

Monthly review

The accommodative Fed and the solid macroeconomic picture were drove another very positive month for risky assets. March also saw a positive performance in credit, with spreads narrowing moderately on investment grade and subordinates, while widening for the first time on high yield. On the lower ratings, some idiosyncratic situations began to emerge, with expectations of capital structure restructuring bringing more volatility to the market. Against this backdrop, high grade credit advanced by more than 1 point, and subordinates outperformed the other segments, with CoCos gaining about 2 points, while high yield performance was only marginally positive. Rates remained in a rather narrow range, with inflation still above expectations, but with the Fed and ECB basically confirming the start of a rate cut cycle. The US ten-year returned to 4.20%, while the German Bund fell to 2.30%. On the foreign exchange market, the dollar appreciated against most of the G10 currencies, with the exception of CAD (+0.28%) and AUD (+0.42%), which are more linked to global growth and commodities. Among the worst were SEK (-2.62%, Riksbank dovish) and CHF (1.94%, SNB cut).

On the programme, we continued to exploit the narrow range on foreign exchange, considering 4.35% on the US ten-year and 2.50% on the German Bund as levels at which to place purchases, with relatively small targets of around 20bps to return to lower duration. Central banks continued not to deny their intention to reduce policy rates, so we initiated positions on the short end of both the US and German curves.

Key fund information

| | |
|------------------------|---------------|
| Assogestioni category | Flexible bond |
| Inception date | 16/01/2020 |
| Nav (Euro) | 100,890 |
| Strategy AUM (in Euro) | 109.732.035 |
| Benchmark | |

| Performance | Fund | Benchmark |
|---------------------|--------|-----------|
| YTD | 0,87% | - |
| Last week | 0,30% | - |
| Last month | 0,83% | - |
| Last 3 months | 0,64% | - |
| 1 year | 5,93% | - |
| 3 years (*) | -0,68% | - |
| 5 years (*) | - | - |
| Since inception (*) | 0,21% | - |

(*) Compound annual return

Risk statistics

| | | | |
|---------------------------|--------|-------------------|-------|
| Standard deviation | 3,63% | Sharpe ratio | -0,58 |
| Standard deviation bench | - | Information ratio | - |
| VaR | -5,99% | Beta | - |
| Tracking error volatility | - | Correlation | - |
| Effective duration | 4,63 | | |

Asset class

| | |
|--------------|---------------|
| Bonds | 96,4% |
| Liquidity | 3,5% |
| Shares | - |
| | - |
| Total | 100,0% |

| Currency exposure | Gross exp. | Coverage | Net exp. |
|--------------------|---------------|----------|---------------|
| Euro | 91,8% | 0,6% | 92,4% |
| Dollar | 3,9% | -0,6% | 3,3% |
| Emerging countries | 1,9% | - | 1,9% |
| Europe ex Euro | 2,4% | - | 2,4% |
| Global | - | - | - |
| Japanese Yen | 0,0% | - | 0,0% |
| Pacific ex Japan | 0,0% | - | 0,0% |
| | - | - | - |
| Total | 100,0% | - | 100,0% |

| Regional Exposure | Bond | Derivat. | Total |
|--------------------|--------------|--------------|---------------|
| America | 8,0% | 17,3% | 25,2% |
| Emerging countries | 3,6% | - | 3,6% |
| Europe ex Italy | 66,3% | 16,9% | 83,1% |
| Italy | 18,5% | - | 18,5% |
| Japan | - | - | - |
| Pacific ex Japan | 0,2% | - | 0,2% |
| Total | 96,5% | 34,1% | 130,6% |

Performance over last year


| Credit Rating | Corp | Govt | Conv | Total |
|---------------|--------------|--------------|-------------|--------------|
| AAA | - | - | - | - |
| AA | - | 12,5% | - | 12,5% |
| A | 1,8% | 6,3% | - | 8,1% |
| BBB | 7,9% | 10,8% | - | 18,7% |
| BB | 7,6% | - | - | 7,6% |
| B | 0,3% | - | - | 0,3% |
| <CCC | - | - | - | - |
| NR | 0,9% | - | 0,4% | 1,3% |
| Total | 18,5% | 29,7% | 0,4% | 48,5% |

| Maturity Profile | | | |
|------------------|-------|--------------|-------|
| 0 - 0,5 years | 29,8% | 3 - 5 years | 43,7% |
| 0,5 - 1 years | 0,5% | 5 - 7 years | 1,9% |
| 1 - 2 years | 7,0% | 7 - 10 years | 3,7% |
| 2 - 3 years | 10,7% | > 10 years | 2,7% |

| Fund technicals | |
|-------------------------------|---|
| Management Company | Ersel Gestion Internationale SA |
| Investment Manager | Ersel Asset Management Sgr SpA |
| Custodian bank | Caceis Bank Luxembourg SA |
| Independent auditors | Ernst & Young S.A. |
| Offices of Ersel Group | Piazza Solferino, 11 - 10121 Torino +39 01155201 Via Caradosso, 16 - 20123 Milano +39 02303061 Via M. D'Azeglio, 19 - 40123 Bologna +39 051273232 35 Boulevard Joseph II, L-1840 Luxembourg |
| Base currency | Euro |
| ISIN code | LU2065928777 |
| Bloomberg code | LEADFBA LX |
| Frequency of NAV calculations | Daily |
| Performance Fee | Maximum of 10% of the annual performance exceeding both the Highwatermark (the highest year end value attained prior to the calculation date) and the Hurdle Rate (annual performance of Euribor 12 Month + 2%). Paid annually. |

| Main securities in the portfolio | |
|--|-------|
| FRANCIA EUR 06/24 ZCB | 9,94% |
| BOT 14/05/24 A | 7,26% |
| SPAIN EUR 08/24 ZCB | 6,30% |
| BTP 01/05/33 4,4% | 3,57% |
| AUSTRIA EUR 06/20 0,85% | 2,60% |
| NATL BANK GREECE EUR 11/27 MCP CALL 26 | 1,21% |
| POSTE IT EUR PERP MCP CALL 29 2.625% | 0,98% |
| UNICREDIT EUR 01/31 MCP CALL 30 | 0,93% |
| ADEVINTA EUR 11/27 3% CALL 23 | 0,93% |
| FERRARI EUR 05/25 1,5% | 0,90% |

Investment objective

The fund pursues an absolute return objective with moderate volatility and a time horizon of 2-3 years. To achieve this objective, the fund adopts a discretionary investment style in which the control of risk factors is an integral, pervasive part of the investment process. Without any benchmark constraints, the fund will undertake the bond investments deemed the most attractive in terms of risk/return profile in the light of the prevalent market scenario. The fund may invest in bonds of all kinds and in other similar kinds of debt, exchange-traded funds (ETFs), undertakings for collective investment in transferable securities (UCITS) and other undertakings for collective investment (UCIs). It may invest in instruments denominated in currencies other than the euro and may hold liquidity of less than 50% of its net asset value (NAV). The fund will make use of listed and OTC derivative instruments to take long and short positions designed to take opportunistic advantage of the efficiencies identified from time to time in the various segments of the bond market.

| Isin | Currency | Min.initial Subs. | Mgmt. fee | AUM (mln€) |
|--------------|----------|-------------------|-----------|---------------|
| LU1578335538 | Euro | 2.500 euro | 0,6% | 52,74 |
| LU2065928777 | Euro | 2.000.000 euro | 0,5% | 56,99 |
| Total | | | | 109,73 |

| Return (net of fees) | | | | | | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | YTD |
| 2024 | 0,22% | -0,18% | 0,83% | | | | | | | | | | 0,87% |
| 2023 | 1,27% | -1,88% | 0,41% | 0,32% | -0,12% | -0,42% | 0,74% | -0,28% | -0,50% | 0,21% | 2,47% | 1,86% | 4,09% |
| 2022 | -0,71% | -1,31% | -0,29% | -1,58% | -0,51% | -2,43% | 3,07% | -1,65% | -2,40% | 0,41% | 1,67% | -0,63% | -6,30% |
| 2021 | -0,16% | -0,35% | 0,59% | -0,02% | -0,17% | 0,24% | 0,26% | -0,16% | -0,19% | -0,26% | -0,28% | 0,10% | -0,42% |
| 2020 | | -0,60% | -2,95% | 1,62% | 0,66% | 1,17% | 1,11% | 0,29% | -0,09% | 0,41% | 1,20% | 0,27% | 2,98% |

| Risk level | | | | | | |
|------------|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The synthetic risk indicator assumes that the product is held for 5 years and is an indicative indication of the level of risk of this product compared to other products.

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