

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 sub-fund, UCITS IV Compliant, with daily NAV, of the Luxembourg Sicav Nextam Partners.

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

Inception date Dec. 18th, 2017

Market

On 14th June, the ECB confirmed the end of Quantitative Easing. More specifically, monthly purchases will decrease from € 30 billion to € 15 billion from October 2018, to end entirely in December 2018. Draghi also confirmed that the ECB will reinvest the proceeds of the repaid bonds even after the end of the QE, keeping the stock stable, and that rates will remain at current levels at least until the summer of 2019. Subsequently Draghi has reassured on the exit from QE, specifying that the ECB will accompany the recovery of inflation with patience, remaining ready to resume purchases if needed. However, a number of elements boosted global market sensitiveness and volatility during the last months, such as trade war and political tensions to name a few. Because of the strong correlation with the equity market, the Euro HY performed negatively in the first half of 2018. By the end of the month, the HY European primary market added €1.9B of bond supply (€ 42 bn since the beginning of the year), with newly issued B and BB rated bonds yield averaging

respectively 6.24% and 3.8% on a rolling three-month basis. We think that Euro HY has now a better relative value versus other global credit products and is better suited to an environment of rising systemic risk due to its superior yield and shorter duration. Moreover, some analysts believe that the volatility expected in the second half of the year has been anticipated. Therefore, albeit some further volatility is still possible in the third quarter of 2018, we could expect in the Euro HY market more stable spreads and positive return from now until the end of the year.

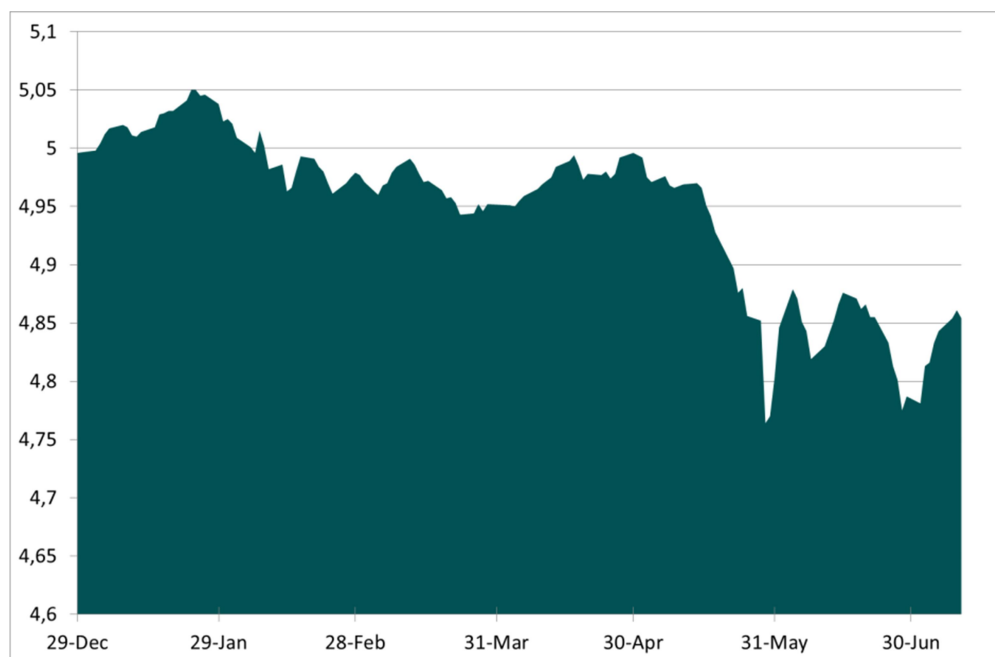
Investment Tactics

The strategy of the fund implies a 100% exposure to Italian issuers, a buy and hold approach and low portfolio turnover. The Fund experienced a negative performance at the end of June in line with broader credit markets. On a positive note, the performance during the first ten days of July was equal to 155 bps, corresponding to a YTD total return of -2.7% as of July 10th.

NAV Performance

1 Month	YTD	Since Inception (Dec. 18 th , 2017)
-0.33%	-4,18%	-4.26%

Performance



Ver Capital HY Italian PIR YTD performance.

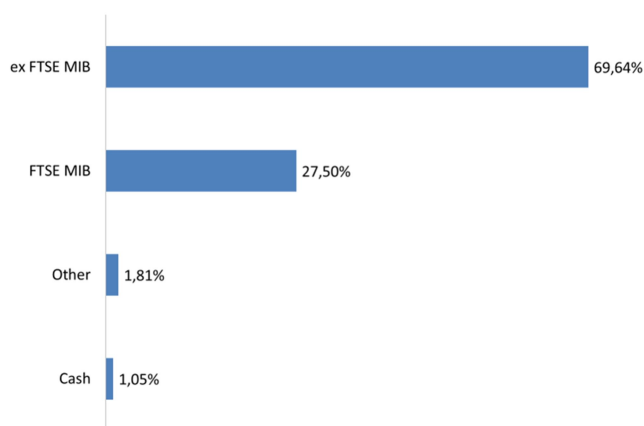
Portfolio Performance

Geographical distribution	100% Italy
Currency denomination	100% EUR
Average Rating	BB
Average Coupon	4,2%
Yield to Worst	4,6%
Yield to Maturity	4,6%
Modified Duration	4,5
Number of Sectors	24
Number of Issuers	43
Number of issuances	46
Top 10 holdings	30,9%

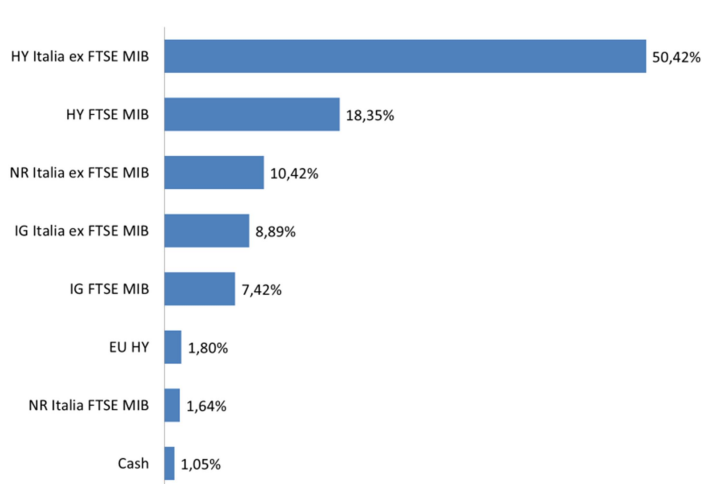
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
NWGLOV 7 10/15/23	EVOCA SPA	4,25%	4,25%
IFIM 4 ½ 10/17/27	BANCA IFIS SPA	3,88%	8,13%
BPEIM 5 ½ 05/31/27	BPER BANCA	3,46%	11,59%
ESSLNG 1 ⅞ 10/25/27	ESSELUNGA SPA	3,39%	14,98%
CASSIM 4 ¼ 12/14/47	SOC CATTOLICA ASSIC	3,29%	18,27%
ANSALD 2 ¾ 05/31/24	ANSALDO ENERGIA SF	2,74%	21,01%
ENIIM 3 % 01/29/29	ENI SPA	2,59%	23,60%
ASSGEN 5 ½ 10/27/47	ASSICURAZIONI GENEI	2,49%	26,10%
ISPIM 7 PERP	INTESA SANPAOLO SF	2,39%	28,49%
LKQ 3 ⅞ 04/01/24	LKQ ITALIA BONDCO S	2,39%	30,88%

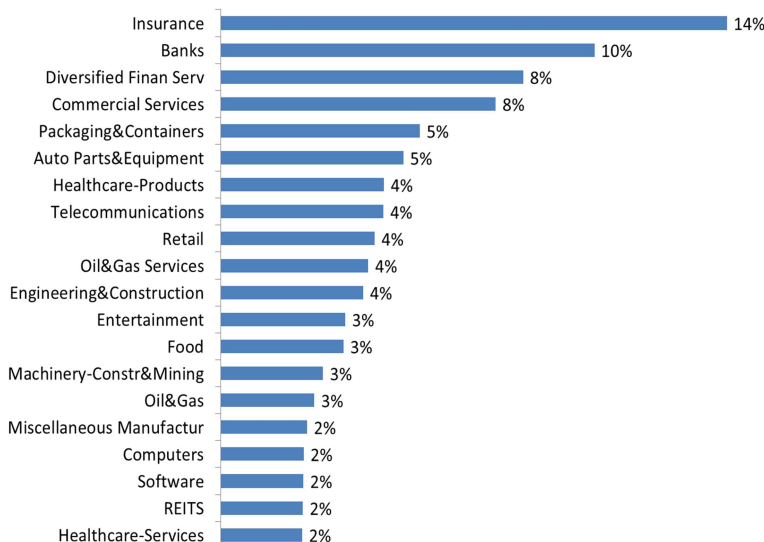
Broad Allocation



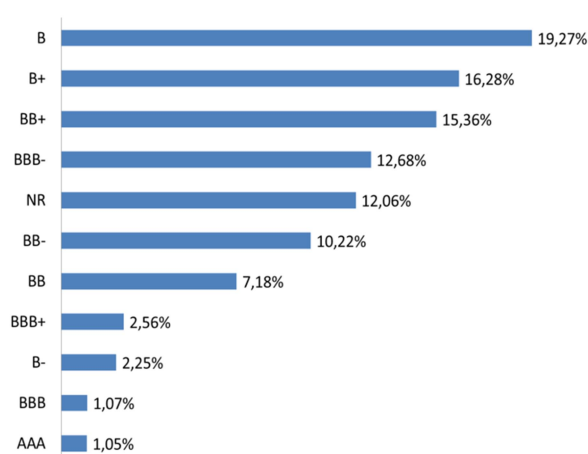
Asset Allocation



Sector allocation



Allocation by rating



Info

Country
 Depository Bank
 SICAV
 NAV
 Investment Manager

Luxembourg
 State Street Bank Luxembourg SA
 Nextam Partners SICAV
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