

Ver Capital Credit Fund

Ver Capital Credit Fund (VCCF) objective is to maximize absolute return through capital growth and income. VCCF invests predominantly in non-financial high yield bonds issued by European companies and/or Euro denominated. Key drivers of VCCF return are: bottom-up issue selection, sector and geographical diversification and portfolio rotation with yield, duration and volatility targets. VCCF is structured as a sub-fund, UCITS IV Compliant, with daily NAV, of the Luxembourg Sicav Nextam Partners.

Available on [All Funds platforms \(both Institutional and Retail\)](#) and on [Aviva and Skandia Unit-linked platforms](#)

Inception date Dec. 20th, 2012

Market

The main macro theme of the last month was Spain facing constitutional crisis, with Catalonia holding consultation vote on independence. However, European corporate bond markets didn't bother that much, with demand remaining high for new issues. The timing of Mr. Draghi communicating to the market the intentions of the ECB regarding the QE is still uncertain, however latest ECB minutes suggest that the central bank could remain active in bond buying for longer than expected. During the third quarter of the year, within European fixed income high yield performance continued to outperform both investment grade and government bonds. Volumes in the European high yield space were pretty high, recording the second highest monthly figure according to LCD. New issues amounted to € 11 bn and year-to-date volumes now stands at € 65 bn. The main use of proceeds was once again mainly refinancing, with a pick-up in sponsor-backed acquisition deals and with prices

inching higher soon after allocations. It is worth noting that in Q3 around 50% of € HY supply was senior secured (secured bonds now represent 27% of the market versus 10% pre-crisis according to JPM), making the € high yield an increasingly senior market.

Investment Tactics

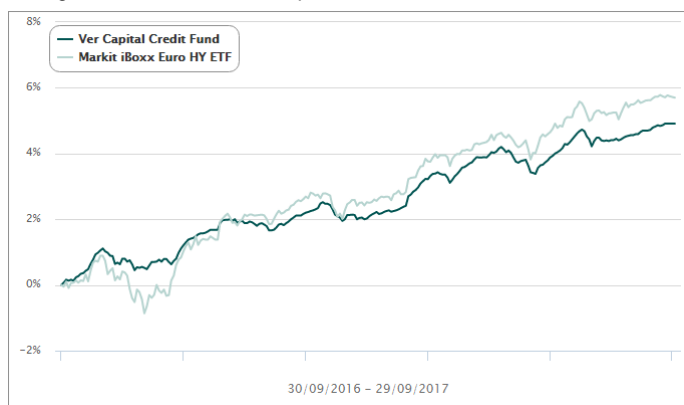
CSPP will continue to play a role within European credit market, with the latest minutes suggesting a move for longer+ approach. However, even though Q4 tends to be a benign quarter for credit, there's less doubt that a poor message delivered at the next ECB meeting could lead to spread repricing wider. Some degree of correction is expected for the months to come as the market could adjust for the ECB changing behaviour, however further tightening is still possible from now until the end of the year. For this reason we could slightly lengthen the average duration of the portfolio.

NAV Performance

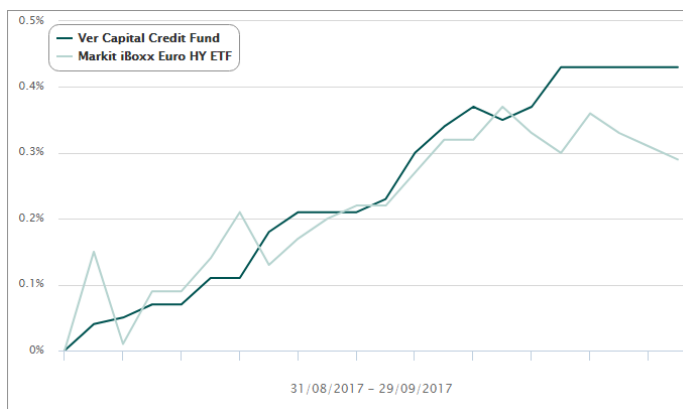
1 Month	YTD	1 Year	3 Years	Since Inception (Dec. 20 th , 2012)
0.4%	2.96%	4.65%	12.62%	22.5%

Performance Comparison

The iShares Markit iBoxx (iShares+ Isin IE00B66F4759), an ETF tracking the Markit iBoxx Euro high yield Index, has been selected in order to compare VCCF's performance with the overall Euro high yield market. Comparing the dividend adjusted performance of the iShares and the VCCF, the latter experienced a 11 bp over-performance over the month and a 111bp under-performance over the last twelve months. The portfolio shows a low degree of risk both in terms of volatility and VaR, in fact, the latter, calculated over a one-month horizon and 99% confidence level, has been on average below 1.5% since inception.



Performance: VCCF Capital performance LTM, vs. iShares Markit iBoxx.



Performance Comparison: VCCF last month vs. iShares Markit iBoxx.

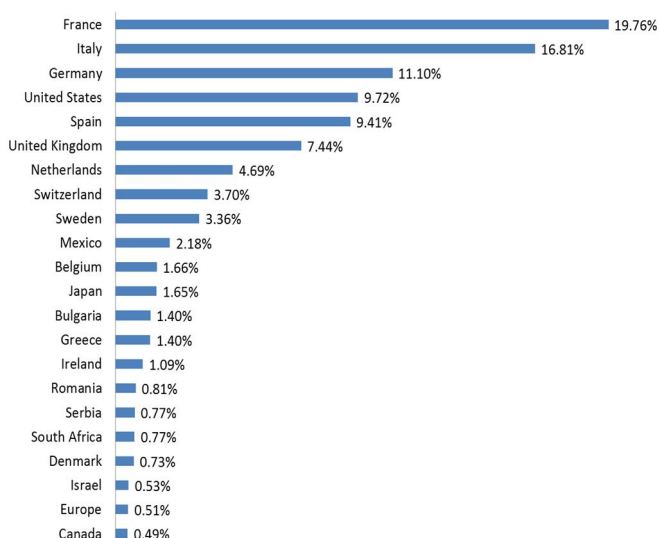
Portfolio Performance

Geographical distribution	85% Europe
Currency denomination	100% EUR
Average rating	B+
Average coupon (not including cash)	5.52%
Yield to worst (not including cash)	2.79%
Yield To Maturity (not including cash)	4.53%
Modified Duration	2.37
Number of sectors	44
Number of issuer	166
Number of issuances	194
Top 10 holdings	8.99%

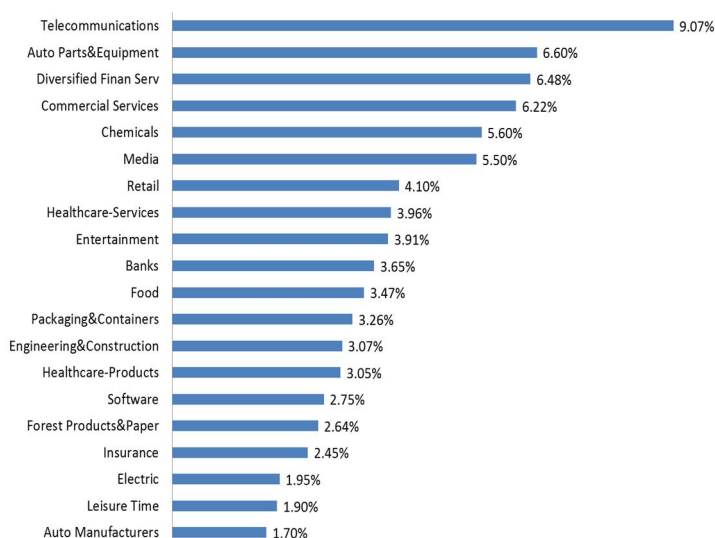
Top 10 holdings

TOP 10 SECURITIES	Ticker	Wgt	Cumulated Wgt
BULGARIAN TELECOM CO EAD	BLTEBG 6 ¾ 11/15/18	1.13%	1.13%
NOMAD FOODS BOND CO PLC	IGBOND 3 ¼ 05/15/24	1.04%	2.17%
SOFTBANK GROUP CORP	SOFTBK 3 ¼ 09/19/25	1.00%	3.16%
N&W GLOBAL VENDING SPA	NWGLOV 7 10/15/23	0.87%	4.04%
LOXAM SAS	LOXAM 6 04/15/25	0.83%	4.87%
PERSTORP HOLDING AB	PERHOL 7 ¾ 06/30/21	0.83%	5.70%
THOMAS COOK GROUP PLC	TCGLN 6 ¼ 06/15/22	0.83%	6.53%
EDREAMS ODIGEO SA	EDRSM 8 ½ 08/01/21	0.82%	7.35%
ENCE ENERGIA Y CELULOSA	ENCSM 5 ¾ 11/01/22	0.82%	8.17%
LINCOLN FINANCE LTD	LINCFI 6 ¾ 04/15/21	0.82%	8.99%

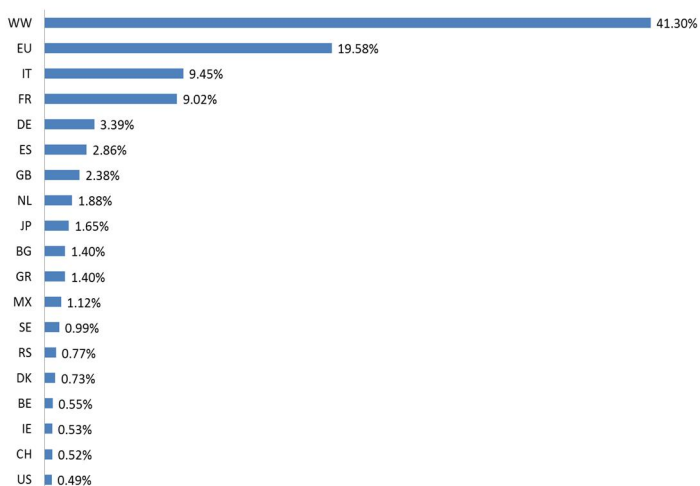
Geographical allocation (Company headquarter)



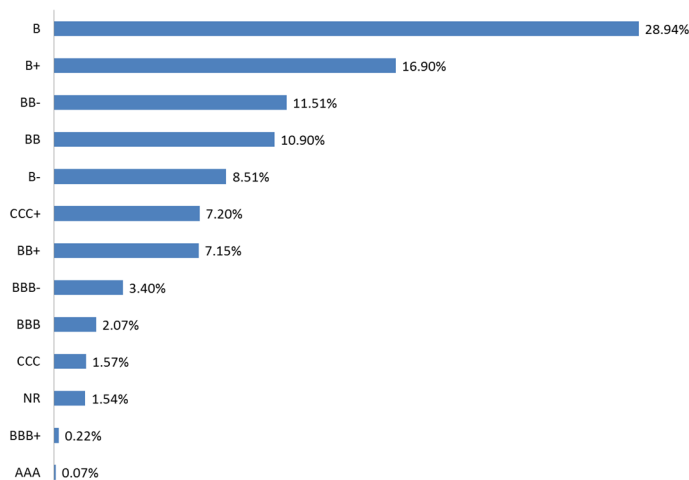
Top 20 sector allocation



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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