May.

As a reminder, the fund is co-managed by 3 Portfolio Managers. Besides Damien, the fund is managed by Sébastien Caron, 14-year experience and Nicolas Schrameck, 12-year experience. All of three are generalists, analysts and portfolio managers and their investment decisions are based on the anonymous principle.

The team will strengthen in the coming weeks. This was already planned before the announcement of Damien departure, but the search will now focus on hiring a new Portfolio Manager. An announcement on this matter should come in the coming weeks.

WS Partners opinion

The departure of Damien is naturally a material information. He was Head of the Convertible since 2016 and he had the longest experience at Ellipsis of the 3 Portfolio Managers.

However, the fund management continuity is not questioned on the short term, due to the presence of Sébastien and Nicolas, who will continue to manage the funds according to the same process and principles.

We will closely monitor the fund to track any significant outflows that could impact the strategy, as well as any potential drift in the portfolio's performance.

We will reassess the rating of the fund once we have more details about the new organization of the management team and the background of the new Portfolio Manager. We will keep you informed if any change in the status of the fund occurs.

The WS Partners Team