

Performance		Portfolio Summary		Calendar year performance	
1 m	2.79%	Positions	45	2021	0.37%
3 m	7.39%	Current Gross Yield	6.51%	2022	-12.21%
Ytd	12.77%	Average Coupon	5.32%	2023	12.77%
1 Year	12.72%	Duration	3.03		
Since inception	-0.63%	AUM	12.9		



Monthly Commentary

The positive momentum continued in credit in December, with a generalised spread compression particularly evident in the HY segment. Rates decreased too, as the market frontloaded expectations of central banks delivering several cuts in 2024 starting as soon as April. Lack of supply in HY helped to support spreads, also considering that overall expectations for net HY issuances in 2024 are relatively light. In this environment risk assets performed well, with AT1s delivering a solid 4.3% total return, ending the year posting one of the highest annual performances on records. Within the portfolio, we do not signal any name declining over the month. Among the top contribution to the performance, we saw Solenis28 (+16bps), Carnival29 (+16bps), and PepCo28 (+13bps). All three reported results in December. Solenis showed another relatively positive set of numbers. The company grew EBITDA margin, again showed less volatile earnings compared to other Chemical peers, and, most importantly, management provided more clarity into next year and beyond. All this caused the bonds to re-rate, taking out part of previously priced de-leveraging risk. As a result, we've reduced the exposure a bit on existing trading levels. Carnival beat guidance and received a 2-notch upgrade from S&P to BB-. The Carnival29 was one of our best bonds for the year, delivering 79% return in 2023.

Pepco released full year numbers in-line with pre-released trading update in October. Albeit management remaining cautious about market environment, credit is benefiting from strategic shift to scale back expansion plans. Long end, low reset AT1s outperformed supported by the rates rally, as the extension risk priced in the spreads materially diminished. The Fund closed the year delivering a 12.77% net performance, placing the fund within the top quartile of the Mornignstar EUR HY category.

Top 10 largest issuers

KBCBB	6.38%
ISPIM	6.34%
CMZB	5.47%
UCGIM	4.52%
FEDRIG	4.45%
SANTAN	3.76%
TTEFP	3.72%
CCL	3.24%
PEPGRP	3.22%
BAYNGR	3.15%

Top 10 performers, %

FRTR 0 1/2 05/25/2072	17.70
CMZB 4 1/4 PERP	8.03
CABKSM 3 5/8 PERP	7.36
SANTAN 3 5/8 PERP	6.76
CCL 1 10/28/29	5.63
BNP 6 7/8 PERP	5.45
NNGRNV 6 11/03/43	5.32
SOLEIN 9 5/8 11/15/28	5.26
USIMIT 6 3/8 PERP	5.18
NETIM 5.1 09/28/31	5.18

Bottom 10 performers, %

BOTS 0 06/14/24	0.35
TTEFP 1 3/4 PERP	0.47
AMSSW 6 07/31/25	0.47
SANTAN 8.1232 PERP	0.55
AEGON 4 04/25/44	0.67
LIBMUT 3 5/8 05/23/59	0.97
KBCBB 4 3/4 PERP	1.15
TTMTIN 4 1/2 07/15/28	1.57
FEDRIG 11 10/25/27	2.06
PEOCER 5 3/4 09/15/26	2.19

Rating Allocation

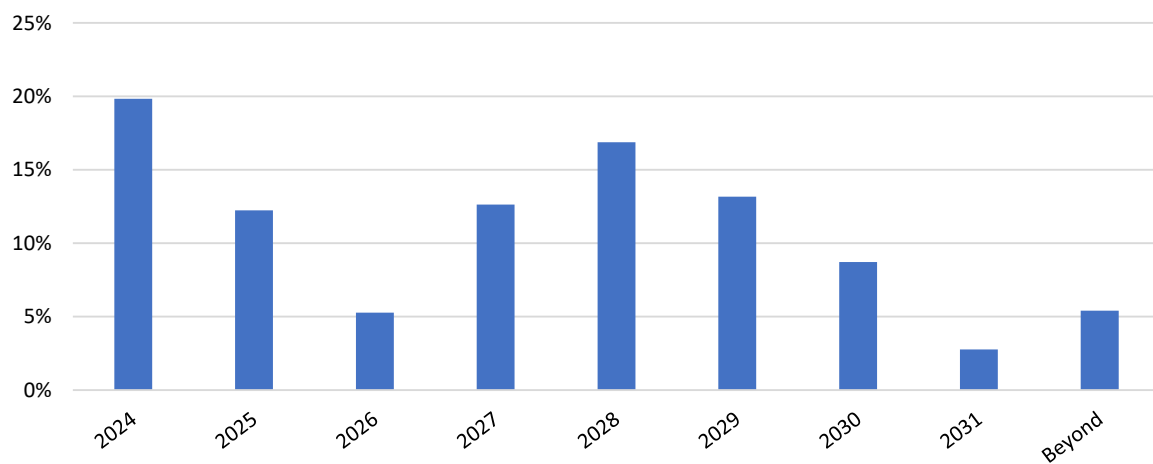
AAA	0.00%
AA	0.00%
A	6.05%
BBB	22.68%
BB	49.96%
B	10.60%
CCC	0.00%
NR	7.61%
CASH	3.10%

Sector Allocation

Banks	35.41%
Insurance	18.67%
Oil&Gas	4.79%
Packaging&Containers	4.45%
Chemicals	4.08%
Sovereign	3.89%
Leisure Time	3.24%
Retail	3.22%
Pharmaceuticals	3.15%
CASH_EUR	3.10%

Country Allocation

Italy	31.54%
US	10.71%
Belgium	9.45%
Netherlands	8.92%
Germany	8.62%
UK	8.10%
Spain	6.87%
Austria	5.93%
France	4.36%
Luxembourg	2.40%

Maturity Profile

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