

Performance		Portfolio Summary		Calendar year performance	
1 m	0.90%	Positions	47	2021	0.37%
3 m	3.17%	Current Gross Yield	5.55%	2022	-12.21%
Ytd	8.16%	Average Coupon	5.61%	2023	12.77%
1 Year	16.15%	Duration	2.57	2024	8.16%
Since inception	7.47%	AUM, EURm	13.9		



Monthly Commentary

A mixed month, characterised by flat spreads, declining rates and primary market abundance. September brought the first Fed cut of 50bps, and the second one by the ECB of 25bps. Both Central Banks expressed satisfaction toward their goal of reducing inflation, while the focus is shifting on avoiding that restrictive financial policy has a greater than expected impact on economic activity. Rates in Europe compressed, with periphery tightening more than core, with France weaker on concerns over its fiscal policy. Spreads were generally unchanged both in IG and HY, the latter having already reached levels not far from the historical lows. The automotive sector has been the outlier, with several profit warning from both car makers and suppliers of components, on lower global demand driven by China. Portfolio wise, Commerzbank AT1 benefitted from the takeover interest from Unicredit, while in general long duration names were among the top contributors. Among our corporate exposure, Viridien benefited from interest rate cuts in the US as well as stimulus announcement in China, which should eventually increase demand for oil. On the negatives, profit warnings across autos touched some of our positions in the sector. While we maintain relatively low allocation to the space, we saw Benteler, Mahle and AMS as performance detractors. In relation to Benteler, we take comfort in the instrument itself being high coupon and thus at high probability to be called at first call next year; Mahle we started to build a position with the goal of benefitting from a sharp recovery once the sector will stabilise. On AMS, despite increased volatility driven by autos, we continue to believe into their turnaround story, but at the same time continue to monitor it closely for tangible progress towards that. Eutelsat declined on announcements that Starlink signed contracts with United and Air France to provide in-flight connectivity to their fleets. We currently remain constructive on the position, acknowledging that Eutelsat is targeting single digit market share in LEO connectivity market and noting that it has signed agreements to distribute its network capacity through Inmarsat and Gogo Aviation which are among the largest players in maritime and aerospace connectivity space respectively. We approach the end of the year light in risk, as spreads seems to price in little chances of earnings disappointments.

Top 10 largest issuers

CMZB	4.25%
SANTAN	4.06%
ERSTBK	3.95%
ISPIM	3.58%
ACHMEA	3.02%
BENTLR	2.96%
UCGIM	2.88%
CABKSM	2.86%
ABNANV	2.86%
ASRNED	2.78%

Top 10 performers

TUICRU 6 ¼ 04/15/29	3.0%
CMZB 4 ¼ PERP	2.7%
ALVGR 2 ¾ PERP	2.7%
BTPS 0.95 06/01/32	2.5%
VIRIFP 7 ¼ 04/01/27	2.4%
NETIM 5.1 09/28/31	2.2%
ACHMEA 5 ¾ 11/02/44	2.2%
AGSBB 3 ¾ PERP	2.1%
ENGIM 5 ¾ 09/30/26	2.0%
SAMPFH 2 ¼ 09/27/30	1.9%

Bottom 10 performers

BENTLR 9 ¾ 05/15/28	-1.7%
ETLFP 9 ¼ 04/13/29	-1.3%
AMSSW 10 ½ 03/30/29	-1.2%
MAHLGR 6 ½ 05/02/31	-1.1%
CEMEIT Float 09/30/31	-0.4%
IONCOR 7 ¾ 05/01/29	-0.3%
BTPS 3 ¾ 09/01/24	0.0%
BTPS 2.35 09/15/24	0.1%
BAYNGR 3 ¾ 11/12/2079	0.2%
STYRO 8 ¼ 03/15/29	0.2%

Rating Allocation

AAA	0.0%
AA	0.0%
A	6.0%
BBB	19.8%
BB	35.6%
B	25.5%
CCC	0.0%
NR	7.3%
CASH	4.3%

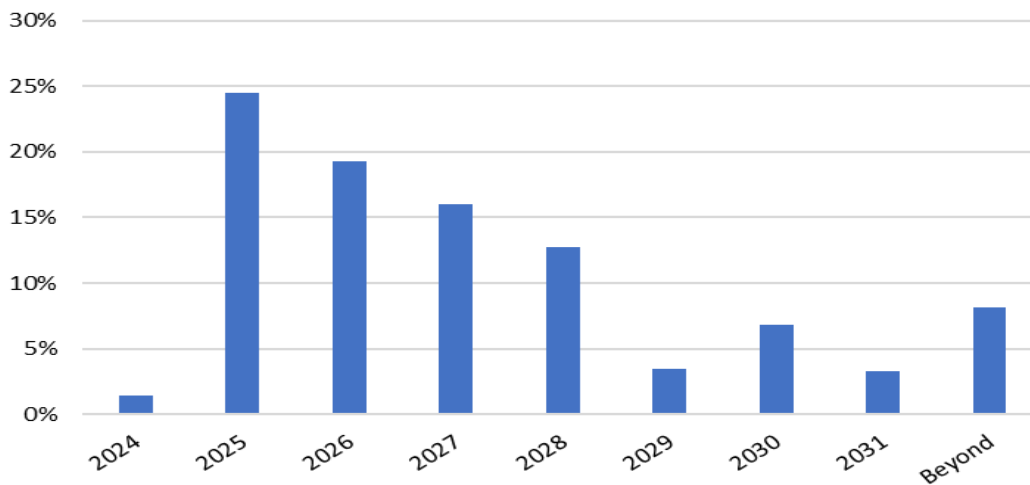
Sector Allocation

Banks	25.8%
Insurance	18.2%
Retail	4.4%
CASH_EUR	4.3%
Oil&Gas Services	4.0%
Software	3.6%
Machinery-Diversified	3.6%
Internet	3.6%
Electric	3.3%
Chemicals	3.1%

Country Allocation

Italy	19.6%
Netherlands	12.3%
UK	12.2%
France	8.4%
Austria	8.4%
Spain	8.3%
Germany	7.5%
US	5.8%
Luxembourg	4.3%
Belgium	4.0%

Maturity Profile



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