


## DJE - SHORT TERM BOND

### High quality bonds for more stability

DR. JENS EHRHARDT   PETER LECHNER



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**Fund Management: DJE Kapital AG**

Fund Manager	Dr. Jens Ehrhardt
Responsible Since	27/01/2003
Co-Fund Manager	Peter Lechner
Responsible Since	19/07/2022
<b>Minimum Investment</b>	<b>75,000 EUR</b>
<b>Fund Facts</b>	
ISIN	LU0159551125
WKN	164322
Bloomberg	DJEINCI LX
Reuters	LU0159551125.LUF
Asset Class	Bond Funds Short-Dated Eurozone
Minimum Equity	none
Partial Exemption of Income <sup>1</sup>	none
Investment Company <sup>2</sup>	DJE Investment S.A.
Fund Management	DJE Kapital AG
Type of Share	retention <sup>2</sup>
Financial Year	01/01 - 31/12
Launch Date	27/01/2003
Fund Currency	EUR
Fund Size (29/02/2024)	317.48 million EUR
TER p.a. (29/12/2023) <sup>2</sup>	0.63%

This sub-fund/fund promotes ESG features in accordance with Article 8 of the Disclosure Regulation (EU Nr. 2019/2088).<sup>3</sup>

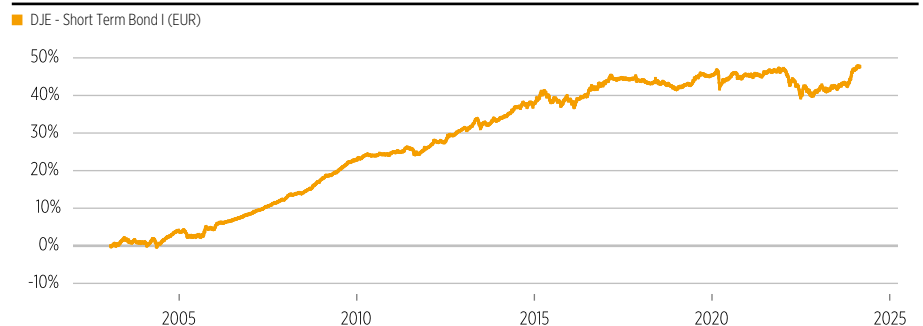
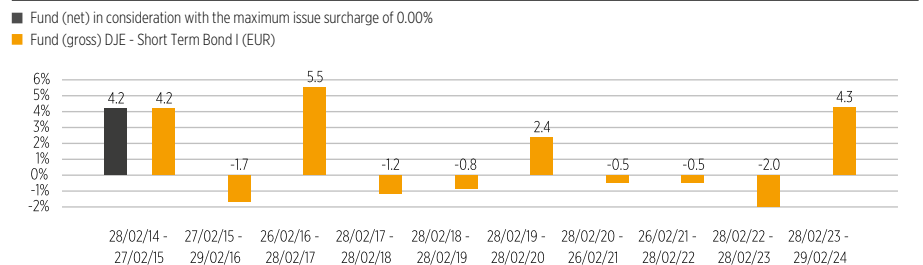
**Ratings & Awards<sup>4</sup> (29/02/2024)**

**Morningstar Rating Overall<sup>5</sup>** ★★★★★

## DJE - SHORT TERM BOND I (EUR)

**INVESTMENT STRATEGY**

The DJE - Short Term Bond, invests globally and draws on the various parts of global fixed income markets with a focus on short maturities and investment grade ratings. The fund primarily invests in bonds denominated in Euro. The fund invests in a selection of high-quality securities based on a thorough analysis of fundamental data in addition to broad market analysis in search for global yield opportunities. The fund is managed without any constraints on sectors, countries, credit ratings or benchmark indexes. With its global spectrum of short-dated bonds, the fund offers a balanced risk/reward profile and aims to achieve a positive performance.

**PERFORMANCE IN PERCENT SINCE INCEPTION (27/01/2003)****ROLLING PERFORMANCE OVER 10 YEARS IN PERCENT****PERFORMANCE IN PERCENT**

	MTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Fund	-0.07%	0.42%	4.26%	1.75%	3.68%	9.73%	47.58%
Fund p.a.	-	-	-	0.58%	0.73%	0.93%	1.86%

Data: Anevis Solutions GmbH, own illustration.

As at: 29/02/2024

The Funds are actively managed by DJE and, where a benchmark index is indicated, without reference to it. The presented charts and tables concerning performance are based on our own calculations according to the gross performance (BVI) method<sup>2</sup> and illustrate past development. Past performance is not indicative for future returns. The BVI method takes into account all costs incurred at the fund level (e.g. management fees), the net performance and the issue fee. Additional individual costs may be incurred at the customer level (e.g. custodian fees, commission and other charges). Model calculation (net): an investor wishes to purchase shares for Euro 1,000. With a maximum issue surcharge of 0.00%, he has to spend a one-off amount of Euro 0.00 when making the purchase. In addition, there may be custodian costs that reduce performance. The custodian costs are decided by your bank's price list and service charges


1 | The fiscal treatment depends on the personal circumstances of the respective client and can be subject of change in the future.

2 | see also on ([www.dje.de/DE\\_en/fonds/fondswissen/glossar](http://www.dje.de/DE_en/fonds/fondswissen/glossar))

3 | see also on ([www.dje.de/en-de/company/about-us/invest-sustainably/](http://www.dje.de/en-de/company/about-us/invest-sustainably/))


4 | Awards and many years of experience do not guarantee investment success. Sources on homepage (<https://www.dje.de/en-de/company/about-us/awards-ratings/2023/>)

5 | see page 4



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**Asset Allocation in Percent of Fund Volume**

Bonds	94.17%
Cash	5.83%

As at: 29/02/2024

The asset allocation may differ marginally from 100% due to the addition of rounded figures.

**Top Countries in Percent of Fund Volume**

United States	39.58%
Germany	22.02%
Italy	6.79%
Netherlands	6.41%
Finland	3.34%

As at: 29/02/2024

**Fund Prices per 29/02/2024**

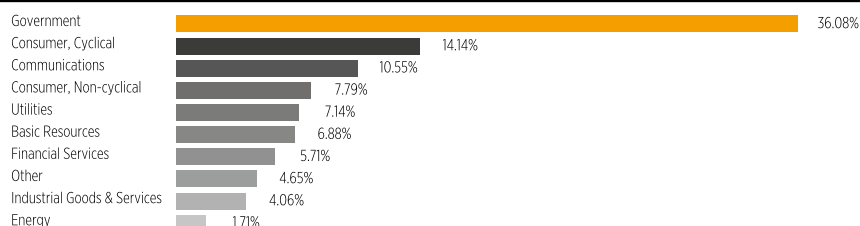
Bid	147.58 EUR
Offer	147.58 EUR

**Fees<sup>1</sup>**

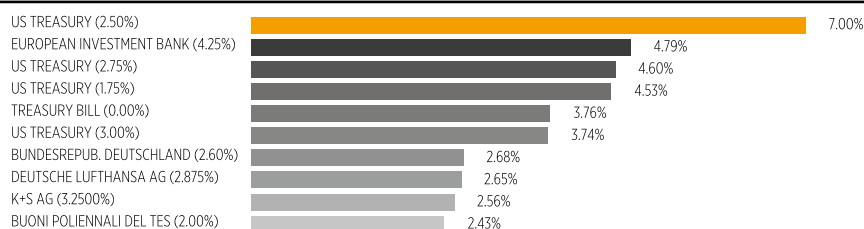
Initial Charge	0.00%
Management Fee p.a.	0.43%
Custodian Fee p.a	0.06%

<sup>1</sup> | See Key Information Document (PRIIPs KID) under <https://www.dje.de/en-de/investment-funds/productdetail/LU0159551125#downloads>

## DJE - SHORT TERM BOND I (EUR)

**TOP TEN SECTORS IN PERCENT OF FUND VOLUME**

As at: 29/02/2024

**TOP TEN HOLDINGS IN PERCENT OF FUND VOLUME**

When buying a fund, one acquires shares in the said fund, which invests in securities such as shares and/or in bonds, but not the securities themselves.

As at: 29/02/2024

**Average rating of the bonds in the portfolio: BBB+**

The figure refers to the bond portfolio including bond derivatives and cash.

As at: 29/02/2024


**RISK MEASURES<sup>1</sup>**

Standard Deviation (2 years)	2.23%	Maximum Drawdown (1 year)	-0.78%
Value at Risk (99% / 20 days)	-1.38%	Sharpe Ratio (2 years)	-0.28

As at: 29/02/2024

**MONTHLY COMMENTARY**


In February, it became apparent on the bond markets that hopes of early interest rate cuts were exaggerated. In the USA, inflation proved to be more stubborn than expected. Economists had expected inflation to fall to 2.9% year-on-year in January, but inflation came in at 3.1% and core inflation (excluding energy and food) at 3.9%. The international stock markets posted strong gains, while robust figures were also released from the US labour market, as over 350,000 new jobs were created in February and the unemployment rate remained stable at a low 3.7%. In addition, the two purchasing managers' indices for services and manufacturing, which are leading indicators in the US, rose significantly and point to an expanding economy. In view of the positive economic data, a recession in the US should no longer be an issue in this cycle. The US Federal Reserve (Fed) wants to avoid a recession on the one hand, but on the other hand bring inflation towards its target of 2.0%. If this trend continues, key interest rates are likely to be cut later - possibly not until June - and not as often as expected. If inflation does not fall to 2.0% permanently, the Fed is likely to stop cutting interest rates again. In the eurozone, the Purchasing Managers' Index for services left the recessionary zone. However, the index for the manufacturing sector unexpectedly fell even lower in February. As a result, the eurozone economy is likely to continue to tread water in the first quarter of 2024. The rate of inflation in the eurozone rose by just 2.6% in February compared to the same month last year - in January it was 2.8%. This means that inflation is moving in the direction desired by the European Central Bank. If the inflation rate continues to approach the 2% inflation target in the coming months, the ECB is likely to cut interest rates. This would be the first interest rate cut since March 2016. For these reasons, yields on 2-year German and US government bonds rose sharply. At 4.62%, yields in the US were 41 basis points higher than in the previous month and in Germany they were 47 basis points higher at 2.90%. As a result, the yield curve became more inverted again, as the rise in yields on 10-year government bonds was lower. Yields on high-quality corporate bonds rose almost in parallel in the eurozone and the USA, by 29 and 30 basis points respectively. Only high-yield bonds moved in the opposite direction: while the yield on European high-yield bonds fell by 21 basis points to 7.29%, the yield on their US counterparts rose slightly by 7 basis points to 7.86%. Against this backdrop, the DJE - Short Term Bond fell moderately by -0.07%. The fund benefited from the narrowing risk premiums on high-quality and high-yield corporate bonds. In contrast, the broad rise in yields on most bond types weighed on the fund. Over the course of the month, the fund management acquired a USD-denominated bond from the pharmaceutical sector and increased the average maturity of the portfolio by replacing shorter-dated bonds from the travel & leisure sector with longer-dated bonds. It also reduced bonds from the utilities and construction sectors. The fund management shortened the modified duration of the portfolio (including cash and derivatives) from 2.08% to 1.99% in order to reduce the risk posed by rising yields. At the end of the month, the currency hedging of securities denominated in US dollars against the euro was largely reduced.



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Evaluation by MSCI ESG Research

MSCI ESG Rating (AAA-CCC)	A
ESG Quality Score (0-10)	6.6
Environmental score (0-10)	6.2
Social score (0-10)	5.6
Governance score (0-10)	5.8
ESG Rating compared to Peer Group (100% = best value)	38.83%
Peer Group	Bond Global EUR (618 Funds)
ESG Coverage	80.64%
Weighted Average Carbon Intensity (tCO <sub>2</sub> e / \$M sales)	136.22



AAA	9.23%	BB	2.27%
AA	17.06%	B	0.59%
A	41.26%	CCC	0.00%
BBB	10.23%	Not Rated	19.36%

ESG Rating

What it means

AAA, AA	Leader	The companies that the fund invests in show strong and/or improving management of financially relevant environmental, social and governance issues. These companies may be more resilient to disruptions arising from ESG events.
A, BBB, BB	Average	The fund invests in companies that show average management of ESG issues, or in a mix of companies with both above-average and below-average ESG risk management.
B, CCC	Laggard	The fund is exposed to companies that do not demonstrate adequate management of the ESG risks that they face, or show worsening management of these issues. These companies may be more vulnerable to disruptions arising from ESG events.
Not Rated		Companies in the fund's portfolio that are not yet rated by MSCI, but these are rated as part of our own analysis.

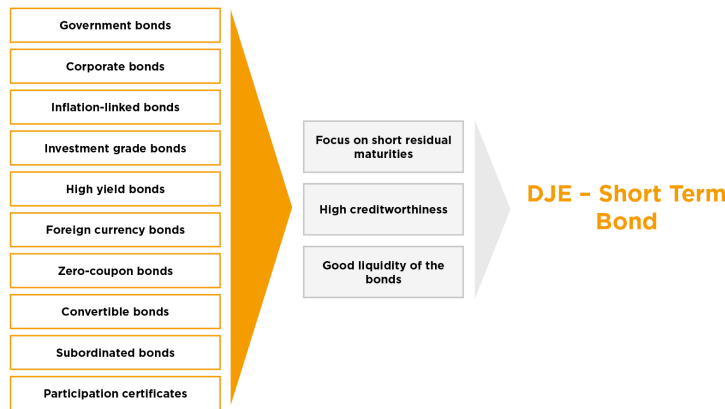
Source: MSCI ESG Research as at 29/02/2024  
Information on the sustainability-relevant aspects of the funds can be found at [www.dje.de/en-de/company/about-us/invest-sustainably/](http://www.dje.de/en-de/company/about-us/invest-sustainably/)

DJE - SHORT TERM BOND I (EUR)

INVESTMENT APPROACH

The focus is on bonds with short residual maturities, good liquidity and high-quality credit ratings. The strategy focuses on corporate and government bonds, mortgage bonds, profit participation certificates, zero-coupon bonds and variable-interest debt instruments. The DJE - Short Term Bond achieves a low currency risk by investing predominantly in EUR securities, whereby part of the fund assets can also be invested in foreign currency bonds. Active duration management using interest rate derivatives and management of residual maturities reduces the risk of interest rate changes. The balanced portfolio and the investment horizon geared to short maturities intends to avoid major fluctuations in the strategy and achieve a stable performance.

INVESTMENT UNIVERSE OF THE DJE - SHORT TERM BOND



Source: DJE Kapital AG

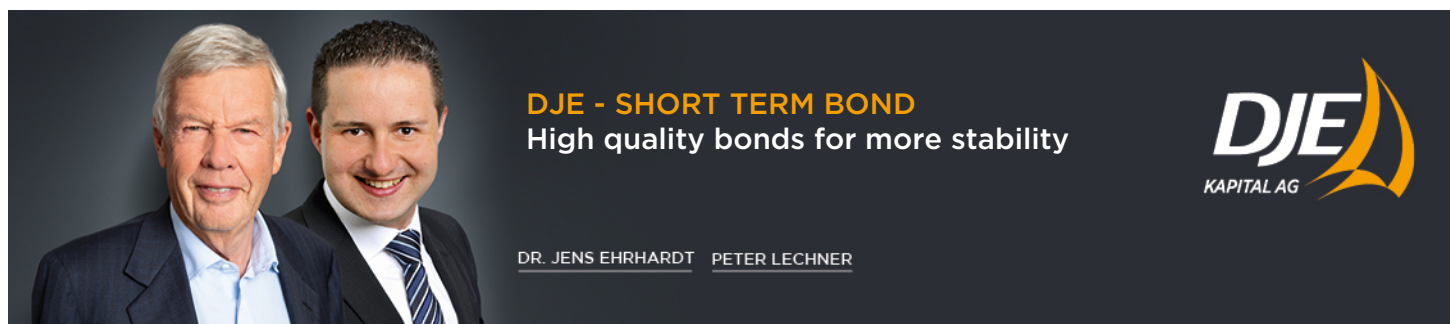
OPPORTUNITIES AND RISKS

Opportunities

- + Global bond fund with a focus on high-quality bonds with short maturities.
- + Moderate investment horizon offers an attractive risk-return profile.
- + Active interest rate, maturity and risk management.

Risks

- Bonds are subject to price risks when interest rates rise.
- Bonds are also subject to country risks and the creditworthiness and liquidity risks of their issuers.
- In the case of securities not denominated in euros, there is a currency risk for euro investors.



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## DJE Kapital AG

DJE Kapital AG is part of the DJE Group, can draw on around 50 years of experience in asset management and is today one of the leading bank-independent financial service providers in German-speaking Europe. Our investment strategy, both in equities and bonds, is based on the FMM method developed in-house: a systematic analysis which takes three views on securities and the financial markets – fundamental, monetary and market-technical. DJE follows sustainability criteria when selecting securities, takes into account selected sustainable development goals, avoids or reduces adverse sustainability impacts and is a signatory to the United Nations "Principles for Responsible Investment".

Signatory of:



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# DJE - SHORT TERM BOND I (EUR)

## Target Group

### The Fund is Suitable for Investors

- + with a short to medium-term investment horizon
- + who wish to invest mainly in bonds with shorter maturities
- + who prefer selective securities picking by an experienced fund manager

### The Fund is not Suitable for Investors

- with a very short-term investment horizon
- who prefer higher yields with correspondingly higher risk
- who are not prepared to accept even a low level of volatility

## LEGAL INFORMATION

This is a marketing advertisement. Please read the prospectus of the relevant fund and the KIID before making a final investment decision. It also contains detailed informations on opportunities and risks. These documents can be obtained free of charge in German at [www.dje.de](http://www.dje.de) under the relevant fund. A summary of investor rights can be accessed in German free of charge in electronic form on the website at [www.dje.de/summary-of-investor-rights](http://www.dje.de/summary-of-investor-rights). The Funds described in this Marketing Announcement may have been notified for distribution in different EU Member States. Investors should note that the relevant management company may decide to discontinue the arrangements it has made for the distribution of the units of your funds in accordance with Directive 2009/65/EC and Article 32a of Directive 2011/61/EU. All information published here is for your information only, is subject to change and does not constitute investment advice or any other recommendation. The sole binding basis for the acquisition of the relevant fund is the above-mentioned documents in conjunction with the associated annual report and/or the semi-annual report. The statements contained in this document reflect the current assessment of DJE Kapital AG. The opinions expressed may change at any time without prior notice. All information in this overview has been provided with due care in accordance with the state of knowledge at the time of preparation. However, no guarantee or liability can be assumed for the correctness and completeness.