

Performance		Portfolio Summary		Calendar year performance	
1 m	1.41%	Positions	47	2021	0.37%
3 m	3.04%	Current Gross Yield	5.90%	2022	-12.21%
Ytd	4.57%	Average Coupon	5.02%	2023	12.77%
1 Year	14.64%	Duration	3.14	2024	4.57%
Since inception	3.91%	AUM, EURm	14.1		



Monthly Commentary

Resilient economic performance and some inflation data surprising to the upside have further cooled down the expectations for significant rate cuts in Europe, and casted doubts on their likelihood in the US. While the European Central Bank is anticipated to reduce rates by 25 bps in the upcoming June meeting, the future trajectory is uncertain, with futures indicating approximately two more cuts. Consequently, German and Italian yields have neared their highest levels for 2024, and rates volatility has remained high. Nevertheless, spreads across fixed income have tightened, signalling a clear risk-on sentiment and compression trends, with HY and AT1 spreads narrowing by 23 bps and 27 bps, respectively, and IG spreads decreasing by 4 bps. In response to these market conditions, the Fund increased its duration risk, finding relative value more attractive compared to spreads. Adjustments in AT1 holdings included reducing exposure to some overvalued names such as ABN 6 7/8 and extending a position in Santander following an unexpected bond call. On the corporate credit side, we saw positive contribution from Eutelsat, Carnival, Ardonagh and CGG (now renamed Viridien). Eutelsat published an in-line trading update and confirmed the restricted group's return to top-line growth for fiscal 2024. Carnival, on the back of solid performance, continues to pay down debt and has demonstrated ability to refinance at more efficient levels, as the recent €500m 2030 bond issued at 5.75% demonstrates. Veridian continued its momentum into results, which were positive and point to a pick-up in exploration activity, supporting our investment thesis, where we increased the exposure. Ardonagh has recovered some of its post-primary weakness, helped by continued organic growth and margin expansion, as well as meaningful sponsor support in the latest round of acquisitions. Additionally, we participated in the new issuance of Bertrand Franchise, a multi-brand food service franchiser in France. It holds a leading position in France, with a portfolio of eight diversified brands comprising a network of over 1,000 restaurants, of which the most prominent is Burger King.

Top 10 largest issuers

BOTS	8.9%
DBR	7.0%
ISPIM	5.1%
CMZB	4.0%
SANTAN	3.9%
ASRNED	2.7%
CCL	2.6%
ERSTBK	2.5%
AGSBB	2.4%
DAN	2.3%

Top 10 performers, %

SANTAN 3 5/8 PERP	6.8
AMSSW 10 1/2 03/30/29	5.0
CMZB 4 1/4 PERP	3.9
ETLFP 9 3/4 04/13/29	3.6
CGGFP 7 3/4 04/01/27	3.4
SANTAN 4 3/8 PERP	3.1
ERSTBK 3 3/8 PERP	2.9
BAYNGR 3 1/8 11/12/2079	2.9
MANUCH 7 1/4 06/30/27	2.6
INTDGP 10 11/15/28	2.6

Bottom 10 performers, %

DBR 1 08/15/24	0.3
BOTS 0 06/14/24	0.4
BENTLR 9 3/8 05/15/28	0.4
PEOCER 5 3/4 09/15/26	0.5
ACHMEA 5 5/8 11/02/44	0.6
IONCOR 7 7/8 05/01/29	0.6
TEVA 1 1/8 10/15/24	0.6
MAHLGR 6 1/2 05/02/31	0.6
DAN 8 1/2 07/15/31	0.8
IPGIM 7 09/27/28	0.9

Rating Allocation

AAA	7.0%
AA	0.0%
A	6.7%
BBB	13.1%
BB	37.0%
B	22.7%
CCC	0.0%
NR	12.1%
CASH	1.4%

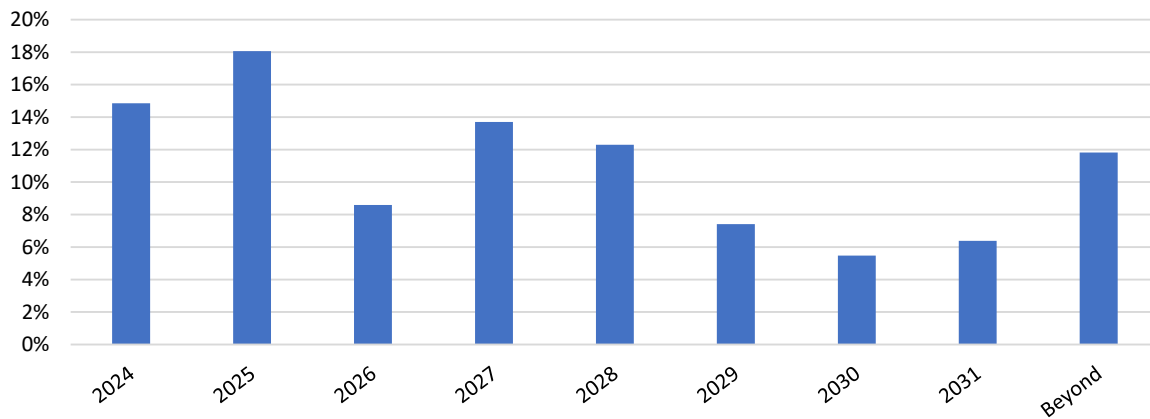
Sector Allocation

Banks	20.0%
Sovereign	17.0%
Insurance	15.0%
Auto Parts&Equipment	5.5%
Retail	4.4%
Pharmaceuticals	2.7%
Leisure Time	2.6%
Engineering&Construction	2.3%
Holding Companies-Divers	2.3%
Telecommunications	2.3%

Country Allocation

Italy	29.8%
Germany	16.6%
US	10.5%
Netherlands	9.0%
France	9.0%
Austria	6.3%
UK	5.7%
Spain	3.9%
Belgium	3.9%
Israel	1.4%

Maturity Profile



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Registered in England and Wales No.5193344

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