

Monthly review

The month of October was characterised by a rebound in rates and a continuation of the good performance of risk assets, which only in the run-up to the US elections began to show some signs of profit-taking linked to the particularly significant uncertainty over the outcome of the vote. Kicking off the sell-off on rates, which retraced about half of the movement achieved in the summer months, was labour market data for September, which was somewhat better than expectations across every metric. The baseline scenario remains the soft landing, but perhaps the dose of monetary policy interventions to be administered is not what the market had envisaged immediately after the Fed's 50 bps cut in mid-September. The movement was broader on the dollar curve, amplified by the volatility brought by Trump's rise in the polls in the run-up to the presidential election. As growth tensions eased, spreads tightened again, particularly on high-beta bonds, with an average compression of 30 bps on High Yield and CoCos. Performance was moderately negative on Investment Grade credit, which was most affected by the movement in rates, and positive on high beta, especially in the AT1 segment, which advanced by about 1 point in the month for a cumulative gain of more than 11 points since the start of the year. In the currency sphere, the dollar gained 2.63% due to a combination of better macroeconomic data and an increased likelihood of continued high growth due to fiscal policy. All other G10 currencies, with the exception of the Swiss franc (+0.17%), depreciated against the euro. The three worst currencies in the last month were the NZD (-3.99%), the yen (-3.47%) and the AUD (-2.87%). We again reduced rate exposure, after the labour market data at the start of the month, bringing the fund back towards a 3-year duration. Towards the end of the month, we then added 5 points in EM hard currency, which had not had any space in the portfolio during the recent period.

Key fund information

Assogestioni category	Flexible bond
Inception date	16/01/2020
Nav (Euro)	103,080
Strategy AUM (in Euro)	113.193.075
Benchmark	

Performance	Fund	Benchmark
YTD	3,06%	-
Last week	-0,53%	-
Last month	-0,49%	-
Last 3 months	0,68%	-
1 year	7,58%	-
3 years (*)	0,11%	-
5 years (*)	-	-
Since inception (*)	0,64%	-

(*) Compound annual return

Risk statistics

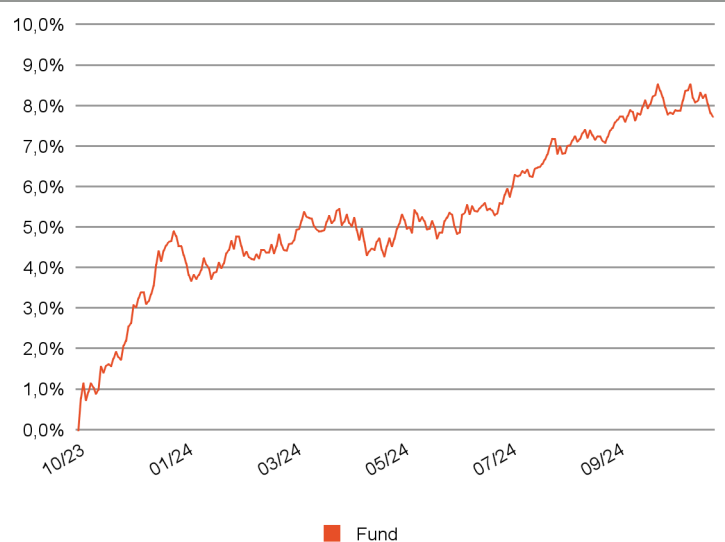
Standard deviation	3,05%	Sharpe ratio	0,27
Standard deviation bench	-	Information ratio	-
VaR	-5,03%	Beta	-
Tracking error volatility	-	Correlation	-
Effective duration	4,69		

Asset class

Bonds	87,9%
Liquidity	12,1%
Shares	-
	-
Total	100,0%

Currency exposure	Gross exp.	Coverage	Net exp.
Euro	84,5%	6,2%	90,6%
Dollar	10,5%	-6,2%	4,3%
Emerging countries	1,9%	-	1,9%
Europe ex Euro	3,2%	-	3,2%
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	8,4%	-	8,4%
Emerging countries	7,0%	-	7,0%
Europe ex Italy	58,1%	16,5%	74,6%
Italy	14,4%	-	14,4%
Japan	-	-	-
Pacific ex Japan	0,1%	-	0,1%
Total	87,9%	16,5%	104,4%

Performance over last year


Credit Rating	Corp	Govt	Conv	Total
AAA	-	-	-	-
AA	-	31,7%	-	31,7%
A	8,3%	11,0%	-	19,2%
BBB	10,8%	11,5%	-	22,2%
BB	5,8%	2,7%	-	8,5%
B	0,7%	-	-	0,7%
<CCC	-	-	-	-
NR	0,9%	-	-	0,9%
Total	26,4%	56,8%	-	83,3%

Maturity Profile			
0 - 0,5 years	17,9%	3 - 5 years	56,6%
0,5 - 1 years	2,9%	5 - 7 years	8,7%
1 - 2 years	5,3%	7 - 10 years	5,3%
2 - 3 years	0,5%	> 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 11/24 ZCB	11,48%
BTP 01/05/33 4,4%	6,78%
AUSTRIA EUR 06/20 0,85%	2,37%
NATL BANK GREECE EUR 11/27 MCP CALL 26	1,22%
POSTE IT EUR PERP MCP CALL 29 2.625%	0,99%
UNICREDIT EUR 01/31 MCP CALL 30	0,94%
PETROLEUM GEO USD 03/27 13,5% CALL 25	0,90%
FERRARI EUR 05/25 1,5%	0,88%
VODAFONE EUR 08/80 MCP CALL 26	0,87%
VOLKSW.INTL EUR PERP MCP CALL 29 3.875%	0,84%

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%	65,06
LU2065928777	Euro	2.000.000 euro	0,5%	48,13
Total				113,19

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%	0,33%	0,51%	1,52%	0,12%	1,06%	-0,49%			3,06%
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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