

Monthly review

In December, interest rates fully retraced the decline recorded in the previous month. Driving this rebound was a rather hawkish FOMC, with statements aimed at signalling a slowdown in the pace of rate cuts, alongside significant revisions to both inflation forecasts and future policy actions outlined in the Dot Plot. Credit spreads also fully reversed the November movement, following a slight widening in USD markets and a moderate tightening in the EUR area. In this context, the rate movement weighed on investment-grade performance, resulting in a negative impact of approximately 2 points in the US and 0.4 points in Europe. Risky assets in USD posted moderately negative results, whereas EUR-denominated assets performed positively, with High Yield advancing by around 0.6 points and CoCos by nearly 1.5 points. The strategy recorded a negative performance and, due to its longer duration, reduced its lead over benchmarks by approximately 20 basis points. From an operational perspective, in early December, long duration was reduced by taking profits on the most volatile names. In the final days of the month, in response to the rise in interest rates and the tightening of spreads, the long duration on benchmarks was increased to +0.5 years. Additionally, profits were taken on Senior High Yield holdings, effectively eliminating exposure to this segment. Looking ahead, while we believe high-beta valuations still do not adequately reflect the worsening growth outlook, the recent retracement in interest rates appears to offer greater appreciation potential, particularly in Europe.

Key fund information

| | |
|------------------------|---|
| Assogestioni category | Euro bond corporate investment grade fund |
| Inception date | 31/03/2009 |
| Nav (Euro) | 305.720 |
| Strategy AUM (in Euro) | 171,712,225 |
| Benchmark | ICE BofAML Euro Corporate |

| Performance | Fund | Benchmark |
|---------------------|--------|-----------|
| YTD | 4.80% | 4.46% |
| Last week | -0.09% | -0.08% |
| Last month | -0.60% | -0.42% |
| Last 3 months | 0.75% | 0.82% |
| 1 year | 4.80% | 4.46% |
| 3 years (*) | -0.75% | -0.64% |
| 5 years (*) | -0.59% | -0.12% |
| Since inception (*) | 2.64% | 3.21% |

(*) Compound annual return

Risk statistics

| | | | |
|---------------------------|--------|-------------------|-------|
| Standard deviation | 3.35% | Sharpe ratio | 0.62 |
| Standard deviation bench | 3.50% | Information ratio | -0.24 |
| VaR | -5.52% | Beta | 0.9 |
| Tracking error volatility | 1.16% | Correlation | 0.94 |
| Effective duration | 4.94 | | |

Asset class

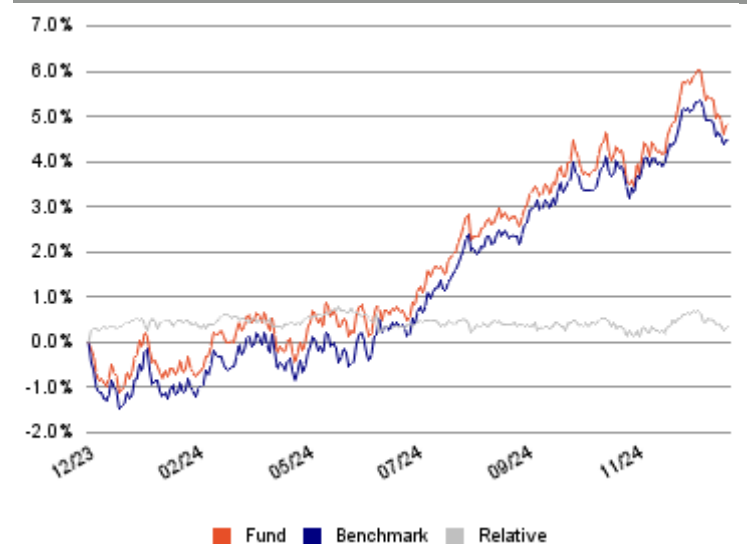
| | |
|---------------|---------------|
| Bonds | 92.6% |
| Liquidity | 7.4% |
| Not Specified | - |
| Total | 100.0% |

Currency exposure

| | Gross exp. | Coverage | Net exp. |
|--------------------|---------------|----------|---------------|
| Dollar | 0.0% | - | 0.0% |
| Emerging countries | 0.0% | - | 0.0% |
| Euro | 100.0% | - | 100.0% |
| Europe ex Euro | 0.0% | - | 0.0% |
| Non Specificata | - | - | - |
| Pacific ex Japan | 0.0% | - | 0.0% |
| Total | 100.0% | - | 100.0% |

Regional Exposure

| | Bond | Derivat. | Total |
|--------------------|--------------|-------------|--------------|
| America | 9.4% | - | 9.4% |
| Emerging countries | - | - | - |
| Europe ex Italy | 71.7% | - | 71.7% |
| Italy | 11.6% | - | 11.6% |
| Japan | - | - | - |
| Pacific ex Japan | - | - | - |
| Total | 92.6% | 0.0% | 92.6% |

Performance over last year


| Credit Rating | Corp | Govt | Total |
|---------------|--------------|----------|--------------|
| AAA | - | - | - |
| AA | 1.2% | - | 1.2% |
| A | 37.5% | - | 37.5% |
| BBB | 49.9% | - | 49.9% |
| BB | 4.0% | - | 4.0% |
| B | - | - | - |
| <= C | 0.0% | - | 0.0% |
| NO RATING | - | - | - |
| Total | 92.6% | - | 92.6% |

| Maturity Profile | | | |
|------------------|------|--------------|-------|
| 0 - 0,5 years | 0.0% | 7 - 10 years | 16.0% |
| 0,5 - 1 years | 4.1% | 5 - 7 years | 44.9% |
| 1 - 2 years | - | 3 - 5 years | 33.7% |
| 2 - 3 years | 1.3% | > 10 years | - |

| 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 35 Boulevard Joseph II, L-1840 Luxembourg |
| Base currency | Euro |
| ISIN code | LU0012092481 |
| Bloomberg code | GLBRBND LX |
| Frequency of NAV calculations | Daily |

| Main securities in the portfolio | |
|-----------------------------------|-------|
| CR.AGRICOLE EUR 01/33 4% | 2.53% |
| SOC.GEN EUR 11/31 MCP CALL 30 | 2.48% |
| BBVA EUR 03/31 3,5% | 2.45% |
| HSBC HLDG EUR 09/35 MCP CALL 34 | 2.39% |
| BCPE EUR 04/32 2,375% | 2.24% |
| BNP PARIBAS EUR 04/32 2,1% | 2.15% |
| DEUTSCHE BK EUR 11/30 MCP CALL 29 | 2.15% |
| MORGAN ST EUR 04/33 MCP CALL 32 | 2.01% |
| ABANCA CORP EUR 04/30 MCP CALL 29 | 2.00% |
| CAIXABANK EUR 11/30 MCP CALL 29 | 1.93% |

Investment objective

The Fund seeks to grow capital and to generate income. In order to achieve the above said aims the Fund invests mainly in bonds, debt securities and credit instruments issued by companies in any sector whatsoever and more than 50% of its assets in "investment grade" credit instruments. The Fund may invest in instruments denominated in currencies other than the Euro.

| Charges | |
|---|---|
| Minimum amount of the first subscription: | 2.500 euro |
| Minimum amount of subsequent subscriptions: | 250 euro |
| Entry charge: | None |
| Exit charge: | None |
| Maximum management fees: | 0.8% on an annual basis |
| Performance fee: | Calculated quarterly on 20% of the positive difference between the net return of the Fund and its reference index: 90% Merrill Lynch EMU Corporate Large Cap Index and 10% Merrill Lynch Euro Government Bill Index |

| 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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