

Performance		Portfolio Summary		Calendar year performance	
1 m	1.01%	Positions	49	2021	0.37%
3 m	2.53%	Current Gross Yield	5.50%	2022	-12.21%
Ytd	9.90%	Average Coupon	5.62%	2023	12.77%
1 Year	12.97%	Duration	2.63	2024	9.90%
Since inception	8.27%	AUM, EURm	14.7		



November delivered positive performances across the board in fixed income in a rather homogeneous and low volatility fashion, despite the several macro events occurred. But scratching the surface, the picture looks a little more mixed than the simple total return implies. The market interpreted with a high level of consensus the results of the US elections and the defined Republican agenda to boost the American economy as potentially inflationary but effective in delivering growth. Fears for a further decline in Europe competitiveness and growth as a result of the expected trade tariffs in the Trump's agenda have fuelled bets for a prolonged accommodative monetary policy by the ECB, and a possible divergence from the Fed. The prospect of a stronger US has weakened the EUR and sent core European 10yr rates to the lowest in almost 2 years, with peripheral Europe outperforming core. Credit spreads have generally widened in response of lower expected economic activity, with industrial and the broader automotive segment more impacted given the downside risk of trade tariffs. We participated in the new RT1 issued by Athora, the Apollo backed European insurance company which is among the widest investment grade insurance subordinated bonds in the market, despite a still nascent but solid story of growth and solvency. Rest of the financial subordinated exposure of the fund was a positive carry contributor given the focus on the short end of the curve and on high reset bonds, in spite of the relatively high volatility experienced on an asset class level. On the corporate HY side, Benteler and Viridien were among the best contributors. Benteler bonds have been recovering in November post 3Q results. FY24 guidance was reduced on weakness across end-markets, although with a now visible pick-up in orders and improving pricing in Steel & Tube division. Management outlined the possibility to test the market to refinance the bonds next year once they become callable. Viridien benefitted from broader O&G industry strength post the US election as well as good performance of TGS USD bond (a Viridien competitor) post issuance. Among the underperformers we mention AMS OSRAM and Eutelsat. AMS OSRAM reported mixed 3Q24 at the beginning of the month - results were at mid-end of the guidance and expectation of positive FCF in FY25 was reiterated. However, management expects weak 1Q25 due to softness in Autos and higher than usual seasonality in consumer segment which is skewed towards 2H. Plans to dispose of the Kulim facility do not look to be executed in the very near term, and in response to weakness across end-markets management has extended its restructuring programme. On a positive note, the company received a €225m prepayment from Apple for products that will start in 2026. Bonds continue to be volatile – as such, we've reduced the exposure into year-end. Eutelsat, in line with broader satellite sector, continued to widen post US election and uncertainty regarding Starlink competitive threat. We have exited the name mid-November as we viewed the risks skewed towards further widening into the year-end. On the primary side, we have participated in a debut high yield issuance of IRCA – a specialty food ingredients producer. IRCA benefits from resilient volumes and pricing power as it is addressing increasing focus on higher quality and premiumisation across food brands and consumers. The issuance of the 5NC1 FRN was priced at E+3.75%.

Top 10 largest issuers

CMZB	4.29%
SANTAN	4.13%
ERSTBK	4.04%
ISPIM	3.61%
ACHMEA	3.04%
BENTLR	3.01%
CABKSM	2.90%
ABNANV	2.88%
UCGIM	2.82%
ASRNED	2.80%

Top 10 performers

BPLN 1.467 09/21/41	4.72%
ENGIFP 1 ¼ 10/24/41	3.76%
ACHMEA 5 ½ 11/02/44	3.08%
BTPS 0.95 06/01/32	2.94%
BENTLR 9 ¾ 05/15/28	2.39%
IONCOR 7 ⅞ 05/01/29	2.32%
SAMPFH 2 ¼ 09/27/30	2.05%
ERSTBK 3 ¾ PERP	1.87%
SANTAN 3 ⅝ PERP	1.77%
VIRIFP 7 ¾ 04/01/27	1.74%

Bottom 10 performers

AMSSW 10 ½ 03/30/29	-2.77%
ETLFP 9 ¾ 04/13/29	-1.89%
KOANO Float 06/24/28	-0.33%
CONGLO 2 ¾ 01/01/26	-0.03%
BOTS 0 12/13/24	0.02%
CMZB 4 ¼ PERP	0.13%
SABSM 5 PERP	0.14%
BAYNGR 3 ⅞ 11/12/2079	0.26%
INTDGP 10 11/15/28	0.31%
CMZB 6 ⅞ PERP	0.35%

Rating Allocation

AAA	0.0%
AA	0.0%
A	5.7%
BBB	22.9%
BB	31.3%
B	29.0%
CCC	1.2%
NR	6.8%
CASH	3.0%

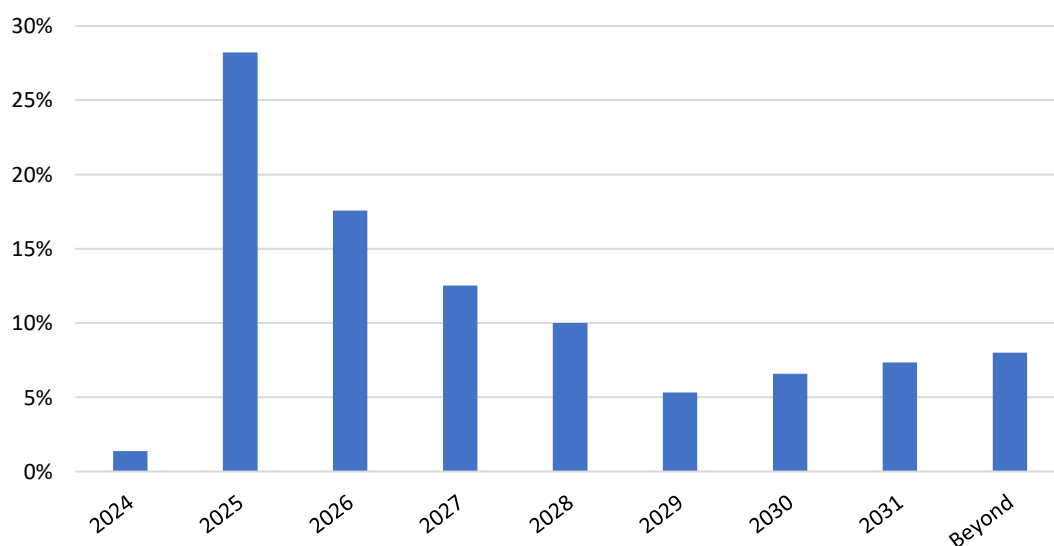
Sector Allocation

Banks	20.4%
Life Insurance	13.4%
Property & Casualty Insurance	7.8%
Auto Parts Manufacturing	5.5%
Chemicals	4.2%
Diversified Banks	3.9%
Containers & Packaging	3.2%
Power Generation	3.2%
Sovereigns	2.8%
Mass Merchants	2.1%

Country Allocation

Italy	21.6%
Netherlands	15.6%
UK	11.4%
Austria	8.6%
Germany	8.4%
Spain	7.9%
France	5.9%
USA	5.5%
Luxembourg	5.2%
Finland	2.6%

Maturity Profile



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