

# PARETURN GVC GAESCO COLUMBUS EUROPEAN MID-CAP EQUITY FUND (MASTER) INVERSIÓN COLUMBUS 75 SICAV (FEEDER)

31/7/20



## OBJECTIVE AND INVESTMENT STRATEGY

The fund aims to achieve capital growth through investment in European mid and small-cap companies over the long term.

## MANAGEMENT REPORT

During July, the Columbus Fund continued to recover with +1.37% rise, comparing favourably to the + 0.24% increase in the MSCI Mid Cap and the falls of the STOXX 600 (-1.11%) and IBEX (-4.90%). Over the last three months the Fund rose by +6.91%, and by +41% since the market's low on March 18<sup>th</sup>. This increase has brought the 12-month performance back to almost flat (-0.59%), which is remarkable given the devastating human and economic disaster we have all been living through. Over the year to date Columbus has also fared relatively well with a fall of -10.86%, beating the closest benchmarks which range from -13.24% for the MSCI Mid Cap to -27.98% for the Ibex. Since inception in June 2008, Columbus' return has been 94.57%, far exceeding European equity indices. It is worth noting that the higher returns do not come with higher risk as the volatility of the portfolio over the last twelve months stands at 22.5%. vs. 26.9% for the STOXX600.

July provided yet another historic development along the path to closer political and economic union in Europe with the signing of the region's Economic Recovery Fund. The aim of the vast €750bn fund is to support and stimulate the most affected of European economies funded through the provision of joint debt. This once again demonstrates the ability of the member-states to pull together just enough when the chips are down. Unsurprisingly the original proposal was diluted by a lower weighting towards grants versus loans, and a greater emphasis on structural reforms, but it was symbolic nevertheless. The agreement helped to support the European equity markets and added to the already significant support seen across most countries in the bloc. The pandemic has revealed a political will to provide aid rapidly and with minimal opposition in the face of adversity. The lessons of the delayed response to the financial crisis in 2008 can be thanked for this, with the longer-term consequences pitched neatly over the horizon.

In the near term the benefits are becoming evident as the Purchasing Managers data (PMI) in Europe revealed a more optimistic sentiment. In order to maintain this momentum, and to drive further improvements in stock prices, we will need to see this trend continue into Q4 after the normal seasonal hiatus. Investors are rationally looking through the very weak first half reporting season and into 2021 and so small incremental improvements in the trend data are highly supportive. The more targeted response of national governments with rapid localised action for any new outbreaks is to be commended and should help to keep the momentum on track. The current consensus assumes a profit reduction this year in the order of 36% for European corporate sector followed by a sharp rebound of 45% in 2021. This generally reflects our own, less precise views and the fund continues to be invested accordingly. We have made very few changes in the month and remain confident in the strong prospects for all our holdings over the next few years.

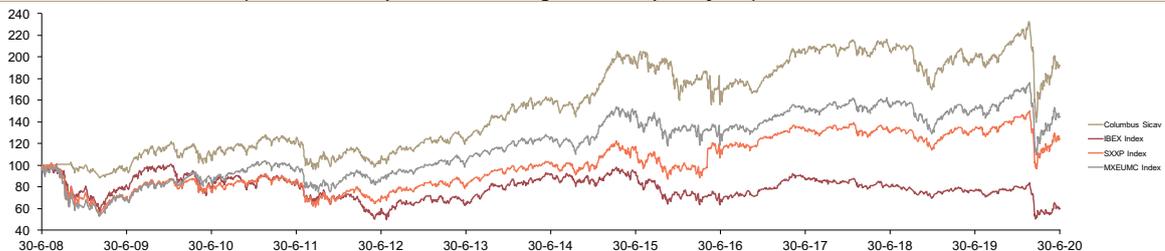
It is gratifying to see the portfolio continuing to perform better than European markets in general through this difficult period. As usual a few contributors stand out with Amplifon (+ 21% in July) and Borregaard (+ 22%) adding the most this month. Amplifon, a leading global hearing aid retailer benefitted from stronger than expected cash generation through the deepest period of lock down and gave bullish guidance for the remainder of the year, once again demonstrating the resilience of the group. Borregaard, the Norwegian biochemical company experienced strong demand for bioethanol for disinfectants which drove the highest EBITDA in the group's history. On a less positive note July also brought a significant detractor, with Akka Technologies falling 35% after experiencing a decline in sales of 21% in the first half. The group's increasing exposure to the digital sector was insufficient to offset the decline in demand across the automotive and aerospace sectors. Akka took on debt to make a significant acquisition before the Covid outbreak and so were unusually leveraged as the slowdown hit. We supported the deal and remain convinced of the strong opportunities for the group over the mid-term.

We continue to be positioned in companies where we see attractive return and risk characteristics, especially in the technology, consumer and services sectors. The fund has very limited exposure to the most cyclical industries (oil, raw materials, autos) and is underweight in financials (with -2% in banking sector). We took advantage of the fall earlier in the year to move to be fully invested. This was achieved by increasing a number of existing positions and by adding two new names in the infrastructure sector that had fallen to very attractive levels in a longer-term context. The recovery from the lows has not been uniform and has focused on quality companies, with healthy cash generation and strong balance sheets, which in many cases have recovered the prices they had before the crisis. We believe that the initial "V" phase of the rebound has come to an end, but that the likely volatility of the coming months will bring new opportunities for patient and attentive investors.

Since June 14, 2018 both domestic and foreign investors have been able to access the Columbus strategy via the master-feeder structure between the Columbus 75 Sicav in Spain (feeder) and the Luxembourg registered Pareturn GVC Gaesco Columbus European Midcap Equity Fund (master). The Luxembourg vehicle offers both institutional and retail share classes.

We thank you for your trust and wish the best to you and your families during these uncertain times.

## RELATIVE PERFORMANCE OF FUND AND INDICES (Performance is expressed net of management and depository fees)



	PERFORMANCE	2020	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	3 YEARS	5 YEARS	7 YEARS	2008*
COLUMBUS	-10.86%	1.37%	6.91%	-9.51%	-0.59%	-6.36%	-4.42%	50.93%	94.57%	
STOXX 600	-14.31%	-1.11%	4.79%	-13.24%	-7.63%	-5.70%	-10.10%	18.94%	23.13%	
MSCI MID CAPS	-13.24%	0.24%	7.03%	-12.37%	-4.29%	-2.18%	1.47%	43.86%	46.03%	
IBEX 35	-27.98%	-4.90%	-0.65%	-26.59%	-23.24%	-34.51%	-38.49%	-18.45%	-43.11%	

PERFORMANCE	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008*
COLUMBUS	27.61%	-15.69%	17.01%	-9.22%	18.21%	11.26%	23.87%	13.04%	-8.22%	-2.13%	22.25%	-2.01%
STOXX 600	23.16%	-13.24%	7.68%	-1.20%	6.79%	4.35%	17.37%	14.37%	-12.20%	3.90%	23.40%	-40.90%
MSCI MID CAPS	26.89%	-15.17%	10.52%	-1.64%	12.69%	6.38%	21.00%	18.70%	-15.60%	16.80%	36.40%	-37.70%
IBEX 35	11.82%	-14.97%	7.40%	-2.01%	-7.15%	3.66%	21.96%	-4.66%	-13.11%	-17.43%	29.84%	-32.39%

\*Since 30/06/2008

## COUNTRY DISTRIBUTION

FRANCE	35.49%
UNITED KINGDOM	18.58%
ITALY	11.53%
SPAIN	11.02%
GERMANY	7.65%
DENMARK	4.68%
BELGIUM	4.51%
SWITZERLAND	4.08%
NORWAY	1.19%

## SECTOR DISTRIBUTION

TECHNOLOGY	44.05%
CONSUMER DISCRETIONARY	23.21%
INDUSTRIAL	13.66%
INSURANCE	6.32%
INFRASTRUCTURE	5.43%
HEALTH	3.88%
BANKS	1.88%
CHEMISTRY	1.39%

## CURRENCY DISTRIBUTION

EURO	69.47%
GBP	19.51%
DKK	5.36%
CHF	4.27%
NOK	1.39%

## TOP 10 HOLDINGS

INGENICO GROUP	9.43%
AVAST PLC	9.21%
EDENRED	7.98%
NEOEN	7.81%
INTERPUMP GROUP SPA	6.15%
ROYAL UNIBREW	5.36%
AGEAS	4.51%
AUTO TRADER GROUP PLC	3.97%
AMPLIFON SPA	3.88%
BODYCOTE PLC	3.62%

## PARETURN GVC GAESCO COLUMBUS EUROPEAN MIDCAP EQUITY FUND (LUXEMBOURG UCITS)

### GENERAL INFORMATION

COUNTRY	LUXEMBOURG
COMPANY	PARETURN GVC GAESCO COLUMBUS EUROPEAN MID-CAP EQUITY
INVESTMENT MANAGER	GVC GAESCO GESTIÓN SGIC
CUSTODIAN	BNP SECURITY SERVICES LUXEMBOURG
AUDITOR	DELOITTE
TRANSFER AGENT / FUND ADMINISTRATOR	BNP SECURITIES LUXEMBOURG
INVESTMENT MANAGEMENT COMPANY	MDO MANAGEMENT SERVICES FUND
ADVISOR	COLUMBUS INVESTMENT PARTNERS

### SHARE INFORMATION

SHARE CLASS	CLASS B/R	CLASS I
ISIN	LU1569896738	LU1569897116
MANAGEMENT FEE	1.35%	0.75%
PERFORMANCE FEE	9% ABOVE BENCHMARK, 3Y HWM	9% ABOVE BENCHMARK, 3Y HWM
MINIMUM INVESTMENT	ONE SHARE	ONE SHARE
NET ASSET VALUE (EUR)	145.17	138.09
BLOOMBERG	PAMCB1	PAMCB2

## INVERSIÓN COLUMBUS 75 SICAV (SICAV SPAIN)

### GENERAL INFORMATION

COUNTRY	SPAIN
CATEGORY	EUROPEAN EQUITIES
INVESTMENT MANAGER	GVC GAESCO GESTIÓN SGIC
CUSTODIAN	BNP PARIBAS
AUDITOR	DELOITTE SL
LAUNCH DATE	30/6/08
BASE CURRENCY	EUR
CHAIRMAN	Pedro Yagüe
	<a href="mailto:pedro.yaguez@columbusinvestmentpartners.com">pedro.yaguez@columbusinvestmentpartners.com</a>

### SHARE INFORMATION

ISIN	ES0124519036
MANAGEMENT & ADVISORY FEE	1.35%
PERFORMANCE FEE	9% ABOVE BENCHMARK, 3Y HWM
SUBSCRIPTION / REDEMPTION FEES	NIL
REGISTRATION NUMBER CNMV	1343
NET ASSET VALUE CALCULATION (EUR)	DAILY
CUT OFF TIME	1300 HRS
NET ASSET VALUE (EUR)	16.95
DAILY LIQUIDITY	LIQUIDATION ON T+3 BASIS
BLOOMBERG	S0712 SM