

Performance		Portfolio Summary		Calendar year performance	
1 m	-0.81%	Positions	44	2022	-12.21%
3 m	1.09%	Current Gross Yield	9.20%	2021	2.61%
Ytd	5.01%	Average Coupon	5.02%	2020	6.17%
1 Year	14.82%	Duration	3.26	2019	5.48%
Since inception	-7.47%	AUM	12.7	2018	-5.92%



### Monthly Commentary

A combination of factors weighted on the September performance in credit. Reopening of primary markets after the usual summer lull made the fixed income environment fragile. New deals shared mixed fortunes, with some materially oversubscribed and achieving efficient pricing, while others struggling to perform and even a small refinancing deal pulled by the issuer. Central Banks took the stage with mixed messages sent from both sides of the Atlantic. The ECB delivered another 25bps hike but signalled that it may have ended its hiking cycle, should inflation data continue to show improvements. However, inflation looks still far from the ECB target and this could delay the start of the rates cuts well after the second half of 2024 that was originally expected by markets. The Federal Reserve instead paused their hikes, but markets still expect one more hike at least this year, as job market remains particularly strong and resilient in the US. In this context, subordinated financials and AT1 especially were the weakest performers, with extension risk fears resurfacing and weak market sentiment weighting on higher beta segments. On the corporates side, performance was dragged the most by Pepco Group (-11bps), Carnival (-9bps), Jaguar Land Rover (-5bps), and Dana (-4bps). Pepco delivered a profit warning, revising downward year end guidance along with news on some management reshuffling after the CEO's departure. On the back of tougher trading environment, we anticipate Pepco to announce slowing down their expansion plans during the CMD, which would be credit positive. Carnival has reported solid 3Q23 results, while the move in bonds we attribute to duration, and rising fuel prices, which Carnival does not hedge. Jaguar Land Rover moved on duration and perhaps some profit taking ahead of earnings (September trading update was positive). Dana's dip follows continuing UAW strike. On the positive side, the main contributor was ams OSRAM (+23bps). The company has released a comprehensive multi-step refinancing plan, including target for an €800m underwritten rights issue. Trading wise, we reduced the exposure to Italian financials on rising BTP yields, and we increased our position in Carnival and Pepco. In insurance, we reduced duration and prefer short call T2 as a source of low volatility carry.

#### Top 10 largest issuers

SANTAN	8.70%
AEGON	4.67%
ISPIM	4.27%
ASRNED	4.09%
AMSSW	3.86%
BOTS	3.83%
FEDRIG	3.78%
UCGIM	3.48%
BENTLR	3.17%
BAYNGR	3.11%

#### Top 10 performers, %

AMSSW 6 07/31/25	8.22
INTRUM 3 09/15/27	3.40
ERSTBK 6 1/2 PERP	2.07
CABKSM 5 1/4 PERP	0.90
SOLEIN 9 5/8 11/15/28	0.69
TTEFP 1 3/4 PERP	0.67
ISPIM 9 1/8 PERP	0.59
ASRNED 5 PERP	0.50
MONTE 7.677 01/18/28	0.48
REPSM 2 1/2 PERP	0.47

#### Bottom 10 performers, %

FRTR 0 1/2 05/25/2072	-	14.64
CMZB 4 1/4 PERP	-	5.51
UCGIM 3 7/8 PERP	-	5.04
CCL 1 10/28/29	-	4.10
PEPGRP 7 1/4 07/01/28	-	3.80
ISPIM 4 1/8 PERP	-	3.52
ISPIM 3 3/4 PERP	-	2.56
TTMTIN 4 1/2 07/15/28	-	2.40
ASRNED 4 5/8 PERP	-	2.36
CABKSM 3 5/8 PERP	-	2.19

#### Rating Allocation

AAA	0.00%
AA	1.15%
A	3.09%
BBB	21.09%
BB	57.96%
B	10.32%
CCC	0.00%
NR	5.81%
CASH	0.59%

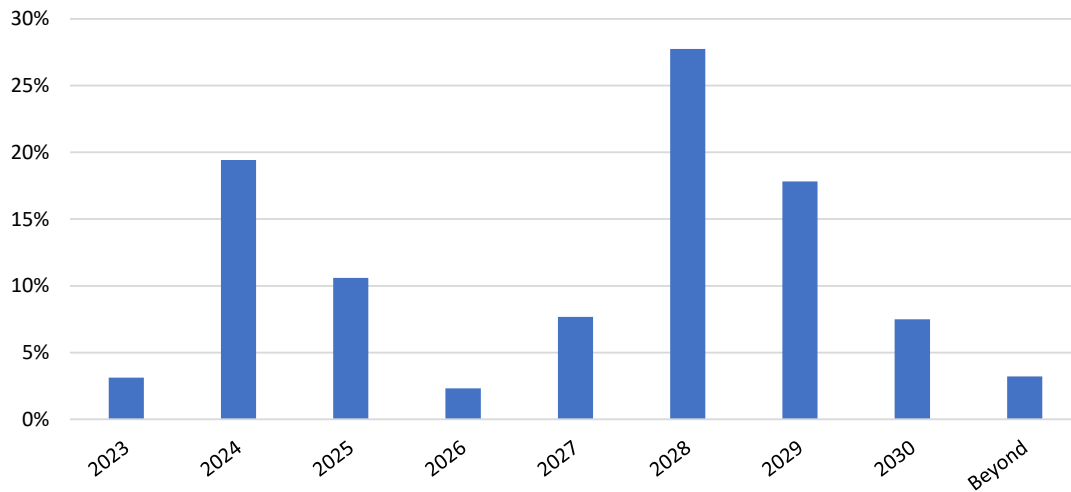
#### Sector Allocation

Banks	28.29%
Insurance	20.31%
Sovereign	4.98%
Oil&Gas	4.47%
Engineering&Construction	4.45%
Semiconductors	3.86%
Auto Parts&Equipment	3.84%
Packaging&Containers	3.78%
Holding Companies-Divers	3.17%
Pharmaceuticals	3.11%

#### Country Allocation

Italy	23.89%
Spain	17.82%
US	9.76%
Netherlands	8.76%
UK	7.92%
France	7.89%
Austria	7.03%
Belgium	5.37%
Germany	5.31%
South Africa	2.08%

#### Maturity Profile



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