

Performance		Portfolio Summary		Calendar year performance	
1 m	4.70%	Positions	42	2021	0.37%
3 m	3.64%	Current Gross Yield	7.05%	2022	-12.21%
Ytd	9.71%	Average Coupon	5.27%		
1 Year	9.22%	Duration	2.80		
Since inception	-3.33%	AUM	13.5		



Monthly Commentary

November marked the second-best monthly performance of the year for the Fund as well as the whole EUR HY market. Once again, overall sentiment is driven by monetary policy expectations, with a rapidly building consensus that multiple cuts are in sight as early as Q2 2024 in Europe. While there is still a debate on the exact timing of the first cut, the magnitude, and the subsequent path to terminal rates, markets consensus that peak rates have been reached, has helped to lower volatility in rates and fuelled a strong rally led by the long end of the curve. Germany and Italy 10-year yield posted a solid 35bps and 50bps tightening respectively, both at the lowest levels since June. Despite some indications of weakening consumer demands in some corporate segments, non-financial corporations continue to show sound fundamentals and disciplined financial policies aimed to preserve a healthy balance sheets. Positive growth, despite lower, and declining inflation pushing on rates cuts, are defining a favourable environment for HY credit, as companies will likely avoid refinancing their debt at prohibitive costs and at the same time, they should be generally able to withstand a period of softer profitability, as long as this does not turn into a more severe recession. An important aspect to note is that the economy is entering this slowdown phase after several years of cheap credit, meaning that most of the firms have been able to raise debt at attractive terms, and still benefit from healthy cash levels and low debt servicing costs. In AT1, a jumbo new del from UBS has been so successful to become a turning point for the market, encouraging other banks to issue and awakening again investors demand.

The entire portfolio closed the month in green with rates component heavily dominating performance. Among HY corporates, the strongest contribution came from longer duration Carnival 29 (+31bps), Dana 29 (+21bps), and Jaguar Land Rover 28 (+19bps). From names reporting 3Q23 results in November (such as CABB, Fedrigoni, Benteler, PeopleCert, Empark), we didn't see any result widely outside of expectations. Businesses showing slightly weaker trading, typically guided for a recovering outlook in the near future. That said, any spread widening driven by earnings has been offset by the rates move. Ams 25 was among very few names mainly driven by idiosyncratic reasons. The bond will be called in December, as the company has completed their refinancing plan and is about to finalise the rights issue. We have participated in the new issue of Ams 29 which so far has been warmly welcomed by the market.

Top 10 largest issuers

BOTS	9.55%
KBCBB	6.02%
SANTAN	5.07%
AMSSW	3.79%
FEDRIG	3.61%
CMZB	3.57%
ISPIM	3.17%
SOLEIN	3.07%
BAYNGR	2.97%
bnp	2.96%

Top 10 performers, %

FRTR 0 1/2 05/25/2072	15.70
CCL 1 10/28/29	11.97
MONTE 7.708 01/18/28	9.62
SANTAN 3 5/8 PERP	8.74
DAN 3 07/15/29	8.40
CABKSM 3 5/8 PERP	7.73
USIMIT 6 3/8 PERP	7.22
ASRNED 4 5/8 PERP	6.57
TTMTIN 4 1/2 07/15/28	6.44
ISPIM 9 1/8 PERP	6.11

Bottom 10 performers, %

BAYNGR 6 5/8 09/25/2082	0.11
BOTS 0 11/30/23	0.30
BOTS 0 06/14/24	0.41
TTEFP 1 3/4 PERP	0.62
AEGON 4 04/25/44	0.67
KBCBB 4 3/4 PERP	0.99
PEOCER 5 3/4 09/15/26	1.76
LIBMUT 3 5/8 05/23/59	2.06
BTPS 3.8 08/01/28	2.46
SANTAN 8.1232 PERP	2.47

Rating Allocation

AAA	0.00%
AA	0.00%
A	4.01%
BBB	21.23%
BB	45.59%
B	13.43%
CCC	0.00%
NR	13.05%
CASH	2.69%

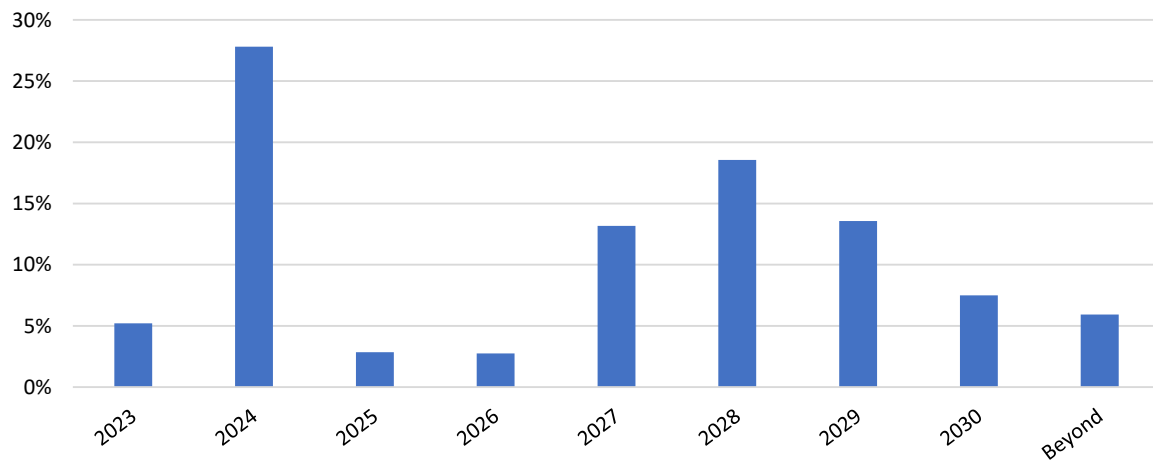
Sector Allocation

Banks	31.11%
Insurance	16.87%
Sovereign	11.06%
Chemicals	5.30%
Semiconductors	3.79%
Packaging&Containers	3.61%
Oil&Gas	3.44%
Pharmaceuticals	2.97%
Retail	2.95%
Leisure Time	2.85%

Country Allocation

Italy	30.77%
US	11.38%
Spain	10.84%
Belgium	8.85%
Netherlands	8.39%
UK	7.07%
Germany	6.55%
France	5.89%
Austria	5.35%
Luxembourg	2.23%

Maturity Profile



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