

Ver Capital European Corporate Selection

Ver Capital European Corporate Selection is a sub-fund of the Luxembourg Sicav Nextam Partners, UCITS IV Compliant, with daily NAV. The objective of the sub-fund is to increase the value of the invested capital, mainly investing in high yield bonds and other fixed and floating rate securities. The sub-fund shall be characterized by a bottom-up investment approach in which single issuers are selected on the basis of an accurate analysis aimed at assessing their credit profile. The sub-fund will invest in 30/35 issuers with a take and hold approach.

Available on [All Funds platforms](#) (Institutional class)

Inception date June 1st, 2018

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

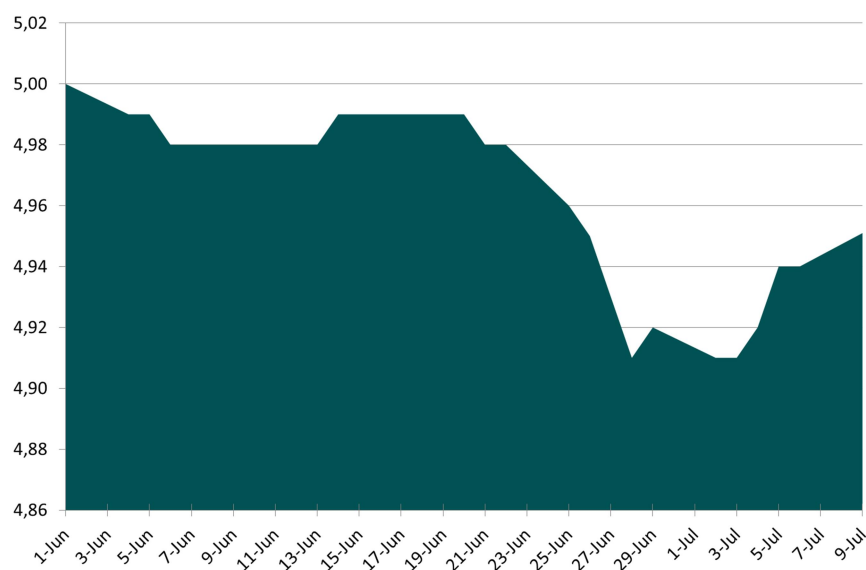
systemic risk due to its superior yield and shorter duration. Moreover, some analysts believe that the volatility expected in the second half of the year has been anticipated. Therefore, albeit some further volatility is still possible in the third quarter of 2018, we could expect in the Euro HY market more stable spreads and positive return from now until the end of the year.

Investment Tactics

The sub-fund strategy includes the selection of 30/35 corporate issuers mainly in the BB space, with a buy and hold approach and low turnover. The Fund experienced a negative performance at the end of June, mainly due to an over-exposure to the automotive sector (negatively affected by tariffs war), which was one of the most underperforming sectors during the month in the high yield space together with gaming and transportation. This element was coupled with negative bid-ask impact due to the ramp up of the fund, which further weighed on the performance of the fund. On a positive note, the performance during the first ten days of July was promising, with the fund recovering 85 bps.

NAV Performance

Since Inception (June 1 st 2018)	Jun. 1 st 2018 – Jul. 10 th 2018
-1.64%	-0.8%



Performance: Ver Capital European Corporate Selection NAV since inception

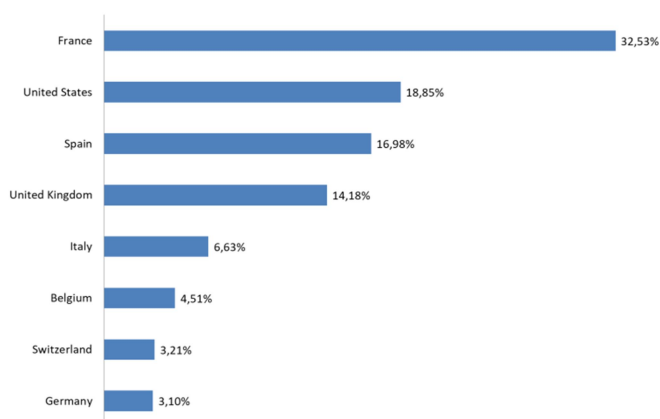
Portfolio Performance

Geographical distribution	81.15% EU
Currency denomination	100% EUR
Average rating	BB-
Average coupon (not including cash)	3,82%
Yield to worst (not including cash)	3,69%
Yield To Maturity (not including cash)	3,93%
Modified Duration	3,75
Number of sectors	15
Number of issuer	15
Number of issuances	20
Top 10 holdings	67,90%

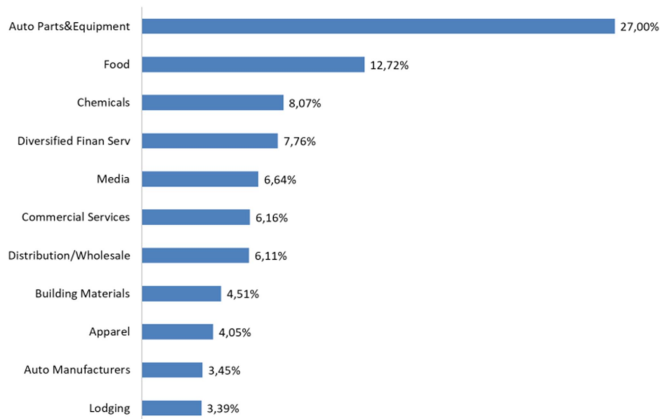
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
CHEMOURS CO	CC 4 05/15/26	8,07%	8,07%
ARROW GLOBAL FINANCE	ARWLN Float 03/01/26	7,76%	15,83%
GRUPO-ANTOLIN IRAUSA SA	ANTOLN 3 ½ 04/30/26	7,43%	23,26%
FDML LLC AND FDML FINANC	FDML 5 07/15/24	6,84%	30,10%
BANIJAY GROUP SAS	BANIJA 4 07/01/22	6,64%	36,74%
NOMAD FOODS BOND CO PLC	IGBOND 3 ¼ 05/15/24	6,43%	43,17%
PICARD GROUPE SAS	PICSUR Float 11/30/23	6,29%	49,46%
GESTAMP AUTOMOCION SA	GESTSM 3 ¼ 04/30/26	6,17%	55,63%
LA FINAC ATALIAN SA	ATALIA 4 05/15/24	6,16%	61,79%
REXEL SA	RXLFP 2 ½ 06/15/25	6,11%	67,90%

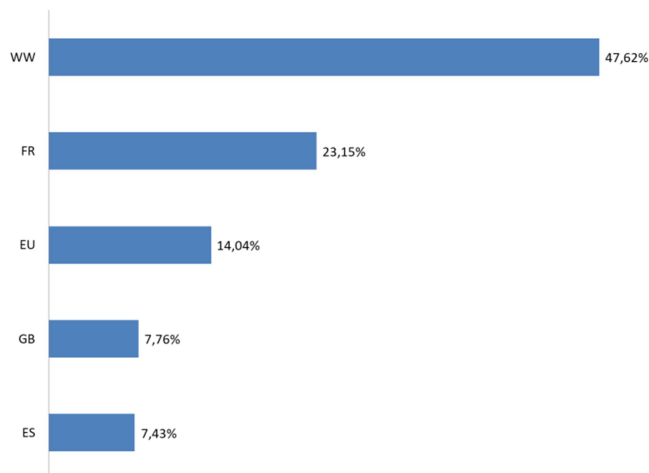
Geographical allocation (Company headquarter)



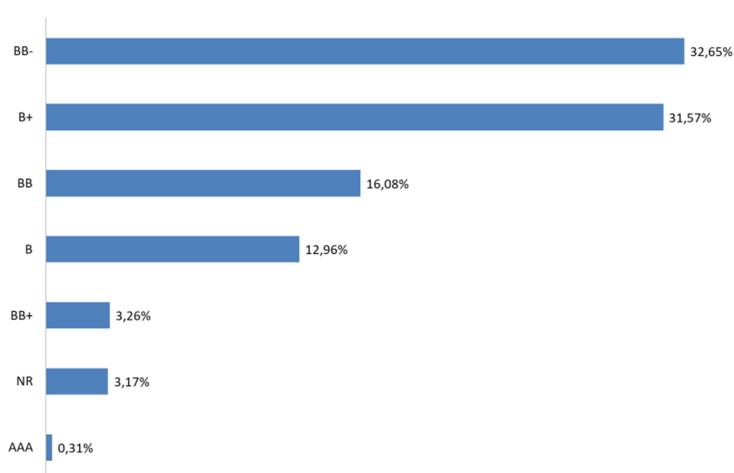
Top 20 sector allocation



Geographical allocation (Country of risk)



Allocation by rating



Info

Country
 Depository Bank
 SICAV
 NAV
 Investment Manager

Luxembourg
 State Street Bank Luxembourg SA
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