

Ver Capital High Yield Italian PIR

The aim of the sub-fund is to increase the value of the invested capital, through a diversified portfolio mainly invested in high yield bonds issued by companies with a permanent establishment in Italy. The sub-fund can be considered as a qualified investment for the establishment of a "Piano individuale di Risparmio a lungo termine" (PIR) under the Law 232/2016. VCCF is structured as a UCITS IV Compliant with daily NAV.

Available on [All Funds platforms](#) (both Institutional and Retail)

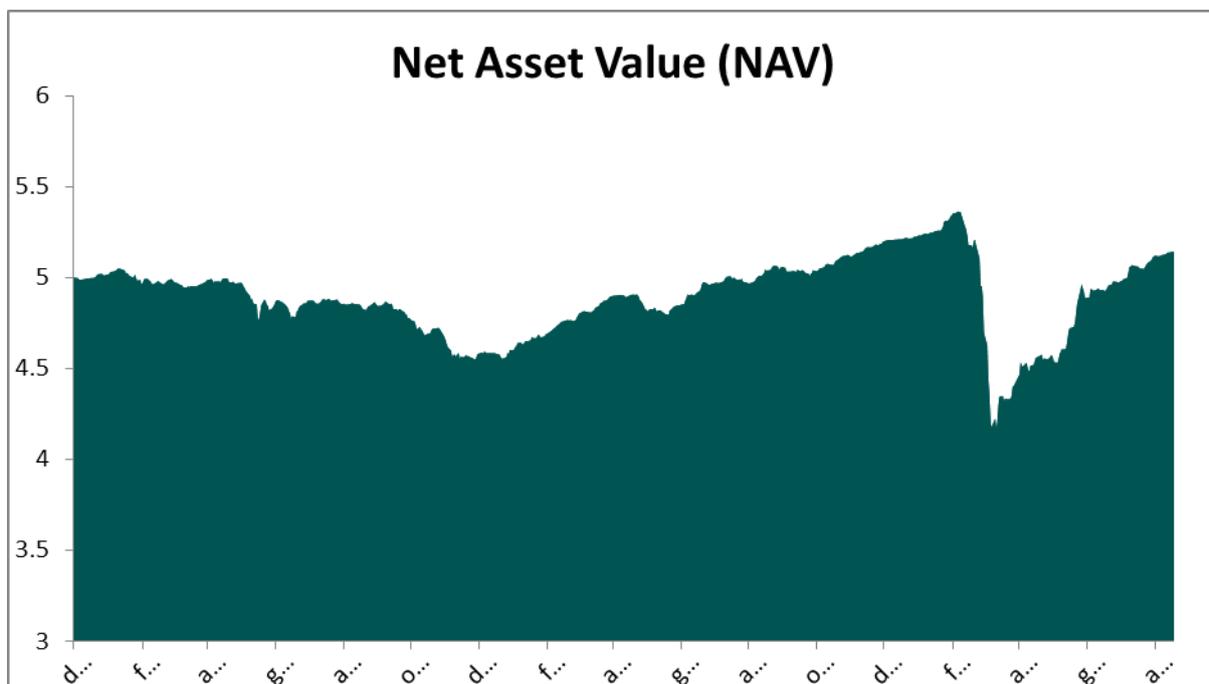
Market

In the month of August 2020, markets rose with positive expectations and better than expected economic results. As markets dove into the summer break, credit segment became thinner and dull. August reported also positive results regarding home sales and a rebound of business activity data. This gave the market a sense of recovery, driving stocks near all-time high in the US. European stock markets have been range-bound since early June as optimism was watered down by rising coronavirus cases. In the Jackson Hole annual event Powell outlined a new approach for the US monetary policy. The Fed will no longer have a 2 % inflation target, which has been consistently unreachable since the financial crisis, but rather an average inflation target of 2% that serves to "make up" for previous bouts of low inflation. The treasury yield curve steepened after Powell confirmed the FED will stay accommodative even if inflation would trend higher in the short term. During the last weeks many HY companies reported half year financials better than expected. Even if most of the companies posted historical credit metrics' erosions their underlying bond prices drifted higher mostly because of the central

NAV Performance

1 Month	YTD	Since Inception (Dec. 18 th , 2017)
+1,62%	-1,34%	+2,82%

Performance



Ver Capital HY Italian PIR YTD performance.

Inception date Dec. 18th, 2017

banks' liquidity injection and investors' expectations on the quick rebound of the economy. Overall, the credit space trended upwards. In fact, the Crossover tightened from 377 to 320 bp and high yield market rallied in particular pushed higher by strong technicals. The positive performance resulted by the exposure to certain names in the consumer cyclical, financial and industrial segments. We expect more volatility coming in the next few months so we recently added defensive names to the portfolio.

Investment Tactics

In the month of August 2020, the Fund experienced +1.62% of positive returns due to the exposure mainly to Italian names sectors. Italian financials were among the first names, in the European high yield segment, to be hit by the market. However, they were also the first one to rebound in risk on mood. The portfolio was not subject to any specific rotation.

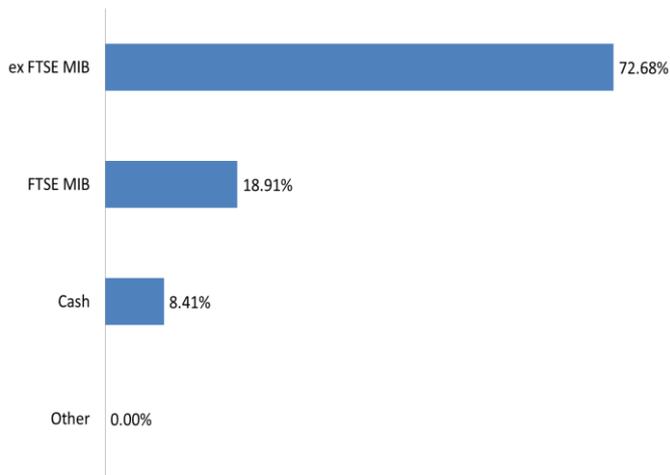
Portfolio Performance

Geographical distribution	100% Italy
Currency denomination	100% EUR
Average Rating	BB-
Average Coupon	3.5%
Yield to Worst	4.4%
Yield to Maturity	7.3%
Modified Duration	1.6
Number of Sectors	18
Number of Issuers	31
Number of issuances	30
Top 10 holdings	42%

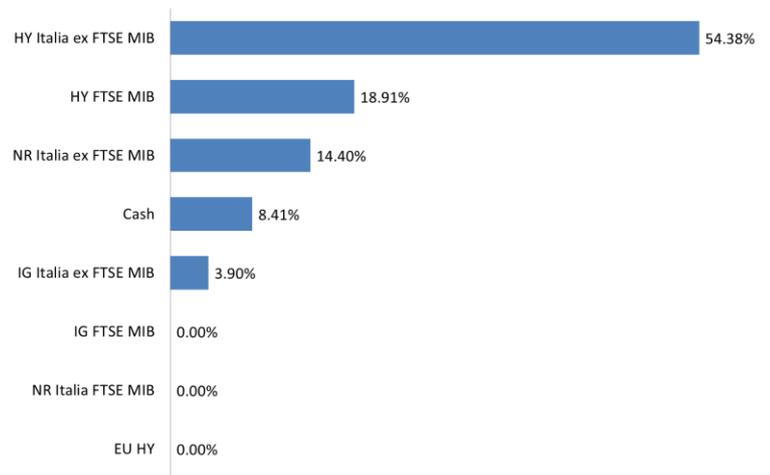
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
KEDRIM 3 07/12/22	XS1645687416	5.88%	5.88%
ISPVIT 4 ¾ PERP	XS1156024116	4.29%	10.16%
USIMIT 5 ¾ PERP	XS1078235733	4.19%	14.35%
CASSIM 4 ¼ 12/14/47	XS1733289406	4.06%	18.41%
MANTEN 9 06/15/22	XS1642816554	4.06%	22.47%
BAMIIM 8 ¾ PERP	XS1984319316	3.99%	26.45%
ALMAIN 7 ¼ 10/15/22	XS1694628287	3.98%	30.44%
LIMACO Float 08/15/23	XS1662516217	3.92%	34.36%
UCGIM 2.731 01/15/32	XS2101558307	3.89%	38.24%
DOCGEN Float 06/30/26	XS2015218584	3.83%	42.08%

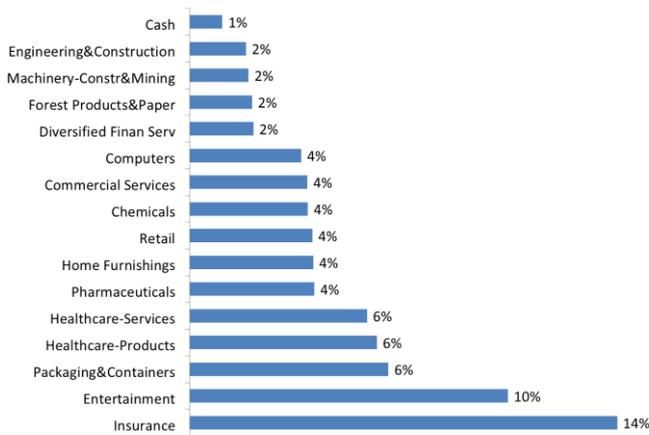
Broad Allocation



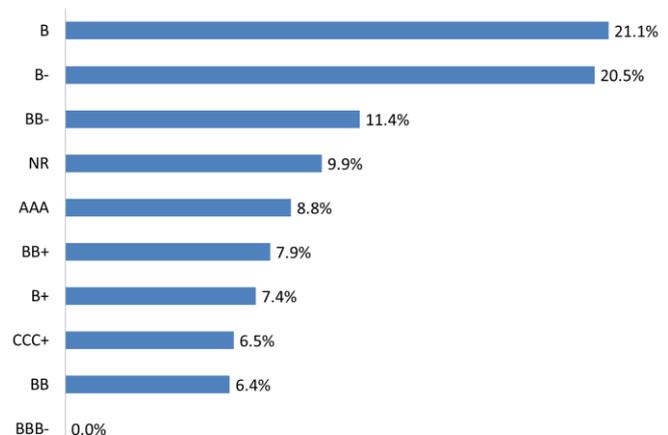
Asset Allocation



Sector allocation



Allocation by rating



Info

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