

Performance		Portfolio Summary		Calendar year performance	
1 m	1.39%	Positions	51	2021	0.37%
3 m	7.52%	Current Gross Yield	6.51%	2022	-12.21%
Ytd	14.33%	Average Coupon	5.27%	2023	12.77%
1 Year	9.72%	Duration	2.98	2024	1.39%
Since inception	0.74%	AUM	13.7		



Monthly Commentary

The year started on strong primary issuances, focussed in particular in the financial and corporate IG segments. The yield decrease occurred over the last two months of 2023, led by optimistic forecasts of Central Banks starting to cut rates as early as in Q1 2024, has encouraged issuers to take advantage of this potentially attractive issuance window. Investors seemed to have enough appetite to digest the wave of new deals without moving spreads excessively wider on the secondary market, in fact most of the new issuances performed well and hedged tighter. A couple of HY issuers tap the market as well, mostly for straight refinancing transaction, which should be the base case for most of the HY market unless rates were to decline more and faster than expected. Despite strong, the HY market showed increasing signs of dispersion, with more single name stories making their way into stressed levels, even outside of the real estate sector. The Fund delivered a solid +1.39% return, above all major fixed income indices, most notably the EUR HY (+0.74%) and EUR AT1s (+0.76%), as bond picking has been particularly favourable. Among corporates, Carnival, one of the largest cruise-ship companies, continues to drive performance into 2024. In Jan, Carnival 29 delivered +16bps to the fund, followed by CABB 28 (+6bps), and Pepco (3bps) as credit spreads in the HY space ticked lower. There were no notable underfarmers in red territory, other than a couple of more defensive names lagging versus the market, such as Empark 28 (-0.4bps), and PeopleCert26 (+0.1bps). On the financial side, we switched within RT1s up in quality from Unipol into Allianz at flat spreads, in what turned to be one of the better performing bonds of the month. Our AT1 selection too, focussed on high extension risk and recent issues, contributed meaningfully to the return. We continue to consider the HY market expensive at index level, and we are only looking to invest in idiosyncratic stories of high tightening potential. Cash and equivalents remain high, taking advantage of inverted curves and waiting for wider spreads to deploy into credit.

Top 10 largest issuers

BTPS	8.05%
ISPIM	6.22%
ERSTBK	5.42%
SANTAN	4.97%
UCGIM	4.26%
FEDRIG	4.20%
CMZB	3.97%
TTEFP	3.51%
CCL	3.07%
KBCBB	3.07%

Top 10 performers, %

AXASA Float PERP	8.69
ALVGR 2 5/8 PERP	5.67
CCL 1 10/28/29	5.31
AGSBB 3 7/8 PERP	4.82
ERSTBK 3 3/8 PERP	4.76
CMZB 4 1/4 PERP	3.43
ENELIM 1 7/8 PERP	3.32
SANTAN 3 5/8 PERP	2.66
BPEIM 8 3/8 PERP	2.66
CABBCO 8 3/4 05/01/28	2.47

Bottom 10 performers, %

BPLN 1.467 09/21/41	-1.49
ETLFP 2 10/02/25	-1.19
ADRBID Float 02/15/31	-0.33
PEOCER 5 3/4 09/15/26	-0.17
BAYNGR 6 5/8 09/25/2083	-0.11
UCGIM 5 3/8 PERP	0.04
BTPS 3.8 08/01/28	0.04
NNGRNV 6 11/03/43	0.26
BOTS 0 06/14/24	0.27
DAN 3 07/15/29	0.29

Rating Allocation

AAA	0.00%
AA	0.00%
A	8.01%
BBB	33.92%
BB	37.99%
B	13.67%
CCC	0.00%
NR	5.68%
CASH	0.73%

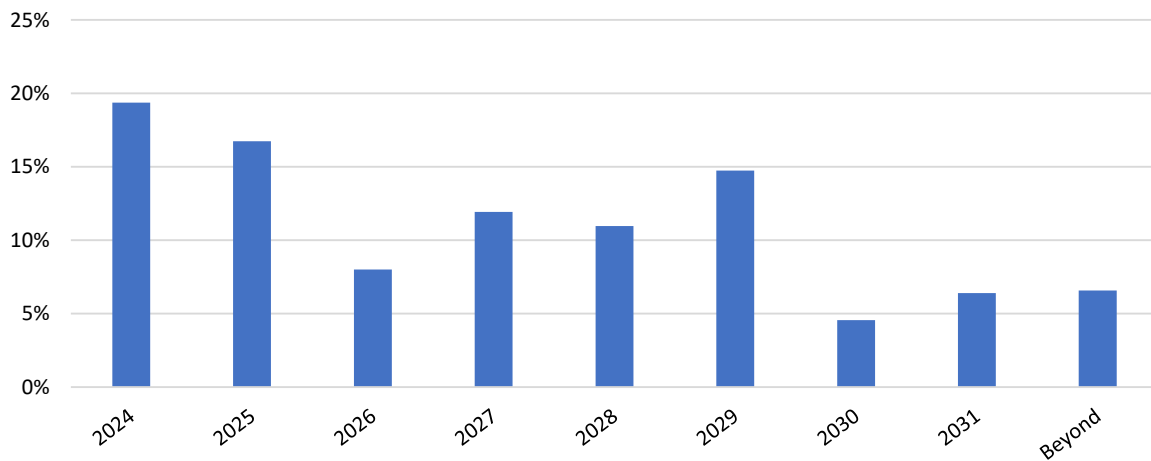
Sector Allocation

Banks	30.98%
Insurance	19.33%
Sovereign	10.21%
Oil&Gas	4.51%
Packaging&Containers	4.20%
Chemicals	3.84%
Leisure Time	3.07%
Retail	3.02%
Engineering&Construction	2.31%
Internet	2.18%

Country Allocation

Italy	34.39%
US	9.44%
Germany	9.12%
Austria	8.56%
Netherlands	8.38%
UK	7.64%
France	6.30%
Belgium	6.02%
Spain	4.97%
Luxembourg	2.27%

Maturity Profile



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